Develop Organizational Marketing

Your name

Affiliation

Market risks cannot be fully eradicated but they can be minimized. The market risk for Kellogg will be their brand value, if the product is not liked by the customers the brand name will get effected immediately. For this they should test the product on a small level and then launch it on a bigger scale according to the response. If they keep in mind the needs of customers they can easily achieve the market value and the customer trust and satisfaction.

**Part A: Market Opportunities potential**

Q1. According to the economy, rank of Australia is thirteen among the biggest economies worldwide. This shows how big the size of market is and potentially it is expected that the market will grow with 3.7 percent annually. The rate of population in Australia is increasing day by day according to the stats there will be an increase of one million people in the population in upcoming year. Hence the cereal market will grow because of the increase number of population.

Q2. As there was a major fall back for Kellogg in past four years economically hence they can take benefits from the increasing market and they can take seventy percent of market shares by launching a new product. This will help them financially to recover all the damage in the past four years and recover the name of the company. The worth of taking market share is a lot at this point because once the brand name gets affected it’s really hard to gain the trust of customers again. Hence this opportunity should not be missed by Kellogg.

Q3. The new idea of cereal drink fits perfectly in the current situation of the market. The population is increasing rapidly and so as the market of Australia. Kellogg has some strong brand roots in the market, everyone loves the products of Kellogg. Cereal drink is more suited for school going children and working women, there number is increasing more in the population hence Kellogg can easily create a new market with their innovative idea in the growing population.

Q4. Kellogg’s clear sense of mission has made them successful in the market, which is to provide the healthy, low fat and nutritious breakfast cereal. Now a days every second person is suffering from obesity, more than sixty percent of the Australian population is overweight or obese according to the stats calculated in the year from 2011 to 2012. Kellogg targeted the women seeking for perfectly shaped body to eat healthy and low fat breakfast, to help them in losing weight. This idea helped them a lot in making a good brand name in the market.

Q5. As the increase rate in obesity, people are now moving towards the healthy and low fat cereal breakfast. Which is a plus point for Kellogg, the demand of consumer is that the product should be low in fat and also good in taste. Hence Kellogg can easily take the benefit from the consumers by providing them a good quality product.

Q6. Market segmentation is dividing the market consumers into different parts according to certain characteristics, these parts are called segments. Majorly there are four segments of market:

1. Geographic segmentation: it done on the basis of geography, for big companies like Kellogg it is very important market segmentation, as people are different in different regions and every region has its own kind of taste buds and have their own requirements.
2. Demographic segmentation: this is done on the basis of different variables like age, gender, family size or region etc. this is the most basic and important segmentation for the marketers.
3. Behavioral segmentation: this is done on the basis of people reactions after using the product. That how many people know about the product and how often they use it, this is also an important segmentation to judge the brand value among people.
4. Psychographic segmentation: it is done on the basis of lifestyle and personality of the consumer. Lifestyle of every individual is different because the pay scale of every person is different.

For Kellogg all the marketing segmentations are important as they are launching a new product they should have a clear view of their targeted audience or consumers. Every market segment is growing because of the rapid growth in population in every region of the world.

Q7. The major competitors of Kellogg are Nestle or Quaker Oats Company both of them are the major competition of Kellogg. Trying new things or trying a change it is in human nature, people go for innovative things hence to get back the customers Kellogg must introduce new products so that it could grab the attention of the customers.

Q8. There are three main types of margins gross profit margin, operating profit margin and net profit margin. The main margin Kellogg should be expecting from this market are gross profit margin and operating profit margins. These two margins will show how much profit they have gained by selling the product. Both of these margins will be aligned with net profit margin of the company that how much they have earned over all.

Q9. Customer organizations can be defined as the division of population according to the age group. Now the main target of Kellogg for a cereal drink should be working women and children. For example when Kellogg introduced k special product in the market its major customer hit was women. That if they want to lose weight they should consume k special in the breakfast.

**Part B: Devise a research design identifying strategic direction**

Q1: To identify the potential market for Kellogg first they should do the purchase situation analysis, direct competition analysis or analysis of other industries. By doing all this research Kellogg will get to know their competitors and number of consumers that are buying their products. The vision of Kellogg is to enrich the people with delight food products. Their mission and purpose is to provide enriched nutritious foods to the families so that they could live a healthy live. By launching the new product in the market they can easily achieve their vision that is providing new food products to the world.

Q2. Kellogg strategy for distribution of its products is through by e-commerce, reaching out to different Walmart’s, using the channel of its distributors, by asking the sales department of the company or chain of supermarkets. All these means can easily be used to promote the new product along with its price and benefits.

Q3. As Kellogg has a big chain of suppliers, to ensure the market performance we can divide the suppliers into different levels according to their characteristics and regions and then we can easily see the supply rate of the market and its effects on the market performance.

Q4. When special k was launched the marketing campaigns targeted women and inspired them towards a healthy and low fat diet or breakfast. In cereal drink the marketing campaign should target the working women and children that if they don’t have time to do their breakfast than just grab the bottle and they are done. By this campaign strategy they easily grab the attention of their targeted audience.

Q5. K special marketing strategy was to target women to achieve their dream body and the marketing strategy for cereal drink will be to save time that is wasted in making the breakfast.

Q6. Current cereal drink market SWOT analysis:

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| Strengths:* Low fat drink.
* Saves time.
* Easy to use and can be easily fitted in the diet plans
 | Weakness:* Its consumption on daily basis can be dangerous.
* It is preferred to use this drink ion short term diet plan.
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| Opportunities:* Increase in population can increase its consumption.
* Division of its intake according to the types of population foe example good for new mothers.
 | Threats:* Rules and regulations by food authorities.
* Increasing competition of other companies on national and international level.
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If Kellogg can overcome these threats than and weaknesses than it will be a great opportunity for Australian market to intake the new product. K special provided a lot of benefit to the market when it was newly introduced, Kellogg’s strategy worked fine by targeting the women.

Q7. Kellogg reached their targeted audience by providing them what the needed. People require low fat diet, in past years Kellogg had to face a lot criticism that their products are not healthy, but Kellogg managed to recover its brand name back by overcoming the weaknesses. The cereal drink can only be successful if it’s good in taste and low in fats and calories.

**Part C: Scope Marketing Opportunities**

Q1. Yes, if Kellogg overcomes the weaknesses and threats of the above mentioned cereal drinks than this product will have a massive scale of profits in Australian markets because people look for healthy diet and if the product will be proved by the food authorities of Australia than people will buy it even more.

Q2. The external factors that can influence the Kellogg product can government policies over which company has no control or change in economy or change in food authorities’ rules. Such factors can have great influence on the market but company have no control over them.

Q3. PESTLE analysis:

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| --- | --- |
| Political:Cost: advertisement is costly. Benefits: more marketing, more economic benefit. Risks: leg pulling by competitors politically.  | Economic:Cost: manufacturing of product. Benefits: more net profit.Risks: net profit is less and gross cost is more. |
| Sociological:Cost: product distribution regionally.Benefits: economic benefits.Risks: customers lack of interest. | Technological:Cost: digital technology is expensive.Benefits: promotion is easy on digital technology.Risks: server down. |
| Legal:Cost: follow the rules of food authorities in manufacturing.Benefits: approved products are consumed more.Risks: food authorities don’t like the product. | Environmental: Cost: effects of climate on manufacturing.Benefits: none.Risks: loss of resources. |

Q4. Kellogg looks forward to the healthier snacks and breakfast, this new product line fits socially because now a day’s people are only looking for healthier snacks and easy to use products.

Q5. Yes, by launching a new product the loyal customers of the company will get curious to try it. And the business will get effected economically.

**Part D: Formulate Marketing Objectives**

Q1. Search Engine Optimization should be very strong for a long term awareness of the product, advertisements done by popular media personalities can also impact the long term awareness of the product. Posting slogans and posters on the buildings and roads can also help in bring the profits to the company.

Q2. Forecasting is the prediction of economic behavior of the product, if the quality of the product is according to the needs of the consumers, in our case it should be low fat and good taste only than the company objectives can be consistent currently and in future.

Q3. If the company wants to hit the sales target at the end of the year up to sixty five percent then cereal drink should be manufactured in such a way that its sales profit can help the company in achieving their end targets.

Q4. Kellogg is the number one ethical company of 2018.they strictly follow the global code of ethics and respects diversity of every individual. Kellogg will make sure that cereal drink will follow every rule and regulation, their brand is known for ethics and they won’t do anything to damage their brand name.

Q5. Special k challenge and the red bikini lady offended many of the women, which effected the brand name. Now Kellogg is following stick ethical codes, they respect the choices of people and diversity of individuals.

Q6. Their strategic direction is to provide a healthy life style to people. Kellogg is striving hard to achieve their goals, this new product will help them in gaining the trust of people, as it is a new idea it will help the economy also.

Q7. Risks in Kellogg:

1. Water resources.
2. Energy required for product manufacturing.
3. Risk of shortage of price, volatility.

All these risks if come true the immediate action that the company can take is to use the stored resources.

Q8. Kellogg is very well developed company and it can fit the marketing opportunities with the organizational requirements easily. Kellogg have more than thirty three thousand employees, with such great work force they can easily meet the manufacturing demands of the market. There net sale in 2013 was approximately up to fourteen thousand million dollars. They can handle the financial status of the market and with advance technology they can produce the products as per the demand of the customer.