ADVERTISMENT EFFECTIVENESS SURVEY OF CADBURY CHOCOLATE

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ABSTRACT

Cadbury India Limited (CIL), a wholly-owned subsidiary of Kraft Foods Inc was the market leader in the Indian confectionery market as of 2011. Since inception, the company focused on its marketing communication as confectionery products were considered under the impulse buying category in India. In order to expand its market, CIL kept on launching new ad campaigns to influence the customers. Initially, CIL targeted the children with ads featuring parents buying chocolates for children. Though the ads were successful, they also created embarrassment in the mind of the adults to consume chocolate themselves in social settings. In mid-1990s, the company launched ‘The Real Taste of Life’ ad campaign to encourage young adults to shed their inhibition to eat chocolates. In late 1990s, CIL launched another ad campaign ‘Khanewalon ko Khane ka Bahana Chahiye’ (People just need an excuse to eat) to expand its market further. In mid-2000s, ‘Kuch Meetha Ho Jaaye’ (Let’s have something sweet) campaign was launched to encourage the celebration of joyous occasions with the Cadbury Dairy Milk (CDM) bar, through which CDM was positioned as a substitute to the traditional Indian sweets. As of 2011, the persuasion continued with the company’s new ad campaign ‘Shubh Aarambh’ (Auspicious start) where it tried to strike a chord with the cultural truth to consume something sweet before an auspicious occasion. However, critics were skeptical about the success of positioning CDM as a substitute for traditional sweets as a box of sweets was much more cost effective. On the other hand, some experts opined that for further growth, CIL needed to position its chocolates as a snacking option. However, as a snacking option, it would again face competition from home made as well as street-side food. The case study discusses Cadbury India’s marketing communication strategy over the years to sustain leadership in the Indian confectionery market.

KEYWORDS: Advertising, Product, Brand choice, Media, Chocolate industry, Cadbury India, silk, bubbly, Cadbury Dairy Milk

INTRODUCTION

Cadbury Plc (Cadbury), a British confectionery company, was known by Cadbury Schweppes Plc from 1969 till 2008. It was assimilated by Kraft Foods in the year 2010 after which it became the largest confectionery company in world. In India, Cadbury was incorporated in year 1948 & it imported chocolates before starting cocoa production in year 1965. It grew over the years & came to have 5 manufacturing facilities which were owned by the company besides having 4 sales offices in the country. It was present in different food categories like chocolate confectionery, biscuits, beverages, gum, & c & y. Cadbury's main business was chocolate
confectionery where in it was the market leader with a market share of around 70% in 2011. Some of its main chocolate brands were Dairy Milk, 5 Star, Perk, Celebrations, Eclairs & Gems. Dairy Milk held 30% of the share of the Indian chocolate market. Cadbury Dairy Milk itself had many variants like Fruit & Nut, Crackle, Roast Almond, Dessert, Silk, Shots, Eclairs, Wowie, & 2 in 1. Cadbury's main competitor in India was Nestlé which had around 25% of the market share in chocolates in 2011. Nestlé's products included Kit Kat, Munch, Bar-One, Milky Bar, & Milky Bar Choo. There was an ongoing battle between Cadbury & Nestlé, with both of them engaging aggressively in their advertisement campaigns. Over the years, Cadbury focused on its advertising campaigns for Dairy Milk to connect with the people & gained popularity. Earlier, there was perception that chocolates were only for children. Cadbury wanted to change this perception & thus started various advertisement campaigns meant to influence adults & add them to its consumer segment.

In 2011, Cadbury Dairy Milk was the market leader in the chocolate confectionery market in India with a market share of around 70%. The company had been come a long way since the 1990s when Indian consumers considered Dairy Milk as a product meant for children. Adults were thus, not its major consumers. To change this perception, Cadbury came up with a series of campaigns targeting the adult group & consumers in the age group 15-35. It tried to involve the customers in various ways. Starting with 'Real taste of life' campaign, the company encouraged people to bring out the child in them. Then it moved on to the societal acceptance theme with the line - 'Those who want to eat, will find a reason for it'. Through this, Dairy Milk was able to gain acceptance for chocolates among the adult audience. The company then sought to seize the market for sweets & to make Dairy Milk a substitute for the traditional Indian sweets. With this in mind, Cadbury ran two parallel campaigns - 'Shubh Aarambh' (Auspicious beginning) & 'Meethe mein kuch meetha ho jaye' (Let's have something sweet for dessert). Along the way, however, the company also had to face & overcome certain issues. Live worms were found in packs of Cadbury in 2003, Dairy Milk however remained a popular brand & it also came out as the number one most trusted brand in Mumbai in the year 2005 edition of Brand Equity's survey of most trusted brands. In the following years, though it remained on the list of most trusted brands, its position wasn’t too high. In 2011, it was ranked 45th. Cadbury ran major television campaigns backed up by other media, even as the second big player & Cadbury's rival, Nestlé, engaged in aggressive promotions, taking on Cadbury's campaigns directly in some cases. Dairy Milk's 'Meethe mein kuch meetha ho jaye' went a notch higher than the earlier campaigns & sought to promote the brands as a dessert. Though the campaigns were generally well received & appreciated, there were some industry observers who wondered how effective Cadbury's efforts would be & whether its chocolates could really replace the traditional sweets & dessert items which were well entrenched in the Indian way of life. They were of the opinion that it would be a difficult task to do so, considering the long tradition such sweets & desserts had. Changing this mindset of the consumer would prove to be a major challenge for the marketing team for Dairy Milk.
RESEARCH OBJECTIVE

The main objective of this study was to do a survey on the Advertisement Effectiveness of Cadbury brand.

H1: Less than 60% of respondents for Cadbury brand are by TV advertisement.

H2: The average age of respondents having gems is more than 25 years.

H3: Buying behavior of Cadbury brand silk is independent on promotions.

LITERATURE REVIEW

An analysis of the marketing strategies of Cadbury India (Hamaz Khan): The Indian Chocolate Industry is a unique mix with extreme consumption patterns, attitudes, beliefs, income level and spending. Understanding the consumer demands and maintaining the quality will be essential. Pricing is the key for Cadbury’s to make their product reach to every consumer houses. Right pricing will make or break the product Success. There’s also an immense scope for growth of chocolate industry in India, geographically as well as in the product offering. So we think that bringing online sales (through Facebook) & increasing the institutional sales (in unique way) would bring prosperity and increase the sales of Cadbury’s as a whole, again resulting in the goodwill of the company. Cadbury has indeed emerged as the Market Leader in the Chocolate industry. And as a leader embraces the characteristic of group preference over oneself, Cadbury has practically applied this principle. The marketing strategies of Cadbury have not only increased the share of Cadbury in the Market pie, but also it has increased the very shape of the pie itself. Cadbury hit the consumer at the place which is the key aspect of a consumer – his mind. Rather than employing conventional or short cut sales promotion strategies, Cadbury played the long run by aiming at the consumer mindset rather than the consumer wallets. And indeed it paid off. The stunning marketing efforts is nothing short of an exceptional, out-of-the-box spectacle. In it, lies valuable teachings for any firm aiming to take a toll in the industry, in general, and a marketer, in particular. In the end he concluded by reaffirming the adage: “Business has only two functions – Innovation & Marketing.” And Cadbury has personified the maxim in letter as well as in spirit.

Dr. Somak Sen: With the passage of time found that, it is evident that Cadbury has been keeping innovative changes and regularly upgrading its advertisements related to its various products. Human mind is very much forgetful. Unless something new is represented in front of them, people tend to forget or lose interest on the existing product. In such a competitive age, when every manufacturer is busy in attracting the consumers / customers / general mass in different ways as per their best, the Dairy Milk brand of Cadbury is also not an exception. It is a proven fact that to attract the customers, advertisers must try their best to present their products in such a way which will place them as a new identity compared to the previous one. In Cadbury Dairy Milk product advertising, the same is witnessed. The company has tried its best to change the ad copy every time, in terms of words and expression. In audio visual advertisements, it is very much necessary to leave an impact in the audience mind within a very short period of time as the audio visual advertisements last for few seconds only. In this case, the ad of Cadbury Dairy Milk obviously leaves a lasting impression in the minds of audience through its different types of
attractive and conspicuous presentations. In Indian perspective, Cadbury has rightly maintained its standard and followed all the guidelines as mentioned by the ASCI. It has never made any vulgar appeal in any of its products advertisements including Dairy Milk. Besides while making advertisements, this globally renowned confectionary company has touched the Indian hearts as per its traditional and cultural beliefs and meanings as well. The same has been found when the advertisements depict the rich emotional bonding during marriage ceremony, anniversary or any other domestic functions practiced in the Indian society. The study did not focus on celebrity advertisements to promote the particular brand in the Indian market, though celebrities were used to do so. The study emphasizes on the reflection of common incidents which have been used to promote the product. And it is found that the efforts have been successful enough. The latest record says that Cadbury holds over 70% market share in chocolate industry in India. Cadbury Dairy Milk’s ads include all strata of people right from children to teenagers to aged which underline the very message of making itself as a confectionary product for all sections in particular and as a whole too.

Fazlollah Kazemi: (Corresponding author) : Advertising and quality have major influence on consumers’ preference for Cadbury Dairy Milk. Having been known for more than 15 years by majority of the respondents and still remain their favorite chocolate, the brand has definitely enjoyed a prolonged life cycle apparently being regenerated by advertising. The stage a product is in its life cycle is very important to a marketer as it help in determining the type of marketing strategies to be embarked upon in respect of the said product. Concerning the advertising media, this study revealed that Television is the most effective media used in advertising a product. In view of this, more consideration should be given to television as a medium of advertising because of motion; sound, and special visual effects, Geographic coverage also the product can be demonstrated and described on T.V. The company should employ integrated advertising of their product and allocate more budgets to TV adverts due to the consumers’ preference on it.

Jehangir Pheroze Bharuch : Cadbury and Nestle have been giving each other big competition and challenges in the Indian market. The monopolistic competition has two big firms fighting for becoming the leading snacking company in India. They are coming up with great promotional strategies, distribution channels, offers, gifts and many more incentives in order to get more and more customers. This research shows that Cadbury is leading in promotion strategy, customer’s choice, availability and distribution channels, ad campaigns, brand ambassadors and a soon to be replacement to the Indian traditional sweets. They are far ahead from Nestle in terms of chocolates while Nestle is ahead in terms of snacks. The Indian confectionery market has changed its focus from chocolates just for children and are fast replacing the traditional Indian sweets. 96% of the consumers in the range of 15-55 years age have voted chocolates as a sweet for all ages.
RESEARCH METHODOLOGY

The methodology used Survey method for the research in line with the objectives. Based on this, the researcher prepared questionnaires for customers of Cadbury br&s to advertisement effectiveness survey of Cadbury chocolate. Level of job rotation approach. Our research is based on 51 respondents which represents the entire population. Selection of sample units is based on every availability & accessibility, thus it is Non-probabilistic convenience sampling. The research contains responses from different age groups, gender, occupation, annual income & family type, type of organization & total years of experience. Measurement Technique used is: Excel based technique is used to come up with the solutions .P-test, T-test & Chi- squared test are used to test the hypothesis. This is very useful method for the hypothesis & research.

DEMOGRAPHICS

![Gender Chart]

45% Female
55% Male
Monthly income

- Less than rs 50000: 29%
- More than rs 2 lacs: 12%
- rs 1 lacs - rs 2 lacs: 26%
- rs 50000 - rs 1 lacs: 33%
**Hypothesis 1**

**Ho:** More than 60% of respondent for Cadbury brand are by TV advertisement.

**Ha:** less than 60% of respondent for Cadbury brand are by TV advertisement.

<table>
<thead>
<tr>
<th>N</th>
<th>Ho : p&gt;60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Ha: p&lt;60%</td>
</tr>
<tr>
<td>T</td>
<td>Left Tail</td>
</tr>
<tr>
<td>T</td>
<td>P-test</td>
</tr>
<tr>
<td>A</td>
<td>10%</td>
</tr>
<tr>
<td>P</td>
<td>10%</td>
</tr>
</tbody>
</table>

| C   | -1.28      |
| O   |            |
| x   | 25         |
| n   | 51         |
| p'  | 49%        |
| q   | 40%        |
| p   | 60%        |
| p*q | 24%        |
| p'-p| -11%       |
| sqrt((p*q)/n) | 0.07 |

**Zo**  

| p   | 0.05       |
| A   | 0.10       |

**D**  

- **p-value<alpha** reject the null
- **Zo>Zc** reject the null

**Observation:** We reject the null, less than 60% of respondent for Cadbury brand are by TV advertisement.

**Insight:** Positioning is the space occupied by Cadbury brand in the mind of the consumer, idea of positioning Cadbury is to occupy a distinct space, which is differentiable. Yet powerful hence TV advertisement is not really effected to the Cadbury brand.
Hypothesis 2

**Ho:** The average age of respondent having gems is less than 25 years.

**Ha:** The average age of respondent having gems is more than 25 years.

<table>
<thead>
<tr>
<th>Age group</th>
<th>F</th>
<th>m</th>
<th>F*M</th>
<th>M-X'</th>
<th>(m-x')^2</th>
<th>f*(m-X')^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 yrs</td>
<td>22</td>
<td>25</td>
<td>550</td>
<td>-2.74</td>
<td>8</td>
<td>165</td>
</tr>
<tr>
<td>30-40 yrs</td>
<td>5</td>
<td>35</td>
<td>175</td>
<td>7.26</td>
<td>53</td>
<td>263</td>
</tr>
<tr>
<td>40-50 yrs</td>
<td>1</td>
<td>45</td>
<td>45</td>
<td>17.26</td>
<td>298</td>
<td>298</td>
</tr>
<tr>
<td>50 above</td>
<td>1</td>
<td>50</td>
<td>50</td>
<td>22.26</td>
<td>495</td>
<td>495</td>
</tr>
<tr>
<td>less than 20 yrs</td>
<td>2</td>
<td>20</td>
<td>40</td>
<td>-7.74</td>
<td>60</td>
<td>120</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>20</td>
<td>860</td>
<td>1342</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N
A
T
T
A
P
C
1.296
x'
28
μ
25
x'−μ
3
s
7
n
51
s/sqrt(n)
0.92
O
2.976
P
A
0.10
D
To>Tc
Reject the null

**Observation:** We reject the null; the average age of respondent having gems is more than 25 years.

**Insight:** The new campaign talks about the 'little child' in everyone as it exp&es its target consumer base from kids to grown-ups, & stresses on the idea of living an age-less life through the tagline, 'Raho Umarless'. The TVC ends with the message 'No umar for laalach'. So it is proof that no age matter to eat gems.
Hypothesis 3

**Ho:** Buying behavior of Cadbury brand silk is not independent on promotions.

**Ha:** Buying behavior of Cadbury brand silk is independent on promotions.

<table>
<thead>
<tr>
<th>Promotions</th>
<th>Observed</th>
<th>Expected</th>
<th>fo-fe</th>
<th>(fo-fe)^2</th>
<th>(fo-fe)^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holdings</td>
<td>5</td>
<td>8.5</td>
<td>-4</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Internet</td>
<td>3</td>
<td>8.5</td>
<td>-6</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Magazine</td>
<td>4</td>
<td>8.5</td>
<td>-5</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>8.5</td>
<td>-8</td>
<td>56</td>
<td>7</td>
</tr>
<tr>
<td>Saw in the shop</td>
<td>13</td>
<td>8.5</td>
<td>5</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>TV advertisements</td>
<td>25</td>
<td>8.5</td>
<td>17</td>
<td>272</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
<td><strong>51</strong></td>
<td><strong>48</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ T \text{ Right tail} \]

\[ T \text{ chi- test} \]

\[ A \text{ 10\%} \]

\[ P \text{ 10\%} \]

\[ C \text{ 9.24} \]

\[ O \text{ 48.41} \]

\[ P \text{ 0.00} \]

\[ A \text{ 0.10} \]

\[ D \text{ p-value<alpha reject the null fo>fc reject the null} \]

**Observation:** We reject the null; buying behavior of Cadbury brand silk is independent on promotions.

**Insight:** Cadbury India has launched Cadbury Dairy Milk Silk, its premium offering under the Cadbury Dairy Milk brand. The company aims to position Silk as 'smoother, creamier & chunkier. Cadbury India has gone all out to promote the new variant & has rolled out a TV-led 360 degree campaign including outdoor, print & Internet. So its proof that silk brand is dependent on promotion.
CONCLUSION: After the data analysis from the sources: primary and secondary data, it can be concluded that in India, Cadbury’s is enjoying its success to a great extent beside the fact that other competitors, mainly local, are trying hard to impress the youths of India. Nestle is the biggest competitor of Cadbury’s and they face cut throat competition internationally but in India there is not any such brand that us is near to the Cadbury’s when it comes to market share.

The advertisements are one of the important factors to attract the customers and Cadbury’s is doing it well. Its silk advertisements were so popular that it created more demand than the supply for that product. Also; the price has n numbers of ranges.

"Cadbury has been very aggressive in finding new ways to engage the consumer. The brand has developed over a period of time. With the classic lyrics, "Kuch khaas hai hum sabhi mein", it sent across the message that even adults can have chocolates because there is a kid in everybody. It also brought in a warm emotion to the brand. Over the years, the market is changed; no one is ashamed of having a chocolate now. So they find more ways to engage people. Whether it was with 'pappu paas ho gaya' or with the 'pehli tareekh', campaign, They have always tried to engage consumer with the brand."

LIMITATIONS

As the study was conducted through e-questionnaire so only few online user responses were part of the research & so offline user responses were not part of the research. There were no personal interviews conducted. Since we opted to survey a sample rather than the entire population, we had only limited responses. The research findings cannot be universally applied.

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