



Using aims and objectives to create a business strategy

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Introduction

Kellogg is the world's leading supplier of breakfast cereal with 39 brands and a 42% share of the UK market. Kellogg's success is achieved through the use of a carefully planned strategy. It sets clear aims and objectives and uses the strength of its brands to help it reach them. Kellogg manages its brands to ensure that each has a unique position in the minds of its customers. This is called product positioning. Kellogg has developed a range of products for the various segments of the UK's £1.1 billion cereals market.

Developing aims

Kellogg's managers realise that its aim needs to match the expectations of its consumers. Consumers, backed by research and publicity, increasingly want to lead a healthier lifestyle. Kellogg wanted to be part of this debate and to promote the message 'Get the Balance Right'. It also wanted to show that it was a responsible organisation. This idea of corporate responsibility was also built into planning. Its aim – the broad statement of where it wanted to be – was therefore to reinforce the idea of a balanced, healthy lifestyle.

Objectives

Once a broad aim is set, managers then set specific objectives that can be measured. Objectives need to be SMART, i.e. specific, measurable, achievable, realistic and time related. Objectives were set in three main areas:

- * encouraging and promoting physical activity for health
- * using packaging to promote the measure of balanced lifestyle
- * using food labelling to help consumers make choices.

Strategy

A strategy is a set of plans designed to bring about a particular outcome. Kellogg has worked with the Amateur Swimming Association (ASA) since 1997. The ASA's objectives are close to those of Kellogg, as they want everyone to 'enjoy swimming as part of a healthy lifestyle'. Swimming is also a family activity and a 'skill for life'. Kellogg became the main sponsor of swimming in the UK, providing over 1.8 million awards per year. The link with the ASA also helped Kellogg to support active lifestyles through other organisations. For example, it is developing a cycling based promotion with Sustrans, the UK's leading sustainable transport association. It also encourages walking. A free pedometer promotion with All Bran inspired people to walk further and Kellogg has sponsored other walking events and activities. In the area of packaging and food labelling, Kellogg uses symbols showing healthy Guideline Daily Amounts of ingredients such as salt, sugar and fat to help consumers make choices.

Communication

Kellogg's success in reaching its aims is due to the effective ways by which it has communicated with customers. For example, it uses cartoon characters to advise children and parents about the importance of exercise. It has also produced leaflets and made them available on its website. Internally, Kellogg uses its in-house magazine to promote the message.

Conclusion

Kellogg knows from research that a balanced diet and regular exercise help people stay healthy. It is communicating this message through its brands and by using promotions to encourage healthy lifestyles.