

International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at <http://www.serialsjournal.com>

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Volume 15 • Number 2 • 2017

Success Crowns Cadbury Dairy Milk: Brand and Culture Analysis

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Abstract: Cadbury Dairy Milk is one of the most popular milk chocolates World-wide. Introduced in 1905, it has been the best-selling chocolate over the years. In India it covers 70 percent of the market share. With such a huge population accepting it, Cadbury is a signature of branding and culture. The motto of this paper is to demonstrate how branding and culture together crowns the success of Cadbury. The study would delve into the functional benefits, brand image of Cadbury Dairy Milk and culture behind its consumption. Based on a primary survey, it suggests the brand image of Cadbury Dairy milk and the paradigm shift in the cultural change with regards to the consumption of this chocolate. It would also examine the elements of brand loyalty, taste, relevance of a brand ambassador, consumption habits and in general consumer behavior.

Background/Objectives: Cadbury Dairy Milk has maintained its position as a dominant player in the Indian market since almost century. How has CDM modified its strategies over time to retain its position? What are the factors that has significantly affected the brand loyalty? Also what is the importance of Indian culture in building CDM's brand image?

Methodology: To answer these questions, an exploratory research was conducted by circulating a questionnaire among the students of a reputed management institution. To justify the study, the responses in the questionnaire like "Do you purchase CDM because it tastes good?" were converted into relevant dummy variables and an OLS model was built to find the relationship with brand loyalty. In the proposed model brand loyalty is the dependent variable and taste preference, gender opinion, price, etc. are independent variables. A relationship among the variables will rightly explain the effect of the brand image.

To find an answer to the effect of culture on brand image, a descriptive study is conducted, with their preference to buy CDM. For a clear understanding, a Venn diagram is created in the later part of the paper.

The findings show that taste is proved to be most relevant in consuming CDM in comparison to other variables like price elasticity, gender response and affinity towards dark chocolate. Taste is undoubtedly, the success

factor of CDM and it is reflected again and again in various parts of the analysis. The other part of the analysis spoke about relevance of culture in CDM branding strategy. A good number of the sample uses CDM as a form of gift in different occasions (festive or celebrations).

Keywords: Branding, Brand loyalty, Cadbury, Culture.

1. INTRODUCTION

Brand relevance is an important aspect for the success of a product. Over the years, it has been witnessed that brand relevance is the significant factor that illustrates strategic success and market dynamics. To make a brand successful over a long period of time, it is necessary to continuously, innovate on its product type, determine the price mechanism, have a strong distribution strategy and decide on promotion strategies. Often it is seen that a product has lost its brand value, not because the quality of the product has declined but that the brand as a whole has become irrelevant. At this point it is necessary to conduct market research and understand the interest or inclination of the customers and create subcategories of the products, as per requirement (Aaker, 2010). The inclination of a consumer, relating to a particular product can be affected by the choice and preferences, requirement, price elasticity and culture. The later has a strong power to add on to the brand value silently. Study of culture in brands is major area of concern in the present era of globalization. Culture is defined as the values, ethics, rituals, traditions, material objects and services produced or valued by members of society (Solomon *et. al.*, 2010).

When culture is added as a form of branding, customers try to live the brand values (Cayla and Arnould, 2008) thus making everyone internal and external to the organization realize that “Brand is culture” and “Culture is Brand” (Taylor, B. 2010). Cultural aspects of a consumer vary from place to place. The cultures of two countries like Pakistan and India would differ across various parameters, for example, the Surf Excel advertisement in India, portrays advertisements relating to Diwali celebration, whereas in Pakistan, it shows Ramadan celebration. In other words, it is responsible in creating a guideline on how a person should live. Consumers relate to the Logos of the brand Nike and Mc Donalds, and hence are able to create brand salience (Holt, 2002).

Keeping this idea in mind, Cadbury Dairy Milk (CDM), one of the leading confectionary in the world, with 70 percent market share in India has developed its strategies from time to time and landed as a successful player (<http://www.iloveindia.com/economy-of-india/top-50-companies/cadbury-india.html>, retrieved on 18/6/2016). The focus on its quality, pricing and especially cultural branding, has given it the current position.

In this paper, a quantitative analysis is performed on 116 responses from students of a reputed Management institution in the month of February 2016. The study draws a picture of the sentiments and perception of the buyers relating to the product.

2. LITERATURE REVIEW

Cadbury was first launched in 1824 in England and in 1948 it was incorporated in India. It holds around 70 percent of market share in India with a wide range of chocolate products like Cadbury Dairy Milk, Dairy Milk Silk, Oreo, etc. Over the years it has maintained its image with different strategies and stood as the chief player in the Indian Market. It has made its brand relevant by adding new products and upgrading

their advertising strategies. This kind of approach has kept most of the competitors in severe worry (Aaker 2010). To analyze the success of CDM, in this paper, a model is built. One of the main variables to determine brand loyalty is gender. It is seen that gender does have a prominent effect in the affecting the brand loyalty. Many studies have confirmed that genders differ in their cognitive power, which affects their behavioral use (Molm. 1985). There was a study in order to see women or men were more brand loyal for service providing industries. This clearly implies that brand loyalty differs by gender; there should be different selling approaches for the two groups (Melnyk, Osselaer and Bijmolt, 2009)

Secondly, price and promotion are two segments that explain branding to quite a large extent. Through promotion there is already an expectation on the particular product. Eventually, distorting the price may affect the same. (Lattind and Bucklin, 1989)

Thirdly, it is necessary to maintain the brand image of the product in tune with the consumer attitude. Thus, leading to creating brand equity which broadly falls under the philosophy of nurturing the brand (Faircloth, Capella and Alford, 2001).

Finally, introduction of new products within the brand's portfolio creates internal conflicts and may cannibalize the sales. But indirectly, the features of the new product may be responsible for the brand loyalty of the existing image (Nowlis and Simonson, 1996). Various studies, speak about the relation between the existing brand and the extended brand (Broniarczyk and Alba, 1994). Product variety has always affected the choice and brand perception (Berger, Draganska and Simonson, 2007).

The other aspect of the paper deals with culture and branding. Culture plays an important role in the theory of branding. In a cross country analysis, it was seen that the dissatisfaction was different for the Americans and Chinese. On the other hand, their mode of expression was also different along with the cultural background of the two countries (Chan and Wan, 2008). Therefore, analyzing the cultural component helps the company in sustaining itself in the existing competitive market. Culture affects the socio-economical functioning which is an integral part for constructing business strategies (Roth, 1995).

Similarly, brand awareness helps generate repeat purchases which enhances consumer buying process and finally augments the growth of the particular product (Hower and Brown, 1990). Correct form of advertisement with better visual and verbal components is able to hold the culture of the targeted audience and bring out better impact on branding (Mitchell, 1986).

3. OBJECTIVE

1. To create a model, analyzing how different variables affect brand loyalty.
2. Understanding the importance of culture in branding.

4. RESEARCH DESIGN

Cadbury Dairy Milk has maintained its position as a dominant player in the Indian market since almost century. Even with the existence of the rival companies and a wide variety of chocolate products, it hasn't lost its popularity. Hence the question arises, how has CDM modified its strategies over time to retain its position? What are the factors that has significantly affected the brand loyalty? Also what is the importance of Indian culture in building CDM's brand image?

To answer these questions, an exploratory research was conducted by circulating a questionnaire among the students of a reputed management institution (Refer Methodology Section). To justify the study, the responses in the questionnaire like “Do you purchase CDM because it tastes good?” were converted into relevant dummy variables and an OLS model was built to find the relationship with brand loyalty. In the proposed model brand loyalty is the dependent variable and taste preference, gender opinion, price, etc. are independent variables. A relationship among the variables will rightly explain the effect of the brand image.

To find an answer to the effect of culture on brand image, a descriptive study is conducted, with their preference to buy CDM. For a clear understanding, a Venn diagram is created in the later part of the paper.

5. METHODOLOGY

One of the research approaches to analyze branding or culture is by way of undertaking consumer fieldwork. A primary survey was conducted, using the electronic medium on a group of students in a reputed management institution. The survey was open for two days in the Month of February, 2016. 116 responses were collected by circulating a questionnaire regarding their perception about the popular chocolate Cadbury Dairy Milk (CDM). Due to missing values and the ease of the analysis, the final sample was boiled down to 107. Eventually, a quantitative analysis was performed. The analysis was divided into two categories. Firstly, to understand the purpose behind the purchase of CDM, the data is studied closely and depicted graphically. CDM is no longer a mere chocolate; it has been an easily available sweet product, which can be used for various occasions. It has woven into the Indian culture through its availability and advertising campaigns. Secondly, to understand the significance on its brand loyalty, a model is created. The model relates taste (quality of CDM), availability of dark chocolate (new product), price movement and gender preference to its brand loyalty. Considering the few determinants of brand loyalty, the equation is as follows:

$$(\text{dummy_loyal}) = \beta_1(\text{dummy_taste}) + \beta_2(\text{dummy_price}) + \beta_3(\text{dummy_gender}) + \beta_4(\text{dummy_dc}) + \varepsilon;$$

where

dummy_taste = Perception about taste

dummy_price = Response to price elasticity

dummy_gender = Gender response

dummy_dc = Affinity towards dark chocolate

The analysis was performed using the statistical software RStudio (an open source software) and MS Excel.

6. DATA ANALYSIS

6.1. Objective 1: Brand and Brand Loyalty

6.1.1. Does Taste have an effect on brand loyalty?

To check the effect of taste on brand loyalty, a hypothesis testing was conducted.

H_0 : Taste has no effect on brand loyalty

H_1 : Taste has some effect on brand loyalty.

Table 1
Hypothesis Testing for Brand loyalty and Taste.

Person's Chi-squared test with Yates' continuity correction
Data: table (R.Cadbury.work\$Dummy_taste, R.Cadbury.work\$Dummy_loyal)
 $X^2 = 13.147$, $df = 1$, $p\text{-value} = 0.000288$

The P -Value is low at 5 percent confidence interval therefore; the null hypothesis cannot be accepted. Therefore, taste has some effect on brand loyalty.

6.1.2. Does Gender have an effect on brand loyalty?

To check the effect of gender on brand loyalty, a hypothesis testing was conducted.

H_0 : Gender has no effect on brand loyalty

H_1 : Gender has an effect on brand loyalty.

As the P -Value is high at 5 percent confidence interval therefore; the null hypothesis is accepted. This clearly indicates that Gender has no effect on brand loyalty.

Table 2
Hypothesis Testing for Brand loyalty and Gender.

Person's Chi-squared test with Yates' continuity correction
Data: table (Rtest\$Dummy_Gender, Rtest\$Dummy_loyal)
 $X^2 = 0.0091543$, $df = 1$, $p\text{-value} = 0.9238$

6.1.3. Does dark chocolate consumption have any effect in consumption of CDM?

There has been a continuous competition between dark chocolate lovers and CDM. To check how dark chocolate consumption has an effect in CDM consumption, a hypothesis testing was conducted.

H_0 : Dark Chocolate consumption has no effect on CDM consumption.

H_1 : Dark Chocolate consumption has some effect on CDM consumption.

Table 3
Hypothesis Testing for Brand loyalty and availability of new product (dark chocolate).

Person's Chi-squared test with Yates' continuity correction
Data: table (Rtest\$Dummy_dc, Rtest\$Dummy_loyal)
 $X^2 = 0.65248$, $df = 1$, $p\text{-value} = 0.4192$

As the P -Value is high at 5 percent confidence interval therefore; the null hypothesis is accepted. This clearly indicates that dark chocolate consumption has no effect on CDM consumption.

6.1.4. Does change in price affect the brand loyalty?

Price is a driving force for most of the purchase decisions. A slight change in the price of CDM, affects the purchasing behavior of the consumers. To check how change in price affects the brand loyalty, a hypothesis testing was conducted.

H_0 : Increase in price has no effect on brand loyalty of CDM.

H_1 : Increase in price has some effect on brand loyalty of CDM.

Table 4
Hypothesis Testing for Brand loyalty and Price Change.

Person's Chi-squared test with Yates' continuity correction
 Data: table (Rtest\$Dummy_Price, Rtest\$Dummy_loyal)
 X^2 -squared = 0.85549, $df = 1$, p -value = 0.355

As the P -Value is high at 5 percent confidence interval therefore; the null hypothesis is accepted.

Thus, increase in price has no effect towards the brand loyalty of CDM.

To check the extent to which taste, price, gender and consumption of dark chocolate is affecting the brand loyalty of CDM; a linear regression model was created. Dummy variables were assigned to derive the relation.

Table 5
Model- Effect on Brand Loyalty by multiple variables.

lm(formula = Dummy_loyal ~ Dummy_taste + Dummy_Price + Dummy_Gender + Dummy_dc)

Residuals:

Min	1Q	Median	3Q	Max
-0.7935	-0.4479	0.2064	0.3099	0.5757

Coefficients:

	Estimate	Std. error	t-value	Pr(> t)
(Intercept)	0.4441886	0.122455	3.608	0.000483 ***
Dummy_taste	0.248221	0.106467	2.331	0.021737 *
Dummy_Price	-0.115020	0.120119	-0.958	0.340597
Dummy_Gender	0.005987	0.093043	0.064	0.948822
Dummy_dc	0.097478	0.093812	1.039	0.301272

signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.04614 on 100 degrees of freedom

Multiple R-squared: 0.07406, Adjusted R-squared: 0.03702

F-statistic: 2 on 4 and 100 DF, p -value: 0.1003

The results show significance only in the case of taste. Taste has been a major factor to strengthen brand loyalty over time for the brand CDM. The coefficient of taste show that if the taste of CDM drives up brand loyalty by 24 percent. As it can be seen, the R- square and Adjusted R- squared did not provide a satisfactory value. But after dropping few insignificant variables, there was improvement of the same.

Table 6
Reason for eating CDM

<i>Row Labels</i>	<i>Count of Why do you eat Cadbury Dairy Milk?</i>
I love the packaging	2
I love the taste	81
It is easily available	20
It is not at all expensive	4

Source: Primary data collection through questionnaire.

To further strengthen the significant variable (taste), the direct question on the reasons for consumption of CDM was plotted (Figure 1). It clearly shows that 76 percent of the total share loves the taste. In numbers, 81 responses confirmed the fact (Table 6) . Easy availability holds 18 percent, which adds a feather to their distributional success.

Table 7
What has helped Cadbury to build a good brand image?

<i>Row Labels</i>	<i>Count of Which of the following, according to you, has helped Cadbury build a good brand image?</i>
Quality	28
Taste	47
Unique Advertisements	27
Well-known Brand Ambassador	5

Source: Primary data collection through questionnaire.

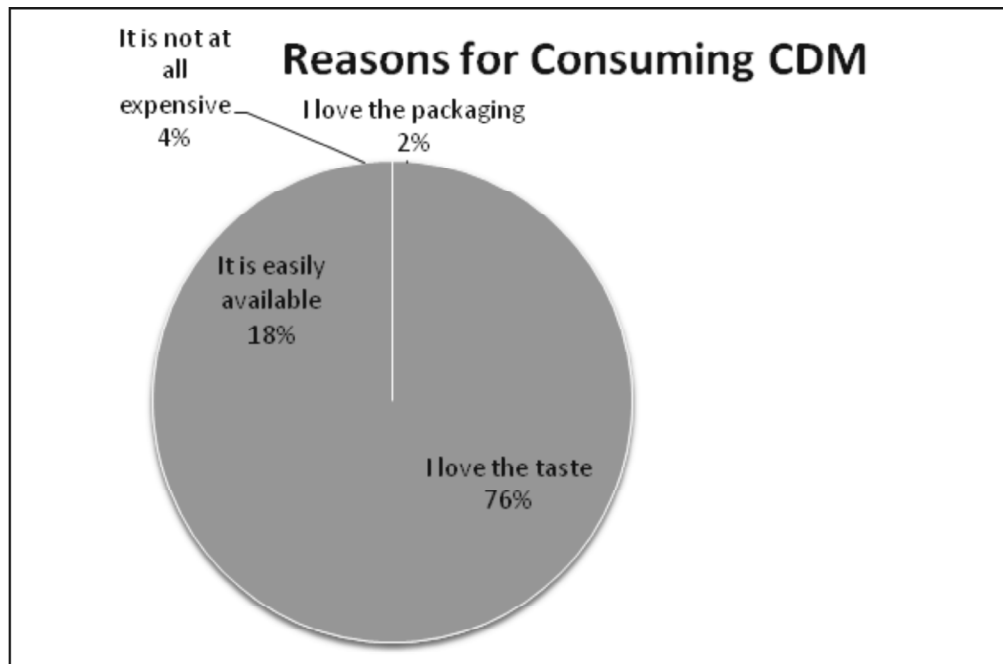


Figure 1: Reasons for eating CDM

Source: Author's creation from the collected data.

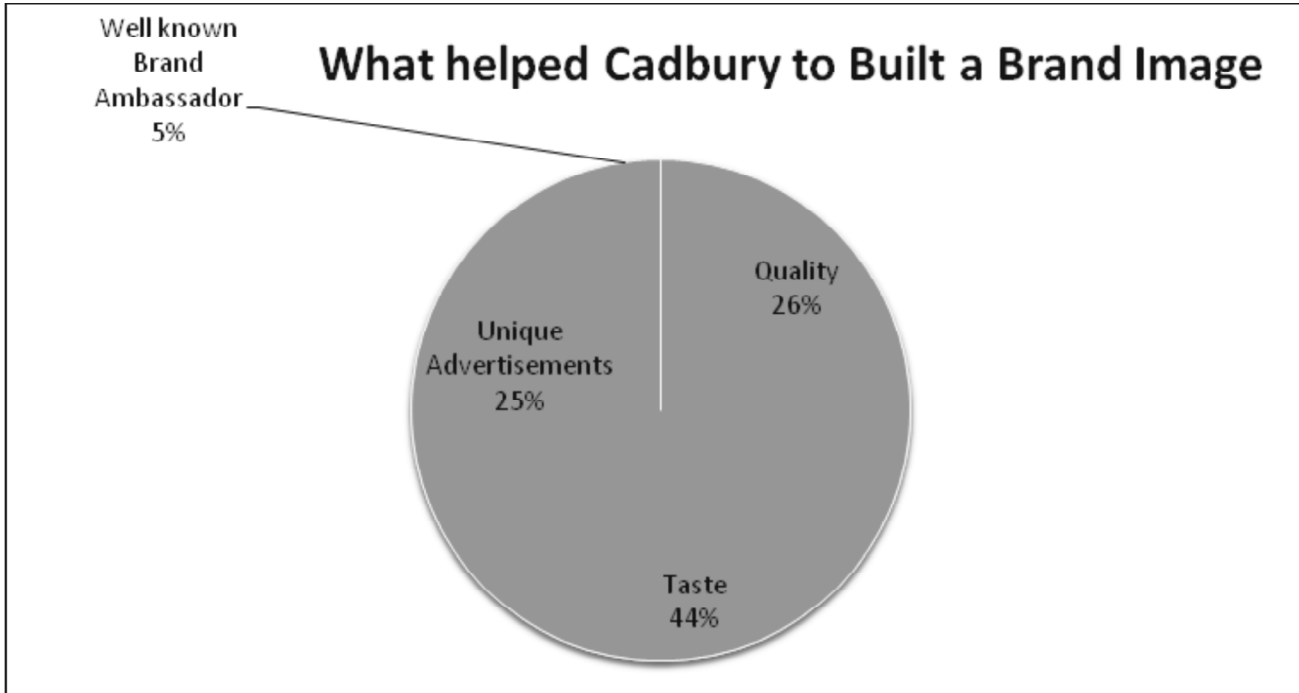


Figure 2: What has helped Cadbury to Build a Brand Image

Source: Author's creation from the collected data.

On a similar note, another direct question was posed, *i.e.* What has helped Cadbury to build their brand Image? As it can be clearly seen from Table 7 and Figure 2, that the biggest share is for its taste and quality (70%). Therefore undoubtedly, not neglecting on its quality is the major reason of success.

6.2 Objective 2: Branding and Culture

For a product like Cadbury, cultural perspective becomes utmost important as the consumption choices cannot be understood without the cultural context. Consumers' culture determines the priorities the consumer attaches to activities and products (Solomon *et.al.*, 2010).

The questionnaire that was prepared had a question that would understand the purpose for buying Cadbury. Over the years, CDM has changed from being a mere chocolate for consumption to a gifting item on various occasions. It has woven into the culture and tradition of the country. The four purposes that was broadly identified, after literature review are: Gift to a friend, Self-consumption as a snack, festive gift and a sweet dish. It was seen that people purchased CDM not only for self-consumption but due to all possible combination of the four. The analysis from the survey evidently confirms that the main purpose for CDM consumption is self-consumption for snack (Figure 3).

Around, 69 percent will choose Cadbury as a snack along with other options. This indirectly supports the hypothesis testing (Table: 1), that taste is the responsible for Brand loyalty. The taste of the chocolate is majorly responsible for its growth and success in the market. The second major share comes towards, buying it as a form of gift. CDM with its attractive packs and advertisement has made its product appropriate for different celebrations, which is a significant part of the Indian culture. Along with its easy availability,

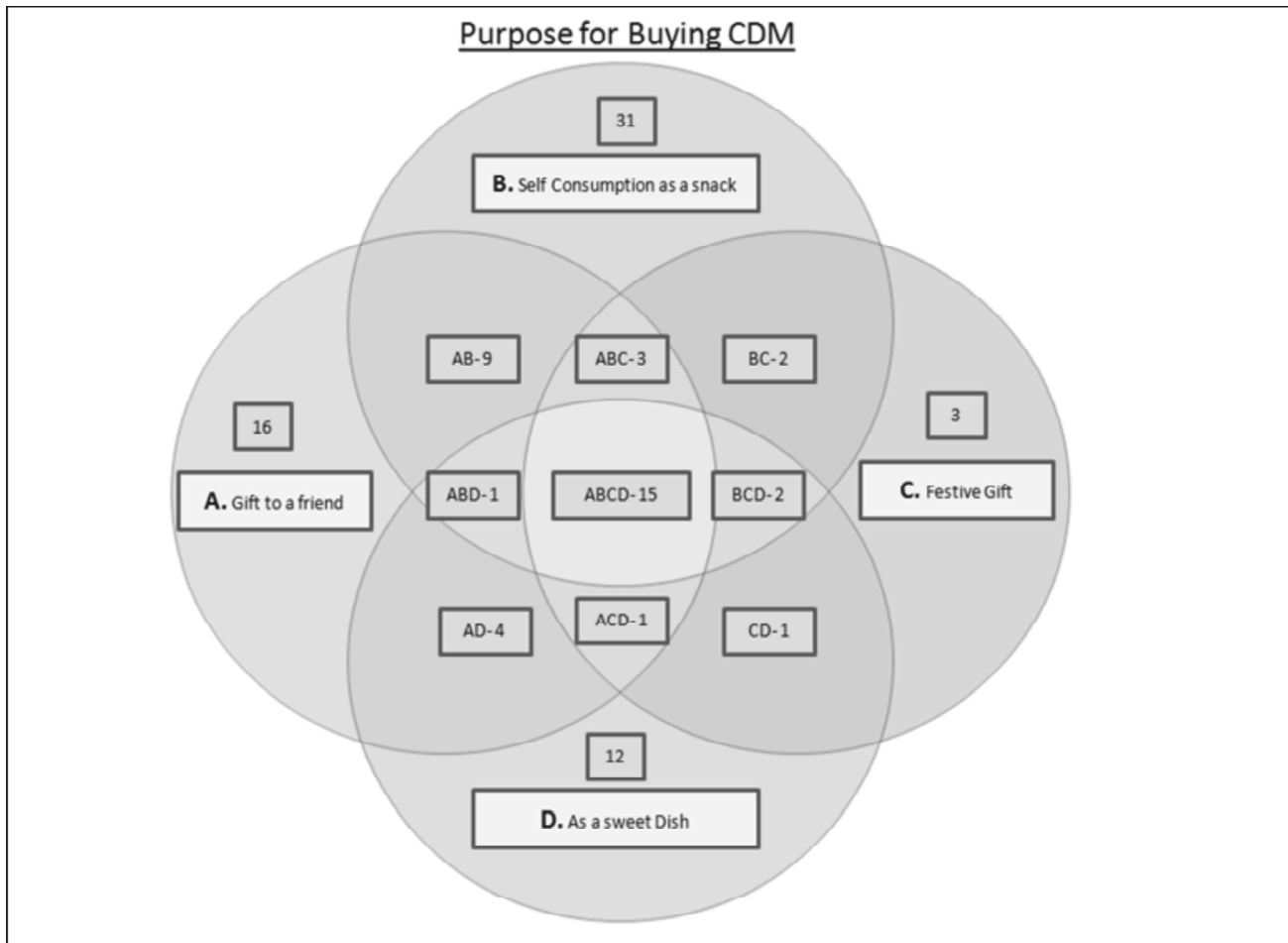


Figure 3: Purpose for Buying CDM

Source: Author's Creation from the collected data.

CDM becomes a good gift form. This justifies 55 percent of the sample, wanting to purchase it. This leaves behind the last component, which is as a sweet dish. The existing sample does not want to purchase for this purpose. The probable reason behind it is the diabetes awareness across the globe.

Table 8
In which situation, one is most likely to eat a CDM.

Row Labels	Count of In which of the following situation are you most likely to eat a Dairy Milk?
I can eat it anytime and anywhere	65
When I am happy and want to celebrate success	20
When I am hungry and want some dose of energy	17
When I am sad and want to divert my mind	4

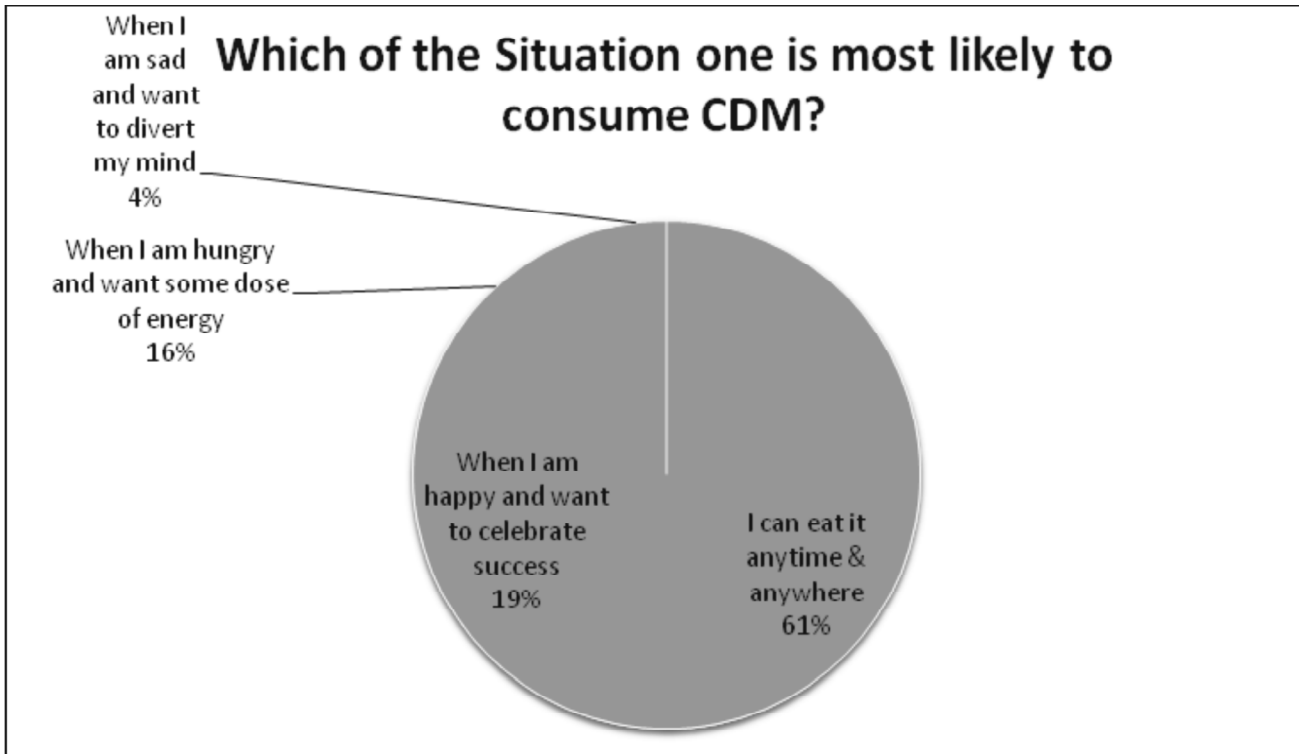


Figure 4: In which situation one is most likely to eat a CDM

Source: Author’s creation from the collected data.

Table 8 and Figure 4 tell the situation when people are most likely to eat CDM. It is seen there is an emotional attachment with CDM. Whether, it is to celebrate success or diverting the mind, this product has been interlinked with the day to day life.

Table 9
Perception about Chocolate

Row Labels	Count of What is your perception about chocolate?
Chocolate makes you live longer	4
Chocolate makes you slim	1
Chocolates as an energy booster	20
Chocolates make you feel happy	83

Source: Author’s Creation from the collected data.

In general, the perception about chocolate is very positive. 77 percent of the population believes that chocolates have the power to add happiness. 18 percent share that idea that it is an energy booster. The other minor section stick to the idea of chocolates has the capability of making someone live longer and also slimmer (Table 9 and Figure 5). All of these stand as an advantage for CDM. The general perception about chocolate in the crowd, adds on to their business strategies.

Another important aspect of CDM that added flavor to their cultural aspect of branding is their advertisement and publicity. The taglines like “kuchmeetha ho jaye”, “AajPehliTarikhain”, etc. helped

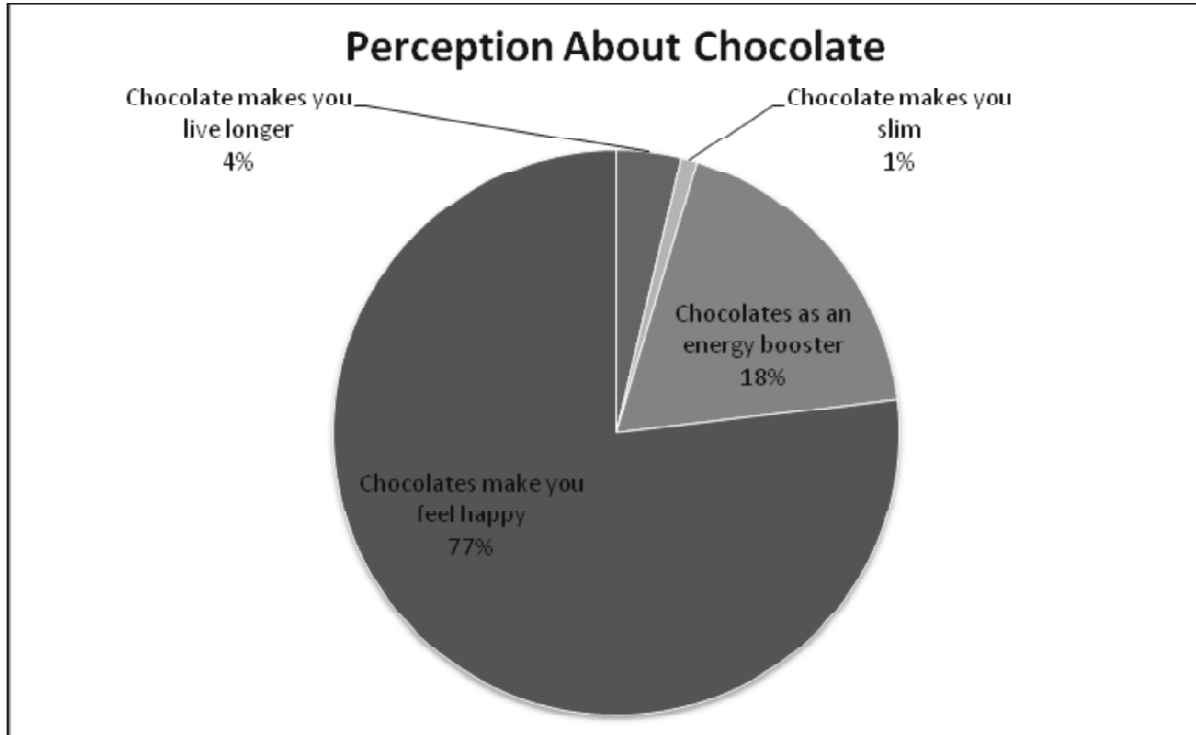


Figure 5: Perception about Chocolate

Source: Author’s creation from the collected data

Table 10
Repurchase after hearing “Kuch Meetha ho Jaye”

Row Labels	Count of How often in a month do you eat Dairy Milk After hearing “kuch meetha ho jaye”?
2-5 times	48
5-10 times	12
More than 10 times	4
Never	41

Source: Author’s Creation from the collected data.

people relate to it much more. Hence, a question was asked on their repurchase decision based on the tag line “kuchmeetha ho jaye”. 46 percent said, 2 to 5 times in a month, they would purchase the product. 11 percent said 5 to 10 times and 4 percent specifies, more than 10 times (Table 10, Figure 6). This shows their power of the campaign and thoughtful business strategy.

7. CONCLUSION

In the first portion of the analysis, taste is proved to be most relevant in consuming CDM in comparison to other variables like price elasticity, gender response and affinity towards dark chocolate. Taste is undoubtedly, the success factor of CDM and it is reflected again and again in various parts of the analysis. The other part of the analysis spoke about relevance of culture in CDM branding strategy. A good number of the sample uses CDM as a form of gift in different occasions (festive or celebrations). In addition, the advertisement campaigns, has promoted repurchasing to quite a great extent.

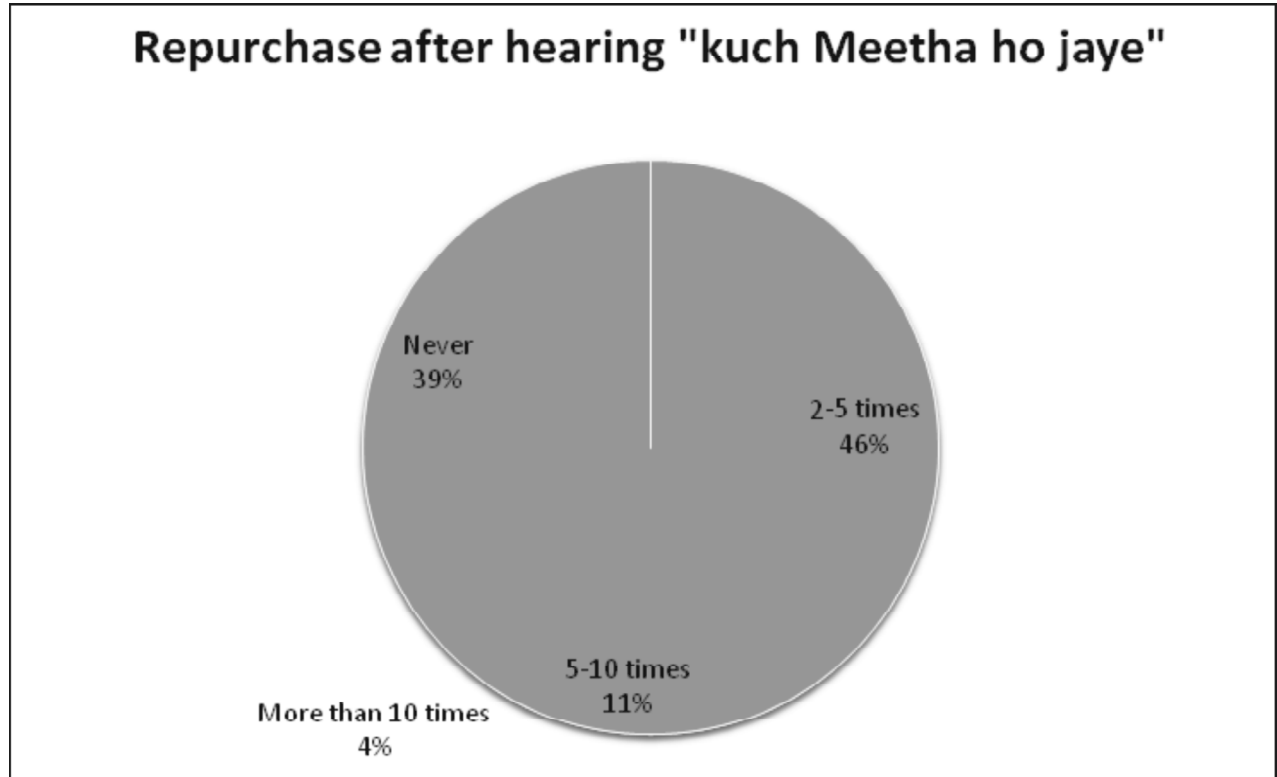


Figure 6: Repurchase after hearing “KuchMeetha ho Jaye”

Source: Author’s creation from the collected data

8. LIMITATION

1. The sample size is limited.
2. The collected responses are restricted to a selected set of target audience (students) only.

9. SCOPE OF FUTURE RESEARCH

1. The sample size can be increased as larger sample gives better accuracy to the analysis.
2. Logit analysis can be performed on the cultural aspect to define Branding and Culture in a quantitative form.

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