

Embarking on an Indian Adventure: Kellogg's Journey



1 The tryst

The 1990s saw the iconic brand Kellogg's venturing into the vast and diverse Indian market. They set foot into the market with a simple presumption — the urban Indian consumer, open to global influences, would readily adapt to the Western breakfast culture. This notion, however, was met with a stark contrast in reality. The Indian palate, accustomed to hot, savory, and sometimes spicy breakfasts, found the cold, sweetened cereal a concept too foreign to digest. Moreover, the substantial cost difference between traditional Indian breakfast

options and the higher-priced Kellogg's cereals was a significant factor in deterring the price-conscious Indian market.

Kellogg's had hoped for a grand welcome in India, primarily relying on its globally popular product, Kellogg's Corn Flakes. Yet, the response was lukewarm at best. Indian consumers, used to robust and spicy breakfast meals, found the mild flavor of cornflakes lacking appeal. Furthermore, the cereal's tendency to turn soggy when doused with hot milk (a widespread practice in India) proved unappealing. In addition, the varied food habits in the diverse country presented a formidable challenge to Kellogg's standardized product line-up.

2 Adapting in the face of the Indian Consumer

Realizing the considerable cultural and culinary gap, Kellogg's decided to get back to the drawing board. The company embarked on an extensive market research initiative to better understand the Indian consumer. They adapted their strategies based on the gathered insights. To cater to the Indian palate, the brand introduced masala (spicy) flavored oats and variants of local dishes, including "Upma" and "Poha," based on corn flakes. This demonstrated their willingness to localize their offerings.

Furthermore, other products such as Kellogg's Chocos®[®], Kellogg's®[®] Muesli, and Kellogg's®[®] Chocos®[®] Fills, were also developed and launched with the specific objective of meeting the diverse and unfulfilled needs of Indian consumers. Mindful of the cost factor, Kellogg's also introduced smaller, more economical packs to expand its reach and cater to a broader customer base.

3 Trying to change consumer behaviour

Besides localizing the product line-up, Kellogg's understood the critical role of reshaping the consumer's perception of breakfast cereals. The brand launched marketing campaigns that aimed at bridging the gap between Western breakfast habits and Indian consumer preferences. For instance, in 1997, they pioneered 'The Kellogg Breakfast Week,' a community-centric initiative. The campaign was conducted in Chennai, Delhi, and Mumbai, with a focus on anemia prevention and a series of nutrition workshops targeted towards individuals and families.

Overcoming the cultural and economic barriers required Kellogg's to reassess their strategies fundamentally. By making significant alterations in their product offerings and marketing strategies, the brand sought to align better with Indian consumer preferences. The efforts

marked a strategic shift from trying to mold the Indian consumer to the Western breakfast concept to adapting their offerings to become a more integral part of the Indian dietary routine.

4 New product launches

To further align their products with local tastes, Kellogg's launched the Chocos line. This move was designed to address the breakfast needs of children in India. The product line found immense popularity among both children and adults, with many savoring it with cold milk. Kellogg's strategically positioned the brand as 'The irresistible taste of chocolate,' and it underwent extensive promotion.

Another significant success in the Indian market has been Kellogg's Muesli. Muesli, a mixture of whole grains, dried fruits, nuts, and seeds, aligned well with the traditional preference for hearty, nutritious breakfast options in India. The familiarity of this mixture in their culinary traditions made it easier for Indians to incorporate Muesli into their diets.

In response to the rise in health consciousness, particularly among urban dwellers, Kellogg's smartly positioned Muesli as a health and wellness product. This strategy resonated with the growing number of consumers seeking healthier, nutrient-rich food options. Celebrity endorsements further amplified its visibility, with engaging advertising campaigns and strategic retail placements further enhancing its appeal.

5 Conclusion

While some experts argue that, despite initial challenges, Kellogg's has carved a niche for itself in the Indian breakfast market, others believe that the brand hasn't reached its potential. They opine that the brand's success in India is limited when compared to its triumphs in Western markets.

However, irrespective of these diverging views, one thing is undeniable — Kellogg's journey in India offers valuable insights for global brands. It underscores the importance of understanding and adapting to local consumer behavior. It serves as a potent reminder of the challenges and opportunities that await multinational corporations in the complex and vibrant Indian market.

6 The Exam:

6.1 Rules of engagement:

1. The exam is for 25 Marks and accounts for 25% of the course's total evaluation. There are a total of five questions. Each question carries five marks.
2. The exam is open book, open notes.
3. "Brevity is the soul of wit" -Shakespeare. In that spirit, keep your answers contained within 3 pages (1.5 sheets). You can use rough pages for calculation, organization of thoughts, etc.
4. You can make use of up to 3 hours to answer the questions.

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6.2 Questions (All questions are for 5 marks)

1. Use your understanding of learning theories to explain how different learning theories can be applied in a brand's repositioning strategy. Use the Kellogg's case as an illustrative example.
2. Use the Motivation Ability and Opportunity framework to explain the behavior of the Indian consumers in the late 1990s.
3. Contrast the results you describe in Question 2 with the behavior of the Indian consumers in more recent times. Explain what changed and how the change occurred.
4. The reduction in packet sizes on Kellogg's offerings was a technique that helped Kellogg's shift consumer's from using the central route to peripheral route to persuasion.
5. If you were the CEO of Kellogg's, how would you have done things differently? Explain the rationale behind your different decision. (Note: if you write you would have done exactly the same thing, I am going to give you a zero)