

# Marketing strategies of the mass-market chocolate industry flashcard



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The four brands this report studies in detail are Catbird, Galaxy, Kit Kate, and Maltese. The UK mass-market chocolate confectionery market is the biggest in the European union and all are heavily reliant on a solid marketing strategy. Using the four brands mentioned above this report investigated the following, segmentation, targeting and positioning, consumer buyer behavior, promotion, pricing, product, and placement, social media strategies, and communication strategy.

Finally, this report gives critiques on the effectiveness of the marketing strategy for the four selected brands and recommendations on how they might improve. Of the four brands studied, only Galaxy uses demographic segmentation by focusing on women but all four use behavioral segmentation by focusing on benefits sought room eating chocolate. Catbird targets creative individuals, galaxy targets the indulgent types, Kit Kate targets tired employees, and Maltese targets those in search of guilt free chocolate.

Catbird positions itself as a creative brand, galaxy as a treat, Kit Kate as a break bar, and Maltese as the lighter way to enjoy chocolate. Chocolate is an impulse good and need recognition is usually stimulated upon seeing the packaging, where as information search is usually omitted or happens very quickly. When it comes to evaluating alternatives consumers, positioning and brand resonance come into play. Finally, the choice to buy or not to buy happens very quickly. Catbird was the only brand found stay in contact with consumers post-purchase by sharing recipes that one could make with Catbird products.

Each of the four brands use adverts, sales promotion, sponsorship, and social media to increase brand awareness. However, no promotional material gives information about pricing because retail outlets set their own prices. Most mass-market chocolate bars are around the same price and can be found near tills at retail supermarket outlets as well as off-license stores across the nation. All four brands are connected to their consumers via social networks, with the exception of Galaxy and Maltese who do not have twitter accounts. Each brand uses social networks to reinforce their positioning strategy.

Catbird uses it to encourage creativity and audience participation, Galaxy uses it to remind women of Maltese uses it to celebrate its 75th birthday. This report concludes by recommending that Catbird should identify a clear branding message because currently its adverts are always open to interpretation. Galaxy should stay in touch with customers post-purchase with recipes for irresistible chocolate desserts. Kit Kate should continue having a strong focus for all communication material and Maltese should communicate its original message, a lighter way to enjoy chocolate, more explicitly.

In 2011, the market value for this type of product increased by 6% with a 1% growth in sales volume (Remuneration, 2011). This implies that though the prices of mass-market chocolate confections increased, more of them were bought. As cheap, indulgent, and portable treats, chocolate confections have a competitive advantage over other kinds of treats such as crisps and biscuits. The mass-market chocolate confection sector was chosen as the focus of this report because it boasts some of the 'stickiest' adverts and slogans in marketing.

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Therefore, the purpose of this report is to investigate four mass-market chocolate confectionery brands in the I-J – Kit Kate (owned by Nestle), Catbird (Kraft Foods), Galaxy (Mars), and Maltese (Mars). This report identifies how each brand employs marketing tools (and the resulting effect on consumers) and also compares similarities and differences across marketing strategy in the industry. Finally, the report offers critiques and recommendations on the relevant areas. Page 4 of 34 II – Finding and analysis 1) Overview of adverts The promotional material this report examines can be separated into the media source from which they came.

This report contains material from social media, television ads (archived on Youth), and outdoor ads. This report also features packaging samples. The images selected are exemplary of each brand's strategy in the given media source. (See Appendices) a) Social Media Activity b) Television adverts Page 5 of 34 c) Outdoor adverts ) TV/Cinema advert Page 6 of 34 2. Segmentation, Targeting and Positioning a) Segmentation In the mass-market chocolate industry, out of the four different types of segmentation (Geographic, Demographic, behavioral, and cryptographic) the most common is behavioral.

Amongst the brands researched in this report Galaxy is the only one that uses demographic segmentation explicitly by focusing exclusively on women. This report identifies that Catbird, Galaxy, Kit Kate, and Maltese generally segment consumers by focusing on the benefits sought from eating chocolate, behavioral segmentation. More specifically, Catbird segments consumers by identifying customer behaviors when purchasing

pampered foods. There is no need for demographic segmentation because of the variety and affordability of the products.

Catbird then distinguishes its consumers into three partly related types - take-home, on-the-go, and impulse consumer types. The behavior that Galaxy is interested in is indulgence. Galaxy sees chocolate eaters as belonging to either the eat-to-indulge or the eat-when-hungry category. Maltese, on the other hand, focuses on consumers who like to have fun with chocolate when they eat it. This is evident after reviewing its ads. The fun, enthusiastic humor put into the TV commercials effectively tells consumers about Maltese' brand personality, while driving consumers' interest to the product.

Maltese show that their product can be enjoyed with friends or alone, outdoors, indoors and in a variety of environments while bringing the same amount of fun for every situation. When it comes to targeting, the players in the mass-market chocolate confection industry have a real opportunity for differentiation. Catbird, Galaxy, Kit Kate, and Maltese all have different target markets. While Catbird targets creative individuals, Galaxy is exclusively a women-focused brand, Kit Kate is geared at the working population, and Maltese is geared at the " fun-loving" population.

In response to the three indulging foods buyer behaviors, Catbird decided to attract its target customers by offering their products in two sizes; block-sized bars (egg, egg, and egg) and bite-sized bars (egg). Catbird also released more interesting variations of its main Catbird Dairy Milk line such as Catbird Bliss, Crunchier, Wisps, and Double Decker. Galaxy as mentioned

above, is a woman-soused brand, specifically targeting women who like to indulge themselves in little moments of pleasure. Evidence of this can be seen in its advert, specifically the one below (Appendix 2. ) This advert features two middle-aged women attending what is set up to be a Galaxy targeting strategy is easy to identify when looking at sponsorships and partnerships Galaxy has partnered with the Sex and the City movies, Taskmaster, and cinemas across England. Kit Kate targets the working population, because they are always in need of a break, and can't do without one. Kit Kate commercials feature a did range of employees, sometimes they page 7 of 34 work in a professional environment, and sometimes they are manual laborers. The message is always consistent; take a break with Kit Kate. ) Positioning Catbird positions itself as a creative brand. It uses mostly adults in its advertising to remind older people that they were once children too. Caduceus advertisements are presented like stories in an innovative way because it aims to sell its products to every age group. But, doing so sometimes leads to a lack of recognition compared to its competitors such as Kit Kate. In light of the London 2012 Olympics, Catbird has sectioned itself as the symbol of patriotism for Great Britain. It has several initiatives which encourage I-J residents to show their support to the nation's athletes (Appendix 1).

Caduceus campaign catches public attention resulting in a boost in sales of Caduceus products. Galaxy positions itself as a treat. Galaxy wants women to think of all things pleasurable when they think of galaxy. Their positioning strategy is reinforced by the promotion that is currently running. It gives their customers a chance to win ' 1 million moments to treat yourself.

Customers stand to win a trip to Paris, a shopping experience, book vouchers, and much more. ( Appendix 2. 1) Kit Kate had been successful with positioning itself in the minds of consumers.

They engage with fans using game polls, promotional videos and announcing winning ticket numbers. Maltese, Catbird and Galaxy Bar do this effectively. These tactics inform the market with knowledge about benefits the new product has to offer, what it is and where you can purchase it. Social media activities also develop interest for the product, in order to encourage future purchase (Solomon M, Marshall G, & Stuart E, 2008: 413). Daily Tweets and status updates on both Twitter and Backbone by Catbird remind fans of their brands, and remind them to purchase again Appendix 1. 2).

By developing this relationship with their fans/customers they reduce the risk of losing them to the competition (Solomon M, Marshall G, & Stuart E, 2008: 409). The response by fans and followers to the brands' social media platforms, involves a two-way communication I, allowing for the brands to 'listen' to what their customers are saying about the brands. This can improve marketing and communication initiatives in the future. The two-way communication, which has been employed very actively by Catbird, allows customers to be a part of the brand and interact on a more personal level thus encouraging brand loyalty.

Social Media Objectives: Catbird: to tell people what they are doing and to encourage participation. Galaxy: to remind consumers how irresistible chocolate is and how much they want a treat. Kit Kate: to remind people to take a break Maltese: Celebration of 75th birthday Page 1 1 of 34 5.

Communication strategy ' The customer is the primary focus of the communication, ... What must be focused on is to provide the information to customers and to become part of people's lives not a distraction from it' (Solomon M, Marshall G, & Stuart E, 2008: 409). Upon analysis of