

Cadbury India



Background

Cadbury Schweppes is the No.1 confectionery and third largest soft drinks company in the world. The origin of the group goes back to over two centuries. Some of the popular international brands of the company are Cadbury Dairy Milk, Dr Pepper, Flake, Trebor Basset, Snapple and Motts. The company also has Halls, Clorets, Trident, Dentyne and Bubbas bubble gum range in its portfolio with acquisition of Adams in December 2002.

Since 1969, Cadbury Schweppes' has focused on confectionery and non-alcoholic beverages. In 2004, 60 per cent of the Group's net sales came from confectionery and 40 per cent from beverages. The company employs around 55,000 people in over 200 countries around the world.

Cadbury in India

Cadbury India is a wholly owned subsidiary of Cadbury Schweppes which has operated in the country for more than 55 years. It was originally incorporated as a wholly owned subsidiary of Cadbury Schweppes Overseas Ltd in 1948. The company today employs nearly 2,000 people across India. Cadbury India is the No. 1 confectionery company with a 70 per cent market share in India.

Cadbury is mainly into three segments

- Chocolates - Cadbury India is the market leader in the chocolate confectionery market in India with over 70 per cent market share. The leading brands

in this category are Cadbury's Dairy Milk, Fruit & Nut, Crackle, Temptations, 5 Star, Perk & Celebrations Gift boxes.

- Sugar Confectionery – Cadbury Dairy Milk Eclairs is one of the leading brands in this category. It is amongst the largest éclair brands in the market in terms of value share. Cadbury also owns Halls (which was acquired as a part of the global acquisition of the Adams business from Pfizer in 2003). Halls is amongst the largest brands in its segment of Minty/ Breath freshness brands in India.
- Food Drinks – Cadbury's *Bournvita* is a leading brand in the brown drinks segment of milk/ malted food products. Cadbury's other products include *Drinking Chocolate* and *Cocoa powder*. Overall share in the malted food drinks market is estimated to be around 19 per cent.



The company has recently made a foray into snacking category with Cadbury Bytes, its sweet snacking brand. The company has been performing well in India. The net sales of the company have increased from around US\$ 131.6 million in 2000 to US\$ 166.3 million in 2004.

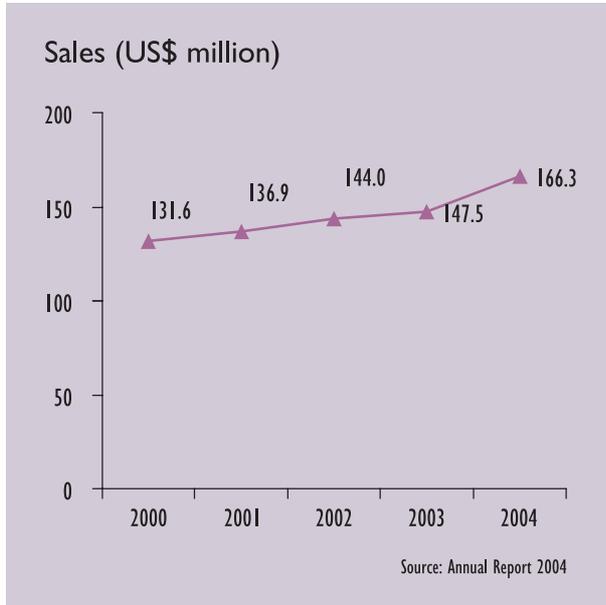
Cadbury India was recognised as one of the India's best managed Companies in 2002 by Business Today and AT Kearney. It was also adjudged one of the India's 25 great places to work in 2003 and 2004 by Business World and Grow Talent.

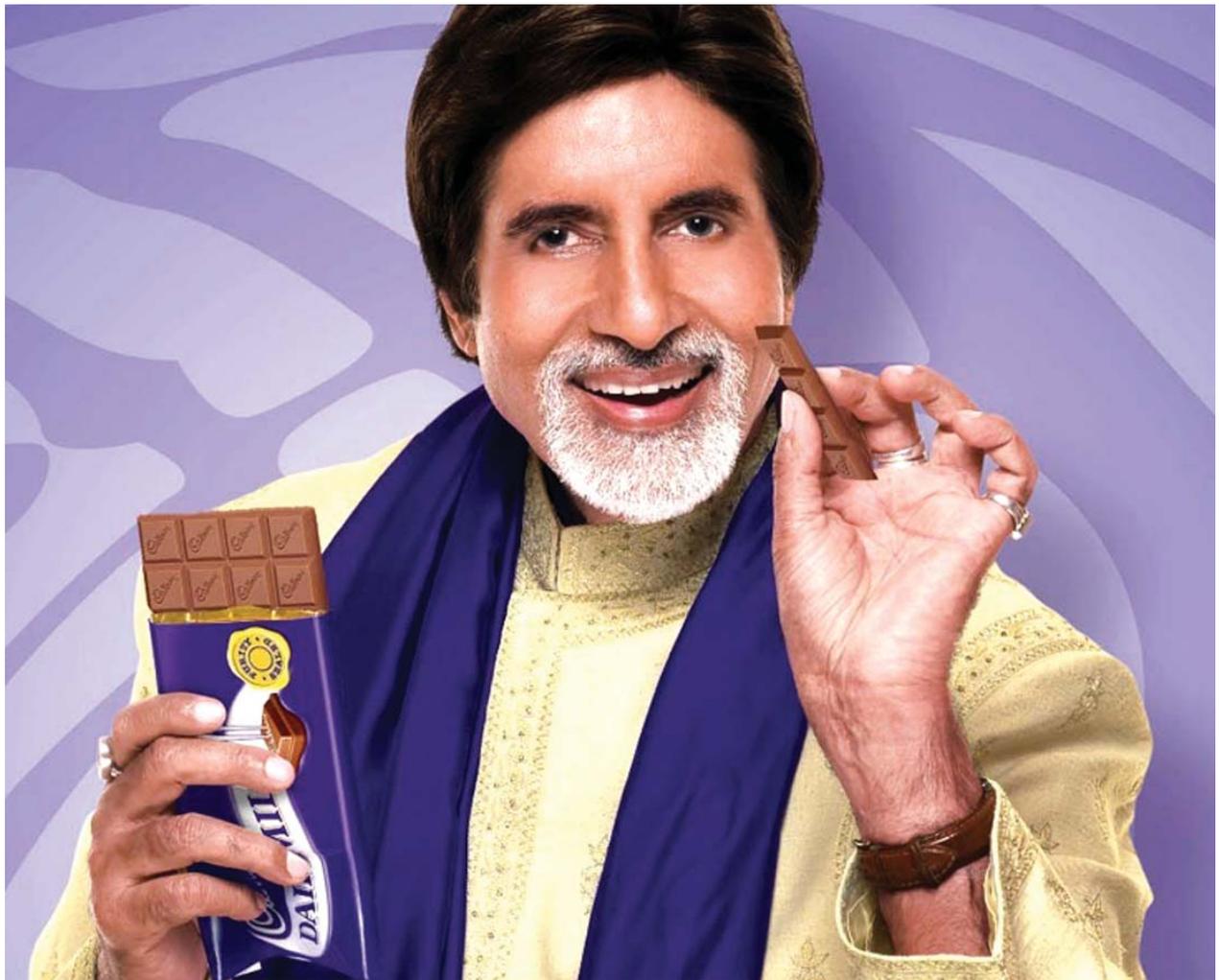
Factors for Success

Extensive distribution network

Cadbury's brands are available in over a million outlets across the country. The distribution network directly covers almost the entire urban population. The company has invested significantly in building such an extensive network. The company uses Information Technology to improve its logistics and distribution competitiveness.

Cadbury has improved the distribution quality of its products with the installation of refrigerators at several outlets. This helps in maintaining product quality in summer, when sales usually dip due to the fact that the heat affects product quality and thereby consumption.





Creation of strong brands

Cadbury owes its success to strong brand equity and resultant consumer preference that it enjoys in India. The company has built strong brand equity through consistently high product quality, relevant, insightful and entertaining communication. Cadbury has developed new channels for marketing its brands such as Gifting and Snacking. The company places great emphasis in ensuring display dominance at the point of purchase

Customisation of products for India

Cadbury India has spent time in understanding the Indian consumers. Leveraging its 55 years of experience in India, the company has customised its products to the Indian markets. It also offers products at affordable price points so as to increase its market penetration.

Leveraging the India Advantages

Though, India contributes to less than 5 per cent of the global revenues today, India is critical to the global strategy of the company

Managerial Talent

Cadbury has begun recruiting management graduates in India to serve its global operations.

Huge market potential

India offers huge market potential and is a priority market for Cadbury. The company also leverages India as a manufacturing base for producing products for the overseas market. Cadbury India has 4 company owned factories and as many third party manufacturing contractors. It also has a wide Sales & Distribution infrastructure consisting of 33 depots managed by 4 regional sales branches across India.

Future Plans

Cadbury India expects strong growth in India in future. The company plans to increase the franchise of its existing brands and continue to explore new product opportunities including adjacent market opportunities. Cadbury India is also looking for more opportunities in the SAARC region.



Cadbury India Ltd.: At a glance

- Cadbury: No.1 confectionery and third largest soft drinks company in the world. Presence across 200 countries. 55,000 employees worldwide
- Cadbury in India: Presence for over 50 years. Market leader in the chocolate confectionery market.
- Factors for success: extensive distribution network, strong brands, customisation to Indian market
- For Cadbury, India is: huge potential market, source of managerial talent
- Future plans, India: To explore larger portfolio for growth. To look for opportunities in SAARC region

