PRI-AIN526

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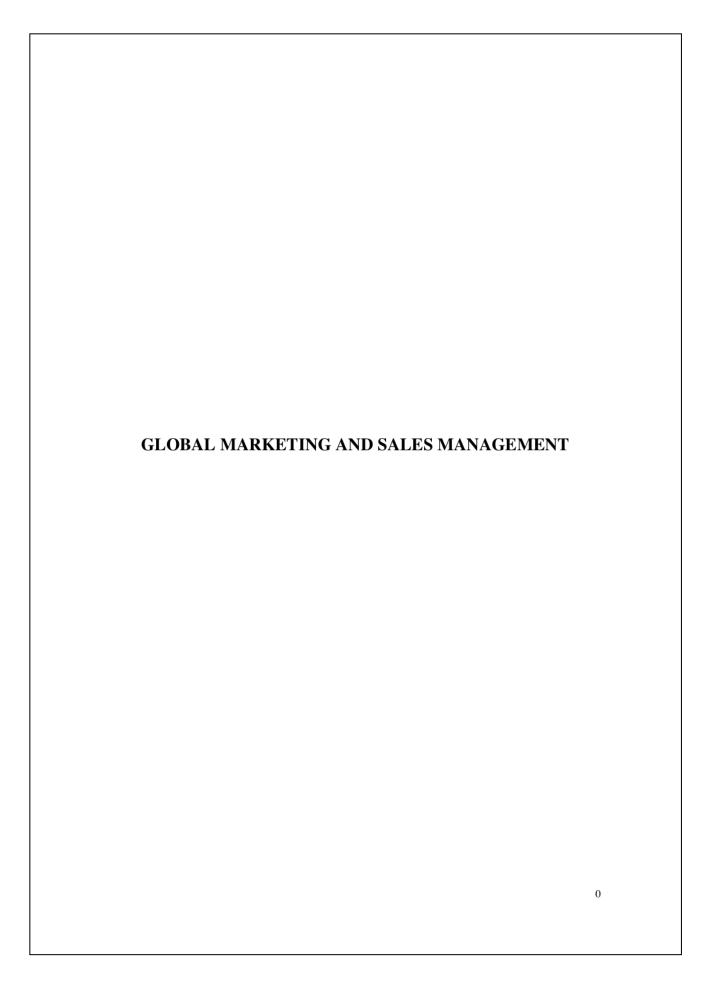


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1. Introduction

The study will focus on the development of global marketing and sales management of Cadbury in different locations. Moreover, a global market deals with the study of general business management that markets a product and generates customers locally, nationally and internationally. The essay will provide important insights into the operational system of Cadbury production and management process. On the other hand, the essay focuses on providing explanations of different factors that affect global marketing and sales of Cadbury. The primary objective of the essay is to highlight an overview of the marketing environment of India and South Africa to build a global marketing strategy. On the other hand, the essay will aim to find a robust marketing strategy that can be used by Cadbury to identify and target potential customers interested in their product. The essay provides a theoretical understanding of the importance's of different factors of marketing that have an effect on sales figures. Similarly, the essay will highlight the marketing mix decision that needs to be taken in order to produce a marketing strategy for India and South Africa. Furthermore, the essay provides a robust strategic foundation for the marketing strategies to build product, manage the prices, and operate the location and promotion of the product.

2. Company's international outlook

Cadbury is a well-known UK based international confectionery brand that has customers present all across the world. Reports show that Cadbury is the second largest confectionery brand in the world with a net valuation of US \$5.73 billion (Statista.com 2023). Moreover Cadbury has implemented a robust marketing strategy that has helped the brand to gain a wide range of customers all around the world. Cadbury is responsible for producing different products such as chocolate confectionery, beverages and biscuits. The organisation is trying to broaden their influences by implementing new social-cultural diversity in their products in order to attract more potential customers. The popular products of Cadbury include Oreo, tang, bourn vita, dairy milk and other chocolates that are preferred by a lot of individuals. The organisation has improved in the following years and provided a variety of products in different countries such as India, Australia, Europe and Africa based on the domestic needs of customers.

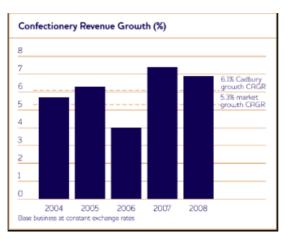


Figure 1: Cadbury sales figures

(Source: Cadbury.co.uk 2023)

Simultaneously, Cadbury has helped in creating jobs in the market, and as of now the brand consists of more than 45,000 employees all around the globe (Cadbury.co.uk 2023). Cadbury focuses on producing a variety of products for targeting customers of different age groups that includes children's, millennial and adults. The process of innovation of new products has proven to be effective for the brand's expansion all around the world and provided Cadbury competitive advantage over others. Additionally, Cadbury focuses on the digitalisation process for promoting their products to potential customers. A report shows that Cadbury has huge influence in the social media platforms such as Facebook, Instagram and YouTube. However, the Cadbury has also invested time and money in charitable events where they provide their products to food charities. The Cadbury foundation is known to be a part of the organisation that focuses on the development of local communities. Cadbury hosts an annual program named 'Your Charity your Choice' where the organisation enables people to donate to the community for a better cause.

3. Brief Overview on marketing environment of two countries

Factors	South Africa	India
Political	South Africa has a score of - 0.71 points in political stability index (Worldbank.org 2023)	·

	• South Africa was one of the founder members of the UN in 1945 (Southafrica-usa.net 2023)	• India is a member of G4 summit of UN (Unfpa.org 2023)
Economical	 South Africa employment rate is 32.9% (Nasdaq.com 2023) South Africa has a GDP of \$139.28 billion (Statista.com 2023) 7.2 % annual inflation rate of South Africa (Borsaitaliana.it 2023) 	 Employment rate of India is 37.1% (Statista.com 2023) India has the fifth largest GDP of \$3.469 trillion (Economictimes.indiatimes.com 2023) India has an inflation rate of 6.5% (Businesstoday.in 2023)
Social	 South Africa is the fourth most populated nation in Africa with 60.5 million populations. (Statista.com 2023) South Africa is a diverse nation South Africa has a literacy rate of 95.33%.(Statista.com 2023) 	 India has the second biggest population of the world consist of \$1.417 billion (Statista.com 2023) India has the biggest diversity among all the nations. India have a literacy rate of 77.7% .(Findeasy.in 2023)
Technological	 South Africa's technological investment is \$6.59 billion dollars.(Unctad.org 2023) As of 2021 south Africa's FDI is \$37.6 billion dollars(State.gov 2023) 	 India invest near to \$24.1 billion in technological developments India's FDI consist of \$26.9 billion dollars (Inventiva.co.in 2023)
Legal	 South Africa has a basic condition of employment act that protects employees from miss treatment.(Ilo.org 2023) South Africa have business 	 India has employment laws to protect workers interest.(Ilo.org 2023) India have business laws that provide subsidies to business

	laws that provide subsidies to business(Gov.za 2023) The South African government follows basic human rights and regulations.(Parliament.gov.za 2023)	(Mca.gov.in 2023) • India have basic human rights in their democratic constitutional system (Ncert.nic.in 2023)
Environmental	 Global warming has a negative effect on South African weather(Climatelinks.org 2023) 7.57 metric tonnes of carbon is released by South Africa in 2019(Gov.za 2023) 	 India has issues regarding pollution(Climatelinks.org 2023) 1.78 metric tonnes of carbon is emitted by India in 2019(Statista.com 2023)

Table 1: PESTLE Analysis

(Source: Self-created)

The above analysis helps to identify the importance of different factors such as environment, technology, social, economic, political and legal issues in framing a business strategic model. The primary aim of this research is to understand the impact of different overviews of the marketing environment of two countries in respect to Cadbury. Moreover, the research provides a proper explanation of the factors and its impact in the country of India and South Africa. Furthermore, this process will help in building a robust marketing model and sales management for Cadbury.

4. Market entry strategy

Market entry strategy to enter into South Africa: Direct exports had been the market entry strategy of Cadbury in the South African market respectively. Initially, the Cadbury brothers had brought the product to the South African Market for sale. Once, they found that their chocolates had been liked by South African citizens; they had appointed dedicated Sales personnel in the region to sell the products. Initially, the company had its production unit in England, and they had only exported products in the region.

Market entry strategy to enter into India: Cadbury entered the Indian market, through Wholly Owned subsidiary model. As commented by Nguyen and Muniandy, (2021), In accordance with this model, companies are able to directly establish their operations in the international market locations respectively. In India, Cadbury had done the same Through Mondelez India Foods Pvt limited. In fact, the company had established their headquarters in Mumbai in the year 1948 (mondelezinternational.com, 2023). With passage of time, the company had been able to maintain its position as a Monopoly chocolate seller and retailer in the Indian market.

5. Segmentation

In order to evaluate a company's practice in segmenting their products to enhance the consumer's acceptance, STP model would be used here.

STP for South Africa

factors	Comments	
Segmentation	 Demographic segmentation , the company prioritizes customers aged between 13-45 (cadbury.co.uk, 2023) Lower and middle class income group's people has been considered 	
Targeting	Children and adults belonging to the middle class income group	
Positioning	Price based positioning process, Cadbury offers lower cost for their products compared with the competitors like Hershey or nestle	

The customers are highly loyal towards the brand and established in terms of economics. Customer's perception towards the brand has been considered and a positive image has been established. South Africa has 5.94 cores population and majority of the population belongs from lower middle class income group (Nguyen and Muniandy, 2021). The demands of high quality goods with low prices are also fulfilled from the company's end. Hence, Cadbury gets a preference from them, and have been able to establish a satisfied customer base compared to other rivals.

STP analysis of India

factors	Comments	
Segmentation	In India, the company prioritizes behavioral segmentation which further has been segmented on Usage	
Targeting	 The company targets customers who likes to Gift Chocolates or consume them personally (Malaviya, 2021) Consumers purchasing Chocolate impulsively 	
Positioning	Cost effective productsEasily affordable	

In India, the company has been able to understand that without minimizing the product cost, the company would not be able to sustain in the long run. On the other hand, after analyzing the GDP of India, the company has determined that low cost products with maintaining good quality can provide a wide reputation that would increase the company's profit margin. 1.8 billion USD dollar sales have come from chocolate products in India and 30% was of Cadbury's. The products of the company are used for gifting purposes and for self-consumption as well. Indian populations tend to choose lower priced products for gifting purpose and hence they priorities the Cadbury products for the same.

6. Marketing Mix Decisions for both Countries

Product

In order to evaluate the company's marketing mix strategies, the company has considered adaptation strategy in their core products including packaging, labeling and branding. High global integration and low local responsiveness have been observed in both South Africa and India when the company decided to enter into these regions. In terms of the product offering, the company considered the demands of the young population as currently India has 65% of the population whose ages are beneath 35 (Hidiroğlu, 2019). On the other hand, based on the demands of the targeted customers in both countries, Cadbury has offered a variety of products. The decisions regarding the products are taken by the influence of demographic consideration, cost of production, volatility of the demand and the presence of the customers. The product range differs from occasion to occasion based on the cultural preference of the countries. In India, the company prioritized the festivals of Diwali and launched new products. On other hand, in South Africa, occasions of Halloween and Christmas are taken

into consideration for the same. The classic products like Dairy Milk has been running in the market since their entry, but the company did not neglect the need of introducing new products into the market to meet the rising taste of customers. The company's product mix include Chocolates, Biscuits, Gems, Oreo and more (Jinu, 2020). The company uses "recycled soft plastic packaging" in order to become environmentally sustainable with providing safe and high quality products. In order to brand the products, "Glass and a half symbol" is used by the buyers to understand the amount of milk used for products and make them attracted towards the brand. In terms of labeling, it has been considered as "second largest confectionery brand" across the world after Mars.

Price

Pricing strategy, implemented by Cadbury in India and South Africa had been observed to be the same. This is mainly because of the fact, products are positioned based on Quality as well as affordability in both the aforementioned markets. Hence, it becomes evident that Cadbury as a company would be implementing the same pricing strategy for its products and services in both India and South Africa. Based on the findings by Chiyem and Christopher (2022), the following can be claimed as some of the pricing strategy, implemented by the management of Cadbury;

Skimming based pricing strategy: This specific pricing strategy has been observed to be implemented by Cadbury for a certain segment of its products. Pandey *et al.* (2021) had stated that, using skimming pricing strategy, a company often positions its products on a higher price segment, as a part of differentiation strategy. For instance, products like Oreo, Bourneville are priced a bit higher in comparison to the dairy milk chocolate produced by Cadbury.

Cost Plus pricing strategy: This pricing strategy forms the basics of costing within the company. In fact, the Cost Plus pricing strategy accounts for all overhead associated with Cadbury's production process. Hence, the management of the company is able to accurately determine the cost of production. Once, the cost has been determined, the management simple add the expected profit percentage to determine the same price

Economy pricing: Cadbury, aims in serving more consumers to maintain a monopolistic competition in both Indian as well as South African Market. Specifically, it can be stated that

this pricing strategy is implemented for its dairy milk chocolate. These products have been observed to be sold specifically in the Indian market in varying sizes.

Bundle pricing: bundle pricing strategies are also implemented by the management of Cadbury, for attracting consumers in both India and South Africa. Bailey and Alexander (2019) had stated that, in bundle pricing strategy, the flow of goods have also been observed to be maximum, however, the profit percentage is low on each product. Since, the movement of goods by Cadbury is higher, in bundle pricing strategy, the company is able to save a considerable amount of financial resources.

Place

India: In India, Cadbury as a company implements both direct as well as indirect distribution strategies. As a part of their direct distribution channels, Cadbury has partnered with online service delivery vendors like Amazon, Flipkart, Big-basket, Blinkit and many more. These channels have allowed Cadbury to reach more consumers and boost its sales. Contrastingly, findings by Rani and Kalyani (2021) indicate that 70% of the distribution of Cadbury in India occurs through an offline 3[∞] level distribution system. In this, the products by Cadbury move out of the production units and are then supplied to agents, proceeding if the products are being sold to wholesalers. It is through these wholesalers, Cadbury is able to reach retailers and then the consumer. Currently, the distribution network of Cadbury in India includes 2100 distributors and 450000 retailers in the UK alone (Kaul, 2019). The aforementioned strategy can be claimed to be costly, however, the management of Cadbury has been able to maintain a stringently monopolistic competition in the Indian Market.

South Africa: Since, South Africa is a developing nation, hence, it becomes evident that the nation does have appropriate infrastructure to support direct selling through ecommerce. Therefore, it becomes evident that, it is not possible for the company management to sell products via ecommerce channels respectively. Hence, the company management relies on conventional level 3 distribution strategies for selling products in Africa as well. Wan *et al.* (2019) had commented that, presence of level 3 distribution channels implies, companies have to incur additional costs associated with product sales. Cadbury's operations in South Africa can be considered as no exceptions in this case. From its manufacturing facility in Matsapha, the products are shipped to distributors in Gqeberha and Jonesburg. It is from these locations, the products are shipped to local retailers, from where consumers purchase

products and services. Therefore, a single product of Cadbury has to travel considerable distances before reaching the desired consumer.

Promotion

	India	South Africa
Personal selling	Both cross selling and upselling have been observed to be done by the management of Cadbury (Kaul, 2019). This specific aspect has been observed to be true in case of large scale departmental retailers. In This, Sales representatives interact with consumers and influence them to purchase higher grade products.	Personal selling is comparatively absent in the South African market as consumers are well aware of the products and services.
Sales promotion	Discounts have been observed to be presented to the clients, in the form of Coupons. Additionally, during festive seasons like diwali, offers like "Buy-Twoget-one" are being levied by the company management	Discounts have been observed to be presented to the clients, in the form of Coupons. Additionally, during festive seasons like Christmas, offers like "gifts" are being provided by the company management (Bailey and Alexander, 2019)
Direct marketing	Social media channels, and online Internet based Advertisements are being utilized by the company management to promote its products to the consumers	In south Africa also, social media and conventional print media is the only option for direct selling
Public relations	For Public relations, social media is avidly used as a tool in this region. This is mainly due to fact that, internet users are increasing in India at the rate of 5% annually (Rani and Kalyani, 2021)	Press releases and business events are the only medium used for Public relations management in South Africa. Social media is also used as a tool for promotion.
Advertising	Radio, television, billboard can be	Television and newspaper only

claimed as some of the most commonly	are used as the medium of direct
used tool for advertisement	promotion

7. Conclusion

It can be concluded that Cadbury has been able to manage their global sales and marketing in terms of earned revenue and worldwide reputation. Cadbury faces intense competition from Nestle, Hershey and with the diversified range of products; it differentiates itself from the rivals. Cadbury, the UK based company has significantly entered into the foreign market of South Africa and India and gained success throughout. In this essay, a brief overview of the company's marketing environment in India and South Africa has been provided along with providing the company's background. On the other hand, market entry strategy has been discussed considering the strategy regarding product, price, place and promotion. The wide range of product offerings has helped Cadbury to remain as one of the most favorite chocolate brands across all the age range. The company targets the customers so well that chocolate becomes identical with the brand name of Cadbury which shows their success as a brand. Collectively, it can be stated that, there are considerable differences, in terms of marketing strategies. However, the similarities, in terms of marketing distribution and sales in India and South Africa have comparatively more than the differences. The aforementioned aspects holds true, despite the fact, the management of Cadbury has a standardization marketing strategy.

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