

INTRODUCTION

When William Kellogg accidentally invented a new breakfast in 1894, he didn't realise that his name would become one of the most world famous.

Nowadays, Kellogg's organisation is the largest producer of ready-to-eat cereal, and the leader producer of convenience foods. This organisation covers: USA, South and Central America, South East Asia, Africa, Europe and finally Canada.

Apart of being the leader producer in this field of food, Kellogg's is a major employer of workforces around the globe.

KELLOGG'S HISTORY

The company's founder, Will Keith Kellogg, believed that diet played an important role in a healthy lifestyle and that breakfast was the most important meal of the day. This conviction inspired him to experiment and finally discover the cereal flakes while he was working at the Battle Creek Sanatorium, Michigan, USA.



Those cereal flakes were discovered completely by accident. W.K. and Dr. Kellogg were constantly experimenting with different techniques to produce thin sheets of wheat. One day in 1894, by chance, their laboratory activities left cooked wheat exposed to the air for more than a day. When the brothers returned, they saw a single flake for each wheat berry. The cereals flakes were born.

As a result, Dr Kellogg started a food manufacturing company at the same time he was working at the Sanatorium. That company was called Sanitas Food Company, and he became the general manager. At first, the Corn Flakes were made with the whole kernel, but their acceptance was limited. After that, he decided to produce them only with the heart of the corn.

In 1902, W.K. Kellogg left the Sanatorium because he wanted to work only at his company producing Corn Flakes.

One of his most successfully ideas was to spend much of his working capital to buy a Ladies Home Journal's page. Nobody could imagine the results. Sales were increased from 33 to 2900 per day; and in 1909 the company sales got the million.

KELLOGG COMPANY

I'm going to give an overview of the most important departments of this company.

Marketing

Kellogg's marketing includes: brand management, innovation, consumer understanding, promotion, business strategies...

Brand managers and assistant managers are in charge of each brand's advertising. They work closely with advertising agencies evaluating and implementing creative ideas. The image that we have of the company comes from their efforts.

The innovation group is responsible for arranging the introduction of new products, from the initial idea to the market.

Changing the appearance of a well-known range of products can be a risk strategy, particularly, in the competitive environment of the supermarket, where purchase decisions are made very quickly and competitors try to imitate the packaging of a market leader. However, with extremely careful, Kellogg has been able to differentiate its products from the competitors.

Marketing group needs market researches. In that way, marketing staff is able to know consumer food choices, including nutritional needs and food preferences. Marketing group learns how to satisfy consumer's expectations and what new needs or preferences they may have. They also ask one thousand consumers for their opinion about a new product after they have tasted it, or about Kellogg's brands they know.

But, in addition to this, clients must be attended correctly to maintain their confidence in the

company. Marketing department is also in charge of this aspect. A free-phone and post office-box number are printed on each Kellogg's package to encourage people to tell their comments to the company.

Sales department

The sales department achieves short and long term commercial objectives. This group is responsible for implementing business strategies and maximising the development of the brands and the availability of the whole products to consumers.

Finance department

This department provides information on which the company can take correctly decisions. This is done by ensuring that all transactions are processed in a fast, effective and efficient way. This department also ensures the business optimises its investment choice.

Technology department

Its function is to provide the company of a wide range of services to support business capabilities. All the staff, works with standard computers with the aim to connect from anywhere at anytime. The technology department is also in charge of providing Kellogg's sites of network and Internet, and researching into new technologies.

Human Resources

Nowadays, organisations improve competitive advantages because business environment requires it. The most important Kellogg's advantage is based on its people. The human resources function is to choose top quality people which culture meets organisation's culture. Development and growth opportunities are promoted for employees at all levels and a range of training programmes are offered to the staff.

This department ensures that all the members of the staff are given competitive salaries and benefits, and that the managers are able to motivate and reward successful employees.

Marketing mix

Kellogg made one of the most remarkable marketing achievements of the 20th Century. The company used a team of Boy Scouts. They knocked on doors and gave millions of sample packets of Corn. Those free samples encouraged consumers to buy the products.

The advertising and packaging are key aspects of the marketing mix. The main channel they use for advertising is on television. Kellogg has a lot of brands for each group of people. And depending on those groups, all the brands are given their own air time aimed specially at a target of audience. For example, Special K is produced for women, Frosties and Coco Pops are aimed towards children, Corn Flakes are aimed towards the whole family... Depending on the group the advertisement is aimed, the content is different.

Kellogg ensures that its advertising doesn't infringe federal, state and local laws, and avoids advertising themes that include acts of violence or anti-social behavior. Kellogg also avoids themes that belittle any group based on its social, ethnic or religious traits, or any person because of the age, sex or handicap.

On the other way, packaging is another key of the marketing mix. The package has to represent the group that the product is aimed at, and also it has to have space for nutritional information and any promotional offers.

Every product package is designed to help maintain nutrients level, freshness and the flavour; protect the products, identify them and provide important consumer information. Ready-to-eat cereals are packaged in several sizes to meet the preferences of different families.

Nowadays, Kellogg's advertising politics is based on two aspects:

- Health care
- Authenticity of its products

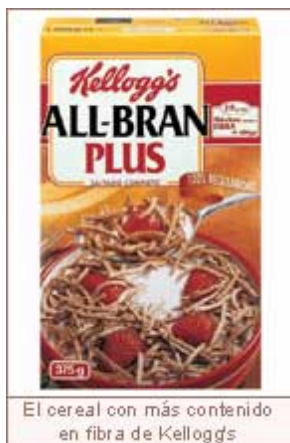
Special K is one of its most important brands which is aimed at women, who normally are very worried about the weight. This brand has been really successful for the company, because it has attracted a lot of consumers. Currently, society requires to be careful with the



body, specially with weight, so Kellogg has made use of that aspect to advertise its diet products.



All-Brand and **Optima** are advertised like a fibre product. Those brands are also aimed at health care. As Special K, All-Brand and Optima are usually bought by women, who seems to be the most worried about their bodies.



Referring to the authenticity, Kellogg was born 100 years ago, so that is a guarantee of quality. Very often, its advertising philosophy is based on the authenticity and the originality of the products. In that way, consumers put their trust in Kellogg's brands.

KELLOGG'S PRODUCTS

Before products will be in the market, they are carefully checked: samples are collected at several steps through the production process and are evaluated. But package are also checked.

The Quality Division in Battle Creek helps ensure that all plants use the best technology available and produce uniform standard products.

Kellogg has a wide range of products aimed at each group of consumers:

PRODUCTS FOR ADULTS



Weight care:

– *Special k*

- *Special k red fruits*

Fibre products:

- *All Bran Plus (Flakes, Chocos, Splitz)*
- *Oats Flakes*

Health and flavour:

- *Optima*
- *Optima fruits and flavour*

PRODUCTS FOR CHILDREN

PRODUCTS FOR CHILDREN



- *Frosties – Honey Loops*
- *Choco Krispies – Rice Krispies*
- *Smacks – Honey Pops*

PRODUCTS FOR ALL THE FAMILY



Corn Flakes

- *Corn Flakes Crunchy*
- *Choco Corn Flakes*

COMPANY EXPANSION

Forty years after opening of Kellogg's original Manchester site, the Wrexham factory was opened in 1978 to provide one of the most modern food production factories in the world. Kellogg's information programmes are made arrived to schools, health organisations and consumers around the world. Consumer department is always very busy because its employees replies thuosand of enquiries every day about the products.

Today Kellogg produces more than 40 types of cereals, it has plants in 20 countries and sells its products in 160 countries.

Kellogg Company Headquarters

