

➤ Using promotion to boost sales and brand value

Co-ordinating promotion across the business



Major promotions like the Star Wars™ and Sorry events, have to be co-ordinated across all the different departments. Management will make the major decisions about the type and direction of a promotion and departments such as sales, marketing, and even the legal division, will be involved in organising the event. A promotion will affect all parts of Kellogg business including:

- * Sales - both to the consumer and to the trade.
- * Marketing - all the elements of the marketing mix.
- * Packaging - the designs for promotional packs, inserts and other parts of the promotion need to be supplied.
- * Legal - this does not just involve making sure the promotion is legal, but also handling the contracts for the various agencies and partners that help the business with the event.
- * Quality - any free gifts or other promotional items have to be tested for quality and safety.
- * Supply Chain - Kellogg needs to make sure that it has enough stock to keep the trade supplied when demand increases. This could mean building up stocks in response to the forecast change in demand.
- * Finance - the event has to be budgeted for. Finance will also carry out predictions and feed back information on the effectiveness of the event through the changes in sales value before and after.

The Consumer Promotions Team is responsible for the overall management of the event. The function of this team is critical to the success of the promotion and therefore to the business itself. It is responsible for:

- * Communicating appropriately with all other areas of the business and external bodies. This includes agencies, the media and event partners, such as Hasbro and Lucasfilm.

- * Developing original, creative, innovative and exciting ideas that will attract the attention of consumers. This happens in partnership with the brand teams and specialists, such as advertising agencies.
- * Delivering the event, ensuring all parts are working together in an effective way and each part is launched and supported at the right time and in the right place.

Getting the flow of promotional stock into and out of stores on time is critical to an event's success. It is difficult to predict how sales will respond given the variances in trade display and consumer uptake. Getting it wrong means that shops may not have the right or sufficient stock and it is critical that demand is continually monitored with fall-back options if required. In the case of the Star Wars™ promotion, Kellogg was able to balance fixed stocks of the insert packs with the variable competition packs. A failure to do so would have the added, unfortunate effect of undermining both consumer and trade confidence in any future promotions.