

MMS - III
Marketing
CBB 03

02-11-2010

Consumer Buying Behaviour

Roll no: _____ Total No. of Printed Pages : 6

Total No of Questions : 3 Maximum Marks : 30

Duration (hrs) : 2 Hours

Note :

Q.1 Explain the following concepts in brief (Any 3) Marks 9

- a) Role of Early Adopters
- b) Impulse Buying
- c) Stimulus Generalisation
- d) Brand Personality
- e) Just Noticeable Difference

Q. 2 Explain Classical conditioning theory of learning and its strategic applications to Marketers

Marks 6

Or

Q. 2 Explain Howard Sheth Model of Consumer Decision Making

Marks 6

Q. 3 Case Study (attached)

Marks 15

Case Study

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CADBURY DAIRY MILK CHOCOLATES

How Celebrity Influences and Changes Consumer Perception

CADBURY DAIRY MILK—The Sweetest of Them All!!!!!!!

Background

It all started in 1905 when Cadbury's top selling brand, *Cadbury Dairy Milk* was launched in Bournville, UK. By 1913, *Dairy Milk* had become Cadbury's best selling chocolate, and in the mid-twenties it became a brand leader. Cadbury India began its operations in 1948 by importing chocolates and then repacking them before distribution in the Indian market. With its deliciously smooth texture and unique creamy taste, *Cadbury Dairy Milk* made an immediate impact on the consumers, and quickly became a market leader.

Cadbury's mission is "Working together to create brands people love". *Cadbury Dairy Milk* encapsulates an enormous breadth of emotions, from shared values such as family togetherness to the personal values of individual enjoyment. It stands for *goodness*.

At the point of entering the Indian market in 1948, Cadbury faced quite a few challenges. It had to get people accustomed to chocolates, primarily seen as a western taste. Cadbury had to sell these products by reaching out to the masses in a country with a lot of diversity and varied interests. However, the company recognized the importance of the chocolate brand as a means of expressing parental affection for their children. In the 1980s, the company positioned *Cadbury Dairy Milk* as "The perfect expression of parental love".

Cadbury markets *Cadbury chocolates* a number of chocolates: *5-Star*, *Perk*, *Temptations* (with five variants), *Crackle*, *Fruit and Nut*, *Dairy Milk Eclairs* (toffee), *Womie*, *Gems*, etc. This case study focuses on the normal *Dairy Milk* chocolates.

PACKAGING DESIGN

Cadbury had always focused on the *taste* of its chocolate to be its USP, and hence the advertisement of the chocolate had a picture of milk pouring into the *Cadbury's Dairy Milk* chocolate block. This was a tremendous advertising success and has served the brand well for many years. The image has become an integral part of the packaging design and has been featured in magazines, and on buses and trains, billboards, and television. As a result of good positioning and branding, *Cadbury Dairy Milk* made inroads into the urban market and established itself as a product that children love to have.

SHIFT IN FOCUS

This strategy worked extremely well till the 1990s. Cadbury faced some new difficulties through the consumer's perception of the product itself. Chocolate was considered to be for children alone and as a result the brand could not be targeted at the adult audience. With communication consciously addressing kids, consumption also got restricted within the same segment resulting in brand stagnation. Also, it was seen as an indulgence product with quite a few negative associations. The challenge was to expand the consumer base by making *Cadbury Dairy Milk* desirable to the adult segment.

To increase the relevance of the category, Cadbury first conducted consumer research studies across various segments of its consumers. Extensive brand audits on the consumer pulse revealed that *Cadbury Dairy Milk* moments were spontaneous, carefree, special, real moments. And so they asked the question, What if these 'moments' were brought back to life even for adults?

Cadbury redefined the category and communication by bringing on the "Real Taste of Life" campaign, shifting the focus from "just for kids" to the "kid in all of us". It appealed to the child in every adult. One of the most successful ads of the "Real Taste of Life", was the ad in which "the girl dancing on the cricket field". That ad went on to win a few advertisement awards and was quite instrumental in signifying the segment shift that Cadbury was hoping to get across to the consumers and also paved the way for a quite dramatic growth in sales during 1994-1995.

During the 1990s, Nestle emerged as a strong competitor and towards the end of the 1990s came up with a new product called *Kit Kat* which was making waves and considered as young, trendy and exciting. It was also targeted at kids and adults alike. Also, there was an imminent threat from imported premium chocolate brands like *Ritter*. With the increasing consumer base and stiff competition, *Cadbury Dairy Milk* had to revamp its strategy. There were other pressing issues that Cadbury had to deal with, primary among them being that the market they were catering to was largely urban and the rural markets were not being tapped.

The objective for Cadbury was to make *Dairy Milk* part of Indian customs and culture—it had to nationalize the brand and make it appear Indianised. It revamped its

communication strategy with the catch line “The Real Taste of Everyone’s Life”, and had a vendor featuring in the new ad to signify the brand proximity with the common man. This greatly helped increase the brand penetration in smaller towns and led to high level of brand growth in the country. Cadbury also expanded its distribution centres to make the product more accessible to the end customer.

Around 2002, the competition became intense with several brands being introduced at different price bands. As a result, the customer was flooded with choices with the brand of *Cadbury Dairy Milk* waning. The need of the hour was to reinforce the brand power of Cadbury into the customer’s mindset and also a slight shift in the perception of the brand as a whole.

Cadbury responded by introducing several variants of *Cadbury Dairy Milk* targeted to respond to the different tastes of the consumer. Thus a chocolate addict was targeted with *Dairy Milk Chunky* while a consumer who likes to consume at home was targeted with “*Dairy Milk Home Pack*”. While the *Dairy Milk* brand was reinforced through these products, the advertising was also modified to touch the psyche of the customers in a different way. *Cadbury Dairy Milk* projected the brand and the products as a ‘Friend’ of the consumer that stays with him through thick and thin. As a result, *Cadbury Dairy Milk* continued to grow in an intensified competitive environment.

NEW PACKAGING

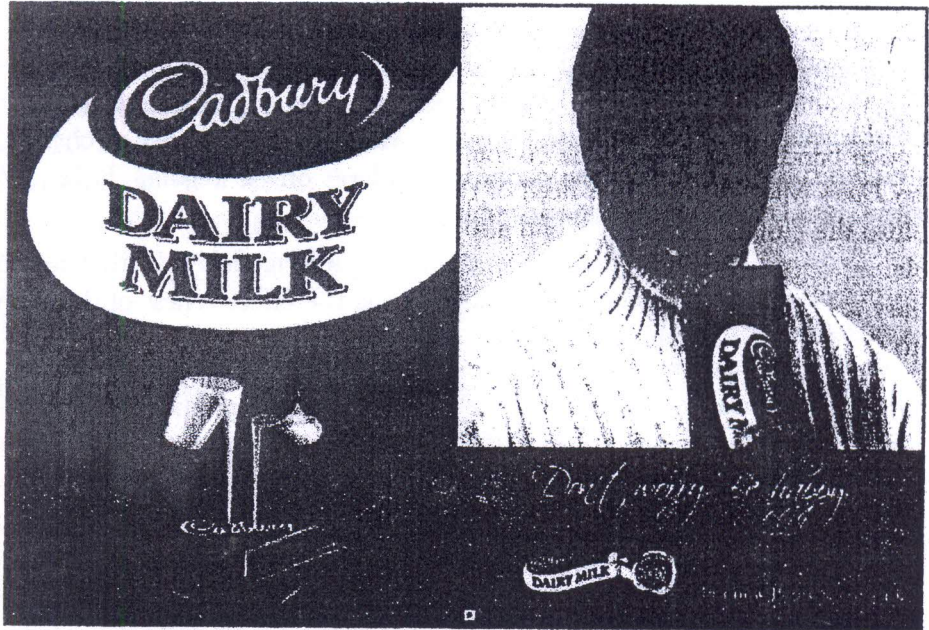
In 2003, Cadbury faced a major controversy when some packets of *Cadbury Dairy Milk* were found to be infested with worm. It created a huge furore and led to loss of sales of 3–5% during the month of December 2003, the time of this incident. A case was registered against Cadbury, which ultimately led to some compensation being provided to the customer who had bought the worm-infested chocolate.

In a bid to prevent any incidence of infestation, Cadbury introduced a double packaging for *Cadbury Dairy Milk* chocolate. The chocolate was wrapped in aluminium foil and enclosed in a polyflow pack, which is sealed on all sides. The larger *Cadbury Dairy Milk* packs were kept in poly-coated aluminium foil, which were heat-sealed and then wrapped in the branded outer package.

NEW BRAND AMBASSADOR

Apart from these protections, Cadbury sought to get a brand Ambassador to help it overcome the controversy and provide a fresh thrust to its brand image. Cadbury roped in Amitabh Bachchan, the biggest film celebrity in India, as their brand ambassador. See Exhibit C1.1. The company also came up with new ad featuring Amitabh Bachchan, such as the “Meetha School” ad. Further, Cadbury introduced variants of *Dairy Milk* such as *Fruit & Nut*, *Crackle* and *Roast Almond* to cater to the taste buds of the consumers.

EXHIBIT C1.1 Cadbury Dairy Milk Chocolate



Knowing the importance Indian attach to the consumption of sweets and giving them as gifts to relatives and friends during important festivals like *Deepawali*, *Holi*, *Durga Puja*, and *Raksha Bandhan*, around 2005, Cadbury came out with the *Celebrations* concept. The *Celebration* packets, which come in varying sizes, contain smaller packets of *Dairy Milk* chocolates with the inscription “With Seasons Greetings”. These are meant to be given as gifts during the festival season. The ad “*Pappu Pass Hogaya*” (Pappu has passed), which referred to the concept of joyous group celebrations with a *Cadbury Dairy Milk* became a huge hit with the audience and signalled the symbol of *Dairy Milk* as a sign and cause of celebration and joy. Similar ads featuring Amitabh Bachchan featuring a rural cast set followed and built the base of the growth of the brand across the country.

NEW CHALLENGES

In 2008, Cadbury came up with a new variant of *Cadbury Dairy Milk* called *Dairy Milk Lite* that projects itself as a health conscious chocolate bar.

Now, Cadbury has come out with its new *Cadbury Temptations* in variants such as *Rum*, *Almond*, *Apricot*, and *Cashew Appeal*. It has also brought out the “*Bournville Fine Dark Chocolates*”. In the face of ever increasing competition with the likes of Nestlé and Amul (besides some Swiss brands available in select shops), and an ever changing environment,

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Cadbury has to keep up with its creative branding and communication strategies to keep ahead of the pack.

QUESTIONS FOR DISCUSSION

1. As a brand manager of *Cadbury Dairy Milk*, you have been asked to change the consumers' perception about eating chocolate on a regular basis. What recommendations would you make?
2. Most celebrities act in the capacity of persuasive role models and, that too, they usually appear in television commercials. Discuss the effectiveness of deploying a celebrity such as Amitabh Bachchan as its brand ambassador.
3. Do you think the campaign of "Real taste of life" would be effective in the Indian rural market? Discuss.