LEVERAGE OF THE BRAND

AND

BRAND EXTENSIONS



cereal















THE INDIAN INSTITUTE OF PLANNING AND MANAGEMENT, NEW DELHI

TABLE OF CONTENTS

S. No. Contents

- 1. Synopsis
- 2. Introduction- Brand & Brand Extension
- 3. Research Methodology
- 4. Objectives of the proposed Study
- 5. Data Collection
- 6. Sampling Procedure
- 7. Analysis & Scope of research
- 8. Industry Analysis
- 9. Positioning by Kellogg's
- 10. Recommendations based on Sec Research
- 11. Chocos Biscuit
- 12. Chocos Cereal
- 13. Data Analysis Plan
- 14. Data Analysis
- 15. Factor Analysis
- 16. Spearman's Rank Correlation
- 17. Regression Analysis
- 18. Evolution of Brand Equity
- 19. Brand Association
- 20. Value Proposition
- 21. Brand Loyalty

- 22. Brand Extension
- 23. Brand Image
- 24. Brand Personality
- 25. Brand Identity Prism
- 26. Chi Square Test
- 27. Non User Suggestions
- 28. Retailers Survey
- 29. Findings
- 30. Positioning
- 31. Conclusion
- 32. Annexure
- 33. Bibliography

SYNOPSIS

Old habits die hard. Especially when if comes to Indian eating habits.

When Kellogg India Ltd. (Kellogg's), the wholly owned subsidiary of the USD7-billion Kellogg Company, entered the 3000- ton cereal market a few years back, little did it realize the importance of the adage. In 1994, it had a clear game plan to position itself on the health platform, highlighting the nutritional values of the brand.

The project involves the study of the leverage of the mother brand (chocos cereal) on the brand extension (chocos biscuit) and vice versa. This research will prove useful to eventually find out any new possibilities of brand extensions as well as line extensions that the company is looking for the understanding the Indian consumer mindset. The Research done was Primary and Secondary in nature. The Secondary research was exploratory in nature and the various models involved in the Brand Extension process were investigated, as also case studies of a few successful brands. The Primary research done was conclusive in nature and involved a pilot survey to check the appropriateness of the questionnaire and determine the sample size of the final research. Primary research had been divided into three parts Consumer research, retailer survey and competitor analysis. A point to note is that separate research instruments were used for the mother brand Chocos Cereal and the Brand Extension Chocos Bisuits. The Data collection was done through personally administered structured questionnaires. The target respondents were carefully selected on the basis of Sampling decision.

The results of the research were very conclusive. After using the statistical tools on the data obtained it was observed that the main focus of the project, that of leverage of the Mother Brand on the Brand extension and vice-versa, was present.

INTRODUCTION

BRAND AND BRAND EXTENSION

What is a Brand?

"Brand is a name term, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group of seller and to differentiate them

from those of competitors".



Diagram -1

Components of a Brand

Essentially a brand can convey up to six levels of meaning.

- 1. **Attributes:** A brand first brings to mind certain attributes. Kellogg's suggest high quality, nutritional value, value for money etc.
- 2. **Benefits:** A brand is mote than a set of attributes since customers are not buying attributes. They are buying benefits. Attributes need to be translated into functional and / or emotional attributes. The attributes of nutritional value for Kellogg's translate into the functional benefit of a healthy meal.
- 3. **Values:** The brand also says something about the producer's values. Kellogg's stands for best quality concern for customers.
- 4. **Culture;** The brand may represent a certain culture. Kellogg's stand for American culture, which is synonymous with organized, efficient and high quality.
- 5. **Personality:** The brand can also project a certain culture Kellogg's Chocos brand relates to kids and suggests a fun loving personality.

6. **User:** The brand suggests the kind of consumer who uses the product Kellogg's is targeted towards growing children and young adults and essentially towards woman who buy the product.

Brand Extension

The use of Brand Name established in one product Class to enter another Product Class is known as Brand Extension.



Diagram -2

Why Extend a Brand?

- Innovation allows the brand to remain up to date and demonstrates and increasing urge to detect and respond to the profound changes in customer tastes & expectations. Brands that have stuck to a single state-of-art product, relying on communication alone to update their image, have not done well.

 Eg. Forhans toothpaste & Godrej refrigerators.
- Cost of advertising: Advertising is very essential to achieve an extended market share (from local market to national to international market). If one adds to this the need to be heard as much as the competitors, at least matching their share of voice, one understands why advertising expenditure is raising so much. The cost of advertising makes it impossible to support too many brands; efforts have to be concentrated on a few brands only. It is imperative to decide which brands should be advertised more. Therefore, brands extensions prove to be much more economical.
- Brand extension is the only way of defending a brand at risk in a basic market.

- Brand extension gives access to an accumulated images capital. Brand
 awareness surveys are done to find out the existing images of the brand in the
 minds of the consumer. This not only makes us aware of the perception of the
 brand in the market but also gives adequate information of the extension
 potential of the brand.
- Extending the brand enables the reinforcement of the image capital of the brand and fuels it. By coming up with new or rejuvenated product, a brand can prove that it is relevant and up to date. For that reason brand extension, far from weakening the brand often makes it healthier.

Why a Brand should not be extended?

Diagram -3

When a brand name is added simply to provide recognition, credibility and quality association, there often is a substantial risk that even if the brand is initially successful, it will be vulnerable to competition.

The extension needs to fit the brand. The customer needs to be comfortable with the concept of the brand name's being on extension. If the fit is poor, desired association will not transfer but (perhaps worse) will distract, or even precipitate ridicule.

If a premium name such as Mercedes Benz is attached to mundane products such as bicycles or games, customers may feel that the name is being exploited or that it is adding nothing except price.

RESEARCH METHODOLOGY

SECONDARY RESEARCH

- It is exploratory in nature.
- Sources of information are journals, magazines, periodicals and books.
- Investigating the various models involved in the brand extension process.
- Case studies of various successful brands.

PRIMARY RESEARCH

- It is conclusive in nature.
- As essentially required, Pilot survey (Simple size of 30) will be done.
- The Pilot survey is conducted to find out the Simple size for research and to check the appropriateness of the questionnaire.

Primary research has been divided into three parts:

1. Consumer Research:

- Attributes of the product ranked by the consumer.
- Buying behaviour of the consumers.
- Consumption Patterns of the consumers.
- Preferences of the consumers in terms of variants of the product.
- Positioning of the product.

2. RETAILER SURVEY:

- Retailer's perception of the strength and weakness of various brands of biscuit and cereals available in the market.
- Retailers influence in pushing a brand.

3. COMPETITOR ANALYSIS

OBJECTIVES OF THE PROPOSED STUDY

- To study the cereal and biscuit market (industry analysis).
- Advertising of the brand extensions and their leverage on the mother and vice versa.
- Study the consumption patterns of the consumers.
- To study the buying behaviour of the consumers keeping in mind the various attributes of the products.
- Study the effect of brand/line extensions on the mother brand.
- Enumerate on other possible brand/ line extensions.

PROBLEM TO BE -RESEARCHED

- To advertise the brand extension so the leverage can fall on the mother brand or vice versa keeping in mind the buying behavior and the consumption patterns of the largest segment.
- To find out the ideal Positioning for Cereal and Biscuits.
- To find out the individual Positioning for Kellogg's Chocos and its Competitors.

HYPOTHESIS TO BE TESTED

- Advertising the mother brand lends leverage to the brand extension.
- Advertising the brand extension lends leverage to the mother brand.
- Milk food drink can be a possible extension of Chocos Brand.
- There is a possibility of line extensions of Chocos Cereal/ Biscuit.

DATA COLLECTION

- 1. Data collection through personality administrated structured Questionnaires.
- 2. Sampling Decisions

• TARGET RESPONDENTS:

End Consumer: User and Non User

Age

For cereals: 10 yrs and above

For biscuit: 10-20 yrs.

Income

Only for cereals: 12000 and above

Retailer

Stockist

• SAMPLING PROCEDURE:

For Consumer Survey

Quota Sampling is done.

For biscuits

Setting Age as Criteria for assigning Quotas

For Cereals

Setting Age and Income for assigning quotas

For Retailer Survey

Cluster sampling is done. The Cluster being the various locations in Kolkata. These Clusters are further divided on the basis of Quotas. Quotas are allocated on the basis of turnover of Chocos Brand (i.e. both the Cereal and the Biscuits).

SAMPLING PROCEDURE

CALCULATION OF THE SAMPLE SIZE BY THE HELP OF THE PILOT SURVEY FOR CHOCOS BISCUITS.

Samples size of the pilot survey: 30

Formula used;

$$E = \sqrt{\frac{pq}{n}}$$

Where,

E is the standard error.

q is the number of users.

q is the number of non users.

n is the sample size of the pilot survey.

Substituting the values,

$$E = \sqrt{\frac{20 \times 10}{30}}$$

$$= 2.582$$

$$N = \{(p \times q)[(Z)/(E)]\}$$

Here Z = 1.96 for 95% confidence level.

Substituting the values, we get

N = 115

Therefore, the sample size for the final survey is 116.

AGE (YRS)	10-14	15-18	19-25	25 ABOVE
Total No.	10	25	25	25
5-10000	2	3	3	2
10-15000	5	6	12	6
15000- Above	3	16	10	17
MALE	6	15	12	7
FEMALE	4	10	13	18
SERVICE	0	0	6	10
BUSINESS	0	0	5	5
HOUSE WIFE	0	0	4	10
STUDENT	10	25	10	0

Table 1: Sample Size Profile For Biscuits

AGE (YRS)	10-14	15-18	19-25	25 ABOVE
Total No.	10	25	25	25
12-15 000	2	8	7	5
15-25 000	3	13	10	12
25 000- Above	5	4	8	8
MALE	6	17	6	5
FEMALE	4	8	19	20
SERVICE	0	0	6	11
BUSINESS	0	0	4	0
HOUSE WIFE	0	0	12	14
STUDENT	10	25	3	0

Table 2: Sample Size Profile For Cereals

AGE (YRS)	10-14	15-18	19-25	25 ABOVE
Total No.	5	5	10	10
12-15 000	0	3	3	2
15-25 000	3	2	2	3
25 000- Above	2	0	5	5
MALE	2	3	7	3
FEMALE	3	2	3	7
SERVICE	0	0	4	4
BUSINESS	0	0	2	1
HOUSE WIFE	0	0	1	5
STUDENT	5	5	3	0

Table 3: Sample Profile Of Cereals Non-User

AGE (YRS)	10-14	15-18	<u>19-25</u>	25 ABOVE
Total No.	5	5	10	10
12-15 000	1	0	2	2
15-25 000	1	2	1	4
25 000- Above	3	3	7	4
MALE	3	2	4	2
FEMALE	2	3	6	8
SERVICE	0	0	3	5
BUSINESS	0	0	2	0
HOUSE WIFE	0	0	1	5
STUDENT	5	5	4	0

Table 4: Sample Profile Of Biscuits Non-User

ANALYSIS AND SCOPE OF RESEARCH

- Analysis using the various models applied to find out the leverage of the mother brand on the brand extension and vice versa.
- Analysis of attributes of the product in regard to purchase influence (using Likert scale).
- Satisfactory measure of the existing product.
- Perceptual mapping to find out the ideal positioning of the product.
- Detailed analysis of the marketing mix.
- Factor analysis for finding the most important attributes.
- Multi dimensional scaling for finding the positioning w.r.t. the competitors.
- Chi square test for finding the goodness of fit.
- Spearman's rank correlation and regression analysis for finding the leverage.

CONTRIBUTION OF THE RESEARCH

This research will prove useful to eventually find out any new possibilities of brand extensions as well as line extensions that the company is looking for.

Understanding the Indian consumer mind set and positions the products accordingly.

INDUSTRY ANALYSIS

CEREALS

- There are three players in the Indian Market:
 - 1. Kellogg's
 - 2. Mohan's
 - Champion Oats and Gold Crunch from the Hindustan Vegetable Oils Corporation
- The target Segment:
 - Kellogg's Premium Segment. (CHOCOS is targeted towards growing children and young adults)
 - 2. Others Middle and Lower Income (Economy Product)

Year	Market Share
1995	53%
1998	More than 55
2000	More than 66%

Table 5: Market Share Of The Kellogg's Brand

- The breakfast cereals market has grown well during 1996-1998, and it is believed that Kellogg's has been the growth-driver."
- Chocos has 20% share of the Breakfast Cereal Market.

BISCUITS

• Total biscuit market in India is 450,000 tonnes.

On the Basis of its Structure Biscuit Market in India can be divided into:

- Unorganized Sector
- And Organized Sector.

In the over all Market (Unorganized & Organized sectors the two major players are:

- 1. Britannia 15% Market Share
- 2. Parle 10% Market Share

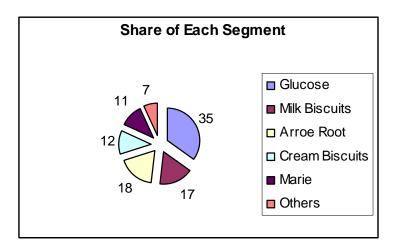
<u>In the Organized Sector Market Share of each of the Brands (Top4)</u> <u>shown below:</u>



- Biscuits can be segmented broadly into popular and specialty segments.
 - Popular biscuits can further be segmented as
 - Glucose
 - Milk biscuits
 - Marie
 - Arrowroot

- Specialty biscuits can be segmented as
 - Cream
 - Water Cream
 - Salt Cracker
 - Cookies
 - Assorted/ others

Estimated relative share of various types of biscuits is as follows:



Graph - 2

- The glucose segment accounts for 35 percent of the overall biscuit market.
 The major players in the segment being
 - (1) Parle's- Parle-G-55% Market Share
 - (2) Britannia's Tiger 20-25% Market Share- Rural Market accounts for a very high percent of sales.

- The others shown above include the Chocolate Biscuit, Salty Biscuit etc. The important players in the Chocolate Biscuit segment are:
 - (1) Parle- Hide and Seek (chocolate chips biscuits)
 - (2) Britannia's Bourbon
 - (3) Kellogg's Chocos
- On the basis of price, the biscuit market can be segmented into.
 - (1) Low (less than Rs 40 per kg)
 - (2) Medium (Rs. 40-70 per kg.)
 - (3) High (over Rs.70 per kg.)

GLOBAL PLAYERS IN THE BISCUIT MARKET

With the decontrol of the sector, several large global players have entered the category.

The leading global players who have entered the biscuit segment are.

- (1) Nestle SA: Nestle is the largest producer of biscuits in the world. In India the Nestle Biscuit Brands available are Creamwich brand of cookies and Kidz – animal shaped biscuits in chocolate and plain flavour, has been launched. Targeted at Children, the biscuits are positioned on the fun-platform and are packed in pouches.
- (2) United Biscuits: The second largest biscuit manufacturer in the world. It is launching its popular Mc Vitie's Digestive brand in India. Hob-nobs, BN pocket and Ginger Snaps are the other brands being launched.
- (3) Kellogg's has also entered the segment with the launch of its digestive Breakfast cereal Biscuits. It has 0.5% market share of the Biscuit market.

POSITIONING BY KELLOGG'S

Since 1994 when it entered the Indian Market

 When Kellogg's entered the Indian market in 1994 it positioned itself on the health platform, highlighting the nutritional values of the brand. This was done keeping in mind the following fact:

The 1991 census had already revealed that 40 per cent of Indians were below the age of 18- its prime target of growing children/ young adults who needed the right nutrition, besides mothers who needed to be convinced to buy the brand.

- In 1996 the Chocos brand was heavily advertised.
 - 50% of the money allocated for advertising was spent on promotions and
 - 50% of Money allocated was spent on thematic Advertising
 - All the Advertisements were Brand driven
 - Initially to encourage the consumer to try the product various sales promotion techniques were used.
- Kellogg's advertising has admittedly not been very compelling thus far.
- A long-term thematic line has not been developed in the campaign. Apart from 'Jago Jaise bhi, to Kellogg's hi". Getting the brand on the breakfast table really appears to be the main motive behind all the promotions. Earlier this year, posters with the line 'Naye sal ki shai shuruat, lo Kellogg's hi", were put up in strategic points.

- Later Kellogg's India shifted its Positioning from nutrition to fun-filled flavours, consumer promotions that accompanied a Rs.25 crore media-spend.
 Constant free sampling exercises, and an on-going process of developing price volume packages.
- Today the company is attempting to indianise its campaigns instead of simply copying its international promotions. In the staples campaign, a cross section of individuals ranging from a yoga instructor to a Kath Kali dancer attribute their morning energy and fitness to Kellogg's, suggesting accompaniments as varied as curds, honey, pista and bananas. The commercial ends with line `Jago jaise bhi, lo Kellogg's hi'.
- But conspicuous in its absence from print and TV advertising, is the famous
 `cock' identity, which symbolizes the morning association the world over.
- Today the CHOCOS BRAND has been positioned as "THE IRRESISTIBLE TASTE OF CHOCOLATE".
- The Media spend by Kellogg's on Chocos brand is distributed equally between Chocos flakes and Chocos Biscuits.

BISCUIT PROMOTION AND ADVERTISING BY KELLOGG'S INDIA LTD.

- When Biscuits were launched the initial communication about the product was theme based "Taste of Chocos" in a Biscuit. After that there was no advertising for the product.
- In case of Chocos Biscuits 25% extra is spent on Consumer Position (2 Tattoos free with one 50 gms pack) and 5% extra on Trade promotions Trade Incentives in the form of "get one case free on purchase of four cases".

DISTRIBUTION NETWORK OF CHOCOS CEREAL & BISCUITS

Today the company claims that its Chocos cereal brand is available in 50,000 outlets across the country and the Chocos Biscuit Brand is available in 2,50,000 outlets.

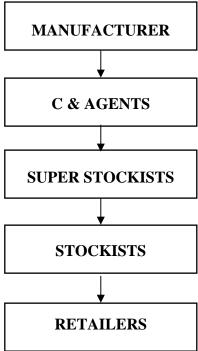


Table 6: channels of distribution followed by Kellogg's

• Kellogg's gives its Distributors a margin of 5% and 12% to its retailers. Whereas the competitors give a margin of 10-15% to its distributors.

According the company's product manager, retailers have full confidence in Kellogg's products.

MANUFACTURING PLANT:

It has just have one plant in Taloja in Maharashtra, it is also perhaps time that the company tried spreading its manufacturing operations to other cities, considering that transporting of breakfast cereals is not easy.

Earlier the company seemed to be taking hesitant steps, it was skimming the market, but right now it is following the policy of Mass marketing.

- Kellogg's soon realized that it had to get ethnic and more localized in its brand extensions to pander to Indian tastes if it wanted to get more customer-oriented.
- Later the company launched new flavors and products in its breakfast cereal basket- a strategy to alter its taste to suit the Indian palette, while at the same time continuing to capture the imagination of consumers through its `fortified' approach.
- The pre-sweetened flavors –Chocos and Frosties that were launched in 1996 in an attempt to cater to the Indian sweet tooth.

- The thrust was to totally Indianise future flavours. As is evident in the launch of the `Mazza' series – a crunchy, almond shaped breakfast cereal in three local flavours –mango elaichi, coconut kesar and rose.
- The success of Kellogg's Chocos breakfast cereal encouraged the company to stretch its brand equity to biscuits, the company's first introduction in the fast growing convenience foods category. This product is the only biscuit in the Indian market to be fortified with the six vital vitamins".
- Later in 1998, Kellogg's also launched a new flavor, Badam Crunch (with almonds and raisins) in Mumbai, thus adding a new variant to their staple basket of wheat flakes, rice flakes and corn flakes.
- It was seen that the product portfolio was skewed with the introduction of Rice Flakes since consumers preferred corn flakes and then were confused about calling rice flakes as rice corn flakes. The product did not take off and repeats were extremely low.

RECOMMENDATION BASED ON SECONDARY RESEARCH

After a detailed research, we are of the opinion that

- The Brand "Kellogg's" could be extended into related product Categories.
- Kellogg's is Associated with Breakfast, the company should take advantage of the same and try to extend the Leverage of the Mother brand (Breakfast attribute) to the new brand extension.
- The Top of the Mind recall Associated with the Brand Kellogg's is "cornflakes".
- The Company should plan for a Brand building exercise for its Chocos Brand, keeping in mind the "Biscuits", so that they too have an equally good Brand Recall.
- The possible Brand Extension could be:
 - 1. Milk Food Drinks
 - 2. Drinking Chocolate
 - 3. Chocolate Fudge
 - 4. Branded Oat Meat / Porridge (Dalia)

All the above Brand Extensions fall into the Breakfast Food Category and have a high Nutritional value (strong Brand Association), thereby aptly relating themselves to the existing positioning of Kellogg's Brand.

Possible Line Extensions of Chocos Cereal are:

1. Different shapes of the Cereal, in the shapes of "Animals, Stars, Flowers, Hearts, toys (guns, cars etc.) which appeal to the target segment.

- 2. Chocos with Dark Chocolate that could be targeted towards the teenagers who would appreciate the taste.
- 3. Chocos with additives like Fruits, Nuts, Honey, Chocolate Chips etc. (this could be reflected in the advertisements).

Possible Line Extensions for Biscuits:

- 1. Cream Wafers
- 2. Chocolate Cream
- 3. Chocolate chips
- 4. Butter chocolate
- 5. Cookies

The Biscuits could come in various shapes of "Animals, Stars, Flowers, Hearts, toys (guns cars etc) which appeal to the target segment.

ADVERTISING THE MOTHER BRAND (CHOCOS CEREAL) OR THE BRAND EXTENSION (CHOCOS BISCUITS)

We have a varied Opinion with justification for each given below:

- 1. Kellogg's Chocos (Biscuits) should also be advertised. It is true that the Mother Brand lends its leverage to the Brand Extension, but this is possible only when the Brand Extension is also known well. In case of Kellogg's it is seen that the Mother Brand has a Top of the Mind Brand recall and the existence of the product in Biscuit Category is just at the Awareness level. Hence, it is important for the company to advertise the Biscuits too. A certain percentage of the ad revenue allocated for the chocos brand should also be spent on advertising the chocos biscuits. Besides, Biscuits is an impulse Product that needs a Top of the Mind Brand recall in order to sell, which could be well built by Advertising the Product.
- 2. The research has been conducted to find out the new possible Brand/ Line extensions for the Chocos Brand. The company should resort to concept of Umbrella Branding after the Possible extensions have been made under the Umbrella Brand of Chocos. This would ensure that all the Extensions are advertised simultaneously. This is advantageous for the company because.
 - Cost reduction in terms of Advertising.
 - The consumer will be able to associate Kellogg's as a complete Breakfast Meal.

- Brand Awareness is increased.
- Higher Brand Recall and hence higher brand equity.
- 3. The advertising should be centered on the mother brand (Chocos). This is because if one advertises based on this method then the leverage of the advertising should fall on the other brand extensions as well. This will also enable the company to save extra money that it would have spent on advertising each extension separately. The effects of the brand recall of the mother brand will of course lend weight. The brand strength of the mother brand is much more than the extension and this minimizes the perceived risk in the consumers mind when making a purchase decision regarding the extension.

ADVERTISING AND PROMOTION STRATEGY

- The advertising should be "Theme Based" which stresses on the core value of the Brand being Nutrition and Quality. Also attached to the theme should be the Fun Loving Spirit, which has been highlighted till now in all the advertisement till date.
- Introduce the concept of Fortune Cookies. There will be a hygienic slip of
 paper attached to one of the biscuits, which contains the day's fortune or an
 interesting message for the consumer. This could be promoted in the ads to
 generate excitement.
- Jackpot offer with Kellogg's Chocos biscuit. The Jackpot could be 1 kg of gold or a trip to Disney land etc.
- Introduce a three biscuit pack, which will be available for Rs. 1 only. This will enable consumers who cannot finish one entire pack to participate in the consumption process. This pack could also be promoted in a big way in schools, colleges, railway stations, bus stations and small kirana shops. As also tapping the rural consumer in a big way.

CHOCOS BISCUITS

Nature of Product:

- Chocos is a biscuit with irresistible taste of chocolate.
- It is primarily used as a snack food for satisfying hunger.
- Children of age 10 and above eat chocos biscuit.
- Customers get a healthy snack food with high nutritional value.
- The customers did not like to have it with hot milk as it becomes soggy
- Chocos is the trademark of Kellogg's India Ltd.
- Chocos is distributed through retailers and stockiest. They have over 3 Lac outlets all over India.
- Recently chocos biscuits are being promoted with a jackpot offer along with one packet.
- Chocos biscuits are economically priced @ Rs. 5 and hence targeted towards the masses.
- At present there are three major competitors- Parle Hide n Seek, Britannia
 Bourbon and Good Day Cookies in this segment.
- Kellogg's has another product with this brand name i.e., Chocos cereals
 and they are coming up with another product that could be a milk food
 drink.

BENEFIT AND STRUCTURAL ANALYSIS

- Chocos biscuit can be eaten directly form the packet. It could also be served in a platter.
- Biscuit is made from wheat.
- Chocolate taste, crispiness, high nutritional value, brown color, mouthful size and freshness are some of its attributes.
- It is a healthy snack food and hence keeps the user fit, healthy and happy.
- It can also be used for making chocolate puddings etc.
- Biscuits can be eaten any time as they satisfy.

CHOCOS CEREALS

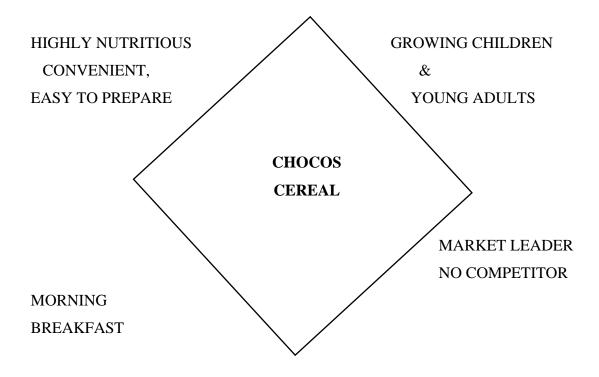


Diagram -4: Positioning By Diamond Model

DATA ANALYSIS PLAN

1. BRAND RECALL

This question is asked to find out the top of the mind brand recall of Kellogg's. This will help us find out the brand awareness of the Kellogg's products.

2. FACTOR ANALYSIS

The nine attributes of the biscuits and cereal were found out after doing focus group discussion. The consumers were asked to rate them on a scale of 1-5 to find out the most important attributes. Factor Analysis is the appropriate statistical technique for data reduction. This will give us the most important attributes amongst nine of them. The important attributes can then be clubbed/ grouped together to form factors. These factors help us in formulating the advertising strategy for the product Chocos. The factors identified are such that the first factor explains the maximum amount of variance between the statements; the second factor explains some more variance; till a stage is reached when the inclusion of any other factor does not result in an increase in variance explained, or the increase in negligible. Under every factor column against each of the statements is a numerical value termed as factor loading. Statements that have a high factor loading compared to others are then isolated. There may be four or five such statements that are essentially pointing towards a single factor.

3. MULTI DIMENSIONAL SCALING

Multidimensional scaling can be characterized as a set of procedures for portraying perceptual or affective dimensions of substantive interest. It provides useful methodology for portraying subjective judgments of diverse kinds. MDS is

used when all the variables in a study are to be analyzed and all are independent. The underlying assumption in MDS is that people perceive a set of objects as being more or less similar to one another on a number of dimensions instead of only one. In the case of biscuits, MDS has been done by taking into consideration the two competitors of chocos i.e. hide n seek and bourbon, chocos and the ideal biscuit that the consumer would like to have.

The data is available in the form of attributes of the biscuits that have been rated on a scale of 1-5 (on interval scale). The data for the ideal biscuit has been taken from the response of consumers for the previous question for which factor analysis has been done. Since the data is interval scaled it is called metric and metric scaling has been done. (As given in research for marketing decisions by Green. Tull and Albaum). MDS has been done by taking the mean figures of all the attributes for various brands of biscuits. These mean figures are the input data for the MDS operation. We get a Euclidean distance model (perceptual map) which depicts the positioning of all the brands of biscuits vis-à-vis the ideal biscuit keeping the X-axis and Y-axis as the dimensions on which these attributes are scaled. A random pairing of brands has been done to find out the two dimensions. The mean of the attributes of these pairs is calculated to find out the two dimensions.

4. SPEARMAN'S RANK CORRELATION

The aim of this question is to find the leverage of mother brand on the brand extension and vice a versa spearman's rank correlation is a measure of correlation

that exists between the two sets of ranks, a measure of degree of association between the variables.

The limitation of this technique is that it cannot differentiate between the dependant and independent variable, which is very essential for this research. (As shown in the formula below).

$$r_2 = 1 - \frac{6\sum d^2}{n(n2-1)}$$

Where;

 r_2 = Coefficient of rank correlation

n = number of paired observation

d= difference between the ranks for each pair of observations.

If we use Spearman's rank correlation, the value for d^2 is same irrespective of interchanging the variable (one being dependent and the other being independent). Hence, this techniques is not applicable. In lieu of Spearman's rank correlation, linear regression analysis has been done to find out the degree of association between the two variables (brand name cereals and brand name biscuits).

5. REGRESSION ANALYSIS

Analysis of dependence has been done through this technique.

Regression is the determination of statistical relationship between two or more variables. In simple regression, we have only two variables; one variable (defined as independent) is the cause of the behaviour of another one (defined as dependant variable). Regression can only interpret what exists physically i.e., thee must be a physical way in which independent variable X can affect dependant variable Y.

Here this technique is used to find the best fit that a straight line can give for best results. The correction coefficients and the constants are compared for both the equations and appropriate analysis is done.

6. CHI SQUARE TEST

The Chi square test is used to judge the homogeneity or the significance of population variance i.e., we can use the test to judge if a random sample has been drawn from a normal population with a mean μ and with a specified variance.

This test has been done for all the questions with nominal type data. The calculated results are used to find whether the sample taken is representative of the population.

Since the same sample has been used for the chi square test for all the questions, it is assumed that the results will be similar for all. Therefore, in the analysis, this test has been done only on a few questions that will give the desired inference.

7. SEMANTIC SCALE DIFFERENTIATION

This technique will be used to determine the brand personality of chocos.

Using this method, a bipolar graph will be obtained which will clearly depicted the personality of the brand.

All the questions with nominal data will be analyzed using the frequency tables. These tables are then used to calculate the percentages that are depicted through appropriate graphs and charts.

DATA ANALYSIS

The data analysis is divided into four sections:

Section I

H0: Advertising the mother brand does not lend leverage to the extension.

H1: Advertising the mother brand lends leverage to the brand extension.

Section II

H0: Advertising the brand extension does not lend leverage to the mother brand.

H1: Advertising the brand extension lends leverage to the mother brand.

Section III

H0: Milk food drink cannot be a possible extension of Chocos Brand.

H1: Milk food drink can be a possible extension of Chocos Brand.

Section IV

H0: There is no possibility of line extensions of Chocos Cereal / biscuit.

H1: There is a possibility of line extensions of Chocos Cereal / biscuit.

FACTOR ANALYSIS FOR CEREALS

Latent Roots (Eigenvalues)

1	2	3	4	5	6	7	8	9
1 921	1 614	1 ///3	1.015	0.927	0.683	0.620	0.393	0.385

COMPONENT LOADINGS

	1	2	3	4
VAR1	-0.144	-0.127	0.696	0.269
VAR2	0.022	-0.139	0.556	0.649
VAR3	0.074	0.739	0.138	0.031
VAR4	-0.693	-0.405	-0.009	0.009
VAR5	-0.677	0.407	-0.086	0.155
VAR6	0.352	0.536	-0.263	0.326
VAR7	0.740	0.299	-0.051	0.162
VAR8	0.322	0.089	0.587	-0.501
VAR9	0.016	0.376	0.453	-0.335

VARIANCE EXPLAINED BY COMPONENTS

1	2	3	4
1.921	1.614	1.443	1.015

PERCENT OF TOTAL VARIANCE EXPLAINED

1	2		3	4
71.345	67.935	86.031	71.274	80.251

INTERPRETATION

Factor 1

Variable 4,5, & 7, i.e. nutritional value ingredients and color have a high factor for factor 1. Factor 1 explains 71.345% of variance incorporated in variables 4, 5 & 7. These attributes are representative of the Factor 1, which can be termed as Nutrition.

Factor 2

Variable 3 & 6, i.e. size and shape have a high factor score for Factor 2; Factor 2 explains 67.935% of variance incorporated in variables 3 & 6. These attributes are representative of the Factor 2, which can be termed as Appearance.

Factor 3

Variable 1, 8 & 9, i.e. Taste, Flavor and well-known name have a high factor score for Factor 3. Factor 3 explains 86.031% of variance in incorporated in variables 1, 8 & 9. These attributes are representative of the Factor 3, which can be termed as Eating Experience.

Factor 4

Variable 2, i.e. Crispiness has a high factor score for Factor 4. Factor 4 explains 71.274% of variance incorporated in variable 2. This attribute is representative of the Factor 4, which can be termed as Scrumptious.

FACTOR ANALYSIS FOR CHOCOS BISCUIT

Latent Roots (Eigenvalues)

1	2	3	4	5	6	7	8	9
2.171	1.630	1.291	1.093	0.930	0.667	0.544	0.378	0.295

COMPONENT LOADINGS

	1	2	3	4
VAR1	-0.248	-0.517	0.187	0.609
VAR2	0.208	-0.417	-0.395	0.497
VAR3	0.222	0.777	-0.281	0.337
VAR4	-0.725	0.398	-0.007	0.374
VAR5	-0.707	0.274	-0.037	0.239
VAR6	0.315	0.672	-0.115	0.357
VAR7	0.068	0.692	-0.280	0.193
VAR8	0.112	0.010	0.253	-0.536
VAR9	0.132	0.084	0.789	-0.166

VARIANCE EXPLAINED BY COMPONENTS

1	2	3	4
2.171	1.630	1.291	1.093

PERCENT OF TOTAL VARIANCE EXPLAINED

1	2		3	4
84.126	68.114	74.347	72.148	70.123

INTERPRETATION

Factor 1

Variable 4, 5 i.e. nutritional value ingredients have a high factor 1. Factor 1 explains 84.126% of variance incorporated in variables 4 & 5. These attributes are representative of the Factor 1, which can be termed as Nutrition.

Factor 2

Variable 3, 6 & 7 i.e. size, shape and Color have a high factor score for Factor 2, Factor 2 explains 68.114% of variance incorporated in variables 3, 6 & 7. These attributes are representative of the Factor 2, which can be termed as Physical Characteristics.

Factor 3

Variable 9, i.e. well-know name has a high factor score for Factor 3. Factor 3 explains 74.347% of variance in incorporated in variables 9. These attributes are representative of the Factor 3, which can be termed as Brand.

Factor 4

Variable 1, 2 & 8, i.e. Taste, Crispiness and Flavor have a high factor score for Factor 4. Factor 4 explains 72.148% of variance incorporated in variable 1, 2 & 8. This attribute is representative of the Factor 4, which can be termed as Scrumptious.

Section I

H0: Advertising the mother brand does not lend leverage to the extension.

H1: Advertising the mother brand lends leverage to the brand extension.

Section II

H0: Advertising the brand extension does not lend leverage to the mother brand.

H1: Advertising the brand extension lends leverage to the mother brand.

Methodology

To test both the above hypotheses, the techniques adopted are:

- Spearman's rank correlation &
- Regression analysis

SPEARMAN'S RANK CORRELATION

The two variables, Brand Name (Cereals) and Brand Name (Biscuits) got from the buying factors have been used to find out whether a correlation exists between the mother brand and the brand extension. This helps us to determine whether there is a Leverage of the Mother Brand on the Brand Extension and vice – versa. The technique is Spearman correlation.

Brand Name is the most important component of Advertising and it carries forward the experience associated with the product and hence this is the most important factor, which can be used to explain the leverage.

	VAR1	VAR2
VAR1	1.000	
VAR2	0.141	1.000

Table 7: Spearman's Correlation Matrix -I

Where,

VAR1 – brand name of cereals

VAR2- brand name of biscuits

The calculated value is greater than the observed value. Hence the Hypothesis that Cereal lends leverage to biscuits is valid.

	VAR1	VAR2
VAR1	1.000	
VAR2	0.141	1.000

Table 8: Spearman Correlation Matrix –II

Where,

VAR1 – brand name of biscuits

VAR2 - brand name of cereals

The calculated value is greater than the observed value. Hence the Hypothesis that Cereal lends leverage to biscuits is valid.

INTERPRETATION

It can be inferred from both the matrices that there exists leverage between the mother brand and the Brand Extension. However it is not possible to find out whether the Mother Brand has Leverage on the Brand Extension of Vice-versa. This is due to the limitation of this technique to differentiate between the dependant variable (biscuit) and independent variable (cereal).

Hence, to overcome the above limitation Regression Analysis (Linear) had been undertaken.

REGRESSION ANALYSIS

Variable 1 – Brand name Biscuits

Variable2 – Brand name cereals.

Dep. Var: VAR1 N: 85 Multiple R: 0.138 Squared multiple R: 0.019

Adjusted squared multiple R: 0.007 Standard error of estimate: 1.121

Effect Coefficient		Std Error	Std Coef Tolerance		P (2 Tail)	P (2 Tail)	
Constant	2.759	0.307	0.000		8.980	0.000	
Var2	-0.121	0.095	-0.138	1.000	-1.271	0.207	

Analysis of Variance

Source	Sum of Squares	df	Mean-Square	F-ratioP	
Regression	2.032	1	2.032	1.616	0.207
Residual	104.368	83	1.257		

Durbin-Watson D Statistic 2.451

First Order Autocorrelation -0.227

Case II

Variable 1 – Brand name Cereals

Variable2 – Brand name Biscuits

Dep. Var: VAR1 N: 85 Multiple R: 0.138 Squared multiple R: 0.019

Adjusted squared multiple R: 0.007 Standard error of estimate: 1.281

Effect Coeff	icient	Std Error	Std Coef Tolerance	e t	P (2 Tail)	
Constant	3.344	0.329	0.000		10.166	0.000
Var2	-0.158	0.124	-0.138	1.000	-1.271	0.207

Analysis of Variance

Source	Sum of Squares	df	Mean-Square	F-ratioP	
Regression	2.653	1	2.653	1.616	0.207
Residual	136.241	83	1.641		

Durbin-Watson D Statistic 1.903

First Order Autocorrelation 0.034

RESULTS

- The regression coefficient for both cased is 0.138.
- The coefficient constants for both the cases are different.

INTERPRETATION

Regression Analysis has been done to find out the Leverage of the Mother Brand on the Brand Extension and Vice-Versa.

The inputs for regression analysis are the two variables.

Brand Name (Cereal) and Brand Name (biscuit).

In the First case we have taken Brand name (biscuit) as an independent variable and Brand name (Cereal) as a dependent variable. And in the second case it's the vice-versa of the above.

As can be seen in the results, the correlation coefficient is 0.138, which is very less as compared to perfect correlation of 1. and also the correlation constants are different. Hence there is no correlation between the two variables.

This means that both variables are independent of each other and do not lend any leverage (quantitatively) on each other.

• The coefficient constants for both the cases are different.

EVOLUTION OF BRAND EQUITY

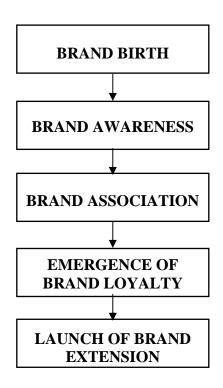
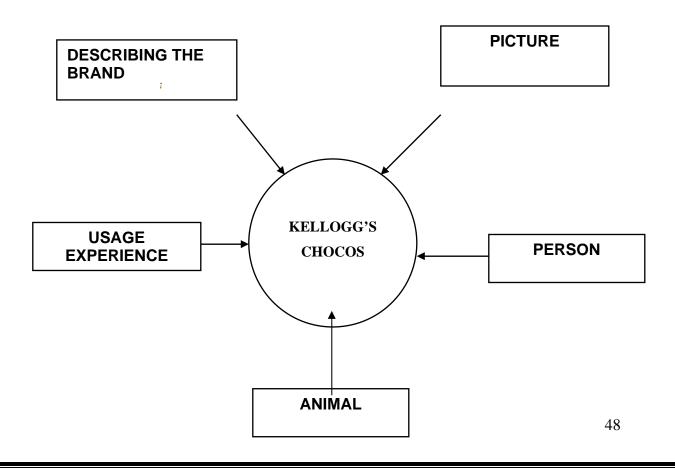


Diagram -5: Determining The Meaning Of Your Brand



As per the above model it was concluded from the survey that the elements of the model are given below.

PICTURE

Consumers have a very delicious and mouthwatering picture of chocos in their minds. All they could say was

Chahiya hi chahiyachocolate, chocolate and lots of chocolate.

PERSONAL

More than 60% of the consumers associated with males. They found it very masculine, strong.

ANIMAL

The very obvious choice was the Bear by 40% of the consumers. The rest 60% of them rated other animals like rabbit; horse etc. bear is the most highly recalled feature of the chocos advertisement as well.

Usage Experience

Cereal

The users of chocos cereal found themselves to be healthy and fit after eating it.

Biscuit

The users of chocos biscuits feel very happy and delighted after having the biscuit. This could be due to the realization that it is the only biscuit with 6 essential vitamins in the Indian market.

Brand User

Cereal

The Brand users of Chocos Cereals are mainly Teenagers and young adults.

Biscuit

The Brand user of Chocos Biscuits is kids (40%) and Teens (37%).

Brand Awareness

Top of the mind recall for Kellogg's is a mainly cornflake. Some of the consumers also said that it's a healthy breakfast cereal.

The brand awareness of chocos biscuits is not very high as very few respondents could think of chocos biscuit when asked this question.

BRAND ASSOCIATION

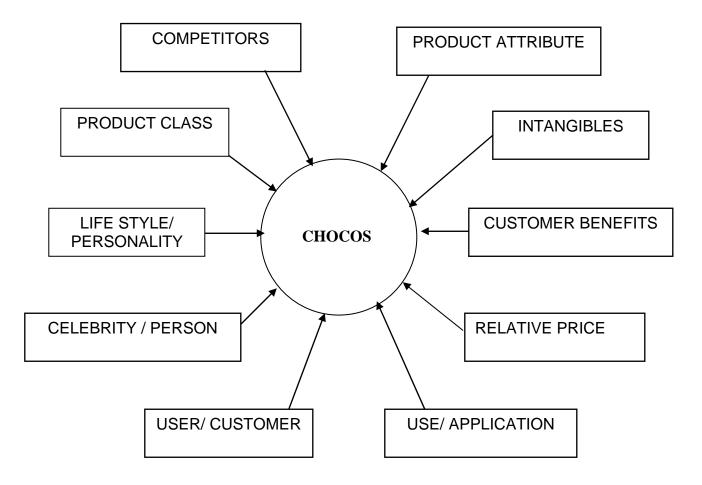


Diagram -6: Brand Association

PRODUCT ATTRIBUTES

After doing the factor analysis for cereals and biscuits, we found the following attributes very important.

• CHOCOS CEREALS

Nutritional Value, Eating Experience and

• CHOCOS BISCUITS

Size, shape and Nutritional value & Ingredients.

INTANGIBLES

The Intangible values associated with

• CHOCOS CEREALS

Healthy, fit & convenient

CHOCOS BISCUITS

Energetic and happiness.

COMPETITORS

The various Competitors of

• CHOCOS CEREALS

None

• CHOCOS BISCUITS

Hide 'n' seek, bourbon and recently launched good day chocolate cookies.

PRODUCT CLASS

Chocos Biscuits

It is an Impulse product and according to the product Color Matrix it can be classified as a "Yellow Good".

• CHOCOS CEREALS

Chocos Cereal is conspicuous product i.e. it talks about the life style and here the food habits of an individual. And according to the Product Color Matrix it can be classified as a "Yellow Good".

CHOCOS CEREAL	CHOCOS BISCUIT
Convenience	Provides energy
Healthy break fast	Satisfies hunger
High nutritional value	Prefer to have between
Social status	Meals (any time)
	As a snack food
	• Happiness
	Value for money

Table 9: Customer Benefit

CHOCOS BISCUIT
Very economical, for the
Masses as compared to Hide I Seek and
Bourbon.

Table 10: Relative Price

LIFE STYLE & PERSONALITY

As described in the Brand Personality with the help of Semantic Differential Scale graph in the later part of the report.

CHOCOS CEREAL	CHOCOS BISCUIT
39% of the consumers associated it with	38% of the consumers associated it with
a sports person	a sports person

Table 11:Celebrity / Person

CHOCOS CEREAL	CHOCOS BISCUIT
Healthy & convenient breakfast	Satisfies hunger any time

Table 12:Use Application

CHOCOS CEREAL	CHOCOS BISCUIT				
For growing children and young adults	45% of the consumers buy it				
of age 15 yrs & above, 44% of the	themselves & 42% of the times by				
times the mother buys for them.	mother consumed by children of age 10				
	yrs. & above i.e. Kids & teens.				

Table 13:Use Customer

VALUE PROPOSITION

A combination of functional benefits, emotional and self-expressive benefits.

CHOCOS CEREALS

Functional Benefits

- Convenience 4
- Nutritious breakfast
- Good health
- Easy to prepare

Emotional Benefits

- Keeps the consumer fit
- Chocolate taste

Self Expressive Benefits

- Confidence
- Pride

CHOCOS BISCUIT

Functional Benefits

- Breakfast cereal biscuit
- Satisfies hunger
- Highly nutritious
- Good health

` `

Emotional Benefits

• "You'll be full of energy"

Self Expressive Benefits

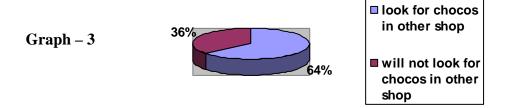
- Funky and trendy
- Cool

BRAND LOYALTY

CHOCOS CEREAL

Very Consistent Brand loyalty has been exhibited in Question Number 17, 18 and 19 of the questionnaire. This has been verified by the under shown Pie Charts.

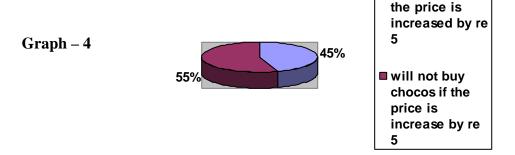
If Chocos not available in shop



If Chocos Cereal is not available in a particular shop 64% of the respondents will confirmed that they will look for it in the next shop, because of their loyalty towards chocos More than 50% of the consumers will not buy if the retailer gives them any brand other than chocos in case it is not available. The respondents.

Even if the price was to be increased by Rs. 5, the consumers are willing to buy it due to its best quality and unique taste of chocolate.

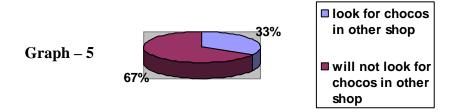
buy chocos if



Hence there exists a loyalty towards chocos cereals among the consumers and this loyalty contributes highly towards the brand equity of chocos. This brand equity will lend leverage to its other extensions like biscuit.

CHOCOS BISCUITS

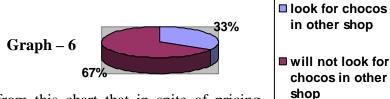
If Not Available, Will U Look For It In The Next Shop



As seen in the loyalty figures of chocos cereal, it has a high brand equity and loyalty. In spite of this, the biscuit does not have the desired loyalty figures. This is due to the availability of other chocolate flavored biscuits like bourbon and hide n seek in the market. Besides the competition, in the retailer survey, it was observed that they also prefer to push the Britannia brand due to high trade margins offered.

Also the competitors have been in the market over the years and have very high brand awareness as compared to chocos.

If the Price is increased by Re1:



Another fact becomes very clear from this chart that in spite of pricing

chocos for the masses @ Rs. 5.62% of the consumers said that they would not buy chocos biscuits if they become expensive by Re 1 also.

This show that chocos has to build on its brand loyalty to a great extent.

BRAND EXTENSION

Chocos has to get ethics and more localized in its brand extensions to pander to Indian tastes if it wants to get more customer-oriented.

Chocos were launched about two years back in attempt to cater to the Indian sweet tooth.

Chocos Breakfast Cereal Biscuits is a mass-market segment and requires an intensive distribution network. Hoping to piggyback on the success of its Chocos brand Kellogg's decision to venture into this competitive and crowded market with stalwarts like Britannia, Parle and Bakeman, is a bold move not only in India, but also globally.

Encouraged by the success of Kellogg's Chocos breakfast cereal, Kellogg's decided to stretch its brand equity to biscuits, the company's first introduction in the fast growing convenience foods category. This product is the only biscuit in the Indian market to be fortified with the six vital vitamins". The company is now going global with its biscuit launch.

Kellogg India is not here to change breakfast eating habits. What the company proposes is to offer consumers around the world a healthy, nutritious, convenient and easy to prepare alternative in the breakfast eating habit. It is not just a question of providing a better alternative to tradition breakfast eating habits but also developing a taste for grain based foods in the morning.

Chocos are wheat scoops drenched in chocolate. The introduction of Chocos took care of the functional value of the brand upgrading it keeping the quality intact.

Hence, Kellogg's is planning to come up with a milk food drink with the chocos brand name further leveraging its brand equity to a new extension.

29% of the respondents would also like to have chocos in the form of cookies with chocolate chips in it.

36% of the consumers prefer sweet chocolate and app 44% chose chocolate chips as a new form of biscuit that Kellogg's could add to the chocos portfolio.

Most of the consumers preferred a geometric shape pf the biscuits being round or a rectangular shape. Some even opted for heart shape bringing in the emotional aspect of having chocos biscuits.

BRAND IMAGE

CHARACTERISTICS	CHOCOS CEREAL	CHOCOS BISCUITS		
Brand Features	Boat shaped wheat scoops	Oval shaped chocolate		
	dipped in chocolate.	biscuit.		
Brand Information	Breakfast is a healthy habit	Nutritional grain-based		
	'Chahiya Hi-Chahiye''	convenience feeds.		
Brand Users	Higher income group, 15 &	For the masses, 10 yrs. And		
	above age group.	above.		
Brand Evaluation	High nutritional value with	A healthy, fortified		
	extra calcium	breakfast cereal biscuit,		
		containing & essential		
		vitamins, iron and zinc.		
Brand Statement	"Irresistible taste of Chocolate"	"Taste of Chocos in a		
		biscuit.		
Company Statement	"JAGO JAISE BHI, LO KELLOGG'S HI"			

Table 14:Use Customer

BRAND PERSONALITY

CHOCOS CEREAL

DEMOGRAPHIC PROFILE OF CHOCOS CEREAL

- Age-early teens
- Sex-Male
- Social Class-Upper class
- Life style-Non Traditional
- Human/ Personality trait- Friendly and contemporary

BRAND PERSONALITY SCALE

• Sincerity

Honest & cheerful personality

Excitement

Spirited & up to date personality

Competence

Reliable, intelligent & confident personality

Ruggedness

Outdoorsy & tough personality

CHOCOS BISCUIT

DEMOGRAPHIC PROFILE

- Age-1 to 5 or early teens
- Sex-Male
- Social Class-Middle and Upper class
- Life style-Modern
- Human/ Personality trait- energetic & Fun Filled

BRAND PERSONALITY SCALE

Sincerity

Honest & cheerful personality

Excitement

Daring, independent, young and up to date personality

Competence

Intelligent and Loyal personality

Ruggedness

Strong and Tough personality

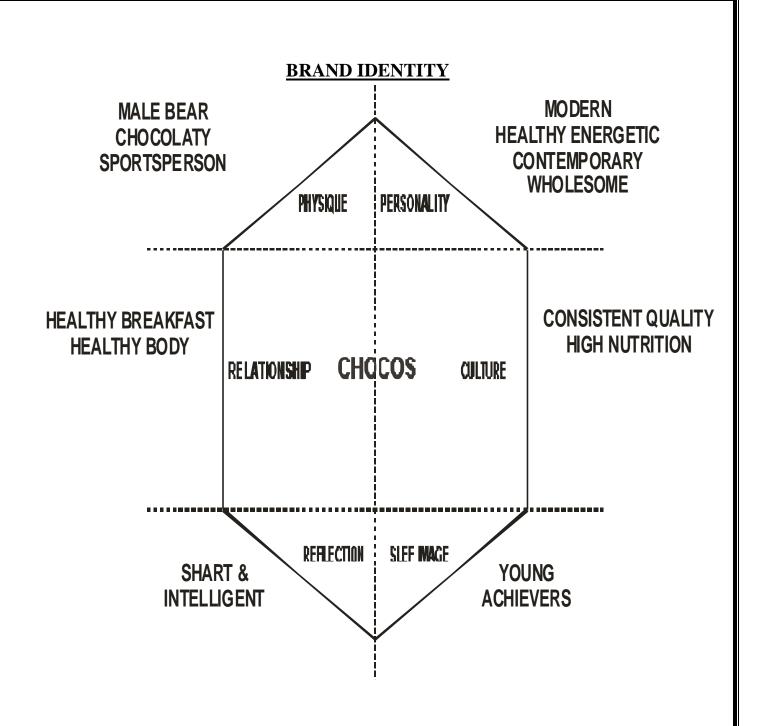


Diagram –7: Brand Identity Prism

PICTURE OF SENDER

- PHYSIQUE
 - 1. Male
 - 2. Bear
 - 3. Chocolaty
 - 4. Sports person
- PERSONALITY
 - Modern
 - Healthy
 - Energetic
 - Contemporary
 - Whole some

PICTURE OF RECIPIENT

- CUSTOMER SELF-REFLECTION
 - Smart
 - Intelligent
- CUSTOMER SELF IMAGE PROJECTION
 - Young achiever

SECTION III

H0: Milk food drink cannot be a possible extension of Chocos Brand.

H1: Milk food drink can be a possible extension of Chocos Brand.

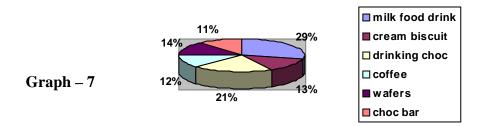
METHODOLOGY

- Percentage Analysis
- Chi Square Test

PERCENTAGE ANALYSIS

Primary Research into the various possible Brand Extensions of Chocos Showed us the following result as exhibited in the Pie Chart below.

Preferred Brand extension of Chocos:



29% of the respondent's would be more willing to accept Milk Food Drink as Brand extension of Chocos and around 21% of the respondents would go in for Drinking Chocolate if introduced.

HYPOTHESIS

Hypothesis H0 is not accepted or is false. Hence Hypothesis H1 is Accepted or true i.e. Milk Food Drink is a possible Brand Extensions of Chocos.

CHI SQUARE TEST

Formula used:

$$x^2 = \frac{(O - E)^2}{E}$$

Variables	Observed Frequency (O)	Expected Frequency (E)	О-Е	(O-E)^2	Chi square
Milk food drink	23	14.6	8.4	70.56	4.832877
Cream Biscuit	12	14.6	-2.6	6.76	0.463014
Drinking Chocolate	12	14.6	-2.6	6.76	0.463014
Coffee	13	14.6	-1.6	2.56	0.175342
Waters	11	14.6	-3.6	12.96	0.887671
Choc Bar	14	14.6	-0.6	0.36	0.024658

(χ) Chi-Square = 6.846575 **Table 15: Chi Square Test**

Degree of freedom (df) = 3

 χ_{Tab} (Tabulated value) = 7.81 at .95% confidence level.

Since χ_{Tab} (Calculated Value) < χ_{Tab} (Tabulated Value), we conclude the good ness of fit. This means that the sample population is representative of the actual population.

NON-USER SUGGESTIONS

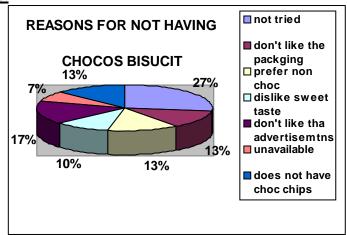
CHOCOS BISCUITS

30 non-users were asked to give in their reasons for not eating chocos biscuits and also for giving their suggestions.

Why they prefer a brand other than chocos.

Graph - 8

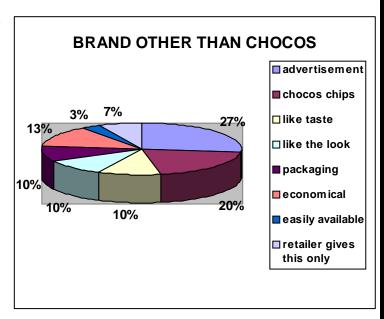
As shown in the pie char, 27% of the people have not tried chocos biscuit yet. And 10% don't like the taste of this biscuit and taste is one of the most important attributes that a consumer looks for in a biscuit. 17% also



said that they don't like the advertisements and 13% of the consumers also said that they prefer the chocolate chips biscuits. 7% said that it was not easily available.

80% of the people preferred hide n seek and bourbon. This is because of the following reasons:

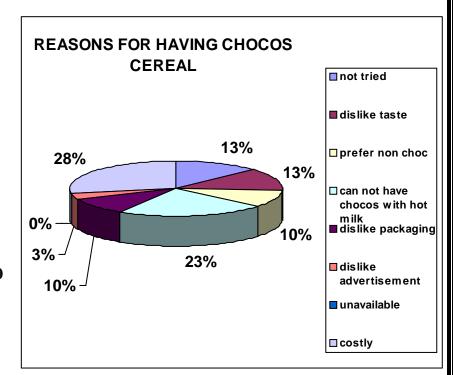
- 27% of them liked the advertisements.
- 20% liked the chocolate chips.
- 10% liked the packaging
- 13% found them economical.



Graph - 9

CHOCOS CEREAL

Reasons That The Non-Users Gave For Not Having Chocos Cereal Are:

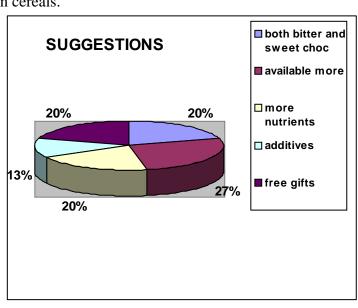


Graph – 10

- 28% found it costly.
- 23% of them said that they don't have Chocos cereal because it becomes soggy in hot milk.
- 13% of them have not tried yet.
- 10% prefer non-chocolate Flavor in cereals.

Suggestions: Graph – 11

- 20% of them said that there should be free gifts along with.
- 27% asked for more availability.
- 20% asked for more sweet chocolate.



RETAILERS SURVEY

A survey was undertaken of the retailers in the Mumbai and Navi Mumbai region, primarily to find out their perceptions and reactions to the four preferred brands of chocolate biscuits. They are namely.

- Britannia Bourbon
- Kellogg's Chocos
- Parle Hide n Seek

The sample size taken was 20

The findings of the research have been outlined below

- Most of the retailers had stocked all the above 3 brands and they were accompanied by POP and POS promotions provided by the company since this was an impulse category product.
- As to which brand was stocked the most, 55% stored Hide N Seek, 25% stored Bourbon, and 20% stored Kellogg's Chocos.
- On an average, 3 packs of Chocos cereals and 15 Chocos biscuits packs were sold in a week.
- Generally 45% of the consumers asked for Hide N Seek and 25% asked for Bourbon.
 30% asked for Kellogg's Chocos.
- If the retailer had no stocks of Chocos cereals, he generally refused (40%) or he asked the customer to come tomorrow (35%).
- If the retailer had no stocks of Chocos Biscuit he suggested some other brand (45%) of he asked the customer to come the next day (30%) or he generally refused (20%).

- If the retailer had to suggest a chocolate biscuit he normally suggested Hide N Seek (20%). Bourbon (60%) and Kellogg's Chocos (20%).
- The distributor replenished stocks once a week.
- The brand offering the best margin was the Britannia brand (10%). While the rest offered (5%) to the retailers.

OBSERVATIONS

- The retailers stocked all the four brands since they all had a demand and they were accompanied by POP and POS promotions provided by the company since was an impulse category product.
- Hide N Seek was stored the most since it had the maximum demand as was reflected by the later question.
- If the retailer had no stocks of Chocos cereals he refused or asked the customer to come later. This was done to because he did not have any other brand or he did not want to pass a much more lower quality brand to the customers.
- If the retailer had no stocks of Chocos Biscuits he suggested some other brand because he did not want to loose the customer.
- When asked to suggest a chocolate biscuit he would normally favour Bourbon because it was a Britannia brand and offered a much higher margin (10%), rather than the other brands, which offered comparatively, lower margins (8%).

Therefore it is imperative for the Kellogg's Company to find favor with the retailers, so that they will push the brand.

FINDINGS

- There s a leverage of the mother brand chocos cereal on the brand extension chocos biscuit. As proved by calculating the loyalty figures. Cereal lends the loyalty to the biscuits.
- Both the mother brand and the brand extension should be advertised simultaneously. This is proved by regression analysis done on brand name and nutritional value for both cereals and biscuits.
- Milk food drink is a possible brand extension as proved by the percentage analysis done on the users of chocos.
- New line extensions can be introduced as proved with the help of multidimensional scaling done on the competitor data, chocos data and the ideal biscuit data.

POSITIONING

Kellogg's has positioned chocos on a fun filled health platform.

All the attributes of the cereals as well as the biscuits as rated by the consumers denote the existing positioning of chocos. There is a consistency between the positioning done by the company and what is there in the mindset of the consumer.

After doing the factor analysis of the attributes of cereals and biscuits and following factors were obtained.

CEREALS	BISCUITS
Nutrition	Nutrition
Appearance	Physical characteristics
Eating experience	Brand Name
Scrumptious	Scrumptious

Table 16: Factors of Positioning

After doing the factor analysis on the attitudinal attributes obtained from semantic differential scale used for obtaining the brand personality, following factors were obtained.

CEREALS	BISCUITS
Taazgi	Friendly
Contemporary	Full of Energy
Friendly	Ruf N Tuf
Honest	Passion
Dynamic	Contemporary

Table 17: Factors of Positioning

The above factors obtained are representative of the mindset of consumers and they can be used as the unique selling proposition of the product.

We propose that the advertising strategy of chocos should not only encompass the attributes obtained from the factor analysis but also the elements obtained from the factor analysis of the semantic differential scale. Therefore a clubbing of both of these can be used to garner a perfect positioning in the mindset of the consumer.

Bringing the tangibles and intangibles together will achieve the breakthrough that was elusive till now.

CONCLUSION

The compilation of this report bears a judgmental mark on the brand building process of both chocos cereals and chocos biscuits. The perception of the consumers and the attitude of the retailers have no doubt added a new dimension to the existing advertising strategy in use by the company.

The various models explained here in have helped in assimilating the core branding elements of the proposed brand study.

Even though three is no correlation between the advertising of both chocos cereals and biscuits, cereals still extend leverage on the biscuits. The brand equity of cereals has developed over a period of 6 years and has made biscuits also a success.

There has been considerable success in inculcating new breakfast eating habits in the Indian consumer. The year changing from the traditional idil's and parantha's to the more nutritious and convenient way of eating breakfast.

This increased crackle in Kellogg India was brought about by its shift in positioning from nutrition to fun-filled flavors.

THE HABIT BARRIER: The closer Indian food-habits are to the heart of the meal, the harder it is to change them. People believe that Kellogg's wants to change habits. Nowhere in the world have they done that. Their approach, instead, has been to offer an alternative to the many options that consumers have for breakfast. At preset, Chocos accounts for 20 percent of Kellogg's sales volumes.

While Kellogg's argues that it is not looking for volumes for its variants, the search for a product to break down the taste-barrier may force the company to increasingly relay on sub-brands like Chocos.

THE PRICE BARRIER: Kellogg's is able to cater only to the A-class towns or the more affluent consumers. Price is the biggest element of consumer resistance." The Indian consumer is not that discerning about quality when it comes to looking at the whole price quality package.

The Positioning barrier, Hammering home the nutritional benefits of its products, Kellogg have spent more than Rs.25 crore on advertising over the past 6 years. However, research shows that the average Indian consumer rarely attaches importance to the level of iron and vitamin intake, and instead looks at the quantity, rather than the quality, of the food consumed. The Kellogg mandate is to develop awareness about nutrition.

While retaining its health positioning, Kellogg's new product-range promotion schemes, and sampling exercises are now clearly aimed at a younger audience. At one end they are seducing the children with promotions. On the other, they are talking to them about health. So, the child can go home and persuade the parents to get Kellogg because it is a healthy product.

There's a long way to go before Kellogg can turn the corner in India. If it took 25 years in Mexico, Kellogg has set a stretch target of 10 years for India.

ANNEXURE QUESTIONNAIRE CEREAL

This Questionnaire is for Academic purposes only and all the information revealed will be kept confidential.

What comes to your mind when you think of Kellogg's?

1.

2.	What do you look for when you purchase biscuits and cereals? Please							
	rate them on a scale	of 1 to	5. (1 being the least im	portant and 5 being the				
	Most Important).							
	ATTRIBUTES		BISCUITS	CEREALS				
Taste								
Crispi	ness							
Size								
Nutriti	onal value (Vit, Min et	c.)						
Ingred	lients							
Shape	9							
Color								
Flavoi	r							
Well k	nown name							
Any other (please specify)								
3.	Rank the various buying factors (tick any one)							
	Price		Brand name					
	Availability		Discounts					
	Free gifts							

4.	When do you have	e Chocos C	Cereal (tick any one)?	
	Breakfast		Between meals	
	Snacks		Any other	
5.	What are the prefe	erred forms	in which you like to have	e cereals (lick any
	one)?			
	Rice flakes		Com flakes	
	Wheat flakes		Chocos	
	Musilis		Fruit loops	
	Frosties		Any other	
6.	How do you like to	have Cho	cos Cereal (tick any one)	?
	Hot milk		Cold milk	
	Cream			
7.	What do you like to	o add to Cl	hocos Cereal (tick any on	e)?
	Honey		Fruits	
	Nuts			
8.	What are the other	r shapes of	f Chocos cereal that you	can think of?
9.	Would you like have	ving Choco	os with egg flavor?	
	Yes		No	
10.	Have you seen the	e Chocos c	ereal advertisement?	
	Yes		No	
11.	If yes, what do you	ı remembe	er about the ad? Please s	pecify.

12.	Which Nutrient wou	ıld add mo	re value to Chocos Cerea	al (tick any one)?
	Calcium		Magnesium	
	Vitamins		lodine	
	Carbohydrates		Fats	
	Glucose		Any other (specify)	
13.	What are your prefe	erred Choo	colate Flavors (tick any or	ne)?
	Sweet Chocolate		Bitter Chocolate	
	Chocolate Chips			
14.	Where do you buy	Chocos Ce	ereal (tick any one)?	
	Super market		Retailer	
	College canteen		Pan shop	
	Kirana shop		Food shops	
15.	Who purchases Ch	ocos Cere	als for you?	
16.	How long does it ta	ke for you	to have a pack of Chocos	s Cereal of
	100gms (tick any or	ne)?		
	Less than a Week		A week	
	15 days		15 days to a month	
17.	If Chocos is not ava	ailable in th	ne shop will you look for it	in the next
	shop?			
	Yes		No	

18.	If the retailer gives	you anoth	ner brand of Cereals inste	ead of Chocos,
	will you buy?			
	Yes		No	
19.	Will you buy Choo	os Cereal	if the price increases by F	Rs.5?
	Yes		No	
20.	I like Kellogg's Cho	ocos Cere	al because (tick any one)	
	• It keeps me he	althy and f	ït	
	It makes me fe	ll strong		
	 It satisfies my h 	nunger		
	It makes me fe	el happy		
	It gives me a fe	eling of be	eing funky and trendy	
	It makes me fe	el energeti	ic	
	It makes me th	ink better		
	 It is the Healthi 	est Breakf	ast I can have	
	 It is very conve 	nient to ha	ave	
	 Any other (plea 	se specify	′)	
21.	In my leisure time	I (tick any	one)	
	Read		Watch movies	
	Watch TV		Visit a friend	
	Party		Play	
22.	If Chocos is born a	as a Perso	n, it has to be (tick any or	ne)?
	Male		Female	

23.	What should be the	nocos according to you (t	ick any one)?	
	Baby (Less than a			
	Kid (1 – 5 yrs old)			
	Teenager (early tee	ens, 13-15	yrs)	
	Late Teen (15-19 y	rs.)		
	College student (20	0-22 yrs)		
	Young (22-26 yrs)			
	Mom			
	Dad			
24.	You think Chocos i	s plea	ase tick any one.	
	Sports person		Student	
	Actor		Pilot	
	Doctor		Businessman	
	Teacher		Dancer	
	James bond		Prime Minister	
25.	If Chocos is born a	s an anima	al, it would be (tick any or	ne):
	Horse		Rooster	
	Deer		Rabbit	
	Tiger		Chimpanzee	
	Bear			
26.	Who eats Chocos	(tick any o	ne)?	
	Horse		Rooster	
	Deer		Rabbit	
	Tiger		Chimpanzee	

	27.	What could b	e the attitude	of Chocos	according to	you?
--	-----	--------------	----------------	-----------	--------------	------

AGREE	3	2	1	0	-1	-2	-3	DISAGREE
PATIENT								IMPATIENT
THRILLING								BORING
ENTHUSIASTIC								UNENTHUSIASTIC
SENSITIVE								INSENSITIVE
ENERGETIC								LETHARGIC
INTELLIGENT								DUMB
EXTROVERT								INTROVERT
DYNAMIC								STATIONARY
COOL								НОТ
STRONG								WEAK
DISREGARDING								CARING
WILD								TAME
ENVIRONMENTALIST								DESTRUCTIVE
LOYAL								DISLOYAL
MODERN								TRADITIONAL
RELIABLE								UNRELIABLE
SENSIBLE								RASH

LOYAL				DISLOYAL			
MODERN				TRADITIONAL			
RELIABLE				UNRELIABLE			
SENSIBLE				RASH			
28. The bear in the Chocos ad is (tick any one):							
Smart	Cute	Friendly					
Intelligent	Healthy \Box						
				82			

29.	Will you buy any pr	oduct form	of Chocos? Please tick of	one:		
	Milk food drink		Cream biscuit			
	Drinking chocolate		Coffee			
	Wafers		Chocolate bar			
30.	After eating Kellogo	g's Chocos	, I feel (tick any one)			
	Healthy		Fit			
	Energetic		Strong			
	Adds to my Social s	status]Нарру			
	Funky and trendy		Lively			
	Any other					
IF YOU	ARE A NON USER O	OF CHOCO	OS CEREAL PLEASE AN	NSWER THE		
FOLLOV	VING QUESTIONS					
31.	Why don't you have	e Kellogg's	Chocos Cereal? Please	specify (tick any		
	one)					
	I am yet to try Kelloggs Chocos Cereal					
	I don't like the taste of Chocos Cereal					
	I prefer the non-chocolate flavor in Cereals					
	Because I cannot have Kellogg's Chocos with hot Milk					
	I don't like the packaging of Chocos					
	Don't like the advertisements of Kellogg's Chocos					
	It is not easily A	vailable				
	• It is very costly					

32.	What improvements would you suggest for the Kellogg's Chocos							
	Brai	nd (tick any one)?						
	• (Should be Availabe	e in the form of both Bitter and Sweet Choco	s				
	• (Should be Availabl	e in more number of retail outlets					
	• -	The product should offer more nutrients than what it currently has						
		 Should be made available with fruits, nuts and other additives 						
22	_							
33.								
	Mohan's							
	Oatmeal							
	Pori	ridge						
PLEASE	FILL	. IN THE FOLLOW	ING DETAILS					
Name	e			-				
Age (yrs):	(10 - 14)	Sex: M/F					
		(15 – 18)						
		(19 – 25)						
		(25 & above	e)					
House	e Hol	d income level:	(12000 – 15000) pm					
			(15000 – 25000) pm					
			(25000 – above) pm					
Occu	patior	1						
Addre	ess _							

Thank You For Your Cooperation!

QUESTIONNAIRE biscuit

This Questionnaire is for Academic purposes only and all the information revealed will be kept confidential.

1.	What comes to your mind when you think of Kellogg's?

 What do you look for when you purchase biscuits and cereals? Please rate them on a scale of 1 to 5. (1 being the least important and 5 being the Most Important).

ATTRIBUTES	BISCUITS	CEREALS
Taste		
Crispiness		
Size		
Nutritional value (Vit, Min etc.)		
Ingredients		
Shape		
Color		
Flavor		
Well known name		
Any other (please specify)		

3.	Please rate the attributes of the various chocolate biscuits give below
	on a scale of 1 to 5. (1 being the Least Important and 5 being the Mos
	Important).

ATTRIBUTES	KELLOGG'S CHOCOS	PARLE HIDE N SEEK	BRITANNIA BOURBON
Taste			
Crispiness			
Size			
Nutritional value (Vit, Min etc.)			
Ingredients			
Freshness			
Color			
Flavor			

4.	Rank the various buying factors (tick any one)					
	Price		Brand name			
	Availability		Discounts			
	Free gifts					
5.	When do you ha	ve Chocos C	Cereal (tick any on	e)?		
	Breakfast		Between meals			
	Snacks		Any other			

6.	Which Nutrient wou	uld add mo	re value to Chocos Biscu	iits (tick any
	one)?			
	Calcium		Magnesium	
	Vitamins		lodine	
	Carbohydrates		Fats	
	Glucose		Any other (specify)	
7.	What is the other for	orms of Ch	ocos biscuits that you wo	ould like to have
	(tick any one)?			
	Chocolate cream		Wafers	
	Vitamins		Butter chocolate	
	Cookies		Any other	
8.	What are your pref	erred Choo	colate Flavors (tick any or	ne)?
	Sweet Chocolate		Bitter Chocolate	
	Chocolate Chips			
9.	Where do you buy	Chocos Ce	ereal (tick any one)?	
	Super market		Retailer	
	College canteen		Pan shop	
	Kirana shop		Food shops	
10.	Who purchases Ch	ocos Cere	als for you?	
11.	How many packets	of Chocos	s biscuits do you eat per	
	Week		Month	

12.	How many biscuit	ts do you c	consume each time who	en you eat Chocos
	(tick any one)?			
	2		5	
	One whole packe	t		
13.	If Chocos is not a	vailable in	the shop will you look	for it in the next
	shop?			
	Yes		No	
14.	If the retailer give	s you anot	her brand of biscuits in	stead of Chocos,
	will you buy?			
	Yes		No	
15.	Will you buy Choo	cos if the p	rice increases by Rs.1	?
	Yes		No	
16.	I like Kellogg's Ch	nocos Cere	eal because (tick any o	ne)
	 It keeps me he 	ealthy and	fit	
	It makes me fe	ell strong		
	 It satisfies my 	hunger		
	It makes me fe	eel happy		
	 It gives me a f 	eeling of b	eing funky and trendy	
	It makes me fe	eel energe	tic	
	It makes me tl	nink better		
	• It is the Health	niest Break	fast I can have	
	It is very conv	enient to h	ave	
	Any other (ple	ase specif	y)	

17.	In my leisure time I	(tick any o	one)	
	Read		Watch movies	
	Watch TV		Visit a friend	
	Party		Play	
18.	If Chocos is born a	s a Persor	n, it has to be (tick any or	ne)?
	Male		Female	
19.	What should be the	e age of Ch	nocos according to you (t	ick any one)?
	Baby (Less than a	year)		
	Kid (1 – 5 yrs old)			
	Teenager (early tee	ens, 13-15	yrs)	
	Late Teen (15-19 y	rs.)		
	College student (20	0-22 yrs)		
	Young (22-26 yrs)			
	Mom			
	Dad			
20.	You think Chocos i	s plea	ase tick any one.	
	Sports person		Student	
	Actor		Pilot	
	Doctor		Businessman	
	Teacher		Dancer	
	James bond		Prime Minister	

21.	If Chocos is born as an animal, it would be (tick any one):								
	Horse			F	Rooster	-			
	Deer			F	Rabbit				
	Tiger			C	Chimpa	nzee			
	Bear								
22.	Who eats Ch	ocos (tick an	y one))?				
	Mom				ad				
	Granny			F	riend				
	Teenager			K	(id				
23.	What could b	e the a	attitude	of Ch	nocos a	accord	ing to	you?	
AGREE		3	2	1	0	-1	-2	-3	DISAGREE
PATIENT									IMPATIENT
ENTHUSI	ASTIC								UNENTHUSIASTIC
SENSITIV	/E								INSENSITIVE
ENERGE	TIC								LETHARGIC
INTELLIG	ENT								DUMB
EXTROV	ERT								INTROVERT
DYNAMIC	;								STATIONARY
COOL									HOT
STRONG									WEAK
DISREGA	RDING								CARING
ENVIRON	IMENTALIST								DESTRUCTIVE
LOYAL									DISLOYAL
MODERN									TRADITIONAL
RELIABLE	<u> </u>								UNRELIABLE
SENSIBL	E								RASH
REFRESHING									TIRING

24.	The bear i	n the Cho	ocos ad is	(tick any one):	
	Smart			Cute	
	Intelligent			Healthy	
	Friendly				
25.	Will you b	uy any pro	oduct form	of Chocos? Please tick of	one:
	Milk food	drink		Cream biscuit	
	Drinking c	hocolate		Coffee	
	Wafers			Chocolate bar	
26.	After eatin	g Kellogg	's Chocos	, I feel (tick any one)	
	Healthy			Fit	
	Energetic			Strong	
	Lively	Нарру		Нарру	
	Funky and	I trendy			
	Any other				

IF YOU ARE A NON USER OF CHOCOS CEREAL PLEASE ANSWER THE FOLLOWING QUESTIONS

OLLO	WING QUESTIONS								
27.	Why don't you have Kellogg's Chocos Biscuit? Please specify (tick any								
	one)								
	I am yet to try Kelloggs Chocos Biscuit								
	I don't like the taste of Chocos Cereal								
	I prefer the non-chocolate flavor in Biscuit								
	I don't like the sweet taste of Chocos								
	Don't like the advertisements of Kellogg's Chocos								
	It is not easily Available								
	It does not have chocolate chips in it								
28.	What are the other Brands of Chocolate Biscuit you pre	efer (tick any							
	one)?								
	Hide & Seek								
	Bourbon								
	Goody Chocolate Cookies								

29.	l prefe	I prefer a Brand other than Chocos because: (tick any one)							
	• I li	ke the Advertise	ement						
	• 1 li	ke the choco sh	ips						
	• li	ke the taste bett	er						
	• 1 li	ke the look of th	e biscuit						
	• I li	I like the packaging							
	It is economical								
	• It i	s easily availabl	e						
	• My	y retailer gives n	ne this only						
30.	What improvements would you suggest for the Kellogg's Chocos								
	Brand (tick any one)?								
PLEASE	E FILL (JS THE SOMET	HING ABOUT YOURSELF						
Nam	e								
Age	(yrs):	(10 - 14) (15 – 18) (19 – 25) (25 & above	Sex: M/F						
Hous	se Hold	income level:	(12000 – 15000) pm						
			(15000 – 25000) pm						
			(25000 – above) pm						
Occu	pation_								
Addr	ess								

Thank You For Your Cooperation!-

RETAILERS QUESTIONNAIRE

1.	What brands of chocolate biscuits do you store in your shop (tick any		
	one)?		
	Kellogg's chocos		
	Britannia bourbon		
	Parle hide n seek		
	Any other		
2.	Which of these bran	ds sell the most and why (tie	ck any one)?
	Kellogg's chocos		
	Britannia bourbon		
	Parle hide n seek		
	Any other		
3.	Which of these bran	ds do you store the most (tid	ck any one)?
	Kellogg's chocos		
	Britannia bourbon		
	Parle hide n seek		
	Any other		
4.	How many packs of	chocos do you sell in a	
		Cereals	Biscuits
	Week		
	Month		

When a consumer comes to y	When a consumer comes to your shop to buy biscuits, what does he sa			
(tick any one)?				
I want chocolate biscuit				
I want a specific chocolate bis	scuit			
Kellogg's chocos				
Britannia bourbon				
Parle hide n seek				
I want biscuit				
I want a cookies				
6. If you do not have Kellogg's c	. If you do not have Kellogg's chocos available on a particular day, what			
would you tell your consumer				
	Cereals	Biscuits		
Come tomorrow				
Suggest another competing brand				
Send him to the next store				
Refuse				
Any other				

	Cereals	Biscuits
Weekly		
Fortnightly		
Monthly		
9. The brand offering the	ne best margin is (tick any o	ne)
Kellogg's chocos		
Britannia bourbon		
Parle hide n seek		
Any other		
PLEASE TELI	US THE SOMETHING AB	OUT YOURSELF

Thank You For Your Cooperation!

BIBLIOGRAPHY

- 1. Aaker, David," Managing Brand Equity", The Free Press, Printed in the United States Of America, Year 1994.
- 2. David, Fred R.," Concepts Of Strategic Management" Prentice Hall, Printed Printed in the United States of America, Year 1987.
- **3.** George S, Day," Marketing Research, Seventh Edition", John Wiley&Sons, Inc., Printed in Singapore, Year 2002.
- **4.** Lazar Kanuk, Leslie," Consumer Behavior", Prentice Hall, Printed in India, Year 1999.
- 5. Kotler, Philip," Marketing Management, Ninth Edition", Prentice Hall, Printed in India, Year 1999.
- **6.** Ulnar, Fredrick, The Marketing Periodicals The Kellogg's Study, Volume88, Number 233, March 2005, page-26.
- 7. www.kelloggs.com Search engines
- 8. www.indiainfoline.com Search engines
- 9. www.google.com- Search engines