MANTECH Publications

Journal of Marketing and Sales Management
Volume 1 Issue 2
ISSN No: 2457-0095 (Online)

Comparative Analysis of Cadbury and Nestle: Leading Competitive Chocolate Brands in Market

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Abstract

CADBURY and NESTLE are name owned in the Chocolate brands. With the regularly growing popularity these two are becoming a brand image in chocolates. To perform this research work specialized areas were visited to find market potential of Cadbury and nestle on the presence of other chocolates brands. Geographically the research was restricted to Indore city of Madhya Pradesh state. The decisions drawn after the analysis, suggest - which particular brand of chocolate is most preferred by people of different age groups, how frequently and how much chocolate are consumed, whether they buy small, big or family pack. Trend of ongoing changes in their likings has been shown in the results.

Keywords: *Brand image, Market Potential*

INTRODUCTION

In present scenario it is observed that usually people of all age groups like chocolates, even now a days the emerging trend is to give chocolates instead of traditional sweets. Thus the present research focused on the various attributes having concern with the purchasing of chocolate. Nestle and Cadbury- two famous brands of chocolates, which are consumed by people of all age group. Brand image, buying preferences selection criteria, product performance and buying behavior of People residing in Indore city were

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analyzed with the help of following variables namely : price, quality, advertisement, satisfaction, taste, packaging, brand loyalty etc. the research variable were finalized after confirmatory test on people perception towards chocolate buying.

CONSUMER PREFERENCE

"Consumers are god of the market"

Consumers play a vital role in any economy. Hence it is essential to consider consumer first Consumer decides what to purchase, for whom to purchase, why to purchase, from where to purchase, and how much to purchase. In order to become a successful marketer, one must know the liking or disliking of the customers. It is also advised to manufacturers or retailers to be properly informed about the quantity and time when the product is demanded by the consumer. As the market moves with the opinion of consumers i.e the consumer's sovereignty prevails in the market.

Preference (or "taste" in case of chocolate) is a notion, used in the behavioural science. It is way to rank the available alternatives or choices as per the requirement/utility/happiness/gratitude/enjoyment provided by the product or services. The study of the consumer preference focuses on the way in which consumers make buying decision, factor that influence their buying decision and evaluation criteria adopted by the user to compare the commodity.

CONSUMPTION OF CHOCOLATES IN INDIA

After the year 2005 a major change is observed in the Chocolate consumption pattern in India. Voracious beahviour of Indians with respect to chocolate is clearly reflected in the growth of confectionary market in India. There was a time when chocolate was a luxury but changing life style, disposable income, tendency to accept new food to satisfy appetite include chocolate in routine.

Now a day India is considered as a fastest growing chocolate market in the world. In India, the chocolate demand gets increased three times from 2005. With this reason the premium brands are willing to invest in India.

A survey conducted by FnBnews.com reported an excellent growth in chocolate consumption by Indian. Report suggest, in India per capita consumption of chocolate is around 300 grams.

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The use of chocolate is transferred from casual to regular, luxury to snack and from party to causality. In year 2012 ASSOCHAM (Associated Chambers of Commerce and Industry of India) predicted that chocolate consumption in India may cross 7500 Cr in year 2015. The recent report suggests that chocolate consumption will be reach at 341609 tons till year 2018.

FACTORS INFLUENCING GROWTH OF CHOCOLATE MARKET



Figure: 1

RATIONALE OF THE STUDY

"Needs are always exist in the society. Producers or service providers have to identify that need(s) to run their business."

This research work is based on the ability of two chocolate firms who can make chocolate a part of Indian tradition. They can develop interest of Indians in chocolates. The comparative assessment can project the consumers' perception with respect to chocolate buying.

The study is limiting to the analysis of consumer preferences, perception and consumption of two major players in chocolate industry, Cadbury and Nestle. Other available brands are excluded from this study. The scope this study is also restricts itself to Indore city only.

OBJECTIVES OF THE STUDY

Primary the research is focused on performing a comparative study of consumer behavior towards Nestle and Cadbury chocolates. To stipulate the perceptional difference following objectives are considered:

1) To study the level of satisfaction associated with the considered chocolate brands.

2) To study customer preference for the considered brands.

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3) To study the factors affecting purchasing decisions of chocolate brands

4) To study the factors affecting the consumption pattern.

LIMITATIONS OF THE STUDY

In attempt to perform this research work with authenticity and reliability, every possible precaution was taken. Even though the research is having some limitations which may affect the findings. The main limitations are as follows:

1) Sample of consumers was not enough to generalize the findings of the study.

i. The research is limiting to Indore city only.

ii. Due to limitation of time only few people were selected for the study.

iii. Respondents belongs to more than 30 years considered under a common group.

iv. Study limiting to two leading brands Cadbury and Nestle

2) Primary data is collected with the help of self-administered structured questionnaires. Sample is selected through convenient judgmental sampling. Thus in spite of use of structured questionnaire the chance of biased response can't be eliminated.

3) Respondents hesitant to disclose the true facts is another non ignorable limitation of the research.

RESEARCH DESIGN

1. Survey design: The study is a cross sectional study because the data were collected at a single point of time. For the purpose of present study a related sample of population was selected on the basis of convenience.

2. Sample Size: A sample of 100 people was taken on the basis of convenience. The actual consumers were contacted on the basis of random sampling.

3. Research Period: Research work is only carried for 3 weeks.

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4. Data Collection:

I. Type of data: The data, which is collected for the purpose of study, is divided into 2 bases:

- **Primary Source:** The data has been collected directly from respondents.
- **Secondary Source:** The secondary data was collected from internet.

II. Tool Used: Self designed structured questionnaires. The questions included were open ended, dichotomous and offered multiple choices.

5. Tool used for Data Analysis: Percentage analysis using Excel.

RESEARCH ANALYSIS & FINDINGS

Demographic Profile of the Respondents

Sample with liking & Disliking

Table: 1

Liking for the Chocolate	**Yes**	**No**
Number of Respondents	95	5

Age Profile

Table: 2

AGE GROUPS	**0-10**	**10-20**	**20-30**	**ABOVE 30**	**Total**
NUMBER OF RESPONDENTS	25	25	25	25	**100**

Preferences

Table: 3

BRANDS	**PREFERENCE BY CONSUMERS**
CADBURY	73
NESTLE	22

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Preferences with respect to Age

Table: 4

BRANDS	AGE GROUPS			
	0-10	**10-20**	**20-30**	**ABOVE 30**
CADBURY	20	20	19	12
NESTLE	5	4	5	10
NO CONSUMTION	0	1	1	3
TOTAL	25	25	25	25

Graphical representation of Demographic Profile

Respondent Profile

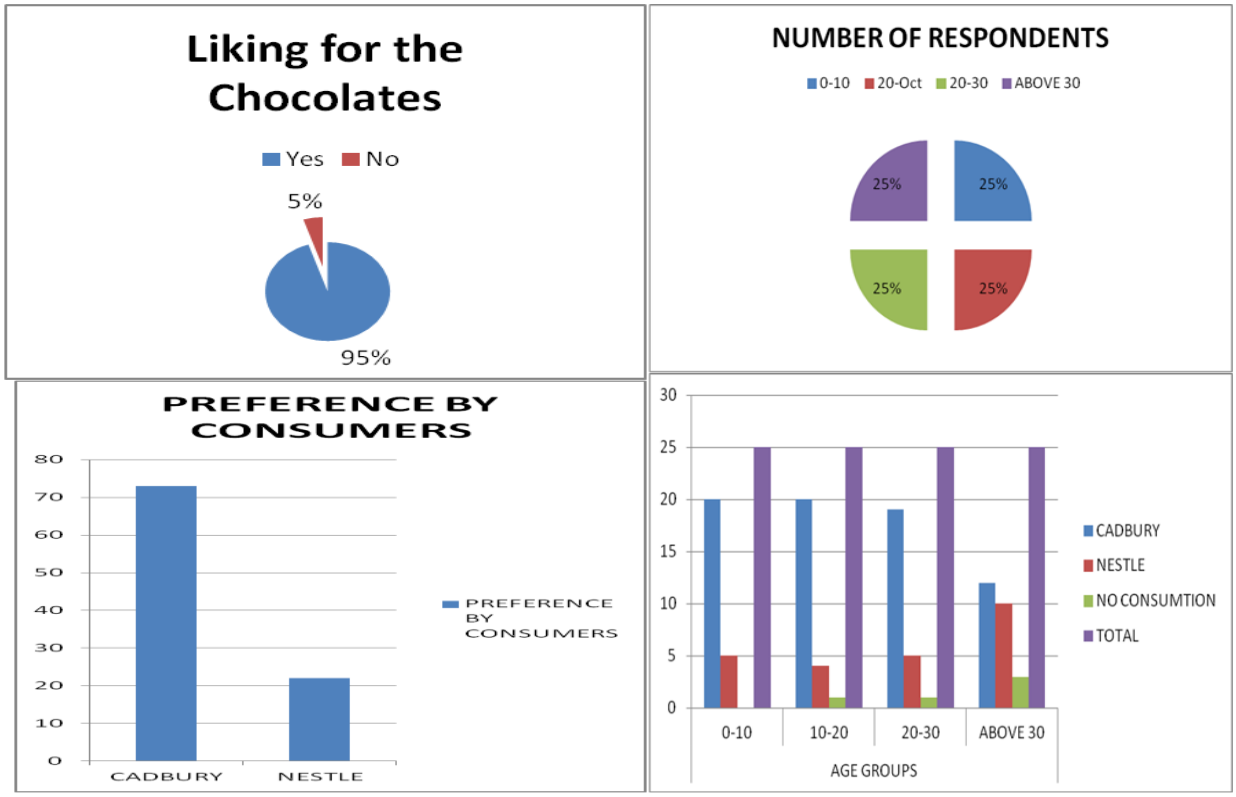


Chart: 1

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Inference 1

From the above chart it is clearly state that among 100 respondents only 5% shown their disinterest in chocolate consumption. Respondents belong to 4 age clusters which are equal in size. Amongst 95 respondents who like to eat chocolate 79% prefer Cadbury. Nestle brand is preferred by very least number of consumers. It is also observed that people who like chocolate of Nestle brand belongs to higher age group.

Comparative Analysis

Table 5 Preference Profile of all the Sub Brands

CADBURY CHOCOLATES		**NESTLE CHOCOLATES**	
SUB- BRANDS	**NUMBER OF RESPONDANTS**	**SUB- BRANDS**	**NUMBER OF RESPONDANTS**
DAIRY MILK	69	**MUNCH**	20
5 STAR	65	**MILKY BAR**	18
PERK	61	**KIT KAT**	17
CELEBRATIONS	49	**BAR- ONE**	13
TEMPTATIONS	43	**MILK CHOCOLATE**	9

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Graphical representation of Sub-brand Preference Profile

Preference of Subrands of Chocolates

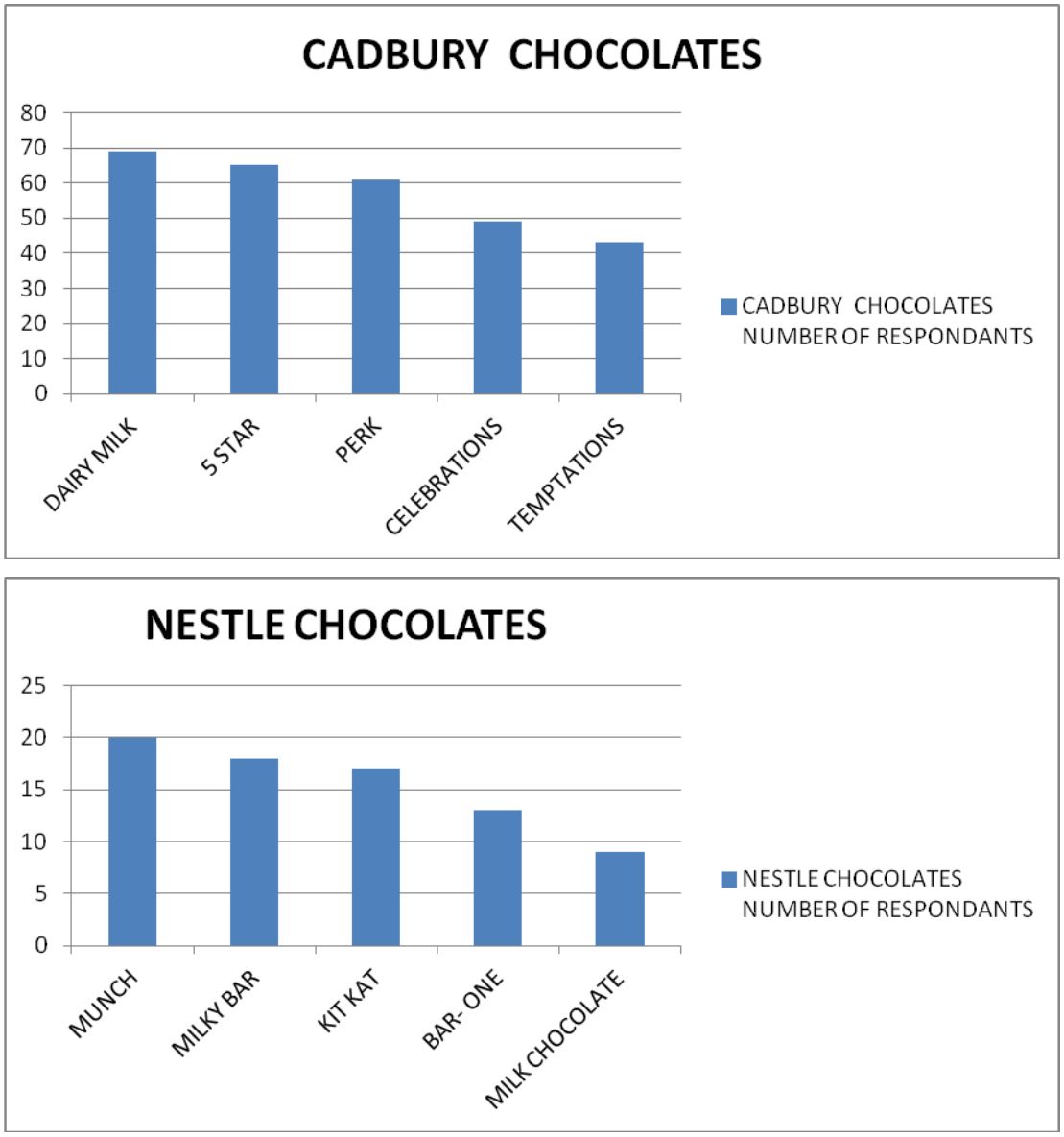


Chart: 2

Inference 2

Cadbury's Dairy Milk having highest selling in Nestle group Much preferred by the consumer. On other end Temptation and Milk Chocolate are least preferred.

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Table 6

OVERALL PURCHASE OF SUB- BRANDS OF CHOCOLATES	
SUB-BRANDS	**PERCENTAGE OF PURCHASE**
DAIRY MILK	19
5 STAR	15
PERK	14
CELEBRATIONS	15
TEMPTATIONS	6
KIT KAT	8
MUNCH	10
MILKY BAR	6
BAR ONE	3
MILK CHOCOLATE	4

Overall Purchase of Chocolates

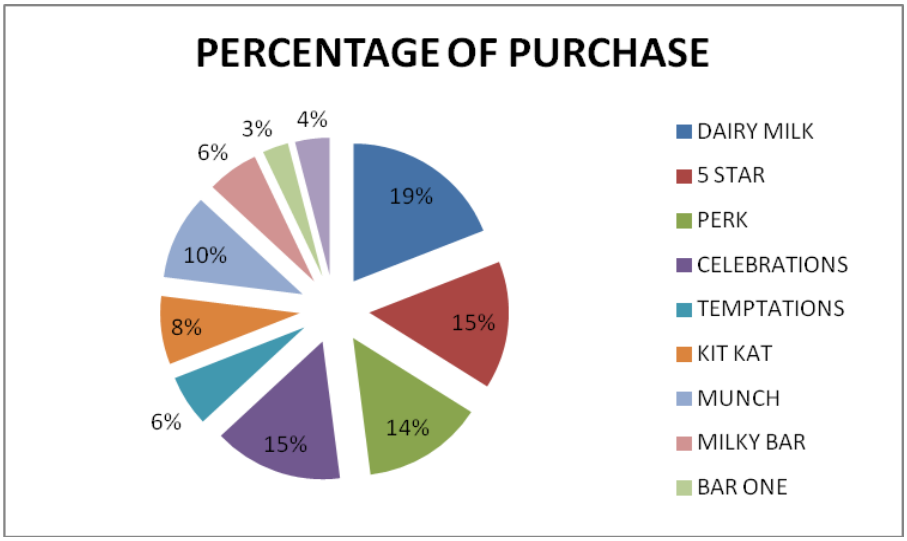


Chart: 3

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Inference

From the above analysis it is concluded that Dairy Milk is highly purchased sub brand by people. 5 Star and celebration having equal market share while Bar one & milk bar Chocolates are least purchased by people.

Overall Influence

Table: 9

FACTORS	RANK
FLAVOR/TASTE	1
PRICE	2
QUALITY	3
BRAND	4
IMAGE	5
QUANTITY	6
FORM	7
PACKAGING	8
COLOR	9
SHAPE	10

Inference

According to the above analysis it is concluded that people residing in Indore city influenced by flavor/taste followed by price, quality, brand and image. It is notable that colour and shape of the chocolate can have least influence over their buying decision.

If both the brands are analyzed individually the average rank never get changed

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Rank as per the satisfaction

Factor Considered during buying		Ranking as per their Satisfaction Level			
Over all Rank		Cadbury		Nestle	
FACTORS	**RANK**	**FACTORS**	**RANK**	**FACTORS**	**RANK**
FLAVOR/TASTE	1	**FLAVOR/TASTE**	1	**FLAVOR/TASTE**	1
PRICE	2	**QUALITY**	2	**QUALITY**	2
QUALITY	3	**BRAND**	3	**BRAND**	2
BRAND	4	**PRICE**	4	**PACKAGING**	4
IMAGE	5	**PACKAGING**	5	**PRICE**	5
QUANTITY	6	**SHAPE**	6	**FORM**	6
FORM	7	**FORM**	7	**COLOR**	7
PACKAGING	8	**COLOR**	7	**SHAPE**	8
COLOR	9	**QUANTITY**	8	**QUANTITY**	9
SHAPE	10	**IMAGE**	9	**IMAGE**	10

Inference

According to the above analysis it is concluded that on an average people are most satisfied with the flavor/taste of a chocolate followed by quality and brand. In both of the brands price get shifted in the rank. It is observed that people are satisfied with quality but unsatisfied with the quantity and image in case of Cadbury. If we are talking about nestle people are satisfied with quality but unsatisfied with the form and packaging.

Marketing techniques Adopted by Companies

- Jingle Lines
- Poetry related to chocolate
- Eye-catching & emotional Advertisement
- Promotion of chocolate as an immediate hunger satisfier

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- Projection of the chocolate as Status Symbol

CONCLUSION

People are more satisfied with the Cadbury chocolates as compare to nestle. TV is best promotional mean in case of chocolate. In Indore city people started to spend their money on confectionery but still there is scope of development.

Suggestion to play in smart in Indian Market

1) To encourage non users small low price packet should be launched.
2) Products should be launched as per the Indian test and traditions
3) Packing variation is required.
4) Inclusion of organic and medicinal compound increase its demand.

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