

# Candia milk: expansion strategy and swot



CDL (Chaudhry Dairy Limited) is one of the reputable and renowned companies in Pakistan. CDL was established in 1984 as a private limited company. The company came up with its first product Haleeb Milk´ and continued to expand its product line. In 1988, CDL introduced ´ Haleeb Cream´ which was not only launched directly for consumer market but also supplied to many ice cream factories where it was used as a core ingredient. The company has its head office in Lahore and a plant located 65-km from Lahore in BhaiPheru. The plant is equipped with latest equipment and technology, specialized workers scientists and professionals who assure quality at every level of production process. Chaudhry Dairies limited is one of those who have entered the dairy industry of Pakistan and have posed serious threats to well established firms like Nestle. The name of Chaudhry Dairies limited was changed to Haleeb Foods Limited with effect from February, 2004.

Candia is a product of CDL, which was launched in 1999. Candia is a French brand and it is processed and packed under and licensed in CDL. Candia already is a very popular brand in Europe and other 52 countries. Now it is also available in Pakistan’s major cities under CDL distribution channels. CDL invested around 200 million rupees to launch Candia in Pakistan out of which 10 to 15 million were spent on its advertisements as it was launched early during the World Cup of 1999.

Candia is Europe’s Number One selling milk. CDL Foods Limited and Candia of France have joined hands to bring the people highest quality milk. For the first time in Pakistan, CDL Foods Limited has introduced milk packed in food grade plastic bottles. These bottles are manufactured from imported

materials at CDL Foods latest plant. They ensure longer shelf life, highest quality and storage with ease of use.

## **SWOT Analysis**

### **Strengths**

The Major strength of Candia is the product itself because there is no other product with such uniqueness in the market.

Thickness: It is more caramelized milk in its nature.

Convenience: It is in a bottle shape so it is easier to open. Just take the lid off and pour milk.

### **Weaknesses**

Their product is ignoring female taste; Mostly, Men use to drink thick milk as compared to Women.

The color of the milk was yellowish thus making the consumers reluctant to buy.

There is no running promotion. Only Niche markets targeted to serve the likes of N. W. F. P and Punjab.

Music plays a vital role in marketing of any product. According to one research in 70% ads, it is music, which attracts the attention of audience. The ads for Candia did not have any music or melody in them.

### **Opportunities**

Big Market is there because 77% of the market share is yet to be captured.

## **Threats**

Haleeb bottle milk is its biggest threat since there will be a cannibalizing situation in the market.

Tetra Pack is the biggest threat for CANDIA because it is the only bottled natural product in Pakistan.

## **Reasons Why Candia Milk Failed In Pakistan**

According to research, it was noticed that there are areas of weaknesses in the market efforts of Candia. Candia has not shown the result which was expected of it. It launched the whole advertisement expense in the beginning and it only paid in for the first three months. After that, the sale of Candia milk has been falling and it is forcing the company to cut down on its promotional expenses. Following are the major factors of its failure:

### **POOR ADVERTISING AND MARKETING CAMPAIGN**

Candia milk failed to do a proper advertisement and marketing campaign. There was hardly any on air advertisement and no other medium for advertisement was used let alone marketing.

### **COLOR AND TASTE**

The important attributes that Candia lacks are color and taste of the milk. The color is not purely white due to which people begin to think that the milk is not pure and hygienic.

### **AGE GROUP**

Candia does not cover all ages of group. It fails to cover all age groups. It targets the age group of 6-12. People over this age barrier; Youth and elderly people, they are not targeted. The young people aged 20-34 have a high purchasing power. However, they do not prefer Candia or any other packaged milk and prefer fresh milk.

#### PRICING

Another area of weakness is the pricing strategy used for Candia. Its price was higher than the other brands available in Pakistan. This did not allow Candia to penetrate the market effectively.

#### PACKAGING

Packaging is the the most important factor contributing to bad taste and coloring of the milk. Even though it has a USP packaging but if exposed in the sunlight, the milk is discolored.

#### BRANDING

The name Candia was relatively unknown to the people of Pakistan and many thought it was some kind of candy or something of that sort. They were and still not aware of the original Candia, which was so popular in Europe and other 52 countries around the world. The brand has flavor of milks rather than just plain milk.

#### DEPTH

Another major reason for the failure of Candia is that the company has not been able to increase the depth of their product since launching its flavors,  
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colors, sizes, and overall variety. These innovations are necessary to create a good image of the brand in the mind of the consumer.

## INCENTIVES

No incentive or discounts are offered to the consumers. No bulk discounts are given either. The competitors however, follow this practice. CDL is also not providing deep freezers and fridges to big retail outlets and departmental stores of Candia. Due to this, there are many areas where Candia milk is not performing well, especially in areas of their target markets. Candia milk targets the high-income person living in pushing areas, which has dramatically reduced its sale.

## Research Material

The concept of ' packaged milk' has grown over the last decade and is getting increasingly popular. The questionnaire that we floated adamant this as 62% of the people said they consumed packaged milk whereas 38% did not.

One of the main reasons for the increased trend, as depicted by our questionnaire was the people's concern for hygiene. A large percentage, nearly 46% of the people said they consumed packaged milk since they thought it was much more hygienic. About 20% ought for it based on its convenience, 15% as per the recommendation of their family/friends and 18% because of its longer shelf life.

According to our questionnaire, 40% of the people believe that they consider high-priced milk brands to be deceiving and do not fulfill their quality

criterion. 23% perceived such a brand to be of higher quality, 29% were indifferent and a negligible 8% thought they would see it as targeting a specific market segment.

About 36% of the people said that a tune or a jingle could single-handedly be the most important factor in making them notice or recall an advertisement. 16% said that the theme of the ad would be that important factor, whereas the duration, frequency, and endorser scored 20%, 18%, and 10% respectively.

5. As per the stats that we received from our questionnaire, 49% of the people believe that the color of the milk itself affects their buying decision. Whereas 38% disagree with this and a mere 13% were not particularly sure on either one of thee.

Upon asking, what sort of packaging did the consumers preferred to buy the milk in, to half; 54% of the people said they preferred it in a bottle. The remaining favored otherwise, meaning they preferred the packaging to be either in a pouch or a tetra pack. The percentages were 16% and 30% respectively.

A high percentage of the consumers, 35%, errand the diversity in flavors offered in a milk brand to affect their buying habits of consuming a particular milk brand. Whereas 26% said that, the catchiness of the advertisements itself increases their chances of choosing milk brand. Apart from that, a relatively similar amount of consumers were affected by the popularity, type and pricing of the milk brand.

The medium of advertisement that the consumers thought hooked them the most again, had more or less the same percentages. However, 39% of the people said that, it was not just one medium of promotion but it was instead the amalgamation of all these means together, the combined advertisement through all these mediums that caught their attention the most. The mediums being Television, Magazines, Radio, Social media and Signboards.

In accordance with the data that we gathered from the questionnaire, Candia as a milk brand is seen/recalled by 39% of the people as a brand that was not promoted a lot let alone highly advertised. About 15% of the people remember it as being highly priced, 13% as popular, 15% as targeting a target market, and 18% as a brand imparting high quality.

10. A fairly high amount of the people recommended that Candia ought to use a much more catchy theme, along with a nice jingle, something that clicks the minds of the people and stays in their heads. They also proposed that Candia should advertise its brand much more than it already does so that the people are more aware of the brand. Apart from that, they projected the possibility of success of Candia if they targeted not just the youngsters or a specific target market but a mass market instead.

## **Changing Consumer's Perception**

Consumers come across many products daily but do not always remember them all. The ones they recall are usually the ones they have experienced or just the ones they are exposed to. There are some products to which they get exposed in such a way that the memory of that product stays with them. Such products have attributes like flashy packaging or something unusual.



Other such factors include the way the product is promoted, how it is advertised, and who endorses it. The medium used for advertising plays an important part in the learning and memory of a consumer concerning a particular product. The frequency of a television ad might be more than a print ad or a billboard and that television ads incorporate the sense of sight and hearing. It is seen that most consumers over time associate the product with a jingle or melody used in the ad as it seems to be repetitive and catchy in nature. The slogan, " Candia - All-purpose milk - The best for your family" shows that the company is trying to position the brand as having a high quality in the consumers mind and right for everyone in the family, also depicting a change of lifestyle. This indicates that Candia has now employed a more aggressive promotional approach and is trying to be more persuasive and displaying a new brand personality and attitude.

Candia has looked at similar factors in its re-launch as previously it was lacking; a musical television ad thus not engrossing the consumers in the ad itself. Its new ad has a very catchy tune and triggers the " happy mood". In addition, the way the advertisement is shot is quite different from its competitors that exist in the market. They typically show how the milk is processed and tested or simply show a family using milk forming a story ad. According to the survey, Candia is recalled as a lowly promoted milk brand, therefore Candia has now engrossed in heavy promotional activities to persuade the consumers. Also the fact that how the ad would be shown, at what times and at what frequency has been looked at by the company as it plays a vital role. Too much repetition of the ad tends to annoy the viewers so keeping that in mind it shall not be repeated at short intervals instead it

would be aired at the peak times at which people watch television.

Furthermore the billboards along the road are put up in such a way that while driving or passing by that area it comes within the threshold and is easily viewed by everyone who passes by.

While advertising it is important to keep in mind to somehow involve the consumers and trigger their sensory receptors immediately to capture their attention. Candia in its ad has done the same, the melody used in it immediately grabs attention and also the innovativeness in the ad, the concept of stop motion used in the ad is interesting and visually appealing and makes sure that the viewer watches till the end as it seems to be stimulating seeing a bottle of milk moving on its own. Companies tend to use more than one sensory appeal and the most important in a television ad are both sight and hearing as in the Candia ad. Thus, this can be counted as a competitive advantage for the company.

Until this date, the consumers tend to remember Candia as the first milk brand in Pakistan that was launched in a plastic bottle. Keeping that in mind, while re-launching, Candia used this and changed the shape of the bottle a bit, so that it stays at the differential threshold level. According to the survey, 54% of the people preferred to buy milk in a bottle with a handle, thus Candia made the changes required.

## **Candia & Consumer Related Factors**

Candia was introduced in Pakistan in 1999, and although, when launched, it had high expectations attached, it failed to deliver. If it were to be re-launched, Candia would have to change its overall perception in the minds of

the consumer. Factors like Self-Concept, Self Esteem, Personality and Life style of the consumer and overall consumer attitude do have an impact on the sales of a certain product. Hence, Candia should focus on these concepts to understand their consumers in a better way and to make their product more appealing to the consumer mind.

Self Concept- The term self-concept is a general term used to refer to how someone thinks about or perceives him or herself. The self-concept is how we think about and evaluate ourselves. To be aware of oneself is to have a concept of oneself. The self-concept is a very complex structure. We describe attributes of self-concept along with dimensions such as content, positivity, intensity, and stability over time and accuracy. In the discipline of consumer behavior, people derive their sense of self at least partially from the goods and services they consume. Through the consumption of the symbols contained in products, consumers attempt to enhance their self-concepts by using products to communicate particular personal characteristics to themselves and others.

When it was first launched, Candia mainly focused the younger generation. If it were to be re-launched now, it should target people of all ages. They should present themselves in a way that everyone can associate himself or herself with Candia. Nestle is a brand that was very successful in doing so. It should highlight how it is healthy, because a major portion of the market is kids and they should focus on attracting the mothers and focusing on how the consumption of Candia is good for their kids can do that.

Self Esteem- The term self esteem refers to the positivity of a person's self-concept. People with low self-esteem feel that they will not perform very well, and they would try to avoid embarrassment, failure, or rejection.

If Candia were to re-launch it would have to plan its strategies out in such a way that the consumers feel that consuming Candia would be good for their image. When asked in a questionnaire whether the color of the milk was of any relevance to the consumer a majority of 49 % said yes. This affected the self-esteem of the consumer as they felt that the milk that they were consuming as not pure/ healthy. Candia should plan their strategies out in a way that people would feel good about consuming it and feel that they made the right decision in choosing Candia as a brand.

Personality- Each person has personality characteristics that influence his or her buying behavior. By personality, we mean a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli. Personality is often described in terms of such traits as self-confidence, dominance, autonomy, deference, sociability, defensiveness, and adaptability. Personality can be useful variable in analyzing consumer brand choices.

The idea is that brands also have personalities, and consumers are likely to choose brands whose personalities match their own. We define brand personality as the specific mix of human traits that may be attributed to a particular brand.

1. Sincerity (down-to-earth, honest, wholesome, and cheerful)

2. Excitement (daring, spirited, imaginative, and up-to-date.)
3. Competence (reliable, intelligent, and successful)
4. Sophistication (upper-class and charming)
5. Ruggedness (outdoorsy and tough)

Candia should go for the personality attributes of Sincerity and Competence. As the brand would be targeting the mass, the consumers should feel that what they are consuming is good for them and the brand would give good value.

Lifestyles- Lifestyles defines a pattern of consumption and reflects a person's choices on how to spend his/her time and money. In an economic sense your lifestyle represents the way to elect to allocate income.

Candia should strategize in a way that the consumer feels that they are able to meet high standards of quality and fit their perceived lifestyles within the disposable income that they have.

Consumer Attitude- An attitude is a predisposition to evaluate an object or product positively or negatively. We form attitudes towards products and services that often determine whether we will purchase them or not.

The strategy that Candia should adopt should focus on it being a “ safe” brand. The consumer should think of it as a brand that would deliver value and is able to meet high standards of Quality. Candia was criticized for not using very effective promotions. This resulted in the consumers forming a very negative attitude about the brand. They should focus on their

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promotions and they need to maintain consistency among their promotional messages.

## **Gaining Competitive Edge over Competitors**

Concentrate on the consumers and try to understand their physical and emotional desires.

Introduce a wide range of products that can be consumed by all age groups.

Try to understand the economic, geographic and social factors which affect the diets of the consumers and try to concentrate on the nutritional and health value of the products.

Also in the long run concentrate on the lower-income consumers and make their products available at affordable prices while providing a diet compensating the local dietary deficiencies and including relevant nutrition.

Try to understand the motivations, routines, decision making and purchasing habits of the customers by spending time with the people

Has to become a more market oriented company to understand the customer or market needs and produce products accordingly to achieve the organizations goals.

Should try to create a brand name as strong as; “ A Nestle brand name on a product is a promise to the customer that it is safe to consume, that it complies with all regulations and that it meets high standards of quality”

Candia can try to be at the forefront of developing new customer-centric health products and align their researches accordingly with consumer and business needs.

Should use promotion as one of the major sources to reach their customers to make them aware of the different products introduced in the market and the value of the products introduced.

Candia should adopt a promotion mix with a perfect blend of several different promotion tools to promote the value of its product and make the customers aware of their different products.

Advertisements should be attractive through all the possible media. Internet is one of the latest media and should be used by Candia to promote their products, where they have different websites hosted for different products. Different strategies for each product like online competitions and distribution.

Through public relations Candia can try to bring to the attention of all the customers and organizations concerned about the various issues or concerns and the current approach they are taking towards these concerns.

Candia should adopt a favorable marketing channel, which is most appropriate for the consumers.

They should try to focus on differentiation strategy. They differentiate their products with their competitors by giving them better customer satisfaction and quality with in an acceptable price limit. They reduce the risk of

complexity of supply chain and lower attractiveness for discounters to follow this differentiation strategy

In addition, Candia must maintain a good customer relationship according to the taste and demand of the emerging market.

## **Corrective Actions To Be Taken By The Company**

### **Buyer behavior and readiness:**

Candia's market share was declining and there was a need to make a comeback policy to strengthen the brand and this can only be done through promotion mix to make an image in the minds of the people.

### **Advertising strategy:**

During summers, as the milk production declines because of low supply of raw milk from dairy farms, the supply decreases, which increases the demand for packaged milk, it was recommended that the management should emphasize on a Pull strategy as Candia now may be used as an alternative product. Advertisements, print media, electric media campaign, etc. must be used for the heavy promotion of the product.

### **Sales promotion strategy:**

During winters, push strategy was recommended by giving incentives to the consumers because the milk supply is good and the competition is intense.

### **Personal selling tools:**

Emotions- sales force should target the emotions of parents and persuade them to select Candia as drinking milk for their kids.



**Direct marketing tools:**

It was strongly recommended that Haleeb foods must have an effective web presence in this interactive world. To promote the entire site, an online marketing program was launched. A comprehensive, highly targeted group of destination web sites was chosen for the program. The web site was registered with yahoo search portal and a number of tactical elements helped drive online awareness and inquiries into the program

**Internal Communication:**

Over the years, organizations have now started understanding the importance of internal communication in achieving corporate goals and objectives. We strongly believed that by implementing the above-mentioned strategies the management has been capable of enhancing corporate profitability; create a resounding brand name of Candia.

**Positioning strategy:**

Candia has a current positioning strategy that Candia milk is mostly meant for drinking purposes. It is firmly believed that the management has modified the product positioning and has positioned it as being a multipurpose milk brand that can be consumed by all age groups.

**Promotion strategy:**

Following ways were adopted for the promotion of Candia that was helpful for the improvement of the sale of Candia

## **Television**

Television played an important role for the promotion of Candia a marketing budget was spent on the ad on different TV channels for the promotion of that product.

## **Newspapers**

Haleeb Foods advertised Candia Milk in all reputed daily newspapers like Jung, Dawn, Din, Nawa-e-Waqat, The Nation etc.

## **Sign Boards**

Sign boards and billboards can also play a vital role in the promotion of Candia. Neon Candia signs can be easily noticed by the eye and must be displayed on most eye-catching locations in the cities.