

Kellogg FACTS

Child Brands: 6 ■ Family Brands: 4

Kellogg is the second largest cereal marketer, using the television, Internet and supermarkets to reach parents and children. Kellogg appears to be shifting its advertising away from children and towards parents, especially for its Mini-Wheats and Rice/Cocoa Krispies brands. However, Kellogg launched several engaging advergame websites for its child brands which indicates that the company may be focusing its child marketing online. As the number one marketer in supermarkets, Kellogg's strategy appears to be to push its brands at the point-of-sale through displays and promotions. Interestingly, since the analysis Kellogg has increased the number of ingredient and health claims on its brands' packaging, most likely in an effort to compete with the abundance of General Mills' front-of-package claims.

Nutrition Facts:

Overall Nutrition Score: 51.6 Ranking: 3 of 9

Marketing Facts:

Total advertising spending (\$000): \$159,214. . . . Ranking: 2

TELEVISION ADVERTISING

Television advertising exposure: Ranking: 2

AVERAGE ADS VIEWED BY AGE AND DEMOGRAPHICS*				
Children		Adolescents		
2-5 years	6-11 years	Child/Adult viewing ratio	12-17 years	Teens/adults viewing ratio
205	227	1.9	145	1.3

*From 1/1/08 to 3/31/09

INTERNET MARKETING

Child-targeted website exposure: No child-targeted company website; Kellogg's child cereal brands have individual websites for children, including AppleJacks.com; CornPops.com; FrootLoops.com; FrostedFlakes.com; and FrostedMiniWheats.com.

Child-targeted banner ad exposure: None

IN-STORE MARKETING*

Total share of shelf: 14.7% Ranking: 2

In-store displays and promotions: Ranking: 1

SHELF SPACE		DISPLAYS		PROMOTIONS	
% of stores stocking	Avg # facings per store	% stores with displays	Avg # displays per store	% stores with promotions	Avg # promotions per store
100%	54.5	71%	9.5	99%	33.3

*From 05/09 to 06/09

PRODUCT PACKAGING*

Health features on the box Ranking: 9

INGREDIENT CLAIMS		HEALTH CLAIMS		HEALTH URLS
% of boxes	Claims per box	% of boxes	Claims per box	% of boxes
28%	1.3	2%	1.0	28%

Child engagement features on the box Ranking: 3

CHILD FEATURES		PROMOTIONS	GAMES URL
% of boxes	Features per box	% of boxes	% of boxes
67%	1.2	47%	12%

*From 10/08 to 3/09

Key Developments:

- **February 2008** – Kellogg debuts new cereal line-up: Special K Cinnamon Pecan, All-Bran Strawberry Medley, Frosted Flakes Gold, Animal Planet Wild Animal Crunch (in partnership with the Animal Planet) and Mini-Wheats Unfrosted.
- **July 2008** – Kellogg releases DreamWorks Kung Fu Panda Crunchers cereal for a limited time.
- **August 2008** – The Children's Advertising Review Unit rules that Kellogg has sufficient evidence to support the claim that Frosted Flakes' provides "long-lasting energy."
- **October 2008** – Kellogg reports double digit increase in third quarter due to \$1 billion increase in marketing over the year.
- **November 2008** – Kellogg adds Diabetes-Friendly Seal to several cereal boxes.
- **January 2009** – Kellogg releases Hannah Montana and Disney High School Musical cereals.
- **January 2009** – Kellogg increases price of cereal due to higher commodity costs.
- **January 2009** – Kellogg tests new space-saving cereal box.
- **February 2009** – Kellogg launches Disney Magical Memories and Indiana Jones promotions.
- **April 2009** – Kellogg charged by FTC for falsely advertising the benefits of Frosted Mini-Wheats by claiming the cereal improves children's attentiveness by 20%; settled with consent agreement.
- **April 2009** – Kellogg donates a day's worth of cereal to Feeding America.
- **April 2009** – Kellogg introduces Wake Up and Feel Good Earth Day promotion and Star Trek promotion.
- **June 2009** – Kellogg gives \$5 worth of cereal coupons to anyone who donates at least \$5 online to Feeding America. Announces partnership with Katalyst Media to fight hunger; will release online video to raise awareness about hunger in the U.S.
- **July 2009** – Kellogg announces it will add fiber to most of its cereals, starting with fiber-enhanced Froot Loops and Apple Jacks.
- **July 2009** – Kellogg adds Fuel for School promotion which encourages consumers to purchase Kellogg products for kids to take to school.
- **August 2009** – Kellogg's adds vitamins to Rice and Cocoa Krispies; claims cereal helps support immunity on front of packaging.
- **September 2009** – Kellogg expands the W.K. Kellogg Institute for Food and Nutrition Research for global product development and research.
- **November 2009** – Kellogg announces it will discontinue Rice and Cocoa Krispies' packaging which claims to support immunity after much public criticism.