

➤ Using promotion to boost sales and brand value

Introduction

Kellogg's produces 42% by value of the ready-to-eat cereals consumed in the UK, making it the market leader. Kellogg's divides its markets into six segments so that marketing can be targeted. These include "Tasty Start" such as Corn Flakes and Crunchy Nut, "Shape Management" such as Special K, "Mum Approved" such as Rice Krispies and "Inner Health", such as All-Bran.

Promotion

An effective marketing mix has four elements. It needs a good product, easily available (place) at the right price. Promotion lets consumers know that the product exists and encourages them to buy it. Methods of promotion include advertising, public relations (PR), price reductions and special offers. Kellogg's promotions have three key elements that must work together. These are attracting the consumer, making the advertising message strong and encouraging the retail trade to support the event.

Effective promotion

Two recent effective promotional 'events' illustrate how these elements are brought together. The first targeted the family market, using characters from Star Wars TM . It involved a 30 second TV advertisement, online support, promotional packs with free gifts and links with the launch of the final Star WarsTM movie. Kellogg observed the changes in its market to measure the success of this campaign. It saw that its share of the ready-to-eat market for the participating brands in the family sector rose from a normal 40-45% to 53% and over 800,000 extra households purchased one of the Star WarsTM brands.

The second event was aimed at adults and promoted Kellogg's Crunchy Nut. It was based on a competition to win gold coloured Minis and provided exposure and interest for the brand and its new variants apologising for the irresistibility of Crunchy Nut.

Above and below the line

Above-the-line promotion is directly paid for advertising such as in the press and on TV. Below-the-line expenditure includes all the other methods such as competitions, special offers and PR. Kellogg's targets below-the-line spending at both consumers and the retail trade. For example, the Star WarsTM promotion included value-added offers brought to consumers via the trade and special pack inserts for the consumer.

Co-ordination at Kellogg's

Major promotions are carefully co-ordinated across all of Kellogg's departments. Important areas include Finance, to budget for the campaign, Packaging, to ensure designs are attractive and Legal, to make sure contracts are tight and all advertising legal and truthful.

The Consumer Promotions Team is the key Kellogg team for such an event. It is responsible for effective communication between areas, developing original and creative ideas and managing and delivering the event.

Conclusion

Kellogg's go to a great deal of trouble to make sure that what the consumer gets is an exciting and effective promotion. This takes teamwork, co-ordination, planning and communication. The success of a promotion is testimony to the effectiveness of the Kellogg's team.

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