

Cadbury india

Food & Diet, Chocolate



EXECUTIVE SUMMARY Chocolates had its beginnings in the times of the Mayas and the Aztecs when they beat cocoa into a pulp and made a bitter frothy chocolate out of them. They first became popular in Europe in a highly unrefined form. Then the HersheyFoodCompany was the first to bring out chocolates in the currently popular solid form. The main ingredient of chocolates is cocoa, grown mainly on the equatorial zones of South America. The other ingredients that go into the making of chocolates are: sugar, milk solids, and permitted emulsifiers. Cocoa constitutes nearly 40% of the total raw material cost.

The following report attempts to make a study on the chocolate industry and the position of the chocolate brand, Cadbury. The brand name chosen is the umbrella brand as we feel that the corporate name is recognised as a brand, not so much its individual products. The study will focus on the marketing and advertising strategy employed by Cadbury in the context of the Indian macroenvironment and industry structure. The advertising strategy will be studied with respect to Cadbury's business and marketing objectives. The strategies adopted will be analyzed for each product offering.

The same is followed to a minimal extent for its major competitor, Nestle India Limited, to get an understanding of where Cadbury stands. The report initially focuses on an examination of the industry environment and the product class. The report then goes on to analyse the corporate, marketing and advertising strategies adopted by the selected company and its main competitor. It concludes by looking at the future challenges and recommendations for the industry and the company. TABLE OF CONTENTS

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Type of Research: Exploratory and Descriptive. Sample Units: Two of the Number One brands in India namely Cadburys and Nestle, respectively, were chosen on the basis of their market shares. These two industries were chosen on the basis of the usage of the products, as the usage of FMCG’s is high and noticeable. Sample Design: Non-probability sampling was resorted to and the methods used is Convenience sampling and Judgment sampling.

Samples size: The total sample size is 32, which includes consumers of all the two brands, retailers of Cadburys and Nestle. Data Collection: Data was collected both from secondary sources as well as primary data was also collected. A structured questionnaire method was used to collect primary data. Secondary data was sourced from various published sources which include magazine like A; M, Business India and Business world. Newspaper like BrandEquality, Brand wagon and The Times of India were also used. Annual Report of Cadburys and Nestle were also referred. Data was analyzed manually and with the help of computer software EXCEL, to make graphs and pie charts.

1. 2 Limitations of the project: 1. For generalization of the results a study needs to be undertaken based in a larger sample across different industries. . Since the study is confined to Mumbai only, the findings cannot be applied to other parts of the country.

1. 3 Market Segmentation This can be done in two ways: product forms and customer based. With Respect To Product Forms There are four major segments in the Indian Chocolate Industry: Moulded Chocolate Segment This segment constitutes 50% of the total market. Cadbury's Dairy Milk (CDM) – Cadbury's flagship brand – has 50% of this segment market. To position CDM in this segment Cadbury used the traditional demographic variables of age, socio-economic groups and usage intensity.

CDM was positioned as a product that elders (parents) bought for children. Cadbury has actually associated itself to enduring and emotional values of love, sharing, parental affection, and reward. Considering that CDM practically acts as a trend setter for all the brands in this segment, this limited the positioning of the entire category towards children only. Amul

attempted to expand the category by bringing in teenagers, but it was not successful. The Cadbury brands in this segment are CDM, Fruit ; Nut, Crackle, Bournville.

CDM is basically the leading brand here, and the others act as an endorser basket for the company. Nestle forms 25% of this segment and the company's major brands are Nestle Classic, Nestle Milk Chocolate and Nestle Crunch. From around 1993, this segment began showing signs of maturity. This was hurting CDM. This led to Cadbury attempting to rejuvenate the segment. They changed their core customer from children to that of the universe: both children and adults. This attempt at redefining the market to enticing all age groups helped bring about changes in the segment.

Today, the notion associated with the consumption of chocolates is that of casualness instead of just product consumption. Today, this segment grows at 40% per annum, and is likely to remain an important segment for further growth. Countline Bars Segment This segment forms 33% of the chocolates market. This segment is mostly targeted at teenagers. Major Cadbury brands are 5-Star, Break, Real, Krisp, and Double Decker. 5-Star is doing well here (about 50% of the segment) while the rest of the brands act as endorser brands. Nestle has a minor presence in this category with its product Bar-One.

Growth of a Sub Segment: Chocolate Wafers Chocolate wafers are the new products being offered by chocolate companies today in order to expand the market. In 1995, Cadbury and Nestle launched Perk and KitKat respectively. These were wafer-enrobed chocolates in a new context and a different benefit offering. Both chocolates had a snack positioning. Perk offered the

anytime anywhere snack proposition – ‘ Thodi si Pet Puja’, whereas KitKat tried to promote snacking through ‘ Have a break, Have a KitKat. The growth rate of this segment is 15-20% annually, and is estimated to be worth over Rs. 00 crores, making it a very lucrative segment. Internationally, confectionery products like wafer chocolates have a very high tonnage and have a much bigger future than plain chocolates. Market research and success of these two brands suggest that Indian consumers are ready for accepting the wafer chocolate proposition. The conviction of both Cadbury and Nestle towards this segment can be gauged from the fact that both brands are seeing unprecedented allocation of funds, to the tune of 60% to 70% of the total advertisement budget of both companies on chocolates.

Choco Panned Segments

This segment forms 4% of the total market and Cadbury has 100% of the market in this segment. The major brands are Nutties, Caramels, Butterscotch and Tiffins. All of these brands have been used by Cadbury to drive variety, induce gifting practices and serve to some specific taste preferences. Cadbury does not advertise these brands. They have been used as flanker products. The opportunity for growth in this segment is high what with the imminent entry of multinationals like Mars and Hershey’s. This is also likely to pose a threat to Cadbury, what with its complacency.

Sugar Panned Segment

This segment form 15% of the total market and Cadbury has about 98% of this segment, its major brands being Gems and Eclairs. Eclairs has been used strategically to foster chocolate consumption among children as well as adults by offering a tiny ‘ guilt free, eat no more than a biteful’ at a

convenient price point. (65% of Eclairs eaters are from the households earning less than Rs. 4000/- per month.) Gems is still Cadbury's primary tool to protect its franchise in the child segment. It was previously associated in its commercials with the international spy character, James Bond.

Around 1995, Gems was repositioned to broad base its appeal from 3-6 years olds to teenagers as well. However this failed due to the product form which has become deeply rooted with kids and hence the company has reverted back to the target segment of kids with a new offering of 'Chocogems'.

With Respect To The Consumer Buying Power These are: 1. High income customers (price greater than Rs. 25 for 40 gm.) who will go in for premium chocolate brands. 2. Middle income customers (price between Rs. 10 – 25) who are price sensitive. 3. Children, who are mostly price driven and will consume more of toffees in the price range of Rs. . 50 – 1. 1. 4

Psychographics And Demographics This is attempted in terms of the consumers. 1. High income customers – it is estimated the age group buying the chocolates will be 22 onwards. The income level is estimated to be Rs. 8000 per month. The customers are mostly urban, and are mostly professionals (engineers, doctors, executives, etc.) The psychographic profile: They can either be individuals indulging themselves, or they could be indulging their children. They are inner directed people who form their own values and norms and believe in not adhering blindly to social norms. They re somewhat occasion driven in their buying behaviour. 2. Middle income customers – it is estimated that the age group in this segment will be 15 plus. The income level is estimated to be around Rs. 5000 per month. The consumers can be urban, semi urban, and is currently spreading to rural

areas. The psychographic profile: they are likely to be variety seeking in their behaviour. They are self expressing by nature and inner directed to an extent. They like to indulge themselves. Children – the upper age limit is estimated to be 12 years. They mostly purchase their chocolates with their pocketmoney.

The consumers can be urban, semi urban, and rural, though there is a somewhat greater emphasis on urban. The psychographic profile: they are novelty seeking in behaviour. They are also fun loving.

CHAPTER-2 COMPANY PROFILE

Cadbury India Limited Cadbury India limited was set up as a wholly owned subsidiary of the UK-based Cadbury Schweppes Overseas Limited in July 1948. They started off by setting up production facilities at Thane to manufacture chocolates, malted foods, cocoa powder and drinking chocolate using the technical know how of the parent company.

The company has manufacturing facilities at Malanpur and Induri. During 1997, the company invested Rs. 80 crores in the two factories. At Malanpur, the capacity of Eclairs (one of the Cadbury range of products) production was increased, a new wafer line was installed, and the chocolate making capacity was increased. This increase is from 7000 to 17000 tonnes. At Induri, a new moulded line was installed to manufacture center filled moulded in orange and coffee Truffle. Cadbury is the market leader in the Indian chocolate market with a share of 70% and sales of around 12000 tons.

It has successfully differentiated its product over the years by strategic brand building. The company had realised that chocolates by itself do not satisfy any immediate needs (soft drinks would satisfy thirst, ice cream would provide relief from heat), so they would have to be associated with

human feelings of romance, magic, love and affection. So it had at one point of time employed emotional attachment as basis of differentiation. This has lately been modified to including the rational perspective so as to catalyze increased consumption of chocolates within the family.

KEY BUSINESS OBJECTIVE: - “to continuously provide products that are value for money”. CHAPTER-3 KEY SUCCESS FACTORS (KSF) On analysing the market, the phenomenal success of the company can be attributed to: The pioneer advantage (first mover advantage) - The company was the first to enter the Indian market, as early as 1956. For a long time, it was practically the only dominant player in the market. It, therefore, enjoyed a large share of both customer's heart and mind. So much so that for an entire generation, chocolate was synonymous with Cadbury. It is only recently that the company has started facing some threat from Nestle.

A strong endorser brand - Cadbury realised early that volumes would not be enough to support all its brands with heavy advertisements. Hence what they were to take CDM as the flagship brand and advertised it heavily to popularise the brand name to help the flanker brands around CDM. But in the last two years the company has spent extensively on the chocolate wafer segment (without treating it as a flanker brand of CDM), seeing as how the segment has been growing phenomenally. Right product formulation - the climatic conditions and the Indian taste are very different from the western markets where the company first started its operations.

Cadbury was able to successfully reformulate its product as per the Indian conditions, while entrants like Nestle could not do so. Presence in all segments - Cadbury has a presence in the entire range, starting from low

priced hard boiled sweets and sugar confectionery to the premium range of chocolates. The company also claims success in all these segments it has been entering recently. CHAPTER-4 PRODUCT PORTFOLIO The following is the list of the major brands of the company: Cadbury's Dairy Milk Cadbury's Gems Cadbury's Nutties Cadbury's Crackle Cadbury's 5 Star Cadbury's Mr.

Pops Cadbury's Eclairs Cadbury's Truffle Cadbury's Gold Cadbury's Bournville Cadbury's Tiffins Cadbury's Butterscotch CHAPTER-5 STRATEGIC BRAND ANALYSIS OF CADBURY CHAPTER-6 ORGANIZATION ANALYSIS It was in 1824 that John Cadbury opened a shop in Birmingham in the UK. Originally selling tea and it was, however, the marginal lines of cocoa and chocolate that in just a few years took over as the mainstay of the business. The Cadbury Brothers first made milk chocolate in 1897, but by today's standards was a very coarse dry product made by blending milk powder with cocoa and sugar.

The Swiss who produced a superior product by using condensed milk then dominated the milk chocolate market. In the early 1900s George Cadbury was determined to meet this challenge and, together with the experts from the Bournville factory, started to research new recipes and production methods. By June 1904 the recipe was perfected and a delicious new milk chocolate made with full cream milk, and containing far more milk than any previously known product, was ready to go into production. Although considerable technological advances have since been made in the production processes, the recipe is still basically the same as it was in 1904.

In 1905 the chocolate was launched under the name Cadbury Dairy Milk. Cadbury India limited was set up as a wholly owned subsidiary of the UK-

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based Cadbury Schweppes Overseas Limited in July 1948. BRAND CHARTER

VISION:- “ Cadbury in every pocket” and “ Superior Shareholder Value”

PURPOSE:-“ Working together to create brands people love”. VALUES:-

Cadbury is an international company, proud of their long heritage, respectful of the social and natural environment in which they operate, supportive of their consumers, customers and colleagues and passionate about success.

Cadbury believes in making, marketing and selling unique brands which give or bring pleasure to millions of consumers around the world every day.

Cadbury is committed to the highest standards of corporate governance and corporate and social responsibility. BRAND TEXTURE:- Chocolate-The very

word makes your mouth water. Chocolate is not just a food it's a state of mind. Throughout history, chocolate has been associated with romance and sharing, and today the richness and smoothness of Cadbury chocolate is what makes it one of the world's favorite treats.

Cadbury is a world-renowned name with more than 150 years of chocolate heritage. Available in over 160 countries, Cadbury is the single largest brand in chocolate on an international basis. The Cadbury name can be seen in all chocolate related categories including confectionery, ice cream, cakes, biscuits, chilled desserts and chocolate based drinks. Synonymous with the very word chocolate, Cadbury has a unique relationship with the consumer. This relationship is underpinned by the powerful visual icons of the Cadbury brands - the Cadbury signature, the colour purple, the 'glass and a half' trademark, and the chocolate itself.

These all come together to form the brand identity-the Cadbury Master Brand. Cadbury had realized that chocolates by itself do not satisfy any

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immediate needs (soft drinks would satisfy thirst, ice cream would provide relief from heat), so they would have to be associated with human feelings of romance, magic, love and affection. So it had at one point of time employed emotional attachment as basis of differentiation. This has lately been modified to including the rational perspective so as to catalyze increased consumption of chocolates within the family. CHAPTER-7 COMPETITOR ANALYSIS

Indian Chocolate market having a turnover of Rs. 350 crore (20, 000 tonnes) has three major market players CIL dominating the market by capturing 70% of the market share, followed by Nestle having 20% of market share, Amul having a niche market of 7% and remaining 3% with small players. 7. 1 Nestle India Limited: Nestle is a strong player in chocolates world wide but it entered the Indian market much later (in 1991) than one of its global competitor Cadbury. . Nestle ended 1997with a 41% increase in their net profit with Rs. 74. 3 crores. The net sales of the company amounted to Rs. 425 crores, which is an 18% increase over last year. Out of this, chocolates had a 31% increase in the sales turnover. Nestle's initial foray into the Indian market was not very successful. The problem was in the formulation of the product. They were soft chocolates with high fat content which were unsuitable to the Indian climate. Also, the distribution focus had been on the larger cities and urban areas, which limited their customer base. It was with the launch of KitKat that the company's strategy changed with respect to both product and distribution.

It increased its distribution network to cover small towns and interiors as well, so as to increase their customer base. It also modified the formulation

of the moulded chocolates to suit the Indian conditions. The company used three layers of foil packaging so that KitKat could survive the summer heat. The product was targeted at the casual consumers of chocolates - primarily adults through a clear proposition of fulfilling a snacking need which basically took advantage of the fact that the existing chocolates in the market were too heavy to be had as a light snack.

The company sees a huge potential in the wafer covered with milk chocolate, not only in the chocolate market but also in the premium biscuit market. The company is trying to expand the market in this direction by portraying it as a product taken during the breaks. The distribution and packaging are in harmony with the broad marketing plans of the company. Nestle followed a strategy of distributing its chocolates in ice-lined Sintex tanks to protect them. KitKat currently has the maximum reach in terms of the number of outlets it accesses.

This has helped the company to increase the consumer base and to sell the new concept. KitKat packaging synergies with the total brand appeal. It has been packaged to keep the product fresh, crisp and protected from the harsh climactic conditions in the country. Special packaging is also integral to KitKat break ritual, which plays a part in the brand mystique. Nestle owes much of the success of its Eclair to the price point at which it was kept. Nestle Eclair has a filling of white chocolate. This makes it relatively less exposed to the perils of high excise duties faced by other Eclairs.

The white chocolate filling also -makes it different in the taste and therefore Cadbury Eclairs for a long time neglected it as its competitor. Taking advantage of the exemption from excise hike, Nestle has priced its Eclair

appropriately in a price sensitive market. Taking this price advantage, it has been able to corner 7.5% of the market for chocolates as a whole and 27% of the market for eclairs. Milky Bar is a white chocolate from Nestle and is targeted primarily at children. The sugary taste of the white chocolate appeals to the children.

It is positioned as a source of energy and nutrition (Ad Line - Milkybar, give me the power). The positioning is used to influence the decision-making unit for the consumers in this segment i. e. their --parents. The health and nutrition oriented proposition is used to counter the negative perception of the parents that chocolates are bad for the teeth and unhealthy. Nestle have also entered the sugar confectionery market, in direct competition with Cadbury by offering Allen's Splash, and Allen's Koffees, and Allen's Butterscotch.

With eroding margins and increasing competition, Nestle has also started to look at exports to boost its turnover. Strengths: • Market leader in coffee and baby food sector • Well-established distribution network extending to rural areas. • Strong brands in the FMCG sector. • Low cost operations • Large product portfolio. Weaknesses: • Low presence in health drinks: - In comparison to Bournvita, Horlicks and Boost the market penetration of MILO is very low. • Low Market Share in chocolates as compared to Cadbury's. • Didn't get the first movers advantage. Initially the distribution focus had been on the larger cities and urban areas, which limited their customer base.

7. 2 Amul (Gujarat Cooperative Milk Marketing Federation Limited):- Amul is the third player in the chocolate market in India. This brand does not have any international lineage and is miniscule in terms of market share in

chocolates, as compared to the other two players Cadbury and Nestle. Amul had an extremely focused positioning of 'A gift for someone you Love', albeit not targeted at a single age group. Strengths: • Strong and extensive distribution and sales network. Large market penetration in dairy industry • Age old market presence carries a traditional image. • Quality and purity and trust as consumer relationship. • Value for money and low price. Weaknesses: • No focus on the chocolate industry. • Lack of organizational commitment. • Amul chocolates have shown a very limited product differentiation. • Low retailers margin. 7. 3 CADBURY: Cadbury's strategy is to create robust and sustainable regional positions in its two core markets, confectionery and beverages, through organic growth, acquisitions and disposals.

It has exited markets where its believed it did not have or could not build, sustainable business models. It has strengthened existing positions and extended its presence in higher margin, faster growing product categories or geographies within its core markets. The company follows a multi branding strategy i. e. having more than one brand cater to a particular segment that may even lead to the cannibalization of sales of one brand. The game plan for the company is to increase the consumption of chocolate and confectionery among adults by offering products in convenient packs at affordable price. FUTURE PLAN:-

To develop the future we need a clear understanding of the future. Cadbury's has these goals for the years ahead:- • Deliver superior shareowner returns on the back of superior business performance • Profitably and significantly increase its share of the global confectionery market • Profitably

secure and then grow its share of the regional beverages markets in which the company has chosen to participate • To reinforce its reputation as a Company which motivates, develops and rewards employees for superior performance and make a difference in the communities in which it does business. To develop brands with mass franchise and widen out its distribution network further into the rural sector • Keeping with the awareness that new product development provides the key to growth in this market • Launch one new product every year and extend its sugar confectionery range “ The future strategy of the company is to maintain its dominance. ” CHAPTER-8 CUSTOMER ANALYSIS 8. 1 NEED GAP ANALYSIS VIS-A-VIS COMPETITORS: 1. Based on Retail Price: [pic] 2. Based on Packaging: [pic] 3. Based On Brand Name: [pic] 4. Based on Customers

High income customers – it is estimated the age group buying the chocolates will be 22 onwards. The income level is estimated to be Rs. 8000 per month. The customers are mostly urban, and are mostly professionals (engineers, doctors, executives, etc.) Middle income customers – it is estimated that the age group in this segment will be 15 plus. The income level is estimated to be around Rs. 5000 per month. The consumers can be urban, semi urban, and is currently spreading to rural areas. Children – the upper age limit is estimated to be 12 years. They mostly purchase their chocolates with their pocket money.

The consumers can be urban, semi urban, and rural, though there is a somewhat greater emphasis on urban. The psychographic profile: they are novelty seeking in behaviour. They are also fun loving. Consumer Buying Behaviour:- The product category comes under Fast Moving Consumer Foods

(FMCG) and the product is generally purchased as a convenience good. The general characteristics of this product are: It is a low involvement product, but there are significant differences in various brands in market. The following matrix may help in studying the behavior of consumer for this particular product category.

High Involvement	Low involvement	Significant differences	Complex buying behavior
Variety seeking behaviour	Between brands	* chocolates	Few differences
Dissonance reducing	Habitual buying	Between brands	buying behavior

In this category, consumers are often found to do a lot of brand switching. Although the consumer expects some benefits from chocolates, but he chooses a brand without much evaluation, and evaluate it during consumption only. But next time, quite often he may reach for another brand out of boredom or a wish for a different taste.

Brand switching occurs for the sake of variety rather than dissatisfaction. Since Cadbury has 70 % of market share, this variety-seeking behavior had not affected its sales negatively. This had been possible due to various factors like lack of strong competition. However, with the new entrants in the market, there has been stiff competition. There are few segments like wafer chocolates segment where company faces strong competition from Nestle, the second major player in the market. In these segments company should try to increase brand loyalty for its brands.

This increased consumer loyalty will also act as deterrent towards development of strong competitors in other segments. Further to increase the overall size of market, company should try to increase consumer's involvement with chocolates. The company has its products focused around

three basic propositions:- (Drives attitudes and behaviour: This is led by the company's flagship brand Cadbury Dairy Milk (CDM). CDM is currently positioned on the emotional plank of spontaneity and self-expression and is targeted mainly on the adult consumer. Drives Snacking Consumption: It has two main brands in this category - 5 Star & Perk. However both the brands are positioned in a slightly different manner. Perk is positioned as a any time snack anywhere, whereas 5 star is positioned as a Energy Bar. • Drives variety, gifting and taste preference: The two brands in this category are Gems and Eclairs. However, there is a lot of difference between these two brands. While Gems is targeted primarily at children, Eclairs is a chocolate simulator, which simulated the taste and the feel of the chocolate but has to popped in the mouth like a toffee | Drives attitude and | Drives snacking and consumption | Drives variety, gifting and taste | | behaviour | | preference | | Endorsers | Dairy Milk | 5-Star | Gems | | | Perk | Dairy Milk Eclairs | | Flankers | Bournville | Break | Butterscotch | | | Crackle | | Caramels | | | Nut Milk | | Nutties | | | Fruit & Nut | | Tiffins | | | Creamy Bar | | | | Roast Almond | | | | Prodigals | | | Overtures (now withdrawn) | | | | All Silk | Besides these endorsing brands, Cadbury traditionally has maintained a whole battery of flank and satellites in its brand portfolio.

It has always focused on preempting any moves by a competitor by launching a brand of its own. The threat of Nestle's entry led to the launch of tactical brands like All Silk, Crackle and Break. Therefore, in the Cadbury's brand system, the flanker brands are used for the tactical purpose of plugging a gap in the segment where the threat of entry by a rival brand was imminent. Cadbury has also entered the sugar confectionery range of Googly

and Mocka with the intention of expanding its range further. However, Nestle's successful entry through KitKat in the wafer segment proved that unless you support your flank brands actively, they are not going to be of any use in blocking competition.

And hence Cadbury is showing some active interest in the area. CHAPTER-9
EXTERNAL ENVIRONMENT ANALYSIS 9. 1 The Chocolate Industry in India The chocolate industry in India has a size of 20000 tonnes and is worth about Rs. 400 crores. The chocolate market has been growing by nearly 35%; however there has been some slowdown in the last two years. The chocolate market is predominantly urban with coverage of 95%. The sales volume have decreased by 5% in the last year and the chocolate market had declined with the average consumption coming down by 25% from 16000 tonnes to the current level of 12000 in the first quarter of 1997, largely due to the steep hike in excise duties. However, this trend has seen kind of a reversal in the latter half of 1997. Cadbury India limited was set up as a wholly owned subsidiary of the UK-based Cadbury Schweppes Overseas Limited. The parent company is the fourth largest in the world chocolate market, after Mars, Nestle, and Philip Morris. They set up operations here as far back as 1948, and will thus be completing 50 years of its existence here. Cadbury's milk chocolate was first introduced in the Indian market in 1956. It made an immediate impact, quickly becoming the market leader – a success story, even to this day. The Major Players The major national players in the chocolate market in India are: Cadbury India Limited

Nestle India Limited Gujarat Cooperative Milk Marketing Federation Limited (Amul) Two giants - Cadbury and Nestle, dominate the combined chocolate

and eclair market. Together they have a 90% share of the entire market. Amul holds a 5% share, and is present only in the moulded chocolate segment of the market

CHAPTER-10 BRAND IDENTITY Definition: Brand identity is a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members.

Brand Identity Structure of Cadbury

CHAPTER-11 BRAND PRISM

Picture of sender (company)

Taste, wholesome Friendly, Indulgent Physique Personality Liberation, Relationship Culture Individualism, Self Indulgence Casual, Independent Reflection Self Image Free child

Picture of recipient (Customer)

BENEFITS DERIVED FROM CADBURY BRAND

- Functional Benefit: Taste and contented
- Emotional Benefit: Happiness
- Self-Expressive Benefit: Being yourself.

liberation

CHAPTER-12 BRAND POSITIONING Cadbury is the perfect expression of spontaneous, happy, joyous feelings. Eating Cadbury provides the ‘Real Taste of Life’ experience. [pic] Positioning is the space occupied by Cadbury in the minds of the consumer.

For the chocolate market, Cadbury is pitted against competitors like Nestle, Amul and substitutes like, chips, biscuits and other light snacks. Idea of positioning Cadbury is to occupy a distinct space, which is differentiable, yet powerful. The positioning of Cadbury in India is as follows:

- Thodi si pet puja kabhi bhi kahi bhi”
- Kya swad hai zindagi main
- Khane ka bahana chahiye

Cadbury is the perfect expression of spontaneous, happy, joyous feelings. Eating CDM provides the ‘Real Taste of Life’ experience

Basis of positioning Cadbury India believes in the following when it comes to positioning:

-

Product based positioning • Strong corporate brand. Product based positioning Quality/Value | Associations with Use Occasion | | | | Kya swad hai zindagi main. | Thodi si pet puja kabhi bhi kahi bhi. | | The quality aspect is hugely emphasized in Cadbury. Even the | Cadbury can be consumed anytime as has been expressed in its | | physique, particularly the visuals(glass and a half symbol) | advertisement continuously. | **STRONG CORPORATE BRAND** Consumers know they can trust a chocolate bar that carries Cadbury branding. The relationship between Cadbury and individual brands is symbiotic with some brands benefiting more from the Cadbury relationship, i. e. ure chocolate brands such as Dairy Milk. Other brands have a more distant relationship, as the consumer motivation to purchase is ingredients other than chocolate, e. g. Crunchie. Thus the positioning of the umbrella brand Cadbury is such that it signifies trust to a great extent because of which the brand has a massive fan following. **CHAPTER-13 BRAND IMAGE** “Taste of life” “Be your self, care free” Brand image is what is perceived by the customers across the target segment. Its target segment can be divided into following segments: • Kids • Teenagers • Mature adults Use based segmentation: Festivals such as Holi, Diwali. Occasions such as Valentines Day, birthdays

For kids means enjoying the taste of chocolate and life. For adults the values are self expression. **CHAPTER-14 BRAND PERSONALITY** Many of the world's most powerful brands spend a great deal of time putting personality into their brands. It is the personality of a brand that can appeal to the four functions of a person's mind. For example, people make judgments about products and companies in personality terms. They might say, "I don't think

that company is very friendly", " I feel uneasy when I go into that branch", " I just know that salesmen is not telling the truth about that product" or " That offer doesn't smell right to me". Their minds work in a personality driven way.

Given that this is true, then how can a company create a personality for its product or for itself? The answer lies in the choice and application of personality values and characteristics. A product's brand personality is a description of its characteristics in relation to the target market for the product. It assists marketers to develop suitable advertising and promotional campaigns for the product. The following diagram shows the Brand Personality of Cadbury. [pic] Cadbury's different brands have different Brand Personalities. Some of them are discussed below:

- Cadbury's Dairy Milk – The Rebel Leader Brand Personality of youthful exuberance and rebelliousness
- 5 Star – The champion companion

- Male personality and reliability
- Perk – The girl next door Brand personality of a warm, perky, naughty accessible, Indian girl next door
- Milk Treat – Children's Superhero For kids and School going children

CHAPTER-15
PORTER'S FIVE FORCES FRAMEWORK [pic] MAKING OF THE BRAND CADBURY IN INDIA

When Cadbury entered Indian market it knew that that India is a tough nut to crack with its vast and diverse geographical and cultural diversifications. Major challenges for Cadbury India was to get people accustomed to chocolates- primarily seen as a western taste and do so by reaching out to the masses in a land where mindsets and preferences are as diverse as the country itself.

It decided to use a common platform that is universal to all cultures – ‘The platform of love and affection’. It used emotional appeals to position its brand as a surrogate to parental affection for their children. The positioning clicked for Cadbury but the brand audit done a few years later revealed that it had restricted its market to the kids. To grow it had to target the elders also. So what was the next Big Idea? The marketers decided to position the product ‘for the kid in all of us’. The communication for the new positioning was ‘The Real Taste of Life’. It portrayed itself as a perfect expression of spontaneous happy, joyous feelings.

Cadbury conducts regular audits and tries to reinvent its strategies according to the findings of the audits. CHAPTER-16 FUTURE CHALLENGES Cadbury was recently plagued with allegations of supplying Worm infected chocolates. It received huge negative publicity and needs to avoid such fatal mistakes. The root cause for the above problem lies in the Distribution. Chocolates are a perishable product and therefore needs to be supplied to a retail outlet as fast as possible. At the same time retailers should be compensated for any stock that has expired without any hassles. The products also need to be transported in a refrigerated environment as they melt in room temperature. This Therefore needs to clearly redefine its distribution strategies.

As Indian markets become more receptive to globalization there are chances of more and more MNCs entering the Indian market. Cadbury needs to maintain its brand equity through regular innovative advertisements and promotions. There is a growing threat from local substitutes. The Sweet shops are reinventing themselves and coming up with their own versions of chocolates. These find favor with the local tastes and are available in many

varieties. Both MNC and Local Bakery brands are expanding their operations. These bakeries are manufacturing various varieties of chocolates locally with local blends. They do not have to invest in extensive distribution and have as good quality as Cadbury. Their USP is providing fresh chocolates.

Cadbury has to reinvent its strategies to face such future challenges.

CHAPTER-17 RECOMMENDATIONS TO GEAR UP FOR FUTURE CHALLENGES •

Cadbury's major problems are linked to the need for very responsive distribution network due to the perishable nature of its products. Costs go up and problems like the recent worm episode arise. What we suggest is a revamping of its distribution network to make it more responsive. • Indian consumers mainly consume sweets during some festivals. It must come up with innovative offerings for its chocolates to suit the need during such occasions. e. g. : Come up with shapes similar to Indian Sweets and package it innovatively reflecting the festival colors. Start exploring newer distribution channels like E-tailing where Hi-value chocolates are sold in specialized packs. [pic]

Appendix B Positioning with respect to the price segments |

Positioning	Drives attitude and behaviour	Drives snacking and consumption	Drives variety, gifting and taste	Price	Preferences
High	KitKat	Cadbury's Fruit & Nut	(above Rs. 25 for 40 gms.)	Cadbury's Roast Almond	Cadbury's Bournville
Medium	Tango Almond	Cadbury's Crackle	Cadbury's Perk	Tango Fruit & Nut	Cadbury's Dairy Milk
Low	Nestle Crunch	Nestle Premium Milk	Nestle Milkybar	Amul Milk Chocolate	(below Rs. 10 for 40 gms.)

Nestle Classic | Kandos | Amul Bitter

gms. | Tango Milk | Chuckles | Amul Orange | | | Nestle Bar One | Amul Crisp
 | | | Cadbury's Break | Cadbury's Relish | | | Cadbury's Five Star | Nestle
 Rich Dark | | | | Mystique | BIBLIOGRAPHY Kapferer, Jean-Noel. " Strategic
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 ----- CADBURY Competitor Analysis ? Strength & Weakness ?
 Strategies ? Future Plan forecast Organization Analysis ? Vision, values and
 culture ~ brand texture ? Resource utilization Ext. Environment Analysis ?
 Policies & Govt. regulations (PEST) ? Technological ? Political Customers
 Analysis ? Need gap analysis ? Consumer behaviour Utility Retail price C N
 A Utility Pkg. design A N C Utility A N C Brand name Joyful, lighthearted,
 Carefree

Dairy Milk, Perk, Fruit and Nut, Crackle, Kit kat “ The real taste of life” Stars:
 Bachan, Zinta, Cyrus Real Taste of Life Brand Essence: spontaneous, happy,
 joyous feelings. Across the age Half full glass of milk pouring into chocolate
 and forming the C of Cadbury Cadbury Relationship Customer Cadbury For
 whom: Kids, teens, mums, adults, mature adults. (FOR EVERYBODY) Why?
 Offers rich taste Kya swad hai zindagi main Against whom: Competitors like,

Nestle, Amul Substitutes like, Chips, Biscuits. When: All purpose consumable. Gifts, Light snack Receiver “ current perception” Sender “ Goal” Cadbury’s Brand Personality Reliable Down-to-Earth Fun-Loving Indulgent Confident Friendly

Cadbury’s Brand Personality Indian sweets having chocolate flavor Many MNC’s planning to enter India. Also there threats from existing players in confectionary industry wanting to enter chocolates. Vertical Integration could increase bargaining power of suppliers. Indian consumers are price sensitive and may easily switch. High rivalry but Cadbury enjoys a good brand recall. Substitutes Substitutes like IceCreams, potato chips, biscuits, soft drinks, chewing gum, are a source of threat as well as opportunity for market expansion. Suppliers Major raw material Suppliers are cocoa producers in Latin American countries. Due to negligible Domestic production in

India, suppliers enjoy high bargaining power. Milk supply also fluctuates, therefore, in summer months, milk suppliers gain sufficient bargaining power. Competitors Duopoly Both the major players have Financial muscle to sustain their Brands All players following a pull strategy. Buyers Since chocolates do not satisfy any immediate needs, it is not a necessary item. Consumer power is very high and consumers need to be persuaded through various positioning planks to consume chocolates. New Entrants Imminent entry of global majors like Hershey's, Mars etc. is bound to change the power equation in the Indian chocolate market. Appendix A Porter's 5 Forces Model