



Institute of Management, NIRMA University

MBA (FT) 2019-21

Summer Internship Project Report



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Table of Contents

Internship Project	3
Acknowledgment	4
Executive Summary	5
Profile of Organization	6
Introduction	6
History Landmarks	6
Products and Services	7
Brands	8
Structure and Strategies	8
Competitors	10
Financial Performance	11
Industry Insights	13
Government Measures/Policies Technological Impact	14
Competitive Strength Assessment	18
7S Strategic Framework	20
Porter's Framework	24
Project Details	29
Objective	27
Key Deliverables	27
Approach	28
Stage- 1 Retailer's End (External)	31
Stage- 2 Consumer's End (External)	33
Stage- 3 Consumer's End (Internal)	38
Stage- 4 Overall Analysis on the findings	43

Challenges and Possible Measures	45
Learnings	47
Annexure	48
Bibliography	50

Internship Project

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Internship Area	Marketing Strategy and Research
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Acknowledgment

The Internship opportunity with Kellogg's was a great chance and a privilege for learning professional development and gain experience in one of the global leaders in the FMCG market.

I am using this opportunity to express my deepest gratitude and special thanks to my mentor of the project **Mr. Abhinav Kumar, Assistant Manager- Right Store, North Region, India**, who in spite of being extraordinarily busy with his duties and responsibilities specially during this tough pandemic phase to take out time to hear, guide and keep me on the right path following all minute of details and allowed me to carry out the project with free mindset and gave me the required support throughout my tenure. I extent my deepest regards to you Sir.

I would also like to extent my gratitude to **Mr. Bhavesh Patel**, the guide from the institute for my Summer Internship for his insightful suggestions, encouragement, being available whenever in need and for the constant feedback and evaluation during my internship program. I thank you Sir.

Executive Summary

The report is focused on highlighting the work done as a part of primary research, analysis and strategy building for the understanding of the Consumer Buying and Consumption Behavior Project during Covid-19 pandemic phase at Kellogg's. The prime focus of the project was to understand the impact of novel Corona virus on the overall business for Kellogg's and what possible strategic and marketing decisions that could be taken to tackle and minimize the impact and thus incorporate effective solutions and practices in the business to be market-ready for any such unprecedented times that may lie ahead. The objectives were achieved through rigorous analysis and research of our findings from different stages that this project was bifurcated into, covering both the external and internal environment. We also incorporated the retailer perception and expectations during this phase. Towards the end we were also able to identify the possible challenges that the company could face in near future and provided recommendations which were inclined towards our overall insights that were obtained after completing the project.

Profile of Organization

Introduction

Kellogg's, headquartered in Battle Creek, Michigan, US is an American multinational food manufacturing company and sells wide range of products under well-known multiple brand names. The company has its presence in over more than 180 countries across the globe and is one of the largest snack food company in the world after PepsiCo with the current operating income of more than US \$1.706 Billion.

History Landmarks

Kellogg's was created in 1876 by John Harvey Kellogg and W.K. Kellogg, who worked as the bookkeeper initially. During initial years John forbade his brother Will from distributing cereal beyond his consumers. Due to this brother fell out and W.K launched the Battle Creek Flake company in 1906. W.K tried convincing his brother to give up rights to the product and thus Wills company produced the widely successful Kellogg's Toasted Corn flakes and renamed to Kellogg Toasted Flake Company in 1909 and it changed it to just Kellogg's in 1922 which we know today.

The company spend heavily in acquiring multiple small-scale businesses including Salada Foods, Feam International, Pure packaged foods from 1969-1971. In 2001, Kellogg's struck a major deal by acquiring the Keebler Company for \$3.87 billion. In 2012, Kellogg's became the world's second-largest snack food company (after PepsiCo) by acquiring the Potato crisps brand Pringles from Procter & Gamble for \$2.7 billion in a cash deal. Another major deal was struck in 2017 when the company acquired Rxbar for \$654 million and it was announced in 2019 that Kellogg's was selling Famous Amos and various other small brands for \$1.4Billion and the deal got successfully completed in 2019, July.

Products

Kellogg has always been a strong leader in supporting health and wellbeing and has been motivated by "quality products for a healthier world". Overtime the company has manifold

their product line in many different segments. Few of them are:

- Cereals
- Cracker Chips
- Eggo Waffles
- Fruit Flavored Snacks
- Granola
- Muesli
- Toaster Pastries and bites
- Warm Breakfast munchkins

Popular Brands (Owned by Kellogg's)

Corn Pops	Frosted Flakes
Happy Inside	Crackling Oat Bran
Pop-Tarts	Crispix
Smart-Tarts	All Bran
Rice Krispies	Apple jacks
Mini Wheats	Corn Flakes
Raisin Bran	Honey Snacks
Special K	Mueslix

Positioning Strategy

Kellogg's uses a right mix of geographic, psychographic and demographic segmentation to market its products in close to 175 countries. India has close to Rs 7 billion cereal market, which has attracted top players in the food industry to India. GlaxoSmithKline, PepsiCo and Britannia are the notable ones in addition to Kellogg's. Yet Kellogg's holds close to 60% share in breakfast cereal market in India.

One of the important reasons being Kellogg always had the first mover advantage over its rivals. It has always tried and also succeeded to position itself as family brand and picturized the products to the traditional aspects and culture of the country and customized different ways to eat cereals for the Indian customers.

Also, to create awareness about its prime products and services, the company has managed to

telecast various promotional campaigns specially on the kids' channel on the prime-time slot to reach maximum and core target audience. To attract women and kids they also distributed various fun comics and introduced gift items in the boxes of cereals. Also, as a part of promotional and educative information, the company lists complete details of contents, nutritious values and warnings on the packaged food.

MARKETING MIX OF KELLOGGS



Figure 1: Marketing Mix of Kellogg's Products

Organizational Structure

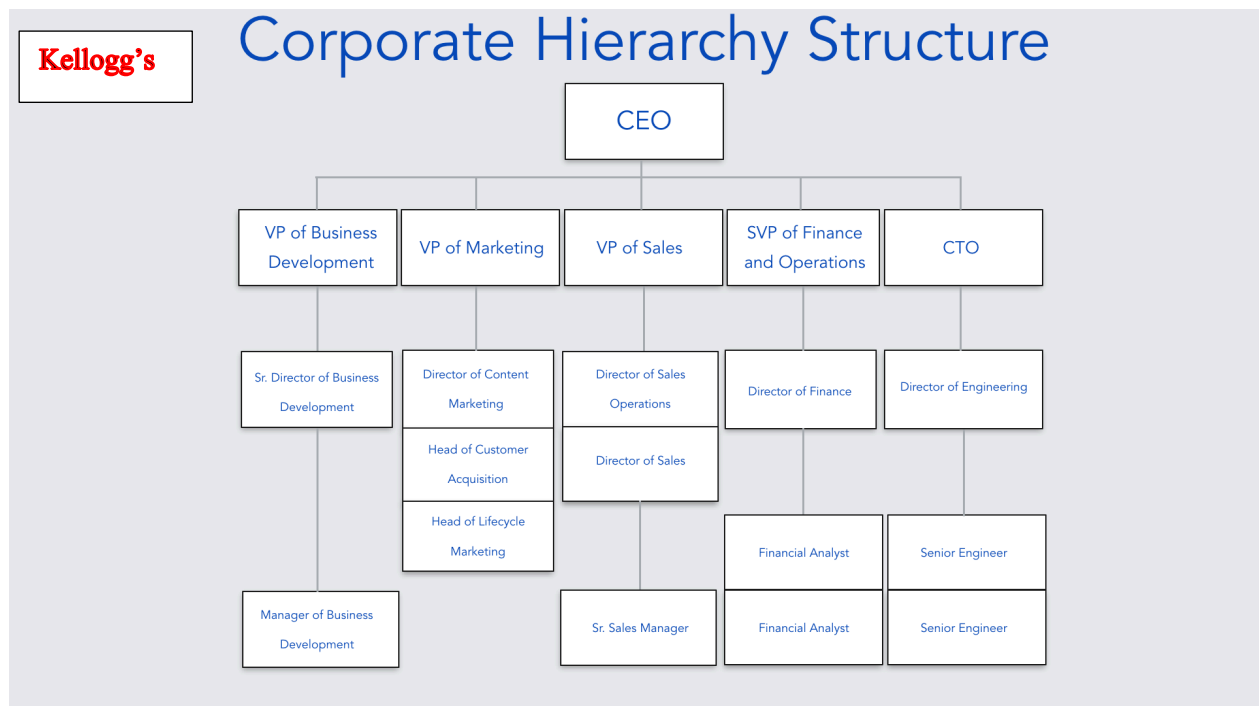


Figure 2: Source: Kellogg's official website

Distribution Structure

A business' supply chain is one of the most crucial arms for any company and involves multiple activities from product manufacturing to delivering the final product to the end users. Kellogg's fall under the secondary sector category where the products are made using raw material supplied and then are further transported to the wholesalers or retailers or stored in various warehouses. Since Kellogg's is involved in food products business, it is the utmost importance to get the quality raw materials in best prices from various contractors and also to transport the standard products without incurring any loss in the quality and do not spoil in the long run.

At Kellogg's the **lean production system** is followed to streamline the whole process and eliminate any waste that arises. Kellogg Planning System (KPS), a huge scope straight program, is utilized for tasks, creation, stock and dissemination framework. It helps the organization in advancing creation and in stock expenses and budgeting and also since it's a large-scale manufacture it stores sufficient. Stocks to meet the customer orders. In order to maintain and be efficient there are various issues that needs to be considered like:

- Size and scale
- Storage of raw materials and finished products
- Location of the factories
- Government and state policies
- Labor laws
- Unions

In order to be have a cost-effective system in place and to have prices at a competitive rate Kellogg's uses a framework called Just-In-Time to give an effective stock framework. Without a moment to spare implies that simply enough items are made to satisfy requests and restricted stock is kept. Accordingly, it is imperative that Kellogg's gets the equalization directly at each area of the supply chain. Late conveyances or the inability to convey because of an absence of items may make retailers purchase from competitors. Moreover, Kellogg's likewise aims to decrease lead time to seize unsure client requests and control extreme expenses. Thus, efficient delivery of the product at the right time and at the right place results in maintaining the brand image and at the same time be cost effective at each link of the supply chain.

Competitors

General Mills - The top Kellogg competitor, which was established in 1856, headquartered at Minnesota, United States is one of the largest producers of branded consumer goods globally. Their main line of products includes soup, read-to-eat cereals, savory snacks and nutrition bars. The major strength is their world- wide presence in multiple food processing domains and easy availability of their products globally.

Mondelez International – This company was established in 2012 and is giving a tough fight to all the companies in the food manufacturing sector in such a short span of its establishment and is considered one of the world's largest snack companies with \$35 billion revenue annually. It basically produces and sells food, beverage and confectionary and products like coffee, dairy products, baby food etc. The reason being huge investment in research and development and the strength in generating enormous revenues and thus giving a tough bite to Kellogg's.

Kraft Heinz – It's basically a merger of Kraft Foods and Heinz with the huge investment from Berkshire Hathaway of around \$10 Billion making the company totally valuation to \$46 billion. The company was established in year 2015 and headquartered in Illinois, US. The company's main forte is to provide high nutritious content int their food products and have close to 16 brands under their umbrella. It has a strong portfolio and thus provide stiff competition to Kellogg's.

J M Smucker – It is one of the leading producers of ice-cream toppings, peanut butter, various spreads and covers mainly the Norther America region. It is headquartered in Orrville, Ohio. The products are popular amongst the customers as its provides a balanced mix of quality and taste with a competitive price and in 2018, the company made a sale of close to 7.8 Billion. It has a workforce of around 7300 employees across the region and is one of the top most competitor to Kellogg.

Quaker Oats Company - This company was founded in 1877 and is owned by the market leader PepsiCo. The company's focus is on products based in oats like hot and cold cereals, rice snacks and protein bars etc. Due to their main concentration on cereals is one of the best companies to trademark in breakfast cereals and have great market share as compared to its

competitors. Due to their innovation and popular brand image, Kellogg's faces a tough competition and employs more than 15000 employees worldwide.

Financial Performance and Purchases

In February 2020, the board of directors approved a new authorization to repurchase \$1.5 Billion of company's common stock through December 2022 with an approximate purchase value of each share close to 960.

Below is the table showing **net sales** in 2019:

Year ended December 28, 2019

(millions)	North America	Europe	Latin America	AMEA	Corporate	Kellogg Consolidated
Reported net sales	\$ 8,390	\$ 2,092	\$ 940	\$ 2,156	\$ —	\$ 13,578
Foreign currency impact on total business (inc)/dec	(11)	(101)	(33)	(87)	—	(231)
Currency-neutral net sales	\$ 8,400	\$ 2,193	\$ 973	\$ 2,243	\$ —	\$ 13,810
Acquisitions	—	—	—	271	—	271
Foreign currency impact on acquisitions (inc)/dec	—	—	—	49	—	49
Organic net sales	\$ 8,400	\$ 2,193	\$ 973	\$ 1,922	\$ —	\$ 13,489

[Figure 3: Source: Company's Annual Report 2019-20](#)

We paid quarterly dividends to shareholders totaling \$2.26 per share in 2019. Total cash paid for dividends increased by 2.7% in 2019. On February 21, 2020, the board of directors declared a dividend of \$.57 per common share, payable on March 16, 2020 to shareholders of record at the close of business on March 3, 2020. We entered into an unsecured Five-Year Credit Agreement in January 2018, allowing us to borrow, on a revolving credit basis, up to \$1.5 billion and expiring in January 2023. In January 2020, we entered into an unsecured 364-Day Credit Agreement to borrow, on a revolving credit basis, up to \$1.0 billion at any time outstanding, to replace the \$1.0 billion 364-day facility that expired in January 2020.

Consolidated Balance Sheet

(millions, except share data)	2019	2018
Current assets		
Cash and cash equivalents	\$ 397	\$ 321
Accounts receivable, net	1,576	1,375
Inventories	1,226	1,330
Other current assets	232	131
Total current assets	3,431	3,157
Property, net	3,612	3,731
Operating lease right-of-use assets	541	—
Goodwill	5,861	6,050
Other intangibles, net	2,576	3,361
Investment in unconsolidated entities	404	413
Other assets	1,139	1,068
Total assets	\$ 17,564	\$ 17,780
Current liabilities		
Current maturities of long-term debt	\$ 620	\$ 510
Notes payable	107	176
Accounts payable	2,387	2,427
Current operating lease liabilities	114	—
Other current liabilities	1,550	1,416
Total current liabilities	4,778	4,529
Long-term debt	7,195	8,207
Operating lease liabilities	433	—
Deferred income taxes	596	730
Pension liability	705	651
Other liabilities	543	504
Commitments and contingencies		
Equity		
Common stock, \$.25 par value, 1,000,000,000 shares authorized		
Issued: 420,829,201 shares in 2019 and 420,666,780 shares in 2018	105	105
Capital in excess of par value	921	895
Retained earnings	7,859	7,652
Treasury stock, at cost		
79,286,171 shares in 2019 and 76,801,314 shares in 2018	(4,690)	(4,551)
Accumulated other comprehensive income (loss)	(1,448)	(1,500)
Total Kellogg Company equity	2,747	2,601
Noncontrolling interests	567	558
Total equity	3,314	3,159
Total liabilities and equity	\$ 17,564	\$ 17,780

The global processed food industry is estimated to be around \$ 3.4 trillion and forms close to 70% of the world's food sales. The food industry is one of the most important parts of any country's economy, especially in India where more than half of the population is involved in agricultural activities. It's a complex and an amalgam of various diverse businesses that create and supply most of the food consumed by the population of the world. It includes agriculture-livestock, crops; farmers market, public market; wholesale food distribution; agrichemicals; farm machinery and supplies 'catering; packaging and distribution. Kellogg's fall under the *food processing industry* category.

Industry Insights

Types of Food Processing

According to FAO (Food and Agriculture Organization), processed food can be broadly classified into three categories:

- The *Primary Processing* involves segregation, scaling and grading of the raw materials.
- The *Secondary Processing* includes alterations of the basic product to a modified product to match the requirements, just before the final stage of the preparation of the final product.
- The *Tertiary Processing* involves adding the final value to the intermediate product thus making it ready for consumption.

Further Classification of Food industry

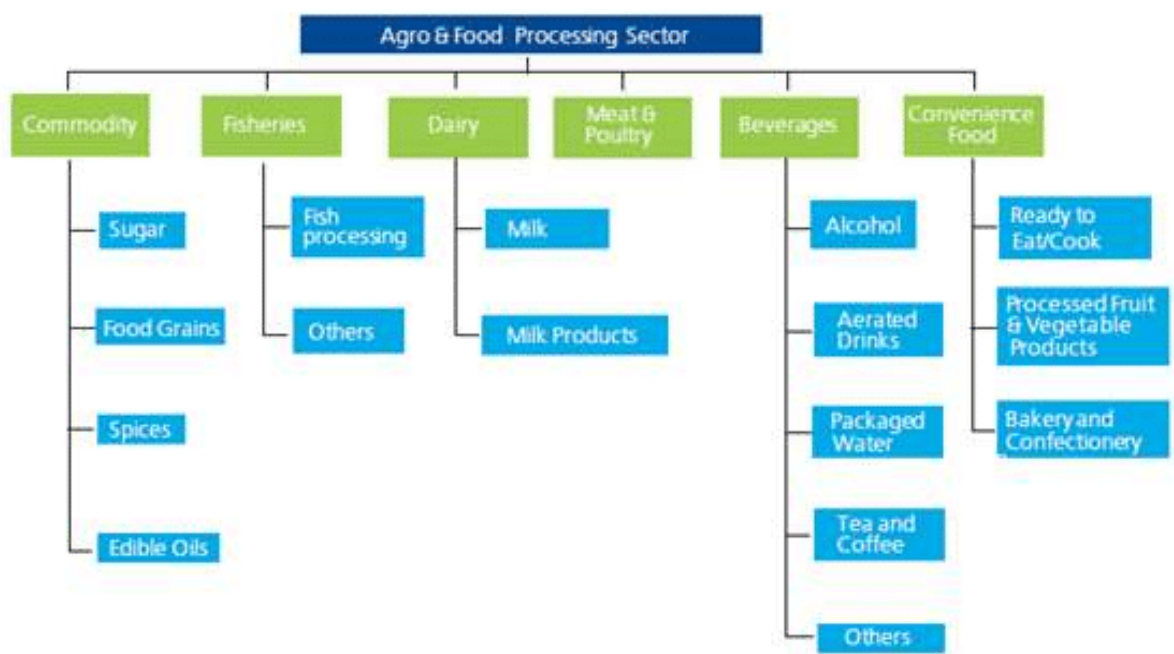


Figure 4: Source: www.ibef.org

Food Industry's structure can be classified into 3 domains:

- ◆ Organized Industry which forms around 26% of the total.

- ◆ Unorganized industry which comprises of roughly 41% of the total industry distribution,
- ◆ The third can be clubbed together in small scale industries which comprise of 11/3rd ie 33% of the total.

Government recent Economic Measures/Policies

The government is working towards bringing retail, FMCG and e-commerce within a single policy framework that would help bring all the concerns of industry and consumers on a single table and would be addressed keeping in mind both the parties in picture.

As per the current policy government allows 100 per cent FDI and any foreign investment beyond 51 percent, it is required that out of the total percent 30% should be sourced from India (Under Approval Route).

Also, in the existing system, the government does not allow FDI in B2C retail. But there has been lot of discussions in liberalizing the ecommerce policy with a positive hope to boost the sector and recently a 12 -member committee has been formed which is chaired by Mr. Kant (NITI Aayog CEO) to understand and formulate new policies.

The Food Safety and Standards Authority of India (FSSAI) has recently classified the import clearance of food products and functioning of food testing laboratories under Essential Services during the Covid-19.

Also, to maintain the quality and hygiene in the products manufactured or imported in the country, the FSSAI has finalized the new regulations for approval of rapid testing devices, kits and method to strengthen the overall testing ecosystem in the country.

How is Technology impacting the complete food industry?

As the population of the world is on a continuous rise so is the consumption and hence the demand is all together at a different peak now and providing food and meeting demands of close to 7.5 billion people is a challenging task. Hence it is to meet this demand and affordability the technology has done a tremendous job in not just maintain the require quality but also at a competitive price for the industry. According to a report, “the rise of **Robotics** and **AI** in the food industry is a tangible example of food tech and number of robots put in place is over

32000 in just European region alone and number of robots stand to 96 per 10000 employees in 2019.

- **3-D printing** and digitization has been another game- changer in food industry, there have been various applications and opens a gateway for innovation along with maintain the food sustainability and stability.
- **Social media** and smartphones have created a huge difference in not just how we view the food but the consumers as a whole have shifted. It's a piece of cake to know what are the true sources of products, the level of ingredients and process of production- everything is just a click away. Various apps have recently taken the place in the heart of consumers to track food intake, the nutritious value, allergies etc. Consumers are more aware than ever about each bite they intake. So the case with the manufacturers and producers- through rigorous research and big data services they understand what exactly the consumers need and thus have increase their efficiencies multifold to give what is in demand.
- **Food- centric Hackathons** are emerging up across the globe to innovate and improvise the already existing methods and measures to improve the food industry. It's the assembly of the world innovative leaders of food, chefs, entrepreneurs and designers to create solutions for the future of food.

So, all these innovations and technology are changing the way food is manufactured, supplied, distributed and consumed- at each step this technology has created a huge impact and is the bottom line is companies are close and personal to consumers and have a better sense of what the consumers are looking for- and consumers are more informed than ever.

Growth Journey so far (How they reached the pinnacle starting from the scratch)

- As we know Kellogg's international brand serving in more than 180+ countries and having the manufacturing house in close to 20 countries across the globe. Talking specially of India, the company got its footsteps way back in 1994 and despite a huge launch and with rigorous spending in marketing campaigns it was an initial failure in India.

- India was never had a huge population that who would consume breakfast cereals and oats in early nineties, so it was a challenging task for Kellogg's to make a hold and attract the customers and change the pattern of how we take our breakfast in most households. Various researches show's that initially the company was over-confident that the products that were consume in western world would do the same justice to the Indian consumers and ignored may critical cultural differences that existed between the two worlds.
- Also, it faced a stiff competition from the local brands specially in terms of pricing and the availability. So, with time and intense market analysis and by understanding consumer behavior in terms of consumption, Kellogg's revised its strategy and came out with wider range of products meeting the needs and with a reduced-price tag to compete with the other brands in the industry. The position strategy played a huge role for the company to attract the consumer base as products were no longer positioned as premium but resonated with the regular affordable products.
- To even further set deep into the country, the company started localizing their products in order to satisfy the taste buds with new customized and innovative products in their basket. They changed their supply chain model to procure raw material from the dealers in India, even packaging was sources out of the country which all led to minimize the costs further and gain maximum advantage of the huge population of the country.
- Kellogg's invested heavily in distribution network and took undertook lot of mergers and acquisition to remain competent in early 2000 with numerous storage facilities and building trust by giving the distributors huge responsibility for sales and a fair share of margin. The market grew from 18% to 33% in just couple of years after these changes across the line and had a huge market share by end of 2013.
- Kellogg's holds above 60% share in Indian Market but is also facing tough competition with PepsiCo, Marico and GlaxoSmith-Kline as they have entered the muesli and oats segment. So, the strategic vision for Kellogg's is to double the growth in coming years and are investing heavily in expansion, research and development and brand building in the country along with new innovative strategies to better position their products in the market.

Understanding the Culture through the analysis done so far

Kellogg's has always thrived through accountability, integrity, humility and a continuous effort to achieve success and thus have created a family rich in culture which is driven by values and customs, where each member has the freedom to lead, innovate and flourish. Over time this company has created dedicated workforce that stay together and lead from the front.

What I have observed and realized while doing the research and reading about the company in details and their success story is that it's the culture, the values that are forged is what makes a company unique irrespective of the scale or where the journey began. It's the mindset and the approach of the leadership that governs the workforce and decide the fate of the company to a large extent. This is exactly what Kellogg's stands on- the pillars of collaboration and a healthy environment with integrity and respect and thus keeping everyone (the consumers, the investors, the marketplace and communities) together.

One of the key highlights/observation that speaks volume about the organization culture and values is that the company has always strived to be honest in promotion marketing practice's, ensuring that every claim in their advertisements and marketing campaigns is substantiated by law and is completely transparent, which is generally not observed in many organization across industries. There has never been case in the history for the company that they have ever been questioned on these parameters even via competitors rest assured government. The sole reason is to maintain the trust that the consumers have on the quality and transparency of the products. Another important parameter that the company have always focused on is to have competitive intelligence where the effort is purely to understand the customers, the suppliers and value proposition of the competitors. This has helped the company to serve the global marketplace better aligning them with the business objectives. Also, the approach to treat the competitors speaks volume of the value chain of any organization, at Kellogg's they believe in outperforming the competitors honestly and fairly i.e. they achieve the competitive advantage through excellent performance and keeping the unethical and illegal practices off the shelf.

Doing business and generating profit is one side of the story but how that business is done is more crucial from a responsible citizen point of view. With changes in government policies and laws- more emphasis on environment protection motives, the company has always adapted and obliged to these changes and is reflected in their business practices'. They have been

responsible towards the environment and overall community by fostering a more sustainable society by minimizing environmental footprint and coming out with innovative and globalized solutions to conserve resources and thus protecting the planet as a whole.

Competitive Strength Assessment (Benchmarking Tool)

To understand the competitive strength, I am using this benchmarking tool to analyze and understand where the company stands in the competitive industry

It's basically an assessment of the competition in a certain market aimed at informing business decisions. The purpose of the assessment is to help strategic managers have a continuous review over the strategies and continue to grow in market share keeping in check the competitors' strategies as well thus helping the organization to increase the profitability. It helps in identifying the strengths and weaknesses of the competitors and gives a direction in which the company should formulate their further decisions.

Methodology

- Using the SWOT Analysis of the various competitors of our base company i.e. Kellogg's along with the base company, I have identified various strengths, weaknesses and threats of each company to compare their competitiveness along with strategies involved.
- Using these parameters that were obtained, the key success factors which are the main characteristics which defines a company overall position in the textile industry market were determined.
- After that the importance weightage to the success factors was allotted which were identified in the previous step bases on market research and the importance each factor holds for the consumers.
- The strength ratings assigned for each factor for each company is based on how well the company is performing on those based on the comparison with other companies in the market
- The weighted score thus obtained gives a clear picture on the position of a company that it holds in comparison with their competitors.

I have created the **below excel** using the above methodology by allotting the various parameters.

Key Success Factors	Importance Weight	KELLOGG'S		QUAKER OATS COMPANY	
		Strength rating	Weighted Score	Strength rating	Weighted Score
Collaborative Supply Chain Network	0.21	8	1.68	7	1.47
High Value and Customized Products	0.18	8	1.44	8	1.44
Responsiveness to Market changes & Diversification	0.2	9	1.8	7	1.4
Production Efficiency	0.19	8	1.52	8	1.52
Marketing and Distribution	0.22	9	1.98	8	1.76
	1		8.42		7.59

Key Success Factors	Importance Weight	KRAFT HEINZ		MONDELEZ INTERNATIONAL	
		Strength rating	Weighted Score	Strength rating	Weighted Score
Collaborative Supply Chain Network	0.21	8	1.68	7	1.47
High Value and Customized Products	0.18	7	1.26	8	1.44
Responsiveness to Market changes & Diversification	0.2	8	1.6	6	1.2
Production Efficiency	0.19	7	1.33	7	1.33
Marketing and Distribution	0.22	7	1.54	7	1.54
	1		7.41		6.98

Analysis

- ◆ The strategies could be either defensive or offensive in nature based on the overall weighted competitive strength ratings of the rivals.
- ◆ If we analyze the figures obtained, we see that Kellogg's is leading and is said to have set a benchmark for other competitors with the score of (8.42) and also stand close to its rival Quakers Oats Company with (7.59).
- ◆ If we analyze one step further, we can observe that though the high value and customized product rating is same for Mondelez International when compared with Bombay Dyeing but importance weight of this factor is less as compared to other factors like Production Efficiency and Marketing which is better for Kellogg's and thus leads in the overall score.

- ◆ On similar lines Kellogg's can afford to have more leverage and be little aggressive in their strategies in Marketing and Distribution as they don't face stiff competition in that particular segment.
- ◆ Also the leading brand that is Kellogg's does have a competitive par/weakness with Quaker for Production Efficiency and is close competitor. This could be little worrisome as it is a bottleneck competition and the strategies have to be carefully designed and should be more defensive in nature to play a safe bet in the long run.

Conclusion

So based on the examples and analyses mentioned above, we can say that how this competitive assessment can be a useful tool for companies in modifying their strategies by efficiently analyzing the scores obtained and thus can formulate strategies that could help them in gaining competitive advantage and also improving/maintaining their market share in each segment that could play a vital role for a company in the long run.

7S Framework (Strategic Framework)

The 7S model basically helps in identifying the internal elements of an organization that are needed to be placed in alignment for the company to be profitable and thus ensuring how the overall performance can be enhanced and manage the constant change with ease. It is also used to understand the effects of future changes in the organization both strategically and monetary wise (mergers and acquisitions). It can be implemented to the complete organization as a whole or to a micro level such as a team or a project

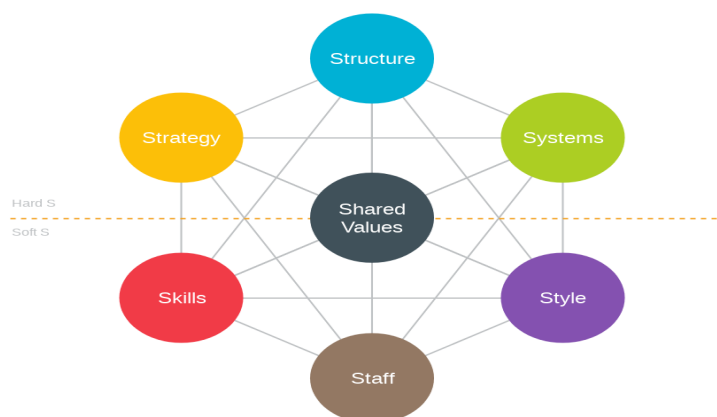


Figure 5: Source: Mindtools.com

The *hard components* are tangible in nature and are easy to identify and there a sort of direct control that the management can influence in the organization.

Whereas the *soft components* are much harder to identify and describe and are less tangible in nature and are mainly governed by the culture of the organization.

Strategy

- ◆ Kellogg's have used various marketing strategy tools to position itself in the global market keeping the competitive price and the target customers the main focus.
- ◆ Have been incorporating multiple distribution channels and well established network to boost sales and services while incorporating technology and innovation in the complete supply chain network end to end.
- ◆ Kellogg's spends more than 9% of its revenue in brand building exercise which helps the company to position better and emerge as the leader in top and developing markets of the world.
- ◆ The new brand campaign 'breakfast se badhkar'- the company is adapting to address the new challenges of change in the consumption pattern specially the breakfast habits and with more hectic schedule where people don't have time to have their breakfast- the company is building upon the products that can be consumed on a go.
- ◆ To tackle the environmental challenges and keeping the business under the framework of new government laws in the industry, the company is strategically modifying its packaging model and waste handling mechanism which would give them a strong competitive advantage to stay ahead in the industry.

Structure

- ◆ Kellogg's has always believed that structural changes reduces complexity which enhances responsiveness. To quote an example- recently they have consolidated various decentralized snacks and frozen foods business into a single entity comprising of more than 65% of the revenue.
- ◆ At Kellogg's the organisational structure is such that there is no bureaucratic controls over a single head but replaced by feelings of mutuality and commitment that encourages dialogue and trust and decisions are taken in consensus with all team members irrespective of their past experience and is completely employee empowerment what they believe in.

- ◆ In highly competitive and innovation driven business it is highly critical to align employees to business strategy and for that employees must know and understand what the actual strategy is and in Kellogg's it has always been the culture to inculcate right from the start to understand the long end goal of the organization and all employees resonate with the same vision which highly differentiates and speaks volume for this organisation and is achieved from both micro to macro level leadership.

Systems

- ◆ At Kellogg's the recruitment planning is done every year to plan and strategize the workforce for the next year. Selection involves an online application followed by multiple interviews. Kellogg's appraisal happens twice a year and is based on quantitative performance and process performance. There exists certain guideline in the form of MBO (Motivation, Communication and Co-Ordination, Clarity of roles) which is expected by the company that all MBO's must be achieve by the employees for being eligible for promotion.
- ◆ At Kellogg's, for various resources and acquisitions, the company uses the available borrowings under the credit facilities and other available debt financing or cash to operate the business. Also, at various occasions the company has issued various variable rate securities on IBORs as well.
- ◆ Also, the company uses third party financing programs to help their working capital in motion and to make the operations effective and up and running.

Shared Values

- ◆ Kellogg's has always thrived through accountability, integrity, humility and a continuous effort to achieve success and thus have created a family rich in culture which is driven my values and customs, where each member has the freedom to lead, innovate and flourish.
- ◆ One of the major highlight that my eyes caught on was that they believe in simplicity and continuous involvement to improve processes and procedures and work across the various boundaries that are invisible to break down the barriers that may exist and work together as a community with an open culture- where freedom of expression is valued and believing in celebrating even the small success which keeps environment healthy and motivated.

Style

- ◆ Kellogg's is one of the very companies which has a dedicated Office of Diversity and Inclusion which was established in year 2005. Since that time the office has primarily focused on recruiting and retaining employees from diverse background and culture and fostering the same in the employees by providing a continuous support and environment to let each individual grow. So, people with mix balance of skills, values and right set of mind-sets find their way into Kellogg's easily.
- ◆ The company focusses in power of each individual ideas and thoughts and believe in achieving success by collaborating, being competitive and working in a cooperative manner that resonated with the vision and goal of the company.

Skills

- ◆ At Kellogg's there are various independent but interdependent power nodes like dealing with other global competitors, distributors and various dealership- which means employee and leaders are /should be capable to build and maintain those relationships and continuously influence and set a benchmark to mark a space and lead the market in the industry.
- ◆ Also, since the business is all about marketing the product and the brand, the right skill set of convincing and understand the global market which resonates with the consumer changing habit's and buying pattern is crucial. So, all this requires right set of experience and motivation which the company expects from its employees.

Staff

- ◆ The current of employees stands close to 35300 as per 2019 December statistics working in more than 180 countries across the globe.
- ◆ Motivation is one of the critical components in an organization. One of the most important management policies at Kellogg's is communication. They ensure this effective communication is fostered that builds trust and openness in the organization which keep the workforce motivated. Another important policy is that of a 'delegate' which gives the employees to take control and ownership of their jobs by being innovative and doing things in their own way. All of these aforementioned practices help the employees to remain loyal and motivated which is profitable both as an

individual and for the company. Apart from all these there are various thanking and rewarding policies which is shared out to the staff periodically.

Porter's Framework (to understand competitive position)

It was created in 1979, is one of the most popular and highly regarded business strategy tools available. The main logic behind this framework was to encourage the organizations to look beyond their rival's strategy and actions and focus on other external and internal factors that could impact the business environment. So, Michael Porter identified 5 forces that can hamper the profitability of the organization and also throw light on the making of a healthy competitive environment.



Figure 6:Source: Researchgate.net

Threat of New Entrants

- With the market capitalization of \$21.82 Billion as of May 11, 2020, the economies of scale is quite difficult to achieve in this industry in which Kellogg's operates. For a giant like Kellogg's as it produces large capacity resulting in having a cost advantage, this more all more difficult for the new entrants. Thus threat of new entrants is not a much botheration for this company and stands weak.
- With changing times and stricter rules and policies across boundaries this type of industry requires lot of licensing and legalities to be met before starting out the venture in the market. These all complications and paper-work makes it difficult for the entrants to join the industry and thus stands a weak force in front of Kellogg's.

- With the advent of technology and data science creating customized products is the new game in the industry rather than a standardised products which makes it an organisation spend more on advertising, marketing and customer services and thus building a strong brand image. All this requires huge talented experienced workforce and capital as it involves lot of R&D before coming out with a product. So all this makes the threat of new entrants a weak force within this industry.
- The only crucial possible threat to the big firms is the access to the distribution network and various channels. For making the way for your new product in the market is something should be taken care off and could disturb the market to some extent.

How can Kellogg's maintain its position and overcome the possible threats??

- As the company has huge economies of scale, it should further exploit it and gain better cost advantage.
- It can spend more on R&D and better understand the consumer buying patter and behaviour specially after the Covid-19, the research shows the paradigm shift in the consumption patter could be observed across the globe.
- Bringing on new innovative products and enhanced services to maintain the brand value and image and give a reason for consumers to remain loyal to the brand.

Supplier's Bargaining Power:

It basically addresses how suppliers can drive up/down the costs of inputs in its personal capacity. It is affected by the number of suppliers, the uniqueness and the switching cost. More the suppliers less the power rests in the hands of them to drive the cost and hence the profitability is impacted.

- As the food processing industry is huge, there are lot of suppliers both small/large scale in comparison to buyers, which basically means that the suppliers have less control over the prices and thus stands as a weak parameter.
- Also the products that suppliers provide to Kellogg's are quite standardized and chances of substitutes available are less, this gives a upper hand and is a strong force in this industry.

- But also from a company's point of view, since the raw materials are quite standardized, the switching cost is low for the company as lot many options are available. This make bargaining power of suppliers go weak.

How can Kellogg's tackle the bargaining power of suppliers??

- Since they are multiple suppliers in this industry which makes the switching cost at low prices for the company, the company can exploit this scenario and purchase the raw materials at the lowest cost possible from the suppliers.
- Considering the presence of business across the globe, the company can have multiple suppliers ensuring better efficiency and also the considering the labour and transport laws for a particular region to keep the cost minimum.
- By maintain good relations with the long term suppliers so as to gain maximum first mover advantage in terms of availability, quality and quantity.

Threat of Substitute Products/Services:

It is always a threat for any company when the substitute good or services are available in the market at lower costs which can be used by consumers in place of the company's products, because then the customers have the option to forgo the product and try a more affordable one. Thus the threat of substitutes can be both immediate and for a long run which majorly depends upon the inclination of the consumers to change.

As we know there are few substitutes available for products in the this industry and those substitutes which are available are of high product quality produced by very limited firms thus are too expensive which makes it all more difficult for consumers to switch even if they have a bit of inclination because these are the majority of the products which are consumed more than twice a day and thus overall impact would be huge. Thus the overall threat to substitute is very less in this industry and specially for a giant like Kellogg's.

How can Kellogg's tackle the Threat of Substitute Products??

- To better understand the consumers' core needs and changing patterns by conducting frequent market research and be active enough to incorporate those changes in their products- more customized and innovative products.

- To model the business in such a way that it further increases the switching costs for the buyers and be more service orientated.
- Better differentiated and quality products at a lower cost compared to the substitutes that provide a better quality but at a much higher price.

Customers Bargaining Power:

It is governed by how significant and the size of customers a company has and how much would it cost to find new customers for its output. A powerful and influential client base means that the customer has more power to drive out the prices in the market and switch if the expectations are not met.

- Since Kellogg's has a broad differentiation and customized products in their basket, it makes buyers a tough fight to switch and look for similar products at a low price thus making buyer bargaining power low for the company.
- In current scenario, what is more important for customers is to have a quality product even if they have to shell out some extra money, so this makes the buyers less price sensitive and thus stands low in force for Kellogg's.
- Also, there is no threat to the buyers to integrate backwards, thus making it again advantageous for the company to keep a hold on its customers.

How can Kellogg's tackle the Customers Bargaining Power??

- Keep the momentum of supplying differentiated products in pace to attract more buyers, while maintain the quality of the product as to gain maximum advantage.
- To further increase a large number of buyers, the company can use its resources and economies of scale more efficiently to develop new products at a much lower price to keep the attraction of customers intact.

Rivalry amongst Existing firms:

The larger the number of competitors in the industry, the lesser the power rests in the hands of the organization when it comes to deciding the prices and terms of the deal in the market. This high competition gives the power to suppliers and buyers to get the best offers and prices in

the long run. Kellogg's operates in a very competitive Processed and Packaged goods industry.

- The number of large sized competitors to Kellogg's are few in number, which gives rise to a competitive action now and then to gain the maximum share in the market and be the market leaders. Thus, rivalry is strong and highly competitive for Kellogg's.
- As discussed in above points, the products are quite differentiated and customized, which makes it difficult for competing firms to attract the customers of each other a highly difficult task. This makes it a weaker force in the industry.
- Also, the exit barriers and various government regulations makes the players reluctant to leave the industry even if they have to run on low profits. This makes the rivalry a strong force.
- Moreover, the fixed costs involved are high in this industry which makes the company to utilize full resources and run on full capacity. But also if the demand goes down, the company needs to low down the prices to order to maintain their profits thus making a fierce competition between the rivals.

How can Kellogg's tackle the Threat of Rivalry within the industry??

- As we have observed from past 5 years the growing trend for this industry, the company can focus on targeting new customers as well rather and not just target the already customers.
- The company can also look out for mergers and acquisitions with the competitors to have a larger market share and seek to be the future market leaders in the industry.
- Can spend much more on R&D and market research to understand the supply-demand scenario and serve better within the production limits and not avoid to minimize the inventory cost and implement better efficient modals to have Just-in-Time inventory and delivery methodology where-ever possible.

Project Details

Title:

Marketing Strategy and Research on Consumer Consumption pattern and Buying Behavior during and post Covid-19 pandemic for FMCG products.

Nature of the Project:

It's a Strategy and Research based Project.

Objective:

The aim of the Research and Strategy-based project that I was aligned to is to understand the impact of Covid-19 disease on the overall business for Kellogg's and how can we tackle and strategize our business operations to sustain and continue to grow and what measures and business solutions that can be put in place to be self-prepared and be market ready for such unseen circumstances that may arise in future and maintain the profitability and business for the company in times to come. So, it involves market research and analysis on consumer side and based on external and internal data analysis, we try to map the findings of both the analysis and thus draw new strategies and represent recommendations in how to incorporate these findings into business practices for its products and services to have a much stronger hold and share in the global market.

Key Deliverables:

- To understand the consumer consumption pattern during and post lockdown phase.
- To strategize and align company's business and product line based on our findings.
- Identify the shopping behavior of the consumers for the FMCG products.
- To analyze and come up with the possible challenges that Kellogg's as a company might face in near future and possible measures that could be implemented for the brand.

Approach:

To achieve our goal, the project involves market research and analysis on consumer's side and based on external (1) and internal data (2), formulate new strategies in how to incorporate these findings into business and market practices for its existing and future products of the company in the market.

- (1) *External Data*- It is what we gathered from the survey that we conducted in the form of a questionnaire.
- (2) *Internal Data*- It refers to the actual data from the company end pertaining to the sales and distribution of their products and services in the recent times.

The external data would then be compared against the internal data to understand that whether our findings is being reflected in the actual sales of the products of the company and resonate with the consumer buying and consumption behavior or that change is still yet to be discovered or deep market research and insights has to be accomplished to understand the gaps and loopholes between consumption, demand and supply.

Stage 1 Retailer's End (External)

The COVID-19 pandemic and the resulting lockdowns have caused significant disruption for people, communities, and businesses. FMCG sector is definitely one of the major victims of this pandemic. In my opinion, the impact would be long lasting and might take three to four quarters to get back on track. Interestingly, hygiene products have entered into the essential category, whereas industries like apparel have shifted to discretionary. E-commerce sector might be a beneficiary in long run and FMCG might be on its track.

Disrupted production and badly hampered supply chain are the two major concerns of the FMCG sector. The government has allowed continuation of essential services and delivery of basic needs during the lockdown even in the red-zones. But what severely affects is the change in customer's buying behaviour. The euphoria to over stock these essential items for household needs and the attitude of "buying anything" might disrupt the demand-supply equation.

FMCG as driven by retailers might face difficulties in shifting their business on online platforms and pressure of home delivery. So, to understand better in how the business is getting affected for the retailers, how the consumers are changing the buying trend, how the overall ecosystem has changed, we conducted a small research by contacting some of the well-established retailers who had long term contracts since years with Kellogg's and are major points of distribution of its products and services to further small scale vendors and distribution points as well. We had tried to find out the answers by asking them few common questions like:

- How is the overall sales has been during this course of pandemic period from March to May 2020?
- To what extent the products are readily available and the time gap between the subsequent orders from the supplier's end?
- How was the limitations in transportation and services has impacted their overall functioning business?
- Are there any changes in the buying pattern of consumers when it comes to different product packet size?
- Are people inclined towards regular basic products or their consumption habits have seen a shift during this lockdown period?

After thorough analysis and correlating the responses we found a lot of common similarities existing on the retailer's end.

1. The most clear insight that we received from all the retailers was that there was an huge increase in the demand for medium-large sized packets as compared to previous months trend, following the uncertain times that lies ahead.
2. Another important observation that came into light was there increase in the demand for more basic regular products like cereal and choco's as compared to other special variants of these products in different brand category under Kellogg's.
3. Moreover consumers who used to buy the basic products once-twice a week, retailers saw the change in trend that the users started buying in bulk quantities and shopped once in a fortnight as compared to earlier times.
4. Retailers saw that there was an increase in the demand for more nutrient rich products during this pandemic phase.
5. From the discussions we had with the retailers and based on their observations, another insight that came into light was that users were seen trying for products that were new in the market (test packets in the form of sachet) and also were seen switching to other alternatives in different brands if a particular regular product was not available.
6. The main challenge that the retailer faced across the region was the supply of products and the delay in their order from the already extended due dates. As the demand was more during the lockdown so there were long pending orders with the retailers in general. This phenomenon could be attributed to various reasons like the limitation of the resources and availability of the raw material at the base location itself.

Stage 2 Consumer's End (External)

As we all know this novel disease COVID -19 caused by coronavirus, has changed the lives we used to live at least temporarily if not permanently. This has impacted not just economy, businesses and industries across the globe but have also brought a huge change in the consumption behavior of the people, and to understand and get deeper insights a survey was conducted in form of a questionnaire which was well designed after conducting a thorough market research and possible change in consumers eating habits.

The questionnaire was framed in a such a way that the questions included right from basics to the current consumption habit and what the consumers buying pattern would possibly be post this pandemic and their general expectations. Some sample questions that were included are:

- Preferred quantity of food items.
- Preferred mode of purchasing FMCG products.
- Questions around brand value and pricing of the products.
- Preferences- Nutritious and ready to eat or Home cooked food.

The survey got an amazing response in a short duration of time, close to 110 people took the survey and gave their inputs.

Observation and Analysis of the Consumer Survey

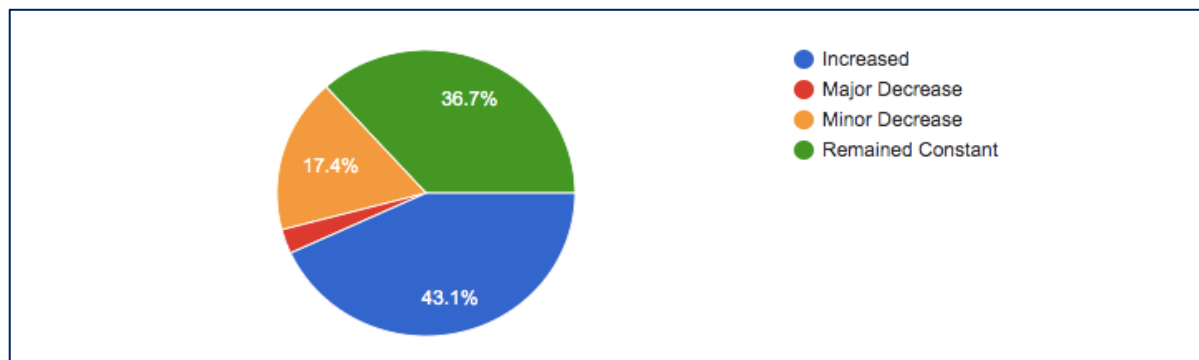
Cross Tabulation:

	<i>Age Group Segmentation</i>			
<i>Gender</i>	<i>18-25</i>	<i>26-30</i>	<i>31-40</i>	<i>41&above</i>
<i>Male</i>	33	12	12	6
<i>Female</i>	33	5	5	3
<i>Total</i>	66	17	17	9

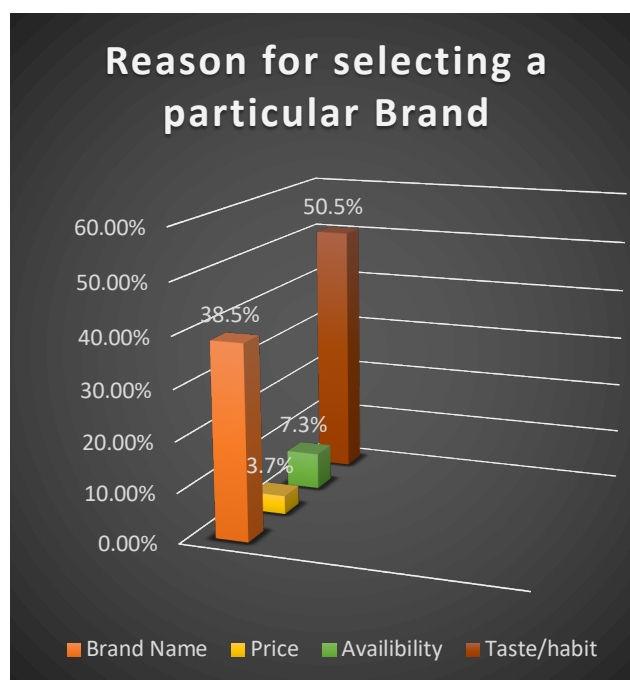
Graph 1: Target Audience Distribution

So according to the survey response, 61% of the respondents were in the age-group 18-25 and thus forms the majority of the total sample size with equal distribution gender wise.

Food Consumption During Lockdown:



Graph 2: Food Consumption Pie Chart

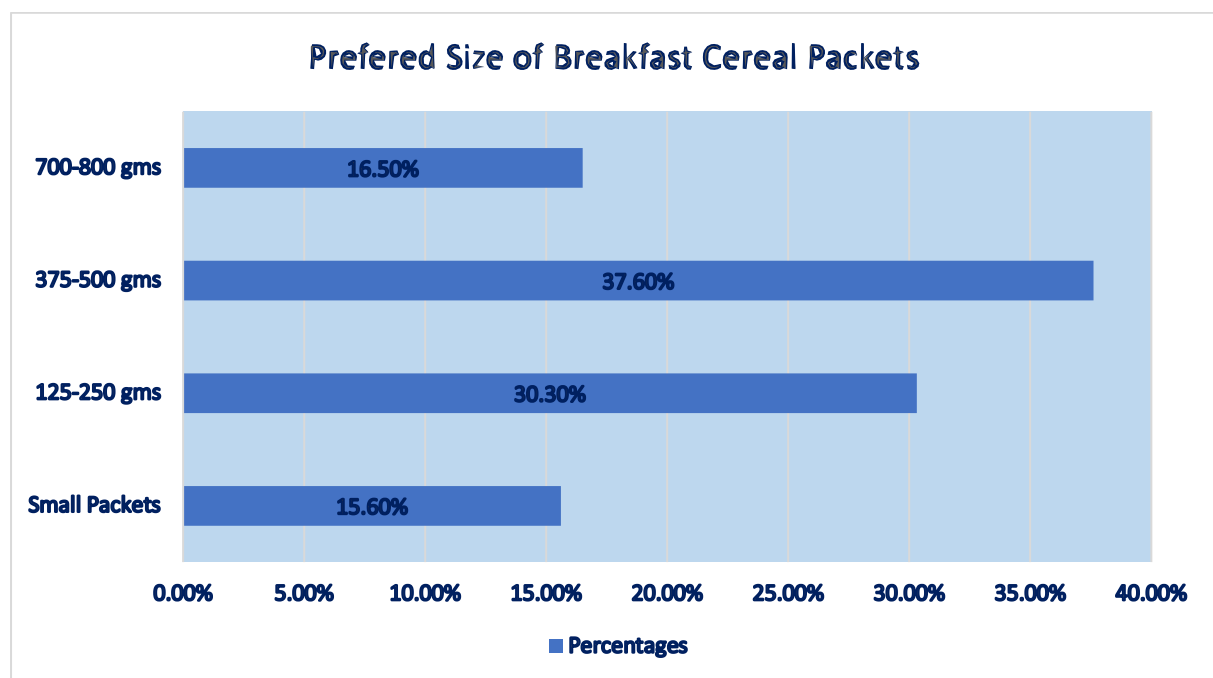


Graph 3: Different Reasons for a Brand

The data clearly shows (43.1% of the sample size) that the basic food consumption have increased for the population which shows the demand has increased during this phase. So, it's a great opportunity to put measures to increase the sales of the products and make them easily available.

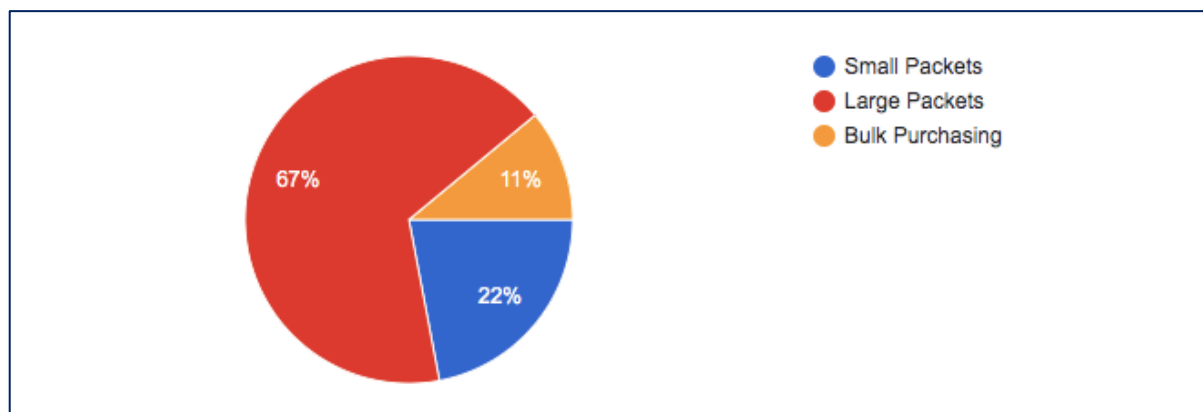
Also, from the above statistical graphs, it's quite evident that people would prefer to satisfy their taste buds irrespective of the price and availability. So, this gives a very interesting insight that people would stick to the type of product they have consuming in their daily routine, so for company like Kellogg's it's important to maintain their products quality and availability at the same time to ensure the consumers are stay loyal and is also the expectations of the consumers, because another statistic shows that 53.2% of our sample size claim that they would shift to another local brand if the branded products are not available in the local market which is a point of concern and should be dealt with on the priority basis.

Choice of Product Packet Size:



Graph 4: Preferred Packet Size

Preferred quantity for food items post Lockdown

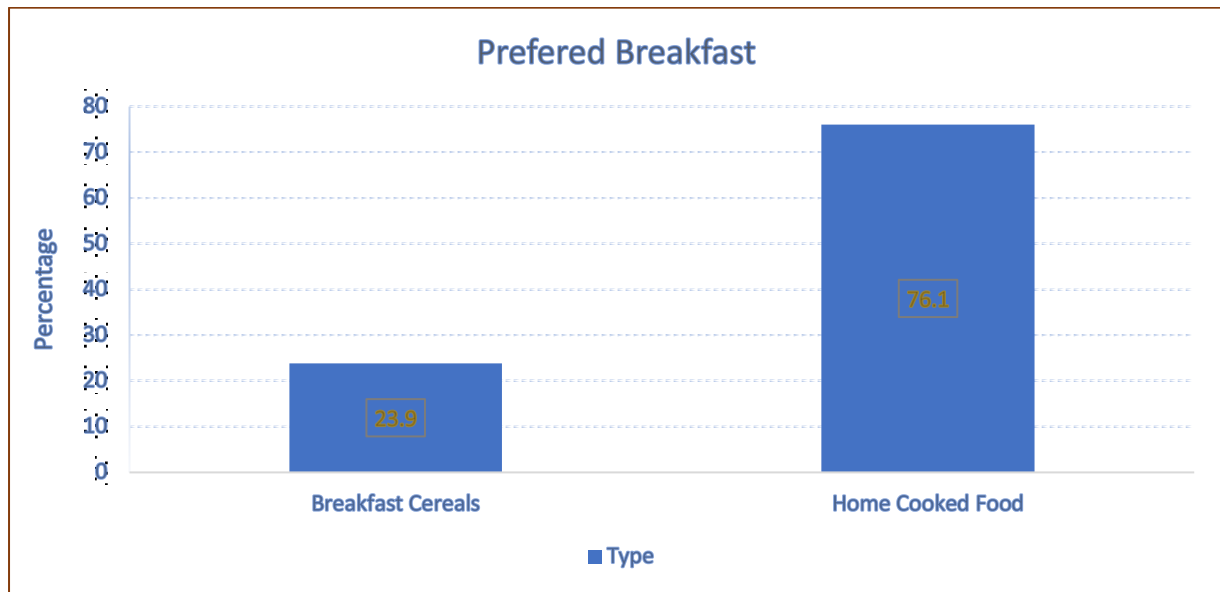


Graph 5: Preferred Quantity

The above two graphs quite evidently give a clear picture that the consumers are opting for large size packets during the lockdown and would as well continue this trend in future too as the data shows and this could be due to fear of lack of availability of products and unseen circumstances that may arise in the market. If further in-depth research and analysis on a much larger sample size resonate with these outputs, then the company should focus more on changing their production and pricing strategy to cater to fulfil this demand of changing consumer consumption pattern.

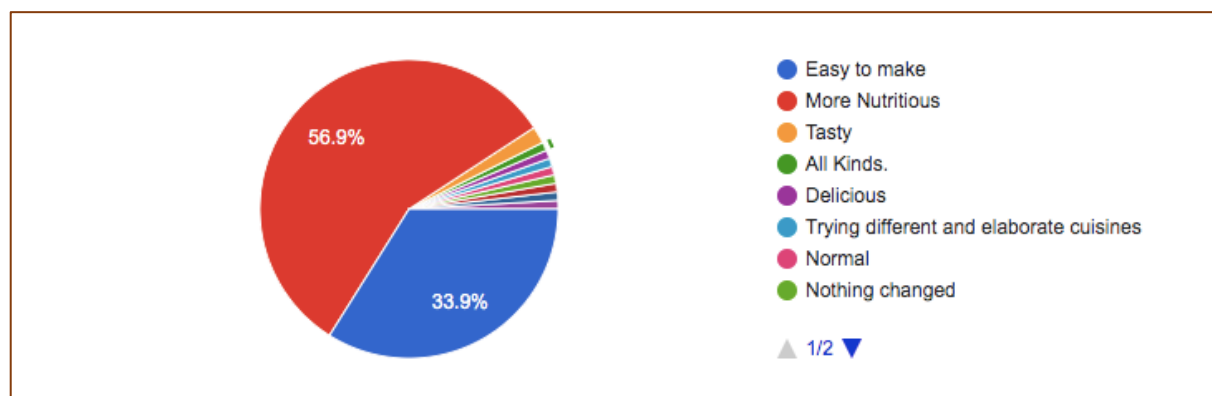
Also, in my opinion 30% of the sample size said they like to buy 125-250gms and 38% said they would go for 375-500gms packet size, which in total forms close to 70%. Hence, we can probably come up for a median sized packet product that would cater to both the type of audience and boost up our sales and profit with efficient pricing strategy.

Huge Potential Market:



Graph 6: Breakfast Preference

Preferred type of Food Product



Graph 7: Preferred type of Food

There lies a huge opportunity for the company to target the Indian customers breakfast eating habits as more 3/4th of the sample size prefer home cooked meals and healthy nutritious products (57% of the sample size) these days. So, the company which is already experimenting with testing of small sachet in new products for penetrating further in, needs to strategize and customize the product to suit the Indian taste and still has a huge market to tap on.

Possible Measures:

1. The company focus and invest in creating more healthy products specially for breakfast, and include more variety that resonates with the demand of the consumer.
2. Stabilize the organic and inorganic sales through efficient supply chain model and thus improve the overall consumption performance.
3. Could halt the production of the products no longer meet the requirement and needs of both the company and the consumers

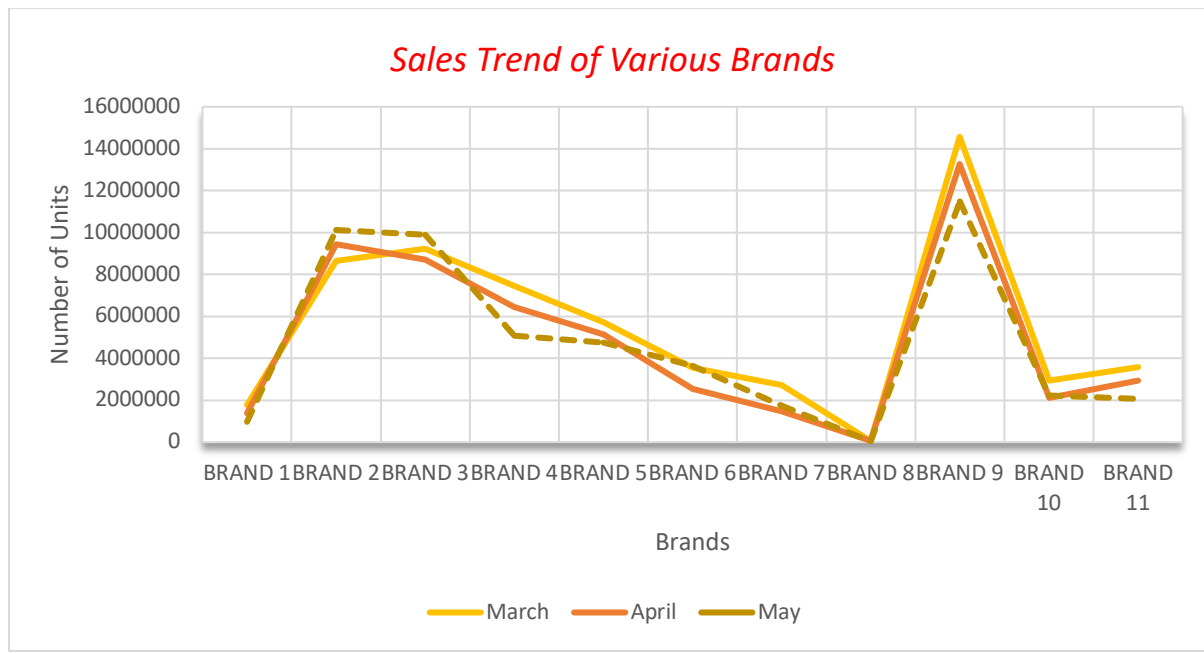
Stage 3 Consumer's End (Internal)

The data shared by the company included the sales of various brands which Kellogg's own having details of various products consolidated (Brand 1 to Brand 11) having the sales for each month of March, April and May across India.

In addition, the different packet size segmentation sales data (LUP, Medium Sized and Large Size) for each month of March, April and May across India was also shared to be analysed for findings based on various parameters.

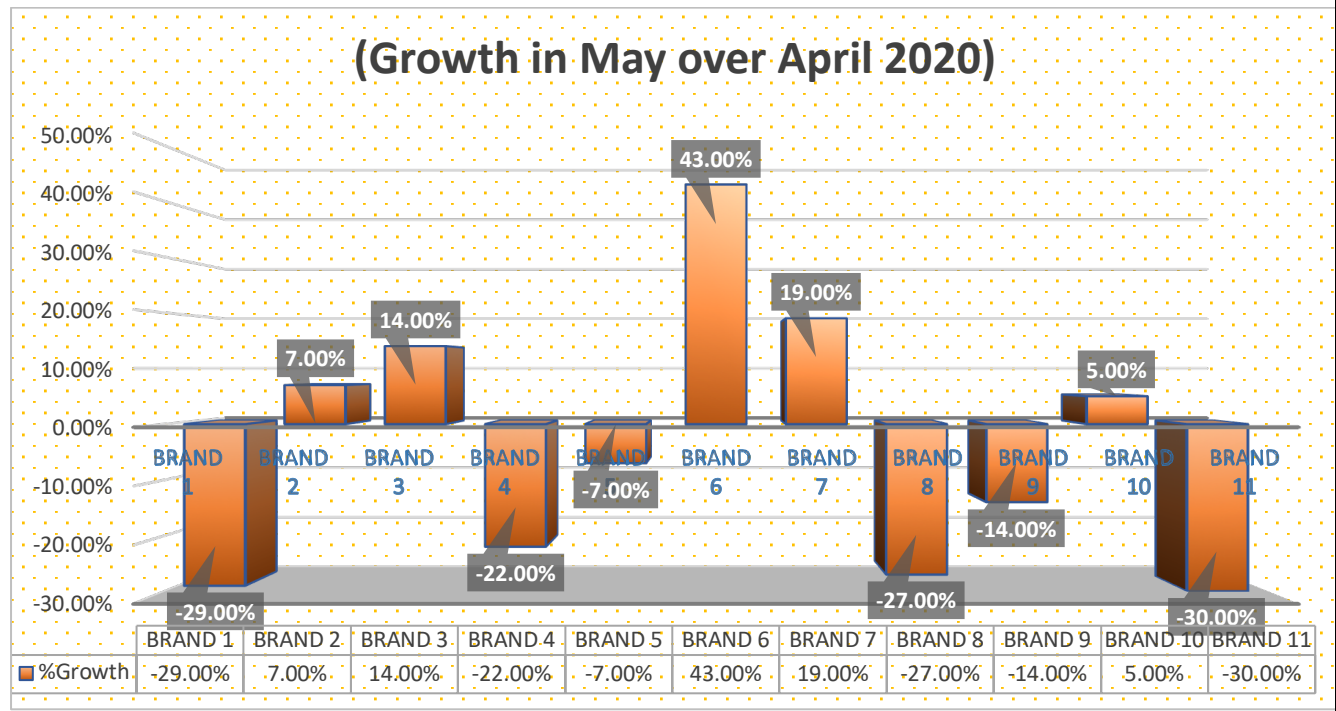
Cumulative Sales of various products grouped under Respective Brands for Mar-May 2020

BRAND 1	1781758	1370969	975841
BRAND 2	8650415	9459015	10123608
BRAND 3	9223849	8703592	9894476
BRAND 4	7457477	6463430	5081005
BRAND 5	5728075	5132861	4753263
BRAND 6	3550217	2552217	3643973
BRAND 7	2728160	1463841	1740420
BRAND 8	56084.87	66672.86	48541.07
BRAND 9	14567903	13269275	11485040
BRAND 10	2931292	2127427	2229693
BRAND 11	3574744	2944817	2066133
Average Sales	5477271	4868557	4731091
Minimum	56084.87	66672.86	48541.07
Maximum	14567903	13269275	11485040
Skewness	0.971182741	0.882433207	0.727250533
TOTAL SALES	60249975	53554117	52041994



Graph 8 : Sales Trend

- ⊕ The first thing that's pops out after the basic analysis of the data is that there has been a general decrease in the sales trend of various product across all the brands for *few brands* from March to May.
- ⊕ The highest sales were for **Brand 9** and was consistent in terms of volume of sales, also saw a huge *drop of over 21.16%* within these 3 months of the lockdown period.
- ⊕ Also, the minimum level of sales which was observed for **Brand 8** (*56084 units in March*) has further dipped to a new low to 48541 units in May (*A percentage drop of 13.45%*)
- ⊕ The above graphs give's a clearer picture of the continuous flow of sales for every brand in over 3 months span. The overall sales have gone down to *14% within a span of 3 months only*.



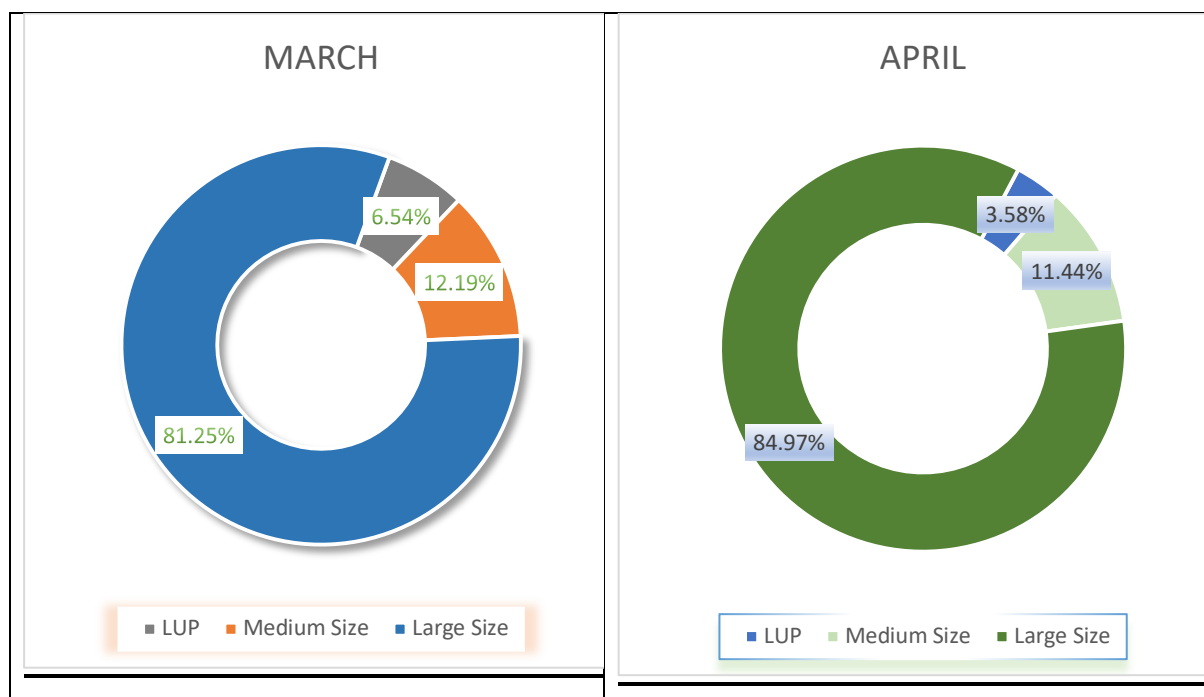
Graph 9 : Growth for different brands for Kellogg's

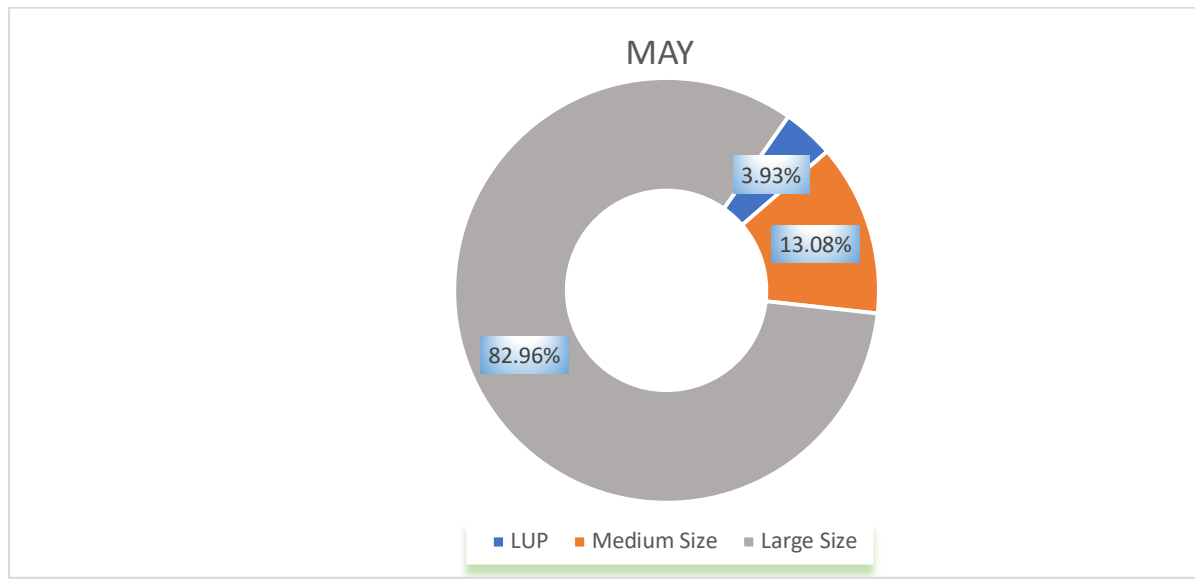
- ⊕ The above graph highlights the decrease/increase in the growth pattern for individual brand from April to May 2020. We see only few brands amongst the 11 with minor increase to have a positive growth in comparison to huge drop in percentage for other brands with negative growth which is a critical insight which needs to be addressed.
- ⊕ We see **Brand 6 which is a Healthy product category** saw the maximum jump in the sales over this two month of lockdown period with an increase of around *43% over April 2020*.
- ⊕ Another observation that came into light was that under the **Brand 7**, there was some tester products (Rs 5, 10 and 20 sachets) that was included which has shown a growth of almost 20%, which shows that consumers are trying for these tester products and could be seen as good opportunity for future strategy.
- ⊕ The major fall has been for **Brand 1 and Brand 11** during this course and the sales almost fell to one-third in just two months. Reason could be these brands cater to specific niche users (who are focussed on losing weight), so during this pandemic as people are working from home and tend to not consume these category products and

hence could be a reason for fall in the sales. Also, from the strategic point of view, the company could revisit its pricing and marketing strategy if this trend continues in future to minimize the loss (if incurred) over the long period.

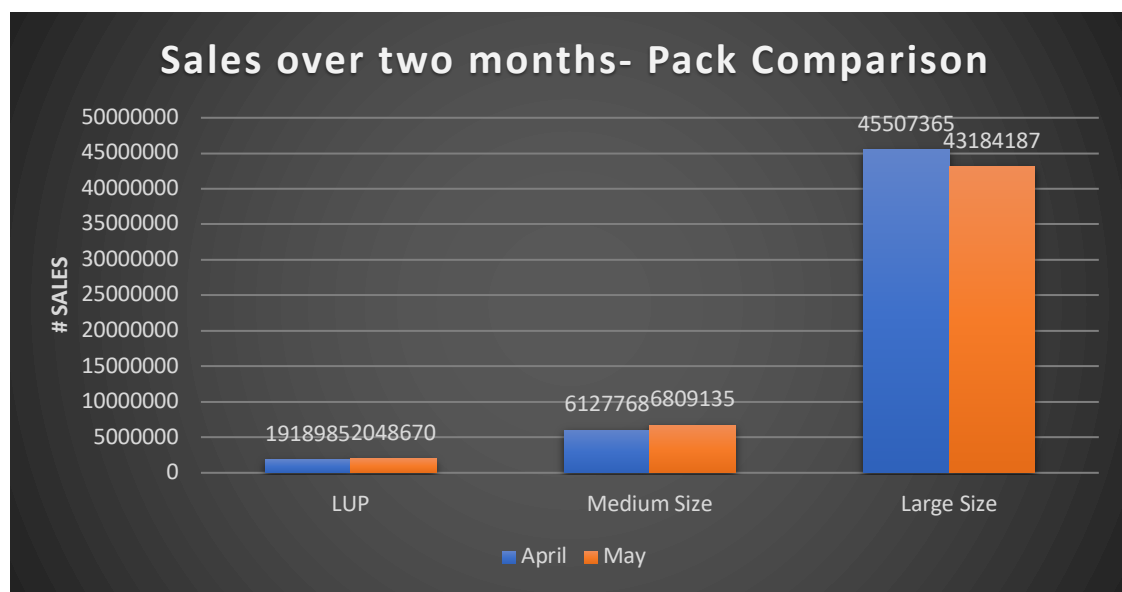
- ⊕ The prime and basic products for Kellogg's that fall under **Brand 2 and 3** have shown consistency and has increased continuously over these three months too. In contrast to their variant products category which fall under *Brand 4 and 5* have shown a decrease in the sales over this period.
- ⊕ We can also observe from the data that overall **average sales** have been on a declining trend from March to May (13.62%).

Packet Size Segmentation- Sales Pie Chart (Mar- May 2020)





Graph 10 : Pie- Charts depicting Packet Size segmentation and Growth



Graph 11 : Sales- Packet type

- ⊕ It is quite evident from the above three graphs that the though the *large size packets* have been the major contributor (>80%) of various products across the brands but the sales have seen a dip for this particular packet size during the lockdown phase in April and May.

- ⊕ In contrast, the sales have grown for both **LUP** and **Medium Size** packet size category in the market, **6.75% and 11.12 %** respectively in May over April.
- ⊕ However, if we consider the larger span i.e. for three months from **March to the month of May**, it could be observed that there has been a *maximum decrease* in purchase of *LUP size packets* and the overall contribution to total sales has fallen almost to half (48.1%) whereas the sales for *Large size packet* dropped to (11%) in the same period.

Stage-3 Overall Analysis on the Findings

When we overlap the observations and findings of our external data analysis with the internal data insights, we see a lot of similarity, loopholes and in depth insights through a reflection of consumer behavioural change both in consumption and buying pattern during this pandemic phase with the sales report of the company, when compared on common parameters like taste habits, quality, brand image, product packet size, availability etc.

- ◆ One of the critical findings out of this whole analysis and exercise is that, the consumption has no doubt increased for the FMCG products in general due to in trend WFH mode and various other external parameters, but the overall sales for Kellogg's has declined consistently in past 3 months (figures are interpreted above), which is a serious point of contention. This could be lot of factor's associated with it like non-availability of raw materials at the base, shortage of stock with retailers, inefficient supply chain management, faulty demand-supply measures etc.
- ◆ Another finding from the analysis of internal company data that resonates with our findings from the survey, people have grown to be more health conscious and are preferring more nutrient- rich food products. The figures show's that clearly 60% of the users opted for nutritious food products over tasty and easy to make products which is also reflected in growing sales of Brand 6 as mentioned above, which is mainly a healthy product category.

- ◆ Also, we focused on what are factors that accounts for buying a particular product for the users. The results show's that people are habitual to basic food category (76% of users said they would prefer basic cornflakes and cereals) which they have been consuming for a long period of time, which is clearly reflected in the sales growth analysis conducted on the company's data that Brands 2 and 3 which forms the basic food items like cereals and choco's, saw an increase in the sales even during the lockdown phase, unlike other food variants. So, enhancing rather just maintaining the products under this brand should be the top priority for the company.
- ◆ Also, we observed that people hold a strong inclination towards trying out sample products available in the market. For e.g. Brand 7 included tester products (Rs 5, 10 and 20 sachets) where we saw a surprising increase in the sales of 20% during this lockdown phase which is clearly a positive indicator and opens up new opportunities to come up with these kind of experiment products frequently to understand the grow the business better.
- ◆ Another finding in this project is that the consumers are preferring to buy mainly medium size packets for snacks and breakfast products, which contradicts the response gathered from the survey where 67% of the total sample size populace said they would opt for large size packets due to uncertain times that lies ahead. So, I believe the company should increase their focus on the right packet size which meets the expectations of the consumers and also the increase in sales and overall profit for the company. This could be achieved either through experiments by rolling out different new size products or by further in-depth research and analysis through recommendation systems or better data gathering algorithms through AI or Machine Learning programs.
- ◆ Another important insight that came out after the analysis is that there exist/likely to exist a paradigm shift in the buying mode of the FMCG products from the consumer end. As various research and our survey also suggests that close to 42% of the consumers would now prefer to buy products from Online platforms like (Big Basket, Grofers, Milk Basket) than local grocery stores and brick and mortar shops. So here lies a huge opportunity for the company and the right time to focus our strategies and

investment in building a strong base online presence and conduct various in-depth and rigorous surveys to better understand the market and buying pattern.

Challenges that Kellogg's is facing/might encounter in coming years

- ◆ Kellogg's is known for creating some of the best brands and legacy in the world in past 100 years, but in recent times, the most crucial challenge the company is facing is to maintain base of *health- conscious consumer* which has resulted in decreased sales across various product segments for Kellogg's. The products that once were the main forte can kill the company, if appropriate measures are not taken care off.

Measures-

1. The company focus and invest in creating more healthy products specially for breakfast, and include more variety that resonates with the demand of the consumer.
 2. Stabilize the organic and inorganic sales through efficient supply chain model and thus improve the overall consumption performance.
 3. Could halt the production of the products no longer meet the requirement and needs of both the company and the consumers.
- ◆ The another challenge which is almost with the all the competitors within this food packaging industry are facing is the *sustainable and healthy environment* driven activities (specially packaging) considering the various strict government laws and policies in place, the company could do nothing but change the overall system to incorporate and abide the framework of the legislation.

Measures:

1. Various recent researches and analysis have shown the usage of Kale in packaging materials which is used in cartons and boxes to facilitate the movement could help me reducing the carbon footprint post the disposal of the materials.
2. Another measure that company could incorporate is the introduction of a program wherein the consumers can receive replacements bags for cereal in pouches and thus

replace with the empty one instead of going for a new one altogether, this would reduce the amount of packaging required to a great extent.

- ◆ Another challenge that the company is facing is *innovation outside its legacy* and core competencies, given the technology advancements and new players emerging in the industry. Because to be able to survive, the company has to compete with just offline but online players as well and make the products available faster, cheaper and at the right time and to right target audience. That's the tough challenge ahead in the roadmap going ahead for the company.

Measures-

1. With a brand image that the company holds in the market and with the deep pockets, the company can very seek advice or collaborate with knows players like Tesla and Uber to design and model a completely new supply chain network for growing, processing, distributing and reaching the consumer end.
2. Can invest in development of resource and capabilities like autonomous vehicles delivering the packaged food, AI driven industrial kitchens and machine learning systems in place to gather the latest supply-demand information with the click of a button.

So in order to maintain its legacy and survive and thus thrive, Kellogg's should welcome all these new trends and measures to be incorporated in their daily business practices. With the world fast moving ahead with technology and innovation leading to abrupt changes in the consumers buying and consumption pattern, the company needs to be in sync with the transformation that's taking place in order to maintain its hold and brand value in the market and be bigger than ever and create a strong and a new space in the leading industry. Thinking big and placing a premium on capabilities-driven innovation has the potential to transform Kellogg's into a global leader in food, meals and possibly groceries.

Learnings

Since the day I was briefed about the roadmap, I was expected to follow to achieve the goals, every step involved great learning from the application of related tools and concepts that I learnt during my first-year curriculum and my past experience in the corporate world.

Over a period of 10 weeks, the project was carried out in multiple stages, starting with the understanding and challenges the retailers are facing, understanding consumer nature to consumer survey, to data analytics by using various tools and models and finally with in depth analysis of these findings to come up with concrete insights, every stage was challenging and required a different perspective to each approach, to achieve the deliverables.

For conducting the market survey, the first step was to prepare a questionnaire in way that we understand from the consumer's point of view and frame questions that would give us data points to achieve our ultimate goal. So, the concepts and framework that we studied in 1st year for Consumer Behavior and Market Research were really helpful and we were apply to use those in practical world and the challenges that came during the process was a great learning opportunity.

Secondly, as the project involved in depth data analysis and mapping of different outputs from multiple stages to converge to common insights, what I learned was it is very important to include even the minute observations into consideration, which may impact the overall decision in the final run. So, with continuous guidance and teaching these small concepts and strategies from my mentor helped me gain the importance of small details as well in data analytics and decision making.

The very task of providing recommendations and challenges that the company could face, involved a lot of further analysis of the results from both external (Stage 2) and internal (Stage 1) and required to see things both from the organization point of view as well as meeting the expectations of the end-users. This helped in building how different perspectives and situations have to considered as a manager before making any final decision in the corporate environment irrespective of the industry while keeping the goals and mission of the organization aligned with the overall process.

Annexure

Consumers across the globe have signaled that their eating habits may change permanently once the world moves beyond the impact of the novel coronavirus. Therefore, to get into deeper insights and a better understanding of the consumer behavior, this survey is being conducted.

There is no right or wrong answer to each question. We are looking for your insights regarding the purchase, availability, expectations and consumption pattern of the FMCG products.

The responses will be analyzed and reported in an aggregated form. Under no circumstance the identity will be revealed.

Questionnaire

Q.1	Name
Q.2	Gender
Q.3	Age Group
Q.4	City of Residence
Q.5	Type of Employment
Q.6	Post Covid-19 Scenario, what would be your preferred mode of purchasing FMGC Products?
Q.7	What is your preferred quantity for food items post Covid Scenario?
Q.8	What do you prefer in Breakfast cereals for you and your family?
Q.9	How has the consumption changed during the lockdown?
Q.10	What is the preferred type of food product during this pandemic phase?
Q.11	What is your preferred breakfast option?
Q.12	Who all prefers breakfast cereals in your family?
Q.13	What is the preferred size for breakfast cereal packets (Corn Flakes, Choco's etc.)
Q.14	Would you prefer to shift to another local brands in case of unavailability of Popular Brands in the market?
Q.15	How often do you make purchase of food items during the current scenario?
Q.16	Considering the importance of a strong immune system in this crucial time, what

	would you prefer?
Q.17	During the ongoing spread of coronavirus, has it affected your food preferences lately?
Q.18	Why do you prefer a particular brand?

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