

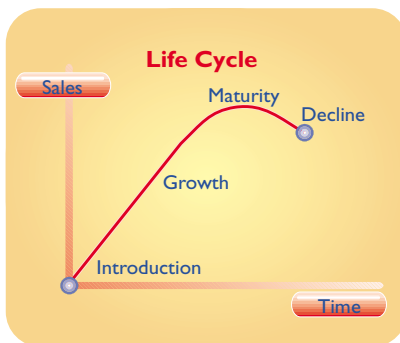
Building a brand in order to sustain its life cycle

Introduction

Kellogg is the world's largest producer of cereal products. One of its main brands is 'All-Bran'. This is such a strong brand that it decided to link other bran products to the All-Bran name. This creates a family of brands called a powerbrand structure.

Product life cycle

The product life cycle shows the stages that a product passes through from its original launch to its final decline. When a product reaches maturity, a business has to decide whether it is going to support it through product extension strategies or let it decline. All-Bran has experienced steady growth from its launch in the 1930s with regular promotion to keep sales buoyant. As it is now at a more mature stage, Kellogg had to take the strategic decision as to whether or how to promote it.



SWOT

Products in decline make less profit, so Kellogg had to be sure that extension strategies were worthwhile. To do this it analysed the market by carrying out a SWOT analysis on All-Bran. **Strengths** were All-Bran was a strong brand that consumers associated with healthy lifestyles. **Weaknesses** were awareness of the brand declining due to lack of promotion and a limited market. Also the suggestion that a 'fibre cereal keeps you regular' no longer appeals.



The main **threats** were consumers wanting tastier cereals and the growth of competitor brands. **Opportunities** were people wanting to eat more healthy foods and the main target market for the cereal (over 55s) growing.



Kellogg decided to build on the benefits of the strong brand but to also bring tastier variants into the 'family' such as 'Bran Flakes Yoghurty'. They also recognised that they could gain marketing and management economies.

Research

Before executing the changes, Kellogg conducted qualitative and quantitative market research. For qualitative research it worked in detail with a small number of consumers using interviews and focus groups. It then carried out quantitative research using questionnaires and surveys with a large number of consumers.

Promotion

The research helped Kellogg to make promotional decisions. For instance:

- ▶ To stop consumers being confused each product was carefully labelled with both its existing brand name and the All-Bran Powerbrand name.
- ▶ Each packet carried information about all products in the range.
- ▶ Wholesome ingredients were featured on all the packaging.
- ▶ All promotional activities were carefully co-ordinated including the 'Feel Great in a Fortnight' challenge. Consumers should try any of the brands daily for a fortnight and see what a difference they made to general feeling of health and well being.

Conclusion

Kellogg has used market analysis and market research to develop an extension strategy for a mature brand.

