


7-2013

Dark, semi-sweet and full-bodied

Singapore Management University

Follow this and additional works at: <http://ink.library.smu.edu.sg/pers>

 Part of the [Asian Studies Commons](#), and the [Operations and Supply Chain Management Commons](#)

Citation

Singapore Management University. Dark, semi-sweet and full-bodied. (2013). Perspectives@SMU.

Available at: <http://ink.library.smu.edu.sg/pers/284>

This Journal Article is brought to you for free and open access by the Centre for Management Practice at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Perspectives@SMU by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email libIR@smu.edu.sg.

DARK, SEMI-SWEET AND FULL-BODIED

Published:

24 Jul 2013



Cadbury grows up in India

For much of the last 30 years, there has not been much distinction in the psyche of the Indian consumer between chocolates and Cadbury. “If you did a word association test,” explains **Pradeep Pant**, EVP & President of Asia Pacific & EEMA, “you’d get 100 percent of responses saying either Cadbury is a chocolate, or a chocolate is a Cadbury.” The brand has 67 percent share of the Indian chocolate market, with the rest of the pie made up of small-scale imports and a handful of artisan chocolate shops.

“If you’d asked the average Indian consumer, he or she will tell you that Cadbury is an Indian brand,” Pant told *Perspectives@SMU* on the sidelines of the [SMU-Brand Finance Asia-Pacific Forum 2013](#) held here recently.

In the six years leading up to 2012, Cadbury sales figures in India increased sixfold. However, this has not always been the case.

Across the subcontinent, at less than 10 grams per person per annum on average, Indians were consuming chocolates in minuscule amounts. Compare that with Australia, where the value was closer to a kilogram per person. More curious was the fact that, while consumption of chocolate was small, the sweets business in India was a different story.

“Indians eat sweets for everything. Every occasion was landmarked with the consumption of sweets,” Pant says. “So are we in the chocolate business, or are we in the 10 billion dollar sweets business?”

REPOSITIONING AND SMART LOGISTICS

There was a widely held notion in 80’s Indian society that, although sweets were a fixture of everyday life encompassing all societal strata, *chocolate* was the exclusive domain of children. The warm climate in India, especially in summer, combined with the fact that most supermarkets and snack outlets did not have air-conditioners, also imposed limitations on the availability of chocolate all year round.

Cadbury launched a marketing offensive to challenge the association of chocolate with child's play. A television commercial highlighted three crucial messages: chocolate was not just for children; it was not just for the high-end market; and, just like sweets, chocolate was meant to celebrate any happy occasion.

What followed was the subsequent launch of the five-rupee chocolate bar – a new low price point for a Cadbury chocolate product – and *Shots*, a specialised hard candy confection with a chocolate center. Priced at five cents, *Shots* could also withstand (and retail) in any kind of temperature setting.

“The purpose behind Cadbury Shots is to give people down the line (such as) the small markets, the low-income, their first experience of chocolate,” says Pant. “If you want to go out to the masses, you have to reinvent price and packaging.”

Getting around the smelting Indian heat mandated an entirely different approach. Indian retailers - those who could afford to – had traditionally stored chocolates in refrigerators during summer.

“We were battling for fridge space with bottled drinks.” Pant explains. “Inside the fridge, the products can't be seen. So we invented something called a *visi-cooler*.” With their transparent doors, *visi-coolers* solved the problem of keeping chocolates ideal and visible to customers. At temperatures between 18 and 22 degrees Celsius contained within, the coolers were perfect for showcasing chocolates but had little use for storing ice-cream or bottled drinks. Their introduction to the market was so successful for Cadbury that an estimated 70,000 of them were eventually deployed.

MASS-IFICATION, PREMIUM-ISATION

“Remember, markets do not work in a linear manner,” cites Pant. He highlights Cadbury's efforts in enticing the higher-end market, which was happening simultaneously with the company's mass market reforms. There will always be people, according to him, who are “willing to pay much more for the same weight of chocolate as long as you give them a premium offering.”

At a higher price point, Cadbury Silk was one of the products launched with that market in mind. According to Pant, the product had “lower microns so there's a softer feeling, with more milk fat, a far better chocolate”. At the same time, the marketing campaign for *Silk* reflected this pedigree without pandering to often-used metaphors of showcasing premium with being ‘Western’.

Instead, television commercials for *Silk* showed visuals of people in traditional Indian settings enjoying chocolate. One particular scene pictured an attractive Indian lady blissfully enjoying the candy and not caring that she has gotten it all over mouth and chin. Some would even call it suggestive.

“Let's not get arrogant about eating chocolate. Let's show it how it is, if it's all over your face, that's how it is. It's so good that you like it,” Pant says of the marketing campaign for *Silk*.

It appears that beyond attaining honorary Indian citizenship, Cadbury had managed to hone the chocolate industry in the subcontinent to moult its historical child-like skin, and grow and mature into something desirable and, dare we say, sexy.