

The history of cadbury chocolates marketing essay



**ASSIGN
BUSTER**

Cadbury chocolate development is not very well in a few years before. There was international acquisition between Kraft, Mars, Nestle and Cadbury. As a result, Kraft won the acquisition which is successful to have ownership of Cadbury.

In recent years, Cadbury promotes Daily Milk chocolate with using Youtube movie such as Cadbury Eyebrows. When this movie uploads to Youtube, it spreads faster in the world. The most special is background music. When everyone listen the music in everywhere, they must link up to Cadbury chocolate. Therefore, most of people pay more attention on Cadbury this brand name and their products. .

In the current market, there will be used SWOT to analyze as below:

Strength: The famous brand name in the world including Hong Kong. The brand has almost 200 years history. In 2007, Cadbury promote new 10 products which are focus on healthy and high class. In 2009, the Eyebrows movie has changed the Cadbury traditional styles to become trendy.

Weakness: Cadbury did not launch chocolate premium in special festivals which are Valentine's Day, Halloween , Christmas and so on in recent years.

Opportunities: Cadbury can enlarge their market share in Hong Kong. They can open a specialty shop for selling chocolate products such as chocolate snacks, chocolate drinks, and chocolate cakes. They can do more promotion like coupons, trial products for customers. Also, they can make a cross over with Oreo chocolate cookies. Its can enhance the brand awareness.

Threat: Cadbury chocolate was discovered some products have salmonella and melamine in 2006 and 2008. It is enormous impact of the brand. Customers lost the confidence of Cadbury chocolates. Also, they have many competitors such as Kinder, Toblerone, Ferrero Rocher and the other chocolate products.

1a. Competitive analysis

In Hong Kong, the main competitor of Cadbury is Mars, Incorporated. They have famous products in Hong Kong such as M&M's, Dove, Mars and Maltesers.

Besides, they have five principles in their mission which are Quality, Responsibility, Mutuality, Efficiency and Freedom. They are using these five principles to give the best to customers and fulfill their needs. It can keep the good relationship with customers.

Moreover, there are using lots of promotion to their chocolate products. For example, advertising on TV, magazines and posters. Also, internet like Facebook and Youtube must be the main channels for selling products.

Furthermore, Mars, Incorporated has lots of product lines with good reputation. Different types of product can match different types of customers. It will be the strength of the brand to attract different customers. Also, the company would like to use cartoon to be celebrity endorsement to attract children to buy chocolate such as M&M chocolate product use cartoon characters to promote. It is very successful.

In the weakness, the brand awareness is not higher. Because of too many product lines in the brand, so most of customers only know the line of the brand. They don't know the head of the brand is Mars, Incorporated.

2. Cadbury's Marketing Strategy

Cadbury is using marketing mix as their marketing strategy. Marketing mix can control four tactical marketing tools which are product, price, place and promotion in order to produce the response it wants in the target market.

Cadbury can do everything to influence the demand of those chocolate products.

Cadbury offers different flavor of chocolate to the children and their parents, for example milk chocolate, dark chocolate, fruit and nut chocolate and whole nut chocolate. They are provided with high quality as Cadbury launched the Cadbury Cocoa Partnership, developing cocoa farms in Ghana, India, Indonesia and the Caribbean. These places are suitable for the cultivation of cocoa beans, and therefore Cadbury can control the quality of cocoa beans to produce chocolate products. There are different package of the chocolate products such as boxes, bags and bars. So that customers have many choices on choosing the type of packaging and flavors, and all the products are sold under Cadbury's brand name with purple packages.

Besides, Cadbury use cost-based pricing to set the chocolate products. They set the price based on the costs for producing, distributing, and selling the products plus a fair rate of return for its effort and risk. Sometimes, they will offer some discounts to reward customers for certain responses. The forms of discounts include cash discount and quantity discount. They would like to

lower price of the chocolate products or buy large volumes with price reduction to buyers. Such discounts provide an incentive to the consumers to buy more.

About the promotion mix they use are advertising on TV and magazines, sales promotion and public relations. Cadbury can promote their products through these channels, bringing the message "share the joy today" to the potential customers, communicate customer value and build a loyalty relationship with them. In the London 2012, Cadbury is one of the sponsors in this event, creating the sports and stripes event to bring the excitement of London 2012. Also, Cadbury created an athlete team that can be used across the business to motivate and inspire.

Cadbury chocolate products sell in the convenience store like 7-Eleven, Circle K, Vingo and supermarket. These places are the consumers most likely to shop. Cadbury is using intensive distribution strategy, stocking the chocolate products in many outlets. As a result, these chocolate are available everywhere when consumers want them so as to provide brand exposure and consumer convenience.

3. Branding Strategy

Cadbury is using line extension strategy to apply the products it sells.

Cadbury is likely to introduce the additional items in a given product category under Cadbury's brand name, such as new flavor (milk, dark chocolate, fruit & nut, caramel, truffles), forms, colors (purple), ingredients (vegetarian, nut-absent, Gluten-absent) or package sizes (bags, bars, boxes, tins).

Line extension brings more benefits for the firms and consumers. For the Cadbury, they might introduce new chocolate in a lower cost and lower risk way. Also they might want to meet consumer desire for variety, use excess capacity or simply to command more shelf space from resellers, giving more choice to consumers. On the others, there might be self-cannibalization and consumer confusion if the added chocolates have no differentiations from customer's perspective.

4. Product marketing

4a. Point-of-purchase

Cadbury chocolates are selling in the supermarkets and convenience stores. There are many types of Cadbury products. Locations are large and rent is lower. Some stores are located near residential areas.

4b. Product Life-Cycle Stage

Cadbury chocolates are in the maturity stage. They have brand loyalty because of the long history of the brand. However, some products are launched a long time. It will go to decline stage. Therefore, it needs to do more sales promotion and personal selling to retain customers.

4c. Product Uniqueness

Cadbury chocolate products have point-of-different. Their unique point is Cadbury chocolates using Green packaging and Fair-trade. About green packaging, they are using packaging design and waste strategy. They have environment concern such as using paper, board and cellulose film materials to make their product package. It can achieve substantial development. Also, Cadbury Dairy Milk has announced the investment plans for its first Fair-

trade social premium to cocoa farmers in Ghana. The packaging also has the fair trade label to show that producers have better living condition and consumers can use lower price to get the products. It is good for both parties in the business.

5. Promotional Mix

Promotional mix refers the basic tools used to accomplish an organization's communication objectives. The promotional mix has included six elements: advertising, direct market, internet marketing, sales promotion, public relations and personal selling. Each element as an integrated marketing communications tool that plays a distinctive role in an IMC program.

Advertising refers any pay form of nonpersonal communication about the organization, product, service, or idea by an identified sponsor. The nonpersonal component means that advertising involves mass media such as TV, poster, magazine that can transmit a message to large groups of individuals at the same time.

Direct marketing refers organizations communicate directly with target customers to generate a response, it involves different activities such as direct selling, database management and direct response advertising through direct mail, the internet and broadcast.

Internet Marketing refers the interactive media allow for a back-and-forth flow of information whereby users can participate in and modify the form and content of the information they receive in real time. The new media allow users receive and alter information and images, respond to questions and

make purchases. For the internet, the interactive media include interactive television and mobile phone.

Sales promotion refers marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales.

Public relations refers the management function which evaluates public attitudes, identifies the policies and procures of an individual or organization with the public interest, and executes an action to earn public understanding and acceptance, it is aims to establish and maintain a positive image of the company for the publics. Personal selling refers a form of person to person communication in which a seller attempts to assist prospective buyers to purchase the company's product or service or to act on an ideas.

Cadbury used advertising, Sales promotions, Public relations and internet marketing to promote their company's product. For the advertising, Cadbury has poster in MTR and in store display at different supermarkets.

The advantage of advertising is low promotional cost for the company, the interesting and beautiful poster or the in store display can attract customers attention. Also, the poster can let people watch a long time to know more the product's details. The disadvantage of the advertising is it only can deliver a brief message about the product, it may only have a short term memory in customer's mind. Moreover, the poster usually needs a larger place. Sometimes, it is difficult to find a suitable place for the company's poster and the poster is easily to be impaired by the human destruction or the weather condition.

For the sales promotion, Cadbury has promoted the coupons and sweepstakes for the customer. For example, if the customers buy at least three products, it will have discount to buy the product. Also, Cadbury would holds some sweepstakes with other companies for the customers, the award will be concert tickets or some special drinks provide by other companies.

The advantage of sales promotion is it can appeals price sensitive to consumers and offer discounts without retailer cooperation. Also, the promotional activities will easily attract the customers buy more products and it may motivate non target group customers try to taste the product and encourage customers buy the product again. The disadvantage of sales promotion is the cost will increase and low redemption rates. It often used by loyal consumers who would purchase anyway and hard to tell how many consumers will use them and when. Consumers only focus on sweepstakes, not brand. Sometimes, it may misredemption and fraud such as customer redemption for a product or size not specified on the coupon.

For the public relations, Cadbury has a sponsorship with the Olympic 2012 in London. The advantage of public relations is it can enhance the company's brand awareness for the customers, It will increase the brand visibility. The disadvantage of public relations is it cannot deliver the product's message to customers and the cost of sponsored usually be high.

For the internet marketing, Cadbury has Facebook fans pages and Apps in the smartphone play store to provide the latest product information to the customers. The advertising of the internet is target marketing and information access. Target marketing means the Web is the ability to target

very specific groups. Information access means the customers can find the product's information in the website.

The advantage of internet is two way forms of communication. Also, it offers the capability to more closely and precisely measure the effects of advertising and other types of promotion. The disadvantage of internet is customers may lack of motivate to find the advertisement to know the details of product.

6. Media Mix

Media mix refers a wide variety of media and media vehicles are available to advertisers. The characteristics of the product or service, the size of the budget, and individual preference are some factors to determine what combination of media will be used. According to different promotional situation, the companies will use different promotional strategy such as TV, coupons and internet. TV is the most effective medium, coupons can stimulate customers to buy the products, Internet can help customers to find the in-depth information.

Cadbury has some advertisements on TV. The advantages of TV are creativity and impact, coverage and cost effectiveness, captivity and attention, and selectivity and flexibility. For the creativity and impact, TV has provided a platform for presenting the advertising message. The sight and sound are creative and it can convey the brand's image to develop the entertaining appeals that help make a dull product appear interesting. For the coverage and cost effectiveness, the advertising of TV make it possible to reach large audiences, the companies with widespread distribution and

availability of their products use TV to deliver their messages at a low cost, it is very cost efficiently. For the captivity and attention, even to increase in viewing options and the automatic devices have made it easier for TV viewers to avoid commercial messages. However, the remaining viewers are devoted some attention on the advertising's messages that means the TV advertising have an effect on consumer's mind through the repetition and slogans. For the selectivity and flexibility, with the growth of cable TV, the advertiser can refine their coverage further by appealing to groups with specific interests such as sports, news or music. The advertisers can adjust the media strategies of different geographic markets through local advertising in specific market areas and the advertising can run repeatedly of special occasions.

The disadvantage of TV is high cost of buying airtime and producing a quality commercial. The geographic selectivity is a problem for local advertisers, TV still cannot offers as much audience selectivity as magazines or direct email for reaching precise segments of the market. The advertising of TV usually leave nothing tangible for the viewer to consider because the time of advertising become shorter and shorter. Moreover, the audience usually did not watch TV in advertising time, they may leave the room to go to the bathroom or get something to drink or eat. Sometimes, the audience may change TV channels to avoid the advertising.

7. Recommendation

For the personal selling, when the Cadbury launch new product, they can recruit some short-term promoters to promote the new product.

Also, the company can launch more promote events such as free tasting, It can attract the new customers. For the public relation, Cadbury can create more sponsorship with other sports competition and charity to increase the company's image and visibility.

Also, the company can have celebrities endorsement, the company can use cartoon characters, famous stars to attract target customers. For example, Johnny Depp, he is a famous film called " Charlie and the Chocolate Factory", the theme of this movie is perfect match with Cadbury's product.

8. Conclusion

After doing the project, we discovered the products in Hong Kong are different from United Kingdom. Compared with Hong Kong, Cadbury is offer more products in UK. There are many types of chocolate products with different package in UK, for example truffles, hazelnut, peanut, toffee popcorn, Oreo chocolate and chocolate drinks. The packages are tins, boxes and bags. However, Hong Kong without these products/

Besides, the Cadbury's products in Hong Kong are lack of creative packaging. They will not put more effort on designing the package during Halloween, Christmas, Chinese New Year and Easter. Thus, it cannot attract customers for buying and have no incentive on it. Moreover, Cadbury lack of direct marketing to communicate with consumers although they have advertising on TV, magazines and poster.

As a result, there are some improvements. Firstly, Cadbury can introduce more products in a new product line by using brand extension. They can launch a new product or modified products in a new category under

Cadbury's brand name like chocolate drinks or chocolate ice-cream. From the customer perspective, they will be faster acceptance because Cadbury has long history and well-known in making chocolate. Also they can increase brand usage rate, increasing the frequency with Cadbury the consumer is consumed and making it easier to use and reduce the disincentives for use like sugar-free chocolate. Therefore, it can attract more customers to aware and buy it as the product is innovative and creative.

In addition, Cadbury can operate a retail shop to sell their own products, decorating the store as a fairy tale and offering chocolate cake and chocolate drinks. So that customers can enjoy the use of these services and enhancing the brand awareness.

Furthermore, Cadbury can be more concentrated on Hong Kong markets since Hong Kong market as the strategic point to enter China market, to be easier to enter China market in the future.

Finally, promotion is rather important for Cadbury building its recognition. Since Cadbury can use promotional tools to persuasively communicate consumer value and building relationship with them. They cannot only have advertising on broadcast media and magazines. They can also have point-of-purchase advertising, display the chocolate products in the store shelf, thus reaching more customers and they can be aware of it. Outdoor advertising is also suitable. Signs on buses or MTR can be draw customers attention.

Cadbury is the largest chocolate company in the world. We think that Cadbury do not only concentrate on the Americas markets since Asian and European markets are valuable to develop.