AN APPLICATION OF SWOT ANALYSIS AS A STRATEGIC PLANNING TOOL: A CASE OF CADBURY, INC. IN CONFECTIONERY INDUSTRY

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Abstract

This paper provides analysis on Cadbury, Inc and confectionery industry. The paper analyzes the external and internal forces affecting the company, the industry it operates and its business level strategy. Further, it gives detailed information about the SWOT analysis of the company. Considering the situational features such as opportunities and threats when designing the environmental analysis and making realistic marketing plan is very crucial because a company will benefit from its own strengths, eliminate its weaknesses, benefit from environmental opportunities and protect itself from environmental threats. On the simple basis of product quality and taste, Cadbury proves to be superior to other commercially available chocolate even with the seeming similarities in texture. This paper deals with two main research flows: environmental analysis and situational factors which allows organizations to compose a realistic and effective marketing plan. This study provides a framework that implement a common consensus on these research flows by specifiying some important issues for future research and by making effective strategy analysis in the confectionery industry.

Key Words: *Industry, SWOT, Stuational, Internal, External, Analysis*

ŞEKERLEME ENDÜSTRİSİNE YÖNELİK STRATEJİK PLANLAMA SÜRECİNDE DURUM ANALİZİ UYGULAMASI: CADBURY, A.Ş. ÖRNEĞİ

Öz

Bu çalışma, Cadbury A.Ş. ve şekerleme endüstrisi analizlerini kapsamaktadır. Çalışma, SWOT analizi yardımıyla Cadbury A.Ş.'nin içinde bulunduğu sektörü ve işletme düzeyinde stratejileri etkileyen dış ve iç kuvvetleri analiz etmektedir. Çevrenin analizi ve şirketin pazarlama planı tasarlanırken durumsal faktörler göz önünde bulundurulduğu gözlenmiştir. Cadbury A.Ş.'nin örgütsel bağlamda sahip olduğu güçlü yönlerden faydalanırken; zayıf yönlerin olumsuz etkilerini en aza indirgemeye yönelik çeşitli stratejiler kurduğu görülmüştür. Şirketin bu stratejileri, pazar fırsatlarından yararlanmasına ve herhangi bir tehditten kaçınmasına fayda sağlayacağı için oldukça önemlidir. Cadbury A.Ş.'nin ürünleri yüksek fiyatla ithal edilen atıştırmalık ve yiyeceklere kıyasla daha uygun fiyatlı ve eşit derecede rekabetçi bir alternatiftir. Cadbury A.Ş.'nin şirket stratejilerinin aynı sektörde yer alan diğer şirketlerden daha üstün ve başarılı olduğu sonucuna ulaşılmıştır. Çalışma, şirketi etkileyen dış güçleri, bulunduğu sektörü ve şirketin çevresini analiz etmektedir. Böylelikle şekerleme endüstrisinin geleceği hakkında gerçekçi öngörüler sunulmakta ve sektörün dinamikleri hakkında önemli bilgilere ulaşılmaktadır. Bu çalışma gelecekteki araştırmalara şekerleme endüstrisindeki firmaların çevresel analizi için önemli alanları vurgulayan kavramsal bir çerçeve sunmaktadır.

Anahtar Kelimeler: *Endüstri, SWOT, Durum, İçsel, Dışsal, Analiz*

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1.Introduction:

Currently, confectionery industry is growing rapidly in the world. The confectionery market has fluxional environment and the capability of confectionery producers to adapt this dynamic environment is effective on market success. Companies need to accommodate the turbulent changes by regulating their structure and direction. The marketing success is directly related with a series of company orientations to environmental conditions in recent years. Previously, organizations merely tended to manufacturing and mass production facilities. Later on production according to customer expectations and quality management issues gain significance (Janczewska, 2015). The purpose of this study is an attempt to specify threats and opportunities in confectionery industry. This study uses Cadbury, Inc. as a case a realistic example of how to build an international marketing strategy to treat growing confectionery industry.

Cadbury, Inc. is one of the four largest soft drinks and confectionery brands in the world and it is the leader of USA confectionery market. Cadbury, Inc. with almost two centuries of history, has world-wide products latterly. Cadbury, Inc. was founded in 1969 by the united of two respectable British businesses. Cadbury, Inc. has broadened its market in the world with an effective growth strategy focused on organic procurement and production. At the beginning, Cadbury, Inc. had only tea and coffee products; but lately, the basis of Cadbury's success has been the range of cocoa and chocolate varieties. In the 1980s, Cadbury, Inc. adopted a strong strategic decision that changed the overall production facilities and narrowed its overall range of food products in order to have a greater power in the international beverage and confectionery industry.

The aim of this paper is to analyze the external forces affecting Cadbury with the largest confectionery market share in the US and its major competitors in the confectionery industry; to provide realistic insights about the future of the confectionery industry and to reach substantial information about the dynamics of the industry.

In this paper, the organizational capabilities of the confectionery manufacturers in implementing a successful international product strategy will be clarified and the advantages and advantages of this strategies for the producers are also explained.

2.Literature:

The general environment is grouped into 6 environmental segments that influence an industry and organizations in the industry. On the other hand, the industrial environment as Porter mentions includes dimensions that directly affect a company's competitive capability. Porter groups these competitive dimensions in to 5 forces. Defining the root reasons of these competitive forces provides a frame for predicting actual profitability of the company and the industry. (Porter,2008).

An industry is the sum of companies that produce representative products. The impact of the industrial environment on a firm's competitiveness and profitability is greater than the impact of the general environment. (Zhu, Hitt and Tihanyi, 2006). The success of an industry analysis depends on whether or not profitability is realistic in explaining its structural basis. A successful industry analysis finds causes to increase the company's competitiveness and profitability, rather than reporting the industry's attractiveness for a new entrance. The competitiveness forces are directly related to the income statement and balance sheets of producers in the industry, since the competitiveness level impress market prices, product costs and investment expenditures that provide competitive advantage. (Porter,2008).

In this paper, confectionery industry is preferred as a matter of subject because confectionery products are sensitive to prices. Therefore, product price above the break-up point eliminates the positive impact of the brand awareness and resets the impact of brand loyalty that positively affects the customer's preference. (Saunders and Guoqun,1997).

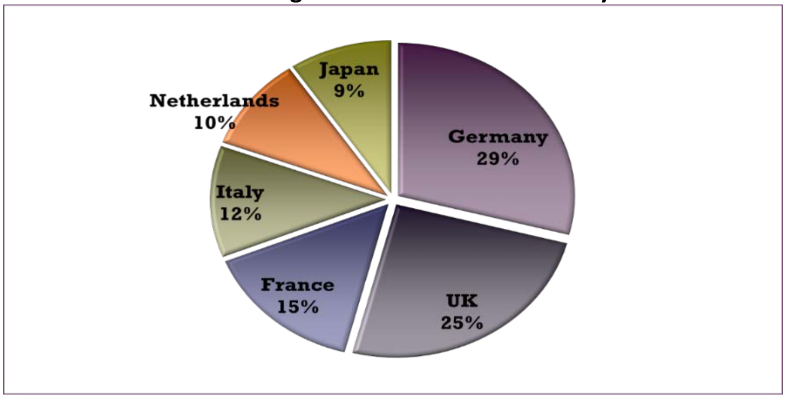
Most common known confectionery products are chocolate, chewing gum, cereal bars and sugar confectionery. Every year, U.S.A confectionery consumption reaches almost $7.7 billion.

In 2018, global confectionery market expanded 3% and get to $127.8 billion: 48.6% chocolate and 51.4% sugar confections.In fragmented market, top six manufacturers accounting for less than half (45%) of sales.

The volume of chocolate confectionery products reached 67% globally and this volume reached 73% of UK confectionery market in 2018. In Germany confectionery market among all confectionery products, chocolate has a superiority. The consumption of chocolate reached 68% in Germany and 66% in France.

In almost all Europe countries, chocolate consumption is the first place and its percantage is 59% of confectionery consumption. Among all European countries, only the consumption of chocolate in Finland, Netherlands and Denmark has lagged behind the consumption of confectionery. In U.S. market, chocolate consumption is almost the same as confectionary consumption (Webber,2009).

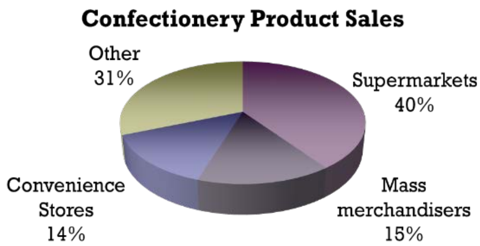
Exhibit 1: **Leading Producers of Confectionery Products**



Source: Journal of Small Business Strategy, (2006).

As Exhibit: 1 illustrates; globally the leader producer of confectionery industry is Germany. The U.S. has the second biggest share and France the third. In the U.S. 2,335 confectionery wholesalers employ about 38,800 workers.

Exhibit 2: **Confectionery Products Sales**



Source: Journal of Small Business Strategy, (2006).

As Exhibit: 2 illustrates; the largest amount of confectionery products sales is belonging to supermarkets accordingly mass merchandisers and convenience stores. Besides that, Western Europe and North America have reached maturity in certain confectionery sectors. Developing regions and countries like Russia, China and India have reached maturity as well.

In 1894, Milton S. Hershey manufactured the first chocolate bar in the United States. In 1907, Hershey Kisses and in 1930, Snickers are manufactured which are the most popular candy bars in the U.S. Many lines of candy bars were first sold for a dime. Candy sales increase in times of recession (Zang,2001).

Cadbury, Inc. is a confectionery and beverage company with its headquarters in London, United Kingdom, and is the world's largest confectionery manufacturer (Fitzgerald, 2005). The firm was formerly known as Cadbury Schweppes plc before demerging in May 2008, separating its global confectionery business from its Americas beverage unit, which has been renamed Dr Pepper Snapple Group Inc. to focus on both its main chocolate and confectionery market and its U.S. drinks business (Rowlinson, 1997). Cadbury, Inc. operates in over 60 countries. It works with around 35,000 direct and indirect suppliers and employs around 50,000 people (Jones,2006).

Cadbury, Inc. is a leading player in the worldwide confectionery industry with 10.5% global share. The company competes in all three segments of the market: **chocolate, sugar, and gum**. The UK and Ireland has a significant presence in the chocolate business with 30% and 42% market share respectively (Fitzgerald, 2006). Almost 40% of Cadbury's confectionery sales result from faster-growing emerging markets. Middle East and Africa business unit of the company covers the South Africa, Botswana, Swaziland, Namibia, Kenya, Egypt, Lebanon, Morocco, Nigeria and Ghana markets. The company sells chocolate under brands (product types) such as Cadbury and Green & Black, Cadbury Dairy Milk, Apricot Crumble and Cranberry & Granola (Ambler, 2000).

3.Conceptual Framework:

3.1. Mission and Vision:

Cadbury, Inc.’s mission statement is "*Working together to create brands people love*". This captures the spirit of what it is trying to achieve as a business. The company collaborates and works as teams to convert products into brands (Fitzgerald, 1989-2005).

To align with its mission, Cadbury, Inc. has defined its vision as "Life Full of Cadbury and Cadbury Full of Life". Cadbury brings moments of delight to its consumers every day and every time. Therefore, the company strongly believes that people who create these products should also have fun while doing so. (Omran, Atrill, Pointon, 2002)

3.2. Strategic Focus:

Cadbury, Inc. sets out three objectives for the development of their chocolate. These are to grow the market for chocolate confectionery, to increase Cadbury's share of the snacking sector and to ensure its capabilities are best in class. Additionally, Cadbury, Inc. uses robust organizational changes driving performance and this allows the company to grow in the UK confectionery market. The one confectionery sector that could benefit from increased investment is Cadbury's Green & Black chocolate range, as it *"ticks all the boxes for the current trend in chocolate -- organic, gourmet and high cocoa content"* (Bailey, 2011). Cadbury is itself keen on using the recent purchase of Sansei Foods in Japan to broaden its confectionery range. Cadbury's strong acquisition strategy as the company was able to deliver significant cost synergies and has begun to deliver revenue synergies.

3.3. Internal and External Analysis-Product Types:

3.3.1. Chocolate:

Chocolate represents the biggest segment in the category with a 55% share in value. Chocolate segment has developed about 6% for five years. Chocolate segment should be differentiated from region to region since each inhabitants has different taste and expectations from chocolate. Thus mass production for all regions could not be possible; batch type production which brings more production cost than flow production. On the chocolate segment of global confectionery market there are four largest producers and total market share of them represents 50% of the chocolate segment.

3.3.2. Gum:

The gum segment which has 14% of global confectionery market share has the highest research and development expenses. Gum segment is the fastest developing segment among any other segments in the confectionery industry. There are only two big producers in this segment: Wrigley and Cadbury and sum of their market share indicates 60% of the confectionery market. These favorable developments on gum segment lead to favorable financial returns. Besides, in one hand research and development facilities are advantageous for the producers have capability and infrastructure of practicing this activities, these facilities seem to be an important barrier for the producers without adequate technical infrastructure.

3.3.3. Candy:

The candy segment is the most diversified confectionery segments due to the fact that there are many small and medium sized regional producers. The sales of 5 biggest producers on candy segment is only 15% of the global candy sales. The most popular candy products are first class products and natural products without artificial color and sweetener.

The most profit comes from the developing markets and the profitability is continuously increasing over the years. Cadbury, Inc. is the leader on this global candy segment for many years. Candy sales in India market has improved by over 20% annually between 2015 to 2018. Cocoa production in India currently stands at 10,000 tons a year, enough to service half Cadbury India's needs. By 2015, Cadbury believes that it can be self-sufficient. By 2020, it estimates the country could produce 150,000 tones, 3% of global production, and become a cocoa exporter. The initial impact of the scheme will be small. Cadbury India makes up only about 4% of Cadbury's total revenue, and so accounts for only a small proportion of its cocoa use. But Indians eat on average only 50g per head of chocolate each year compared with 10kg per head in the UK--meaning there is no shortage of growth potential, especially if the country's economy continues to grow by 7% a year (Bradley, 2011).

3.4. SWOT Analysis:

SWOT analysis of Cadbury, Inc. demonstrates that both internal and external analysis have vital importance for the company performance and success. If sufficient internal and external data is provided, the contribution of SWOT analysis to firm performance will be maximized. Especially in France this analysis must have been done in detail, due to government sanctions about dairy milk.

3.4.1. Strengths:

Product quality, intelligent marketing plan, wise advertisements are the most effective capabilities help Cadbury, Inc. to achieve present success. Despite the fact that Cadbury, Inc. has some weaknesses, its strengths like brand reliability give rise Cadbury, Inc. to have loyal customers and Cadbury, Inc. has a leader role in U.S. confectionery market. Cadbury, Inc. has strong brands in both chocolate and healthy confectionery market. Besides that, Cadbury, Inc. discovered that opening overseas markets is quite advantageous and profitable. Growing in a new international markets increases Cadbury's production volume so that this increase would develop scale and scope of the economies, and ensure a steady growth for Cadbury, Inc. Cadbury, Inc. focuses sales and profits to balance its income statement; this brings the company to have strong financial structure. Cadbury, Inc. also focuses to gain more profit on its products in in global markets than it gains in its local markets by rearranging its supply chain management. Because in U.K. there are strict acquisition governmental rules. By focusing global markets Cadbury, Inc. intends to diminish adhesion to British Government and also Cadbury, Inc. could manage risks in confectionery industry better. To conclude, Cadbury, Inc. has successful firm performance by its diverse strategies and inimitable strengths.

3.4.2. Weaknesses:

In the year 2013, company did not perform well in Asian market. With the large number of acquisition that Cadbury has made, a price was to pay. Inefficiencies in company and product manifested. These problems are however now being addressed in Brazil and the UK in particular. In Canada, the confectionery business is being reorganized to focus on a smaller range of more profitable products to cut direct and indirect costs, which are uncompetitive.

Although Cadbury, Inc. is well known in the US market, it is not very well known in European confectionery market. So that Cadbury, Inc. requires to define new target markets. To increase its market share in Europe, Cadbury, Inc. should eliminate the shortcomings in its distribution network. Hence, for instance, to achieve market accomplishment in France, Cadbury must first learn how to improve its firm performance. Additionally; Cadbury, Inc. pay attention to missing details while gathering internal data since it could bring about improper analysis results. Chocolate and confectionery products sales had increased and reached almost 24.5 % in 2001, and on the contrary; till 2018, the sales have decreased because of economic crisis and reduced nearly 24 %. The chocolate sales by itself had been increasing till 2002 and after economic difficulties the milk chocolate sales which has 24% share in total chocolate sales, declined by 3.7%. In this regard, the inability to cope with fluctuating economic conditions can be considered as another weakness of Cadbury, Inc..

3.4.3. Opportunities:

There are some opportunities of Cadbury, Inc. such as research and development facilities, quick organizational restructuring capability, development especially in the UK confectionery industry and Cadbury's peerless chocolate Green & Black. Cross selling techniques is another opportunity for the company. By using these techniques Cadbury, Inc. could sell variety of its products in variety of locations. Besides, well established distribution strategy supports Cadbury, Inc. to build up in confectionery industry.

Owing to the restructuring confectionery product lines, Cadbury, Inc. defines the priority as attaining organic growth in the confectionery market with the right supplying preferences. In addition, Cadbury, Inc. has opportunities to grow in Russia and China. Cadbury, Inc. sells its confectionery products through its website and shopping sites and this allows company to improve its Gourmet Line. Moreover, Cadbury, Inc. could advance its low calorie chocolate bars and confectioneries while selling sugar free confectioneries as well. These opportunities specifically promote Cadbury, Inc. to expand in US market and enter in a new market successfully like France. France is advantageous for Cadbury, Inc. for investments because there is a parliamentary democracy in France and the country is highly stable politic environment which makes foreign investments risk ignored. Cadbury, Inc. has also benefits while storing its products in France. In economic point of view, France has extensive confectionery market with high quality and high spending power. In spite of the fact that there are a few cultural differences, the cultural structure of France and U.K. is almost the same and there is good agreement between the two countries so while planning to grow in these markets, this should not neglect.

3.4.4. Threats:

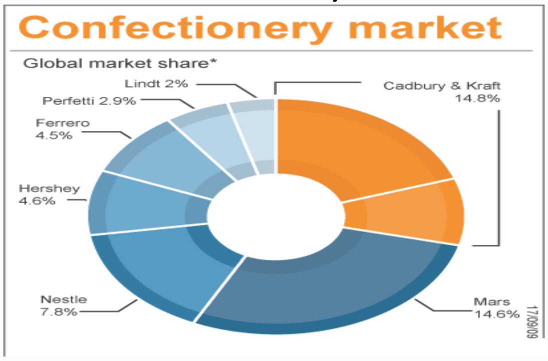
In addition, because of Cadbury's confectionary products, it is vital for the company to be aware of any present or upcoming threats. The traditional market growth may be limited by the recent healthy eating trends so Cadbury should maintain consumer awareness and loyalty by innovative high quality marketing that supports its brands. There is also growing potential of Health Concerns about the company's products. The company should take note of the changes in the consumer's buying trend. It is perceived that consumers might shift from chocolates to "Healthy" snacks. If this were to happen, there might be a poor product development which would tarnish the Cadbury's name. It is unnecessary to mention that price wars would occur among its competitors such as Mars, Hershey and Nestle. Due to these facts, there would be seasonal sales slumps all year round which will reflect to an increase in cost of the raw materials required. Cadbury, Inc. would then have to be prepared for growth of small local gourmet chocolates and regional candy manufacturers.

However, if Cadbury, Inc. were to market its products in France, the company has to be aware of the risks it could encounter. It might not fully understand foreign customer preferences and fail to offer competitively attractive products and not understand the foreign country's business culture or know how to deal effectively with foreign nationals. Underestimating foreign regulations, incurring unexpected costs and competition growing through acquisition may create the threat of entry.

3.5. Competitive Dynamics:

There are very few small to medium sized confectionery produces with customary products in the confectionery industry. On the other hand, there are some producers who give importance to unique product production and development activities and do various nutritional analyzes. These producers have continuously increasing industry success which is based on certain factors like taste, quality, durability of food (Menrad, 2003).

Exhibit 3: **Global Confectionery Market Share in 2018**



Source: Credit Suisse Equity Research (Chart represents top 66% of the overall market)

Cadbury, Nestlé and Mars which are three leaders on chocolate segment of confectionery industry had of 77.5% market share in 2009. In 2012 this total market share scaled up to 80%. Among three of these leaders, Cadbury Inc. had the biggest chocolate market share 53.1% and this leadership mostly stems from Cadbury's Dairy Milk chocolate (Simms 2014). Presence of leading manufacturers in the chocolate segment prevents small and medium sized entrepreneurs to enter confectionery industry because, new investments could not compete with these leader companies in terms of product price, distribution cost, variety of products and marketing expenses (Euromonitor 2013). For example, Kit Kat Chunky costs £9million to Nestle with regard to R&D facilities, producing and marketing expenses (Mintel 1998). In order to compete with Nestle Cadbury, Inc. produced Green & Black chocolate with optimum level of financial costs.

Cadbury, Inc. plays important role on international confectionery industry. Confectionery industry has significant dynamics and major stakeholders such as suppliers. Global confectionery products are ranked 4th in the packaged food industry which means 9% of market share and corresponds US$141 billion. The highest value belongs to chocolate products which has almost 50% global confectionery market share. On the other hand, gum sales are rapidly increasing., The growth rate of global confectionery products market is 5%, faster than other packaged food products. In 2011, developed countries have twice the share of confectionery market in developing countries and market in developed countries has grown by 3% till 2016. In general, global confectionery industry is metaphorically broken into fragments. Mars and Wrigley has a strategic partnership already; in 2018, the five biggest confectionery producers have only 42% of the global confectionery market share.

Cadbury, Inc. improved its brand loyalty with its candy product Halls and chocolate product Cadbury Dairy Milk. These products are suitable for every markets especially for developing markets with hot climate conditions, and they are also not expensive so that customers could afford them. Cadbury, Inc. is more advantageous than its competitors due to its lots of experiences. The company can use its precious know-how while investing in international markets and this brings competitive advantage to Cadbury, Inc. (Patnaik and Sahoo, 2012). For instance, Cadbury, Inc. has expanded its Indian gum market share about 9% with Bubbaloo which has been imported from Latin America countries.

3.6. Value Chain Analysis:

Cadbury, Inc. benefits from some core competencies which are quality control mechanism, double check production process, meeting customers' expectations, minimizing cost and maximizing efficiency to add certain values to its unique confectionery products.

Cost control mechanism with providing high product efficiency forces Cadbury, Inc. to have well trained labor force who helps Cadbury, Inc. to end up its production process with a precise confectionery product. On some seasonal times, festivals and religious ceremonies like Easter and Christmas; chocolate and candy demand would increase. At that time Cadbury, Inc. hires temporary labor in order to meet this growing demand (Neilson and Pritchard, 2011).

Cadbury, Inc. meets the special expectations for its customers since chocolate should not be considered as an ordinary food it is also a luxury item. Although, individuals enjoy eating chocolate because of some undesirable conditions like diabetes and other diseases Cadbury, Inc. improves it to make it healthier. Moreover, Cadbury tries to minimize cost and optimize its production process to increase its profit by utilized manufacturing mechanism.

Cadbury, Inc. prefers batch production which is the most convenient way for Cadbury, Inc. confectionery products since there is a high demand for customer-based chocolate bars. It is also fast way to produce large amount of chocolate products. Cadbury, Inc. has target “always improve the quality and taste of its goods”. Therefore, the company can attract more customers and more people will buy and enjoy Cadbury’s chocolate bars and candies.

3.7. The Company’s Financials:

The revenue of Cadbury Inc. had been $9.9 billion in 2018 and in 2017 this value was 14.6% less than the year 2018. In 2018 the net income was $668 million and in comparison with 2017 there was a decrease almost 10.1% (Gay,2001). BIMA presented 30.6% of the total revenues in 2018 and BIMA revenues was about $3 billion in 2018, with a rise of 4.2% in 2017. Europe revenues was almost 20.4% of the total revenues in 2018 and Europe revenues was $2 billion in 2018 with an increase of 24.8% in 2017 revenues. America represented 30.3% of the total revenues in 2018. Revenues from America raised up to $3 billion in 2018 with an increase of 18.9% in 2017. Asia Pacific had 18.6% of the total revenues in 2018. Asia Pacific revenues arised to $1.8 billion in 2018 with an increase of 16.5% in 2017. Central accounted for 0.2% of the total revenues in 2018. Central revenues achieved $16.5 million in 2018 which was same as the revenues of 2017 (Gay,2001)

Exhibit 4: **Financials of Cadbury Inc. between years 2014 and 2018**

	2014	2015	2016	2017	2018
Revenues	7,322.3	7,882.0	8,227.0	8,623.4	9,880.5
Net Income	963.5	1,403.9	2,145.3	743.2	668.0
Profit Margin	13.2%	17.8%	26.1%	8.6%	6.8%
Total Assets	18,131.4	20,172.1	18,779.2	20,807.1	16,323.8
Total Liabilities	13,910.6	14,602.4	11,996.5	13,149.0	9,838.3

Source: www.statista.com (All in $ millions, except for margins)

Exhibit 5: **United States Confectionery Market Distribution Year 2018**

Channel:	Percentage:
Supermarkets / hypermarkets	47.5%
Convenience Stores	19%
Independent Retailers	14.5%
Other	19.1%

Source: www.statista.com

3.8. Issues:

Cadbury, Inc. is constantly developing new products and offering new markets so that market development activities continue at every stage of the product development process. Hershey's, Mars and Nestle are three largest competitors of Cadbury, Inc. and in order to rival with these producers prosperously; Cadbury, Inc. must have high bargaining power of its buyers. Likewise, there is practically no threats of substitutes in the environment of Cadbury, Inc. All in all, as mentioned before, Cadbury, Inc. concerns intensely with market development activities, and this requires high bargaining power of suppliers. This is because Cadbury, Inc. is not in a strong position to dominate its suppliers. The mutable cost of packaging is another issue that Cadbury should cope with.

4.Recommendations:

Although Cadbury starts primarily on the French market while opening its products to the international market, we will mention a few strategic suggestions on what Cadbury, Inc. should implement to successfully promote its products to new international markets other than France. At first, Cadbury, Inc. should improve involvement of France by implementing a pound campaign to launch timeout in France which has already been done in America. Secondly, Cadbury, Inc. should develop new marketing strategies and should promote its products globally by using genius promotion strategies in emerging markets. Thirdly, Cadbury, Inc. should expand its products variety. For instance, the company could set up a new line of non-chocolate candies. Lastly, Cadbury, Inc. should build up expertise markets like Gourmet Line on Internet. Gourmet Line could be sold via internet and this can lead to produce totally new products such as low calories confectioneries, sugar free sweets and so on. These new products would result of the accomplished coordination and successful information flow between research and development facilities and top level management or managerial partnership.

5.Conclusion:

Cadbury, Inc. with its strong and well organized structure is a leader in confectionery market by its high quality products. Cadbury, Inc. analyses well its environment that is effective on the company's decisions. To produce Cadbury's target market needs, the company analyzed its main customers segment well and uses very effective marketing strategies. The qualified products help Cadbury to differentiate from other companies which are distributed by the company's unique distribution and promotion strategies.

Cadbury, Inc. should perform at the highest level and achieve success globally by generating unique global growth strategies. To make Cadbury products well-known in the global market, Cadbury, Inc. should enter in markets other than France and the company should prefer Asia Pacific countries to invest at first. Because; in these countries, existing competitors in the confectionery market could not be a threat for new entrance and there are no strict government policies applied for new foreign investments. Yet, building new production facilities requires a high level of capital.

Cadbury, Inc. can enter the market by establishing a new partnership by using product diversification with a new company in the confectionery industry. Since Cadbury, Inc. has a wide product range like chocolate, confectionery, beverages (Scheweppes). Again in this case, establishing new production facilities and engaging in new product research and development activities require a high level of capital.

Making a new product well known on the market is not as easy as before. After almost 165 years, Cadbury, Inc. has achieved present success and brand awareness. Furthermore, high spending for production and R&D facilities entails high level of capital and Cadbury, Inc. overcomes this issue with its high financial capability. Cadbury, Inc. is well-known in the United States and the UK and should maintain the same level of awareness in other international markets. In this manner, the Cadbury brand image will not be damaged in existing markets such as U.S. and U.K.

All in all, many of the existing brands are strong in confectionery market. The improvement of a clear business mission and vision with the realistic situation and market analysis bring companies a success (Collins & Rukstad, 2008). The short-term plans of a company may not correspond to their long-term goals. But, the most important part of strategic planning are short-term and long-term action plans that will be formed by the customer perspective. Because of customer loyalty, consumers may not prefer to leave their favorite products easily. Another point that confectionery producers should pay attention is that it may be rough to convince retail buyers to put new entrance products to their shelves. Hence, as a result of the situation analysis and strategies of Cadbury, Inc. presented in this study we are expected to make valuable contributions to prospective researchers and to help practitioners realistic samples while making some estimations about confectionery sector. Additionally, by focusing the confectionery industry as a case in this study, we illustrate how to analyze situational factors and take advantage of industry factors that either repulse or weaken the trend toward globalization.

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