

Kellogg's story in India.

The Kellogg Company, doing business as Kellogg's, is an American multinational food manufacturing company headquartered in Battle Creek, Michigan, United States. Kellogg's produces cereal and convenience foods, including crackers and toaster pastries and markets their products by several well known brands including Corn Flakes, Frosted Flakes, Pringles, Eggo, and Cheez-It. Kellogg's mission statement is "Nourishing families so they can flourish and thrive."

The world's leading producer of cereals and a major snack foods manufacturer Kellogg's entered the Indian market way back in 1994. Kellogg's is a familiar name in international marketing: their products are manufactured and sold across the world. Kellogg's initially faced many challenges in the Indian market ,although it's now doing much better in terms of both market share and sales growth.

Breakfast cereals in India in the early nineties was a new concept. Kellogg's needed to establish a market for the products to influence the Indian consumers. In spite of a big media launch effort, though initial sales seemed promising the company realised that consumers were buying the product as a novelty but not repeat purchasing .Research revealed that they had overlooked many critical cultural insights that explained the low level of consumer acceptance.

The key reason of Kellogg's failure was the fact that the flavour of its products did not match the cultural and taste preference of Indian consumers. The diversity in India was high in comparison to other nations as eating habits change after every 100 kilometres .Another reason was the perception that the products were highly priced.

Indians were not familiar with the right way of consuming corn flakes. They were accustomed to boiling their milk and consuming it hot and sweetened. One challenge for Kellogg's was persuading the Indian consumer to consume milk cold rather than hot when eating breakfast cereals. The crispy flakes would go soggy when consumed with hot milk. When tried with cold milk, they couldn't get the sweet taste as the sugar did not dissolve properly.

Modified Strategy

Kellogg's decided to offer a wider range of products and sizes to appeal to different customers .The price of the products was also reduced and the cereals were positioned as a fun choice rather than just a nutritious one. The products were no longer positioned as premium products, so that the middle class buyers relate to the products better.

This approach may have been more successful than the brand's previous attempt to imply that the traditional Indian breakfast was not nutritious thereby facing a backlash. The brand also customised its branding and advertising approach to make it more acceptable.

The advertising campaigns further used local faces such as a yoga instructor and Kathakali dancer attributing their energy and enthusiasm to a Kellogg's diet. Suggestions regarding accompaniments such as curd and pistachio with cornflakes to cater to the local palate were made. Kellogg's took the decision to localise its flavourings, and chose brand names to appeal

to the Indian public such as 'shakti' ('power') when selling products fortified with iron. Mango and banana puree flavors were also added to suit local tastes.

Kellogg's put a well-planned Logistics in place. The costs were minimised as the raw materials, including packaging, were sourced in India, and the main plant is located close to the largest market. Using a network of agents, the brand has established a distribution network including storage facilities. Overheads are minimised by giving distributors large responsibility for sales.

Some of the famous taglines of Kellogg's in India were 'Jago jaise bhi, lo Kellogg's hi'; 'Khusiyon bhari har subah'; 'Breakfast full of fun'; 'Kellogg's Chocoskhaos breakfast khud bnao'; 'School ke liye ek badhiya shuruwat'; 'Sunehari Shuruwat Apno ke saath'; 'Andar se Khush Bahar se Khush' and 'there's only one way to eat Kellogg's the way you want' and the latest one for Kellogg's Brownie delight is 'Breakfast ka irresistible taste' etc. These taglines have played a major role in connecting Indian consumers with the Kellogg's brand. Currently Kellogg's is offering variety of products to Indian consumers including upma mix. These products were launched in India according to the need and taste preferences of Indian consumers.

Questions

- Evaluate the strategies that resulted in the success of Kellogg's corn flakes.
- Comment on the latest introduction of Kellogg's RTE upma mix.