INTRODUCTION

Brand

Cadbury is a confectionary brand focused mainly on the production of chocolate. They describe themselves a brand with

“a long history in Australia and a passionate commitment to making everyone feel happy” (About Cadbury, 2018)

The brand has existed in Australia since 1881, with the first Australian factory built in 1919 (About Cadbury, 2018). Cadbury was bought by Kraft Foods International in 2010. In 2012 the international branch of the company was changed to Mondelez International, the current owners of the Cadbury brand (BBC, 2012).

Product

The product in focus for this assignment is the Dairy Milk 200g Block which is categorized as a good. It’s place in Cadbury’s Brand Portfolio is circled in the Portfolio on the next page.
Brand Analysis: Cadbury Dairy Milk

BRAND PORTFOLIO

(Cadbury Products, 2018)
TARGET AUDIENCE

Demographic:

Cadbury has no distinct segmentation based on religion, gender, education, or disposable income. There is some age targeting used, though their use of bright colours and emphasis on fun the brand is targeting younger age groups - children and teenagers.

Geographic:

There is no geographic targeting for this product as it is sold Australia wide.

Behavioural:

Cadbury customers can be said to be heavy users. Data from Roy Morgan found that on average 42.8% of the population had eaten a block of chocolate in any four-week period from April 2015 - March 2016 (Roy Morgan 6927, 2016). The study also found that close to 60% of Cadbury customers purchase blocks in any four weeks, emphasising this heavy use of the product and showing customers make repeat purchases.

Lifestyle:

Cadbury uses bright colours, and an emphasis on “Joy” and family to market to the Conventional family life segment. This values segment is focused on providing a good life for children and is made up of middle-class Australians (Roy Morgan Values, 2018). In this segment it is mothers who are likely to be doing the family shopping and so this is who Cadbury is targeting.
Market Leaders:

With a market share of 37% Mondelez Australia, Cadbury’s parent company, are the leaders in the Australian chocolate market with Cadbury Dairy Milk holding an overall share of 10% (Euromonitor, 2017).

Furthermore, Roy Morgan 6726 (2016) found that Cadbury blocks are eaten by 12% of the Australian population in any four-week period.

Consumer Perception:

Although Cadbury’s market position is strong and has strong evidence for repeat customers, its Facebook and Twitter pages show a lack of consumer trust in the brand. A compliant featured over and over by many consumers is the dropping of the word ‘Easter’ from the seasonal products. Many consumers are going as far as discouraging others from purchasing the products. The claim itself is false, and the brand has been refuting each complaint- and using the word Easter as much as possible, but consumers are missing the message.

Other recurring discussion on the Facebook Page involve flavour suggestions and requests, demonstrating high customer engagement with the brand. (Cadbury Dairy Milk, 2018)

Figure 1. A screenshot from the Cadbury Dairy Milk Australia Facebook page showing consecutive comments and replies regarding the Easter scandal. (Cadbury Dairy Milk, 2018)
## SWOT Analysis: Cadbury Dairy Milk

### Strengths
- Market Leader (Euromonitor, 2017)
- Loyal, repeat Customers (Roy Morgan 6927, 2016)
- High brand awareness (Hickman, 2017)
- Fairtrade certification - 63% of Australian consumers are looking for corporate social and environmental (Buchanan, 2017)

### Weaknesses
- Viewed as a standard quality chocolate rather than a premium brand (Nieburg, 2013).
- Miscommunication - the easter saga is one example of consumers being confused by the brands communication (Cadbury Dairy Milk, 2018)

### Opportunities
- Rising popularity of speciality chocolate stores (IBIS, 2017)
- Growing demand for Healthy, reduced sugar, lactose or gluten free chocolate products (Yu, 2016)

### Threats
- Growing consumer demand for premium chocolates (Nieburg, 2013)
- Cocoa supply - an oversupply of cocoa and low market prices is discouraging farmers from growing it, leading to potential shortages (Sethi, 2017)
- Potential/ Demand for a sugar tax (Percy, 2017) - while the topic has been debated in recent years, implementation of a sugar tax would significantly affect Cadbury’s sales.
BRAND POSITIONING: MARKETING MIX - PRODUCT

Product Characteristics Model

Augmented
- Treatwise Dietary intake
- Fairtrade partnership
- Satisfaction Guarantee
- Glass and a half Guarantee
- Customer help line
- Halal Certification

Expected
- Range of Flavours
- Resealable Packaging
- Easy to break portions

Generic
- A Snack/Treat food
BRAND POSITIONING: MARKETING MIX- PRODUCT

Product Range

The Dairy Milk line has a range of flavours in three sizes: 135g, the standard 200g and the 350g family block. Special editions have their own sizes. (Cadbury Products, 2018)

- Milk Chocolate- 135g, 200g, 350g
- Hazelnut- 135g, 200g
- Fruit and Nut- 135g, 200g, 350g
- Black Forest- 200g
- Rocky Road- 200g
- Roast Almond- 200g
- Crunchie- 200g, 350g
- Snack- 135g, 200g
- Caramello- 135g, 200g
- Peppermint- 200g
- Turkish Delight
- Top Deck
- Salted Caramel (Limited edition)- 190g
- Dairy Milk with Oreo- 180g
- Dairy Milk with Oreo Mint or Strawberry- 180g
- Bubbly- 155g
- Mint Bubbly- 155g
- Dairy Milk Freddo- 190g
- Dairy Milk Freddo Sprinkles- 190g

Product Life Cycle

Studies from market analysts Roy Morgan show that between 2009 and 2013 consumers of Cadbury blocks dropped from 34% of Australians aged 14+ to 30% (Roy Morgan 5156, 2014). Euromonitor (2017), also states that the company’s market share decreased slightly between 2015 and 2016, suggesting the brand has reached the maturity stage. However, the introduction of new flavours, and the marvellous creations range (Ma, 2013) are strategies used by the brand to prolong this stage.
Price Elasticity

The Chocolate industry is very price elastic. While consumers may be willing to pay higher prices for premium products (Nieburg, 2013), Family oriented brands such as Cadbury are far more likely to gain sales when prices are low and lose sale if prices are raised.

Pricing Strategies

Cadbury has little control over their products sale prices, due to the wholesale of their products to chain retailers (Evans, 2015). These retailers are able to set their price. A strategy used heavily by these grocery stores is promotional pricing, using discounts to sell products, which is effective due to the price elasticity of the product.

Distribution Strategy:

Cadbury uses an intensive distribution strategy, wholesaling to supermarkets- both chain and independent. An estimated 60% of Cadbury blocks are sold by market leaders Cole and Woolworths (Evans, 2015). Another important feature of distribution in the way products are arranged in store, with point- of- purchase displays playing an important role in sale of this impulse product.
BRAND POSITIONING: PROMOTION

Promotion Strategies:

Cadbury relies both traditional and digital forms of communication to promote their product. While in the past Cadbury has promoted their product heavily through traditional advertising, especially TV in the case of the ‘Joyville’ campaign, its recent efforts have seen a shift to digital marketing.

What Flavour do you Favour?

Cadbury’s most recent Dairy Milk campaign focused on customer identity. The rebrand was introduced by a series of television ads, but mostly took place over social media. Through packaging redesign, Cadbury gave each flavour a personality, then turned to social media, creating video content and a personality/flavour matcher all with the goal to have consumers identify as a flavour (Ma, 2014).

Vegemite Chocolate

Another recent promotional activity by Cadbury was their partnership with vegemite. This unusual combination led to a limited edition Dairy Milk block that sparked huge debate amongst the Australian population. While reception was not always positive, the stunt had the intended effect- achieving an engagement rate of 11%, three times more than the 3.35% goal (Hickman, 2017).
The perceptual map shows the main competition for Cadbury Dairy Milk in the chocolate block market. As the map shows, there is no clear place for Cadbury to move their Dairy Milk brand. Rather, Cadbury exploits gaps in the market by diversifying their brand portfolio, as illustrated with their old gold brand marketed as a prestigious chocolate for individuals, and dark milk, which takes advantage of the lack of prestigious blocks marketed towards families.
COMPETITION

Lindt Chocolate

Lindt is the Cadbury Dairy Milk blocks biggest competitor. An average of 13% of Australians consume Lindt chocolate blocks in any month (Roy Morgan 6726, 2016).

Another study found that while the consumption of Cadbury and chocolate in general declined from 2009 to 2013, Lindt chocolate blocks actually gained a 20% increase in consumers over the time period. This elevated the brand to its current position as the second most popular chocolate block brand (Roy Morgan 5615, 2014).

Lindt’s biggest competitive advantage and the reason behind this growth is its status as a premium brand (Nieburg, 2013). Since its beginnings Lindt has marketed itself as a high quality, premium chocolate since its inception in 1898 (About Lindt, 2018) and as such is firmly established as the leader in premium quality chocolate.

If you also consider this with Australia’s growing preference for premium quality chocolate (Euromonitor, 2017), then Lindt stands to become Cadbury’s biggest threat.
TRENDS AND ADDED VALUE

Trend:

User-generated content is one of the marketing trends predicted to be big in 2018 (Forbes, 2018). UGC refers to advertising content created by the consumers (Wright, 2017) and therefore considered more genuine. Forbes (2018) suggest this will become a trend in 2018 as consumers look for more authenticity in brand communications.

To take advantage of this trend I would establish a “Share the Joy” social media campaign. This campaign would build on Cadbury’s new “There’s a Glass and a Half in everyone” campaign, and involve a competition where consumers upload videos, or images and stories of themselves sharing the joy by giving or sharing a dairy milk block with someone.

Added Value: Share the Joy

The added value this campaign would create for Cadbury would be a sense of authenticity. Cadbury Dairy Milks target audience is families and as mentioned above their Facebook page reflects a growing sense of disillusion with the brand. I believe that this campaign would use its authenticity to reaffirm the joy that comes from sharing Cadbury, allowing the brand to maintain and re-establish relationships with its consumers. This reaffirmed loyalty would be especially useful to the brand as it shifts from the “Joy” positioning of the last few years to its new campaign.
REFERENCES


REFERENCES


