

Background Analysis: Kellogg's

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In this comprehensive analysis of Kellogg's, a leading player in the cereal, snacks, convenience foods, frozen breakfast foods, and meat alternatives industry, it is essential to draw insights from authoritative sources such as Simmons and Winmo (2023). Kellogg's, a publicly traded company founded in 1906 and headquartered in Battle Creek, Michigan, boasts an impressive estimated revenue of \$14.2 billion (Winmo, 2023). This paper will explore the history, mission, and purpose of Kellogg's. The purpose of this paper is to delve deeper into Kellogg's consumer and customer assessments, market segmentation strategies, target market identification, and a competitor analysis. Furthermore, it examines Kellogg's media spending trends across various platforms and provides insights into the demographic and psychographic characteristics of the 18-24-year-old age group, drawing from Simmons MRI data (2004). These analyses collectively offer valuable information to guide Kellogg's marketing and public relations efforts.

The Company/Organization

History of the Brand/Organization

Kellogg's, founded in 1906, has a rich history that spans over a century (Kellogg Company, n.d., Our Story & Timeline 2023). The company was established in Battle Creek, Michigan, and has evolved from a small cereal provider to a global food manufacturer (Kellogg Company, n.d., Our Story & Timeline 2023). It was founded by W.K. Kellogg, who initially focused on creating nutritious breakfast cereals (Kellogg Company, n.d., Our Story & Timeline 2023). Over time, Kellogg's introduced a wide range of products, including snacks, convenience

foods, frozen breakfast items, and meat alternatives, becoming a household name in the food industry (Kellogg Company, n.d., Our Story & Timeline 2023).

W.K. Kellogg's brother, Dr. John Harvey Kellogg established the Battle Creek Sanitarium in 1876 (Pruitt, 2019). The Kellogg brothers' biologic living philosophy led them to invent a nutrient dense grain mixture for the patients of the sanitarium (Pruitt, 2019). Around 1877, Dr. Kellogg started twice baking flattened grains, a process he called dextrinization, to make the mixture more digestible (Pruitt, 2019). Many Kellogg family members and sanitarium employees claim to have a stake in the invention of the corn flake, but Kellogg's says that in 1894, a wheat-based cereal dough was left out long enough for it to ferment, causing it to become extra crispy in the oven (Pruitt, 2019). In 1906 W.K. Kellogg established the Battle Creek Toasted Corn Flake Company (Kellogg Company, n.d., Our Story & Timeline 2023). By 1914, the corn flakes were taking off in the United States and were introduced in Canada (Kellogg Company, n.d., Our Story & Timeline 2023). In 1915 the Battle Creek Toasted Corn Flake Company introduced Bran Flakes paving the way for high fiber cereals (Kellogg Company, n.d., Our Story & Timeline 2023). Now providing more than just corn flakes, the company changed their name to Kellogg's. To prove their dedication to nutrition, the Battle Creek Toasted Corn Flake Company hired their first dietitian, Mary Barber in 1923 (Kellogg Company, n.d., Our Story & Timeline 2023). In the 1930s, the W.K. Kellogg foundation was founded to provide resources for child welfare (Kellogg Company, n.d., Our Story & Timeline 2023). In the 1940s, Kellogg's produced rations for the United States armed forces fighting in World War Two (Kellogg Company, n.d., Our Story & Timeline 2023). In 1928, Kellogg's debuted their Rice Krispies, in 1950 they released Kellogg's Corn Pops, and in 1952 they introduced the famous Tony the Tiger along with Sugar Frosted Flakes (Kellogg Company, n.d., Our Story & Timeline 2023).

Mission/Purpose

Kellogg's is driven by a mission to nourish families so they can flourish and thrive (Kellogg Company, n.d., Our Values). Their purpose is to “create better days and a place at the table for everyone through their trusted food brands”(Kellogg Company). Kellogg's prides themselves on holding everyone at Kellogg's to a high standard by following six values (Kellogg Company, n.d., Our Values). The first value is integrity meaning that Kellogg's holds an emphasis on ethics, respect, and honesty (Kellogg Company, n.d., Our Values). The second value is accountability which is practiced by Kellogg's from individual employees to the company itself (Kellogg Company, n.d., Our Values).

Kellogg's encourages everyone to remain committed to their decisions and take responsibility for all decisions and outcomes (Kellogg Company, n.d., Our Values). The value of passion ensures that everyone at Kellogg's takes pride in the company and their work (Kellogg Company, n.d., Our Values). This in turn creates a creative and positive work environment. Humility is the value that encourages everyone at Kellogg's to accept feedback, always be open to learning, and to never underestimate their competition (Kellogg Company, n.d., Our Values). The next value is simplicity because Kellogg's is always aiming to simplify their processes and deal with all problems directly (Kellogg Company, n.d., Our Values). The last value is results which emphasizes that Kellogg's is always pushing to better their results and work hard with others to achieve those results (Kellogg Company, n.d., Our Values).

Who is Kellogg's?

Kellogg's is a prominent food manufacturer known for its diverse product offerings, including a wide range of cereals, snacks, and other convenience foods in over 180 countries. Kellogg's is committed to equity, diversity, and inclusion. They hold the belief that embracing their differences will help them achieve their goals and that everyone should have the resources to meet their potential (Kellogg Company, n.d., Equity, Diversity, and Inclusion). The company is also committed to giving back to society through various corporate social responsibility initiatives, such as supporting food banks, promoting sustainability, and investing in the well-being of communities (Kellogg Company, n.d., Social Responsibility).

In the 1930s, the W.K. Kellogg foundation was founded to provide resources for child welfare (Kellogg Company, n.d., Our Story & Timeline). W.K. Kellogg wanted to help fund initiatives that promote the wellbeing and happiness of children (W.K. Kellogg Foundation, n.d., Who We Are). The W.K. Kellogg Foundation helps to improve conditions for children through impact investing, grantmaking, and networking to help families have access to connections they need to better the lives of their children (W.K. Kellogg Foundation, n.d., Priorities). They use grantmaking to help thriving children, working families, and equitable communities (W.K. Kellogg Foundation, n.d., Who We Are).

Kellogg's strives to provide sustainable access to food for everyone. They do this through their promise, Kellogg's Better Days. In this promise, they commit to "addressing the intersection of wellbeing, hunger, sustainability, and equity, diversity, and inclusion" (Kellogg Company, n.d., Social Responsibility) in order to provide access to food for 3 billion people by the end of 2030 (Kellogg Company, n.d., Social Responsibility). Kellogg's also commits to 375 million people in need through food donations, supporting both the planet and people by

conserving natural resources and supporting farmers and workers, and ensuring an ethical supply chain (Kellogg Company, n.d., Global Wellbeing 2022).

To promote wellbeing, Kellogg's believes that they must promote healthy habits. People must be educated on how to create healthy eating habits and have access to sustainable, enjoyable healthy foods. Kellogg's provides plant-based, high-fiber foods that have vegetables, fruits, nuts, and seeds to encourage sustainable and healthy diets (Kellogg Company, n.d., Global Wellbeing 2022). Kellogg's also ensures wellbeing by holding high food safety standards. Kellogg's has uniform safety standards which are directed by the Kellogg Food Safety System (Kellogg Company, Global Wellbeing 2022). The Global Food Safety Initiative also certifies all of Kellogg's ingredient suppliers and manufacturing facilities to ensure food safety standards are being met at all stages (Kellogg Company, Global Wellbeing 2022).

Product-Level Assessment

Consumer/Customer Assessment

To comprehensively understand Kellogg's consumer base, it is crucial to delve deeper into the demographic and psychographic characteristics of the 18-24-year-old age group, as provided by Simmons MRI (2004). This age group, accounting for 11% of the population, exhibits a wide array of characteristics that can greatly influence Kellogg's marketing and public relations strategies.

Firstly, this demographic segment has a median age of 21, as indicated by Simmons MRI data (2004). This statistic suggests that they are at a stage in their lives where they are likely

making independent purchasing decisions and forming brand loyalties that could extend into adulthood.

Gender distribution within this age group is nearly equal, with 51% male and 49% female (Simmons MRI, 2004). This gender balance highlights the importance of crafting marketing messages and campaigns that resonate with both genders equally.

Regarding racial demographics, 68% identify as White, 13% as Black or African American, 19% as Not White or Black, 6% as Asian, and 13% as Other (Simmons MRI, 2004). This diversity underscores the need for inclusive marketing strategies that appeal to a wide range of cultural backgrounds and perspectives.

In terms of ethnicity, 75% of this demographic identifies as non-Hispanic, while 25% are Hispanic (Simmons MRI, 2004). Understanding the cultural nuances and preferences of these subgroups within the 18-24-year-old age group can be instrumental in tailoring Kellogg's marketing efforts effectively.

Interestingly, Simmons MRI data (2004) also reveals that a substantial percentage of individuals in this age group are dog owners (66%), live with children (40%), and own homes (64%). These statistics suggest a level of familial responsibility, or suggests that this age group currently lives in a familial environment within this demographic. Kellogg's can consider targeting products and messaging that appeal to the family-oriented dynamics of this segment.

Educational backgrounds within this group vary significantly. Approximately 2% hold postgraduate degrees, 20% have college degrees, 33% possess some college education, 42% have high school diplomas, and 12% lack a high school diploma (Simmons MRI, 2004). This

wide range of educational attainment highlights the importance of creating messaging that is both accessible and informative to cater to the diverse educational backgrounds of this demographic.

Competitor Assessment

General Mills, J.M. Smucker Company, Nestle USA, and Frito-Lay are just a few of the major businesses that Kellogg's must contend with in the food sector (Comparability, 2023). In the market for breakfast cereals, General Mills and Kellogg's are direct rivals. General Mills is well-known for its cereal products including Cheerios and Lucky Charms. In the area of snacks and spreads, The J.M. Smucker Company, a significant player in jams, jellies, and peanut butter, is a competitor. With a broad product range that includes frozen meals, coffee, and chocolates, Nestle USA competes with Kellogg's in a number of product areas. With a large selection of well-known snacks including Doritos and Lay's chips, Frito-Lay, a PepsiCo subsidiary, is a fierce competitor in the market for snacks and convenience meals. In the intensely competitive food business, these opponents are direct rivals since they compete for market share and customer attention in the same product areas as Kellogg's (Comparability, 2023).

Communication Analysis

Past Communication Efforts

According to the corporate and U.S. news page on Kellogg's website, over 1,000 press and news releases have been released since 2002 (Kellogg Company, n.d., Corporate & U.S. News 2023). These releases focus on new product releases, collaborations with other brands, information about shares and budgets, and updates about the company (Kellogg Company, n.d.,

Corporate & U.S. News 2023). Kellogg's has gone from only 12 releases in 2002 to 130 releases so far in 2023 (Kellogg Company, n.d., Corporate & U.S. News 2023). Over the years, Kellogg's has produced more and more releases each year overall (Kellogg Company, n.d., Corporate & U.S. News 2023). Some years Kellogg's produces fewer releases than earlier years, but since 2014 Kellogg's has produced at least 100 releases every year (Kellogg Company, n.d., Corporate & U.S. News 2023).

Media Budget

Kellogg's has an estimated revenue of \$14.2 billion and spend an estimated \$267 million on media and have their fiscal close in December (Winmo, 2023). In 2021, the Kellogg Company spent approximately \$417.5 million on media (Winmo, 2023). In 2022, they decreased their media spend by 36.04%, spending about \$267 million (Winmo, 2023). This is an approximate \$150.5 million decrease from 2021. So far, Kellogg's has spent around \$80.2 million in 2023 (Winmo, 2023). This is a 83.83% increase in spending in Quarter One compared to 2022, but is still much less than what was spent in 2021. Kellogg's media spend in Quarter One of 2021 was approximately \$112.2 million which is about \$32 million greater than what was spent in Quarter One of 2023 (Winmo, 2023).

For digital media, Kellogg's spent the most in 2021 at \$4.6 million (Winmo, 2023). They spent significantly less on digital media in 2022, spending nearly \$2 million (Winmo, 2023). So far in 2023, Kellogg's has spent \$479,600 which is less than what was spent in Quarter One of the previous two years (Winmo, 2023).

In 2021, Kellogg's spent \$358 million on broadcast media, in 2022 \$263 million was spent on broadcast media, and so far in 2023, \$79.7 million has been spent on broadcast media

(Winmo, 2023). The most money was spent on broadcast media in 2021, but spending on broadcast media has been greater in Quarter One of 2023 than in Quarter One of 2022 (Winmo, 2023).

For print media, Kellogg's spent \$53.8 million which is very high in comparison to spending on print media in 2022, \$72,500 (Winmo, 2023). So far in 2023, Kellogg's has spent no money on print media (Winmo, 2023). This indicates a trend of spending less on print media (Winmo, 2023).

On radio, Kellogg's spent \$739,400 in 2021 and spent \$1.5 million in 2022 (Winmo, 2023). This goes against the trend of Kellogg's spending more in 2021 (Winmo, 2023). The amount spent on radio in 2023 is also \$0 (Winmo, 2023).

For out of home media, the Kellogg Company spent \$339,000 in 2021, \$386,000 in 2022, and \$11,000 so far in 2023 (Winmo, 2023). Spending for out of home media also goes against the trend with more money being spent in 2022 than in 2021 (Winmo, 2023).

Social Media Audit

Kellogg's utilizes social media as another form of media coverage. Kellogg's has separate accounts for their different brands, products, and accounts specific to different countries such as England and Ireland, Latin America, Nigeria, and more. The main Kellogg's Instagram account has the handle, kelloggsus, and is a verified account (Kellogg's, 2023, Instagram profile). They currently have 109 thousand followers and 462 posts (Kellogg's, 2023, Instagram profile). The last post was a reel posted July 31, 2023 (Kellogg's, 2023, Instagram profile). Before that they posted a reel on June 17, 2023 (Kellogg's, 2023, Instagram profile). This means there was over a month between their last two posts, and over two months since they last posted. Kellogg's Instagram engagement is moderate. They have the amount of likes per post hidden, but their

recent reels range from 13 thousand to 1.5 million views (Kellogg's, 2023, Instagram profile). On Instagram, they post almost exclusively about new products and collaborations such as the Classic Krispies Bar collaboration with Crumbl Cookies in June (Kellogg's, 2023, Instagram profile).

Kellogg's seems to be more active on their Facebook account, indicating that more of their target customer base uses Facebook rather than Instagram. The main Kellogg's Facebook page has 586 thousand "likes" since joining in 2009 and have posted as recently as September 19, 2023 (Kellogg's, 2023, Facebook profile). Since August, their posts range from 2 to 163 reactions and 2 to 88 comments (Kellogg's, 2023, Facebook profile). Kellogg's Facebook posts are much more frequent than their Instagram posts and cover things like company decisions and corporate social responsibility (Kellogg's, 2023, Facebook profile).

Kellogg's has not been active on X, formerly Twitter, since October 28, 2022. The Kellogg Company account has 74.8 thousand followers and have had their X account since 2012 (Kellogg's, 2023, X profile). Prior to their latest post in 2022, Kellogg's was posting at least every couple of days, and their engagement was low (Kellogg's, 2023, X profile). Majority of their posts from 2022 had less than 10 likes, comments, or shares (Kellogg's, 2023, X profile). A lot of their X posts are updates on their corporate social responsibility efforts such as their farming practices or their Better Days promise, product promotion, and events they have had (Kellogg's, 2023, X profile).

Kellogg's has a YouTube account with 9.8 thousand subscribers and 284 videos after joining YouTube March 11, 2012 (Kellogg's, 2023, YouTube profile). Their videos are not typically longer than 4 minutes, and usually consist of Better Days content, employee stories, product promotion, and more (Kellogg's, 2023, YouTube profile). Their videos typically get

between 100 and 3,500 views, but not many likes and comments (Kellogg's, 2023, YouTube profile).

Overall, Kellogg's utilizes YouTube and Facebook the most of their social media platforms. They use Instagram mostly for product promotion, Facebook and X for updates about the company and their Better Days promise, and YouTube for everything. Other than their YouTube and Facebook, they post very infrequently and seem to have stopped using X.

Conclusion

As a result, this background examination of Kellogg's, a significant participant in the food sector, offers a thorough understanding of the organization's origins, mission, values, customer insights, and communication tactics. We have learned important information about Kellogg's position in the market and its marketing strategy by consulting reliable sources like Simmons and Winmo (2023). This research gives Kellogg's the tools it needs to navigate its competitive environment, coordinate its marketing initiatives with customer preferences, and stay true to its commitment to offering consumers affordable, environmentally friendly, and wholesome food.

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