

➤ Using promotion to boost sales and brand value

Introduction

How much cereal do you eat? Who makes most of it? The British are almost the biggest consumers of cereal in the world, second only to Ireland. Kellogg is the prominent player in the world of breakfast and produces more than three out of every ten packets eaten in the UK. The company manufactures and markets ready-to-eat cereals (i.e. not hot cereals like porridge) and nutritious snacks such as cereal bars. Kellogg has 42% value share of the market for ready-to-eat cereals in the UK - a market that is worth £1 billion at retail sales value.

This makes Kellogg the market leader in this sector. Markets are divided into market segments and there are six key segments to the Kellogg market, as shown on the diagram:

1. Tasty Start - the cereals that most people will eat to begin their day. Kellogg's brands include Kellogg's *Corn Flakes* and variations, such as Kellogg's *Crunchy Nut*.
2. Simply Wholesome. These are 'good for you' brands, such as Kellogg's *Fruit 'n' Fibre*, *Alpen* and Kellogg's *Just Right*.
3. Shape Management. Brands that can enable customers to manage their weight or shape, such as Kellogg's *Special K* and *Fitness*.
4. Mum Approved. Those that mothers see as being good for their children, such as Kellogg's *Rice Krispies* and *Shreddies*.
5. Kid Preferred. The brands that children themselves prefer, such as Kellogg's *Frosties*, Kellogg's *Coco Pops* and *Weetos*.
6. Inner Health. These are the brands that help people with digestion, such as Kellogg's *All-Bran* and own-label Bran Flakes.

