

Cadbury disadvantages and advantages essay sample



**ASSIGN
BUSTER**

If Cadbury Beverages chooses alternative one, that is repositioning the Crush Brand, multiple advantages would achieve their objectives, which are to increase market share by fourteen percent and increase diet crush sales. The advantages are:

1. presence in two age segments
2. creating diversification
3. avoiding cannibalization
4. competitive advantage

The presence in two age segments is advantage because this makes Crush open up in additional target segments that are reaching out to children and teenagers that live with their parent and young adults from eighteen to thirty-four that are interested in buying their diet, non-sugar, Crush beverage. By focusing on an older segment and emphasizing the healthier features of Crush, Crush may be able to increase their distribution of diet soda drinks. Market coverage strongly influences market share these actions will increase Crush's total market share. This would increase Crush's main objectives as diet drinks have a higher dollar price liter than regular soda. In Crush promoting that they their formula includes ten percent real juice also would attract consumers. In addition, we know that Slice and Minute Maid have already positioned themselves as a healthier choice, but within their market (p. 323). The fact that Crush has natural juice will encourage parents to purchase the brand that their kids will love. This new positioning will also differentiate Crush from Sunkist, which should minimize cannibalization.

Disadvantages

If Cadbury Beverages chooses alternative one there are several disadvantages that would affect them from obtaining their objectives. The disadvantages are:

1. Implementation
2. Customer loyalty
3. Cause a frontal attack

Implementation of this alternative would cause an aggressive advertisement that Cadbury might not be ready for at this time due to having a widespread target market. Crush should also avoid direct competition with Coca-Cola and Pepsi Co.; it could bring on a price war. This alternative may cause a frontal attack, which means that Cadbury will not remain a niche marketer. Customer loyalty is always a disadvantage for any company entering into a market that is very attractive and have an establish customers. For example crush is reintroducing the Crush, carbonated soft drink, sugared, and diet carbonated soft drink, non-sugar, but just because they have a choices of this soft drink does not mean they will attract the consumers in market because they already have strong preferences for what they already have been drinking.

Alternative Two

Advantages

If Cadbury Beverages chooses alternative two, that is creating a program to improve advertising and promotion for the Crush Brand there are multiple advantages that would achieve their objectives, increase market share by fourteen percent and increase diet crush sales. The advantages are:

<https://assignbuster.com/cadbury-disadvantages-and-advantages-essay-sample/>

1. Brand awareness
2. Incentives
3. Unique

The market in question is very responsive to advertising and promotion. Crush has no choice but to increase expenditures in order to reach the new market share and objectives. Crush participating in promotions that will establish their recognition of the important role the bottlers will play in Crush's re-launch. This alternative promotes brand awareness through the new slogan "Crush your thirst". It is referring to the consumers quenching their thirst from drinking unhealthy carbonated soft drinks. With this new, different, and trendy advertisement, it will capture many consumer and new consumers. For re-launching the Crush brand, some specific promotional techniques, such as coupons and discounts are going to be included to attract the maximum of customers. There is also a correlation between advertising expenditure and market share. Unique packaging plays a big part also due to all ages there will be all sizes in order to please all consumers.

Disadvantages

If Cadbury Beverages chooses alternative two, a couple of disadvantages would affect them from obtaining their objectives. The disadvantages are:

1. Money allocated
2. Risk Cannibalization

With this alternative there, a less disadvantages than the other alternative but they are very detrimental. Allocating funds from Cadbury other resources is a disadvantage because it may cut down another part of the company that

may need those funds in future for promoting, advertising, etc. This alternative is also a big risk for cannibalization of Sunkist and return on investments. Alternative Three

Advantages

If Cadbury Beverages chooses alternative three, that is developing a new the distribution network for Crush Brand there are numerous advantages that would achieve their objectives, increase market share by fourteen percent and increase diet crush sales. The advantages are:

1. ease of implementation
2. strong relationships
3. more choices for channels
4. obtain the largest market share
5. make Crush name more competitive

Crush's first interest should be to continue repairing the relationships with the bottling network and build relationships with retailers. The is alternative would give the Crush brand an advantage because it is attempting to reestablish relationships with bottlers, the distribution which is helpful by showing and then convincing bottlers that Crush brand is just as important as their competitors which would help their position to Crush's successful re-launch. Through Cadbury, entering into long term contract is very strategic and shows the bottling companies that Crush brand will be the best fit for them. They understand and see that Crush new positioning campaign will want to be involved in this relaunching the brand. Disadvantages

If Cadbury Beverages chooses alternative three, a few disadvantages would affect them from obtaining their objectives. The disadvantages are:

1. competitive are established
2. three major competitors hold eighty-two percent of sales
3. brand loyalty- producers and bottlers

The disadvantage of alternative three would definitely be Crush brand competitors having a competitive advantage because they already have an eighty-two percent of sales, which bottlers, producers, and distributors would not turn from. The high loyalty would not help their market share increase fourteen percent. These relationships are key to Crush's ability to regain market share and vastly improve their marketing coverage. Potential

Outcomes

Cadbury can relaunch the Crush brand into the carbonated soft drink market by introducing their product without cannibalization with Sunkist and entering into a frontal attack with their major competitors. To differentiate they can give choices, for example, sugared and sugar-free to reach more segments. However, their method is the thing that will have the effect in whether they succeed or fail relaunching the Crush brand in the market.

Cadbury's portfolio is diversified that it is a great opportunity to enter into the market with relaunching a carbonated soft drink making it favorable to the organization overall. The way that brand dedication is a huge element inside this market, so it may ruin their passageway to the business. Regardless, of the chances that they figure out how to strengthen the barriers they may have the capability to make a decent benefit inside the carbonated soft drink

market. Epilogue

<https://assignbuster.com/cadbury-disadvantages-and-advantages-essay-sample/>

Cadbury Beverages Re-launch Crush Brand

Through our research and evaluation of the alternative disadvantages and advantages, we recommended the first two alternatives. At the end, we found that Cadbury as we did paid attention to positioning Crush brand, advertising, and promotion. They also focused on developing a distribution network. As of right now, Crush is receiving sales but not enough to compete with the top competitors.

References

1. Kerin, R., & Peterson, R. (2013). Cadbury Beverages, Inc Case. In Strategic marketing problems: Cases and comments (13th ed.). Boston: Pearson.