Marketing Research

Project Report

A study on what should Kellogg's do to become the brand of choice for the customers in the breakfast cereal category

Submitted by Group 2:

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Under the Guidance of

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DECLARATION

Group 2 of section A of PGDM General 2017-19 batch hereby declares that this marketing research project report in Trimester-III of PGDM at **Lal Bahadur Shastri Institute Of Management, New Delhi,** is a record of our work which has been carried out under the guidance of **Dr. Shelendra Tyagi**

FORWARDING LETTER

March 14, 2018
From: Group-2, Section-A
LBSIM, Dwarka

Prof. S.K.Tyagi
LBSIM, Dwarka

Subject: Submission of project

Respected Sir,

The group-2 (having Ahijeet Das, Umesh Kumar) would like to present a project on the title "**A STUDY ON HOW KELLOGG'S CAN BECOME A BRAND OF CHOICE FOR CUSTOMERS IN THE BREAKFAST CEREALS CATEGORY".** We have done detailed research on the given topic and have tried to put forward the critical learning in this report. We would like to express our gratitude to you for your invaluable guidance.

Yours Thankfully

Group-2
Section-A

ACKNOWLEDGEMENT

We would like to express our sincere gratitude to all the people involved during the due course of project without whom the project would not have been possible.

We would like to thank our Guide for the project **Dr. Shelendra Tyagi** for his valuable inputs and suggestions. His constant monitoring throughout the process helped us a lot. His willingness to give us valuable time consistently helped us a lot during the project.

We also extend our thanks to the various people who have shared their opinions and valuable inputs during the process to help us overcome various obstacles during the completion of the project.

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Introduction to Breakfast Cereal Market in India

For ages Indians preferred consuming their traditional hot and cooked breakfast. However, changing lifestyle in tandem with increasing spending power, higher need for convenience, and health consciousness have encouraged Indians, especially in urban areas, to opt for breakfast cereals. Also, India being a large market with growing middle-income group and double-income households holds great potential for the breakfast cereal market, which in turn must provide healthy, convenient, and tasteful options. So cereal marketers are trying to change traditional breakfast norms by increasing the level of penetration and frequency of purchase. Also, the segment is growing from a purely urban phenomenon to a semi-urban phenomenon.

The value of breakfast market in India is 1400 crore rupees and breakfast cereal market is growing with more than 17% CAGR from the past five years. Looking at the trend in the past decade, the market of breakfast cereal in India is growing by more than 500 crore rupees every five years.

The market is divided into two categories viz. hot cereals and ready-to-eat (RTE) cereals. It is divided into ready-to-eat cereals like cornflakes, Choco flakes and muesli, and the hot cereals segment comprising of oats. The penetration of packaged breakfasts [ready-to-cook upma, poha, paratha etc] is still negligible.

Product	Market Share(2010)	Market Share(2015)
Kellogg's	41%	30%
Quaker	10%	13%
Saffola Oats	-	7%
Baggry's	13%	18%
Mohun's	7%	7%

Introduction to Hot Cereals Market in India:

The hot cereal segment consists of mostly oats, but also oat bran and wheat bran. Market value of Hot Cereals market in India has grown from 38.5 Crore rupees in 2010 to 829.6 Crore rupees in 2015. This means hot cereals segment grew by a CAGR of 47% in the same period. In 2010 the share of hot cereals in breakfast market was less than 20 which rose to more than 50 in 2015. The big reason for the growth of this segment is the widespread communication on health, especially on the escalating incidence of cardiovascular diseases, diabetes and obesity in Indians.

The problem with plain oats is it tastes like the horse's food (for which it was originally grown for). The consumer sees health and taste at the opposite ends of the spectrum. This problem was also tackled by introduction of Masala Oats by Marico. Earlier Bagrry's was the only player in the oats market. Then, PepsiCo rolled out Quaker Oats in 2006 and by 2011, companies such as Marico, GSKCH and Britannia had all launched their own versions. PepsiCo, with 37% market share, leads the plain oats category. Spicy oats is dominated by Saffola, which holds 70% market share. The Market share of each brand is given below:

Product	Market Share(2010)	Market Share(2015)
Horlicks Oats	-	16%
PepsiCo Quaker	41%	38%
Saffola Oats	-	19%
Bagrry's	23%	18%
Champion	4%	3%

Introduction to Ready-to-Eat Cereals Market in India:

Ready-to-Eat (RTE) cold cereals segment contains corn and wheat flakes, and muesli. Globally, breakfast is consumed cold and sweet but in India it's opposite. Ready-to-Eat (RTE) cold cereals brands tried to change this habit of Indians.

The market value of this segment in 2010 was 184 crore rupees and it rose to 735 crore rupees in 2015. Even though the revenue is increasing, this segment has been steadily losing its market share in Breakfast market which fell from more than 82 in 2010 to 46 in 2015. The reason is, though it may be tasty and time saving, it is not seen as a healthy breakfast as it does not have any fibre. The increasing awareness of health consciousness among people is driving them towards hot cereals. But in contrast Muesli market in India has been growing.

The major brand in India in this segment is Kellogs with 47% market share. Other players include Baggry's, Mohun's, etc. The market share of each is given below:

Product	Market Share(2010)	Market Share(2015)
Kellogg's	54%	47%
Baggry's	11%	18%
Mohun's	9%	9%
Good Earth	1%	3%

KELLOGG’S OVERVIEW

- Kellogg's initial offerings in India included cornflakes, wheat flakes and Basmati rice flakes in the year 1994
- As a comeback strategy, Kellogg decided to launch two of its highly successful brands in other countries - Chocos (September 1996) and Frosties (April 1997). This time the dice rolled in the company’s favour and the sales started increasing significantly.
- Next in the league was Chocos Breakfast Cereal Biscuits.
- The launch continued resulted with the Mazza series in August 1998 - a crunchy, almond shaped corn breakfast cereal in three local flavors - ‘Mango Elaichi,' ‘Coconut Kesar' and ‘Rose.
- Continuing the success journey, Iron Shakti variant was launched in 2000.
- Special K plus variant was launched in 2008.
- In 2010, Kellogg's launched Heart To Heart Oats, made with 100% wholegrain oats, marking Kellogg Company's foray into the hot cereal category in India.

LITERATURE REVIEW

‘Analysis of Breakfast Attributes and Utility Among Indian Urban Youth, Indian Journal of Marketing’, December 2017

The study aimed at analysing breakfast attributes and its utility among Indian urban youth; the attributes like preferred breakfast time, calorie intake of breakfast, and preferred mode of consumption which determined the perception and utility of breakfast among the target population. Other attributes associated with breakfast like health, nutrition, filling/satiation, hygiene, taste, economy, and convenience were also analysed in detail. The study also explores and identifies the perception of Indian urban youth towards various attributes of breakfast.

The study was designed as a cross sectional study where samples were selected through a multi-staged stratified sampling technique. Students pursuing graduation and post-graduation were selected as the study subjects. India was first divided into five geographical regions and five major cities: Delhi, Mumbai, Kolkata, Ahmedabad, and Bengaluru were selected from each region, then two co-educational colleges were selected at random from each city. One graduation and one post-graduation class were selected at random from each college. A total of 328 respondents (152 men and 176 women) participated in study. The respondents' age ranged between 19-22 years. Various attributes which were mentioned above were identified on the basis of subject expert interviews. Three more multilevel attributes defining ideal breakfast time, calorie intake of breakfast, and preferred mode of breakfast consumption were identified and considered for conjoint analysis.

Based on the identification of attributes to be included in the study, a structured questionnaire was designed and administered among the sample unit for data collection from respondents of five target cities during july-december2016. The data collected was coded and fed in software like MS Excel and SPSS for statistical analysis. A thorough analysis of data was conducted for descriptive analysis (mean values), difference analysis (T-test and one-way ANOVA), and multivariate conjoint analysis. The results were simplified and tabulated using MS Excel spreadsheet and interpretation of statistical findings were transcribed.

Analysis and Results

(1) Descriptive Analysis

Breakfast Attribute ranking: Respondents were asked to assign ratings on a 7 point scale regarding how much relative importance they assigned to seven breakfast attributes like healthy, hygienic, nutritious, filling, Tasty, economical

and convenient and the analysis results in terms of mean rating score and ranks assigned based on the magnitude of rating score which is tabulated.

The difference analysis based on the demographic factors (gender, age group, education) was conducted and test of hypothesis results using independent sample t-test at (α=0.05) level of significance, and the results are derived.

Further one-way ANOVA among different income groups and regions also finds no significant difference among the mean ratings on various breakfast attributes.

The breakfast attributes were further compared on the basis of preferred mode of breakfast consumption and the mean ratings of various seven attributes. A significant difference has been observed among the mean ratings of various breakfast attributes among the different modes of breakfast consumption.

(2) Conjoint analysis:

Conjoint analysis was conducted to determine the relative importance of consumers of breakfast attach to salient attributes and utilities they attach to different levels of attributes. This information was derived from consumer's evaluation of breakfast profiles composed of these attributes and their levels. The three salient attributes defining breakfast consumption profile, that is, ideal time for breakfast (4 levels), calorie intake for breakfast (3 levels), and preferred mode of breakfast consumption (3 levels) were identified for cluster analysis. For constructing the conjoint analysis stimuli, the full profile procedural approach was selected. Based on the data, the model estimated may be represented as:

$U=b0 + b1V1 + b2V2 + b3V3 + b4V4 + b5V5 + b6V6 + b7V7$

where,

V1, V2, V3 = dummy variables representing ideal time for breakfast,

V4, V5 = dummy variables representing calorie intake for breakfast,

V6, V7= dummy variables representing preferred mode for breakfast consumption.

Here regression model is used for the purpose of conjoint analysis.

Managerial Implications

The major findings of the study and their strategic marketing implications are mentioned below:

- The most important attribute as per the results of conjoint analysis is the ideal time for breakfast with 33.73% of relative importance. The best time is 7-8am and so companies must use this time in their advertisement and promotion themes.

-Further, the conjoint analysis results suggest that the Indian urban youth assigned least importance to calorie intake in their breakfast as well as the part utility of heavy as well low calorie breakfast is found to be equal. This indicates the possibility of two distinct and equally important segments of ‘low calorie conscious’ and ‘high calorie seekers’.

-It is found that home cooked breakfast is considered to be healthy, nutritious, and economical. Breakfast consumed in outside shops/restaurants or ordered from outside is considered as tasty and filling, while packaged/ready to eat breakfast is considered as hygienic and convenient.

-Women consumers in the urban youth market assigned a significantly high importance to hygienic and men consumers assigned a significantly high importance to filling/satiating breakfast.

Breakfast cereal makers are finally succeeding in turning a cold market into a hot opportunity – An Article by Outlook Business

The article highlights the changes occurring in breakfast cereals market. The drivers of consumption of breakfast cereals are nutritious values, convenience, varieties available, increasing spending powers, and hectic lifestyles. As compared to what we had in early 1990s, we have a receptive market. It is no longer necessary to explain the health benefits [of breakfast cereals] because consumers are already aware. We also find that many younger people are willing to move away from heavier traditional breakfasts to cereals. Kellogg’s got off to a decidedly soggy start when it launched in India in 1994. A nation that was used to starting its mornings with a hot, savoury meal didn’t warm up to the idea of a sweet breakfast with cold milk. It’s taken the company the better part of the past 20 years to lead a market that’s still minuscule compared with global markets. Still, there’s finally an expanding, sustainable market for breakfast cereals with several big players including PepsiCo, Marico, GlaxoSmithKline Consumer Healthcare (GSKCH), Britannia and Dr Oetker Fun Foods.

The breakfast cereals market is divided into hot cereals (mostly oats, but also oat bran and wheat bran), and ready-to-eat (RTE) cold cereals (corn and wheat flakes, and muesli). Oats (the fastest growing segment of the Indian market) and muesli (next in growth) are not new products but have grown in popularity only in the past decade.

One of the big reasons for boom in breakfast cereals market is the widespread communication on health, especially on the escalating incidence of cardiovascular diseases, diabetes and obesity in Indians. Not only are influencers such as doctors, nutritionists and the media passing on these messages, the companies diligently themselves play the health card in all their communication.

Oats has been a major contributor to the cereals market in India. Many companies are successfully selling oats which constitute heavily in the revenue of the companies. There has also been advent of flavours or variety in oats. Earlier there was a hurdle in the acceptance of oats as it lacked flavour. The consumer sees health and taste at the opposite ends of the spectrum. Growth can be unlocked only if this trade-off is minimised.

Kellogg’s was not launched in India as a “brand” since there were not enough products, not enough stores, exorbitant prices, alien tastes ignored. They assumed there was a gap in the market for premium brand products, so introduced only three corn flakes brands, only in premium outlets. Many consumers either had no access to, or could not afford the Kellogg’s products. Once the research was done, Kellogg’s slowly started tweaking its India strategy. It expanded its offering to include locally popular flavours such as mango, banana and strawberry. In parallel it paid equal attention to children, virtually creating the children’s cereal market with products such as Chocos and Honey Loops. But the major issue was pricing. They overcame the problem by coming up with single-serve packs priced at ₹10.

There are other players in the cereals market who along with Kellogg’s are aggressively advertising their products. Will all this frenetic activity ensure that the market continues to remain charged up? Analysts believe that while the overall market will certainly grow, there could be a shuffling of market share - Kellogg’s leads the pack currently but will have to work harder to remain on top.

MANAGEMENT DECISION PROBLEM

What should Kellogg's do to become the brand of choice for the customers in the breakfast cereal category?

MARKETING RESEARCH PROBLEM

Marketing Research Problem:

1. To determine the major attributes influencing the purchase intention of the customers with respect to breakfast cereals.

2. To study various customer profile that influences the buying behavior of the consumers with respect to breakfast cereals.

3. To study the broad shifts happening in breakfast industry.

RESEARCH DESIGN & METHODOLOGY

Research Methodology

Qualitative Research - We'll start with the exploratory research. The process will start with conducting pilot surveys (unstructured) from retail stores, schools and malls to estimate the key variables effecting the purchasing decision of the consumers. We will also analyse secondary data available in various sources from existing research papers, journals, and data bases.

Quantitative Research – Descriptive cross-sectional survey will be conducted to find the following-

- **Who –** People in the age group of 20-40 years
- **Why –** To know what should Kellogg's do to become the brand of choice for the customers in the breakfast cereal category?
- **When –**While shopping and after shopping
- **Where –** Retail shops, malls, and households, college.
- **Way –** Surveys and pilot surveys will be conducted as a part of the research.

Data Collection Method:

- Secondary Research – Secondary data will be collected from various sources from existing research papers, journals, and data bases.
- Primary Research – Data collection methods will include surveys in form of personal surveys. As personal surveys we will collect data from schools as well as malls.

Scaling and Measurement:

Itemized scale along with paired comparison, rank-order, and constant sum method for the purpose of scaling and measurement. We have also used Itemized scaling - Likert scale: appropriate to be used in the questionnaire. The variables we will be measuring are:

- Health Benefits
- Quality
- Price
- Brand name
- Packaging
- Taste
- Nutrition
- Advertisement
- Recommended by others
- Hygiene
- Variety
- Availability
- Filling
- Convenience

Sampling Plan:

- **Population Universe:** People, in general.
- **Sampling Frame:** Not known
- **Sampling Unit:** It would consist of malls, schools, college and households.
- **Sampling Element:** People in the age group of 20-40 years.
- We will use convenience non-probability sampling methods.
- **Sampling Size:**

  We will be taking 7.5% tolerable error and 5% significance level.

  S = (5-1)/6

  S = 0.67

  N = (1.96*0.67)^2/(0.075)^2 = **307**

DATA ANALYSIS

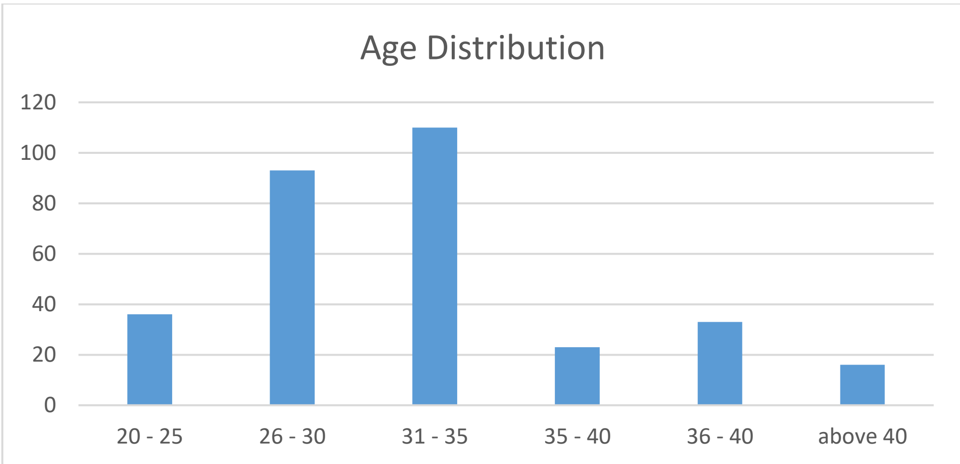
Exploratory Research:

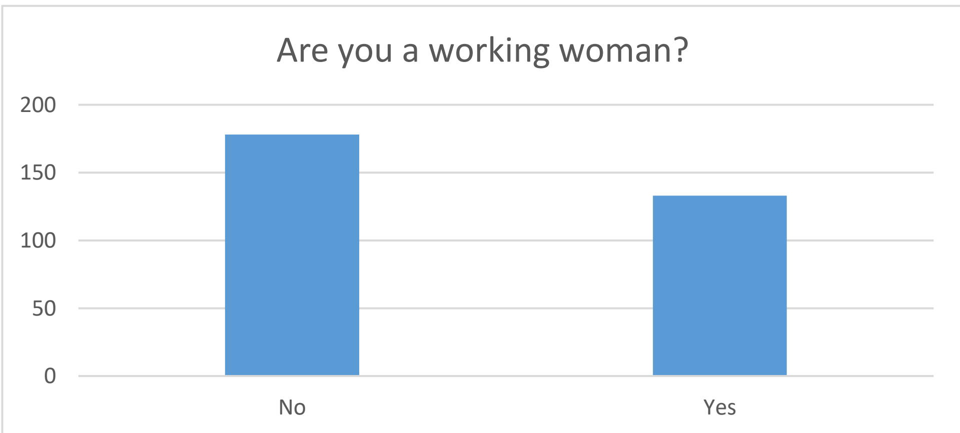
A pilot survey was conducted with 33 respondents to find the major attributes of products that customers look for while purchasing breakfast cereals. We started with 14 variables (attributes) that were taken from secondary research, and the results from the survey showed that price, health benefits, quality, brand name, taste, and packaging were the major attributes influencing the purchase intention of consumers.

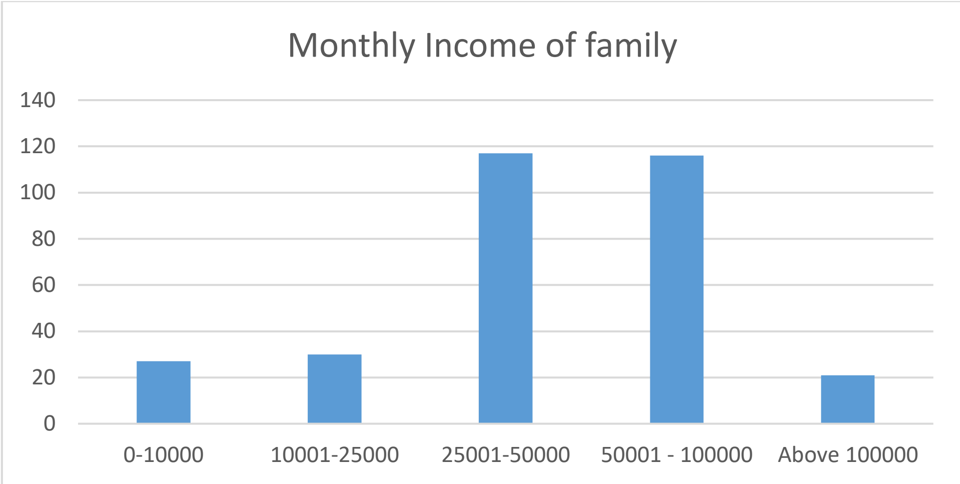
Descriptive Research:

Demographics:

1. The Questionnaire was filled by 311 respondents.
2. The age of the respondents is categorized in following categories i.e 20-25, 26-30, 31-35,36-40 and above 40 with majority of the respondents belongs to the age group of 31-35. This distinction would help us to know about the target age segment for Kellogg’s.
3. Majority of the respondents were having a monthly family income between 25000 and 100000 and majority of the respondents were not working women.







1. H0: Purchase frequency of Kellogg's is independent of income level of the customers.
   H1: Purchase frequency of Kellogg's is dependent of income level of the customers.

Cross Tabulation

How often do you prefer Kellogg's products? * Monthly Income of family Crosstabulation

			Monthly Income of family					
			0-10000	10001-25000	25001-50000	50001 - 100000	Above 100000	Total
How often do you prefer Kellogg's products?	1.0	Count	1	1	6	3	1	12
		% within Monthly Income of family	6.7%	4.5%	7.7%	3.8%	9.1%	5.9%
	2.0	Count	4	5	10	8	2	29
		% within Monthly Income of family	26.7%	22.7%	12.8%	10.1%	18.2%	14.1%
	3.0	Count	2	6	22	20	3	53
		% within Monthly Income of family	13.3%	27.3%	28.2%	25.3%	27.3%	25.9%
	4.0	Count	5	6	25	28	2	66
		% within Monthly Income of family	33.3%	27.3%	32.1%	35.4%	18.2%	32.2%
	5.0	Count	3	4	15	20	3	45
		% within Monthly Income of family	20.0%	18.2%	19.2%	25.3%	27.3%	22.0%
Total		Count	15	22	78	79	11	205
		% within Monthly Income of family	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.426[a]	16	.935
Likelihood Ratio	8.321	16	.939
N of Valid Cases	205		

Symmetric Measures[c]

		Value	Approximate Significance
Nominal by Nominal	Phi	.203	.935
	Cramer's V	.101	.935
	Contingency Coefficient	.199	.935
N of Valid Cases		205	

- Since the significance level of 0.935 is greater than the set significance level of 0.05, we fail to reject null hypothesis. We get this value from contingency coefficient measure. This means that the purchase frequency of Kellogg's is independent of family income of customers.

2. H0: Purchase frequency of Kellogg's is independent of age of the customers.

   H1: Purchase frequency of Kellogg's is dependent of age of the customers.

How often do you prefer Kellogg's products? * Age Crosstabulation

			Age						
			20 - 25	26 - 30	31 - 35	35 - 40	36 - 40	above 40	Total
How often do you prefer Kellogg's products?	1.0	Count	2	3	5	0	1	1	12
		% within Age	7.1%	4.2%	7.8%	0.0%	3.0%	25.0%	5.9%
	2.0	Count	11	5	5	1	7	0	29
		% within Age	39.3%	7.0%	7.8%	20.0%	21.2%	0.0%	14.1%
	3.0	Count	6	18	16	1	11	1	53
		% within Age	21.4%	25.4%	25.0%	20.0%	33.3%	25.0%	25.9%
	4.0	Count	5	28	21	3	7	2	66
		% within Age	17.9%	39.4%	32.8%	60.0%	21.2%	50.0%	32.2%
	5.0	Count	4	17	17	0	7	0	45
		% within Age	14.3%	23.9%	26.6%	0.0%	21.2%	0.0%	22.0%
Total		Count	28	71	64	5	33	4	205
		% within Age	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.059[a]	20	.033
Likelihood Ratio	31.654	20	.047
N of Valid Cases	205		

Symmetric Measures[c]

		Value	Approximate Significance
Nominal by Nominal	Phi	.402	.033
	Cramer's V	.201	.033
	Contingency Coefficient	.373	.033
N of Valid Cases		205	

- Since the significance level of 0.033 is less than the set significance level of 0.05, the null hypothesis is rejected. We get this value from Cramer's V measure. This means that the purchase frequency of Kellogg's is dependent on age of customers.

3. H0: Purchase frequency of Kellogg's is independent of working status of women in the family.

H1: Purchase frequency of Kellogg's is dependent of working status of women in the family.

How often do you prefer Kellogg's products? * Are you a working woman? Crosstabulation

			Are you a working woman?		
			No	Yes	Total
How often do you prefer Kellogg's products?	1.0	Count	3	9	12
		% within Are you a working woman?	2.8%	9.2%	5.9%
	2.0	Count	21	8	29
		% within Are you a working woman?	19.6%	8.2%	14.1%
	3.0	Count	33	20	53
		% within Are you a working woman?	30.8%	20.4%	25.9%
	4.0	Count	28	38	66
		% within Are you a working woman?	26.2%	38.8%	32.2%
	5.0	Count	22	23	45
		% within Are you a working woman?	20.6%	23.5%	22.0%
Total		Count	107	98	205
		% within Are you a working woman?	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.184[a]	4	.010
Likelihood Ratio	13.549	4	.009
N of Valid Cases	205		

Symmetric Measures[c]

		Value	Approximate Significance
Nominal by Nominal	Phi	.254	.010
	Cramer's V	.254	.010
	Contingency Coefficient	.246	.010
N of Valid Cases		205	

- Since the significance level of 0.010 is less than the set significance level of 0.05, the null hypothesis is rejected. We get this value from Cramer's V measure. This means that the purchase frequency of Kellogg's is dependent on working status of women in the family.

Correlation and Regression

To study the major factors of Kellogg's which influences the purchase decision of the customer, we have done correlation and regression which gives the degree of significance and strength of association between the attributes of Kellogg's and purchase frequency of the customer.

From the table we can see that positive correlation exists between Purchase frequency and the following attributes:

- Taste
- Brand name
- Quality
- Packaging

And Purchase frequency has negative correlation with:

- Price
- Health Benefits

The following are the set of hypotheses for correlation:

1. H0: There is no association between purchase frequency and Taste
2. H0: There is no association between purchase frequency and Brand Name
3. H0: There is no association between purchase frequency and Quality
4. H0: There is no association between purchase frequency and Packaging
5. H0: There is no association between purchase frequency and Health Benefits
6. H0: There is no association between purchase frequency and Price

		Health Benefits	Price	Taste	Packaging	Brand name	Quality	How often do you prefer Kellogg's products?
Health Benefits	Pearson Correlation	1	.089	-.016	-.118	-.064	-.073	-.060
	Sig. (2-tailed)		.206	.819	.091	.359	.297	.393
	N	205	205	205	205	205	205	205
Price	Pearson Correlation	.089	1	-.025	.015	.039	-.039	-.034
	Sig. (2-tailed)	.206		.718	.830	.579	.575	.629
	N	205	205	205	205	205	205	205
Taste	Pearson Correlation	-.016	-.025	1	.687**	.712**	.708**	.724**
	Sig. (2-tailed)	.819	.718		.000	.000	.000	.000
	N	205	205	205	205	205	205	205
Packaging	Pearson Correlation	-.118	.015	.687**	1	.682**	.620**	.773**
	Sig. (2-tailed)	.091	.830	.000		.000	.000	.000
	N	205	205	205	205	205	205	205
Brand name	Pearson Correlation	-.064	.039	.712**	.682**	1	.697**	.720**
	Sig. (2-tailed)	.359	.579	.000	.000		.000	.000

	N	205	205	205	205	205	205	205
Quality	Pearson Correlation	-.073	-.039	.708**	.620**	.697**	1	.756**
	Sig. (2-tailed)	.297	.575	.000	.000	.000		.000
	N	205	205	205	205	205	205	205
How often do you prefer Kellogg's products?	Pearson Correlation	-.060	-.034	.724**	.773**	.720**	.756**	1
	Sig. (2-tailed)	.393	.629	.000	.000	.000	.000	
	N	205	205	205	205	205	205	205

From the table, we can see the significance level of price and health benefits are greater than 0.05. This means we fail to reject Null hypothesis i.e. there is no association of purchase frequency with Price and Health Benefits.

Since the value of correlation coefficient is greater than 0.5 between purchase frequency with Taste, Packaging, Quality and Brand Name, it means they are strongly correlated.

Regression

1. How good is the model?

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	201.040	6	33.507	94.494	.000[b]
	Residual	70.209	198	.355		
	Total	271.249	204			

The significance level is less than 0.05. This means the model is statistically significant.

2. Value of R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861[a]	.741	.733	.5955

R Square value of .741 signifies that how much of the total variation in purchase frequency can be explained by the independent variables.

Significant Predictors

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	95.0% Confidence Interval for B Lower Bound	95.0% Confidence Interval for B Upper Bound
1	(Constant)	-1.109	.375		-2.961	.003	-1.848	-.370
	Health Benefits	.041	.062	.024	.665	.507	-.080	.162
	Price	-.040	.047	-.031	-.860	.391	-.132	.052
	Taste	.156	.077	.121	2.010	.046	.003	.309
	Packaging	.472	.065	.395	7.237	.000	.343	.601
	Brand name	.175	.075	.138	2.335	.021	.027	.322
	Quaity	.401	.068	.330	5.857	.000	.266	.536

a. Dependent Variable: How often do you prefer Kellogg's products?

The significance level of Taste, Packaging, Brand name and Quality is less than 0.05. So, these are the significant predictors of purchase frequency.

3. Estimate the dependent variable:

$Y = a+b_1X_1+b_2X_2+b_3X_3+b_4X_4$

$Y = -1.109 + 0.156\, X_{Taste}+0.472X_{Packaging}+0.175X_{Brand\ Name}+0.401X_{Quality}$

Broad Shifts in Future

Based on the information collected from Depth Interview of 6 participants, Responses from the questionnaire and secondary research, we can see the broad shift in breakfast cereals industry as follows:

- Most of the people nowadays are ready to have breakfast cereals even though the women in the house are not working.
- People are moving towards the combination of western style food with Indian flavor. One example if this is McDonald's McDosa which is combination of Burger with Indian dish Dosa has become a hit among people.
- **Convenience** is overtaking all the other attributes. We are already seeing this happening with dosa that is both labour-intensive and time-consuming to make from scratch. Focusing on consumers' need for convenience, brands have started launching ready-made dosa batter that comes in different formats. Similarly, breakfast cereals provide the highest convenience to the consumers. Such an evolution of a category has the advantages of ensuring choice, immediate consumption and easy availability of a product not native to a region.
- People are moving towards combination of taste with health benefits. This is indicated by the fact that sales of Muesli increasing from 11% in 2012 to 19% in 2015.

- People are also moving towards Breakfast bars which people can have while they are travelling in train or bus also. Also, People are preferring Gluten free cereals i.e. fiber rich and excess protein free.

Managerial Implications

- The companies in the breakfast market should design products which allows people to cook their breakfast conveniently. Therefore, they must focus on developing and marketing ‘Ready to cook’ products than ‘Ready to eat’ products.
- The market share of Kellogg’s has fallen from 54% to 47% in Ready to Eat cereals market. The focus is shifting from cornflakes to Muesli in this category. The volume sales of the hot cereals segment doubled between 2012 and 2015 overtaking cold cereals. Kellogg’s is not having a strong hold on Oats category. So, Kellogg’s should be focusing more on Muesli and Oats variety of it.

Findings and Recommendations

- From the Regression analysis, we have found that People do not associate Health with Kellogg’s. Also, from the survey we can see that Health benefits deficiency in Kellogg’s is seen as the most important factor by people who are not consuming it. So, Kellogg’s should position themselves as Health-oriented brand.
- Kellogg’s has many health-oriented products like COCO pops, Snack Bar, Froot Loops, Special K, etc. From the Depth interview conducted and the survey, we found that many people were not even aware of these products. Kellogg’s should be focusing on promotion of these products.
- People have still not shifted from traditional breakfast, so Kellogg’s should introduce Indian flavors in their products.

Limitations

All the necessary precautions were taken while conducting survey and in drawing meaningful inferences based on the data gathered through analysis. Although extreme care was taken to the best of our knowledge, some findings may not be that accurate.

1. The one of the signified limitation is the inclusion of those individuals involved who had little knowledge about the Breakfast Cereals industry or its attributes.

2. The sample size selected for the survey was small as compared to large population which may make it unrepresentative.

3. Another limitation of this research is the limited amount of time in which the collection of data and report analysis is to be done.

Annexure

Questionnaire

Survey on Breakfast Cereals

We are conducting a survey on Indian Breakfast Cereal industry. Kindly give a few minutes of your valuable time and help us out by taking this survey.

* Required

Do you prefer Ready-to-eat (Instantly cooked) cereal breakfast? * *Mark only one oval.*

Yes *Skip to question 4.*

No *Skip to question 2.*

For those who do not consume ready to eat cereals breakfast

Kindly fill if you do not consume ready to eat cereals like corn flakes, oats, muesli, etc.

2. What kind of breakfast do you prefer? *
Mark only one oval.

Traditional Breakfast(Home cooked)

Ready made(noodles, upma, poha, etc)

Other:

3. What are the reasons for not consuming ready to eat cereals? *
Check all that apply.

- [ ] Price
- [ ] Taste
- [ ] Knowledge
- [ ] Health
- [ ] Convenience
- [ ] Other: ____________________

Skip to question 20.

For those who consume ready to eat cereals

4. What do you prefer in Ready-to-eat category? *
Check all that apply.

- [ ] Corn flakes
- [ ] Oats
- [ ] Muesli
- [ ] Other: ____________________

5. Who all in your family have Ready-to-eat breakfast? *
Check all that apply.

- [ ] Children
- [ ] Husband
- [ ] Yourself
- [ ] Other: ______________

While purchasing Breakfast cereal, rate the following attributes from 1 to 5

1 - Least Important

5 - Most Important

6. Health Benefits *
Mark only one oval.

	1	2	3	4	5	
Least Important	⬭	⬭	⬭	⬭	⬭	Most Important

7. Price *
Mark only one oval.

	1	2	3	4	5	
Least Important	⬭	⬭	⬭	⬭	⬭	Most Important

8. Taste *
Mark only one oval.

	1	2	3	4	5	
Least Important						Most Important

9. Packaging *

Mark only one oval.

	1	2	3	4	5	
Least Important						Most Important

10. Brand name * *Mark only one oval.*

	1	2	3	4	5	
Least Important						Most Important

11. Quality *

Mark only one oval.

	1	2	3	4	5	
Least Important	⬭	⬭	⬭	⬭	⬭	Most Important

How often do you prefer Kellogg's products?

Rate 5 if you consume daily, 4 if you consume 3 - 5 times a week, 3 if you consume 1 - 2 times a week, 2 if you consume less than once every week, 5 if you never consume Kellogg's products

12. Frequency of consumption *

Mark only one oval.

	1	2	3	4	5	
Daily	⬭	⬭	⬭	⬭	⬭	Never

Kellogg's

13. Who all in your household consume Kellogg's product? *

Check all that apply.

- [ ] Yourself
- [ ] Husband
- [ ] Kids
- [ ] Parents (of you / your husband)
- [ ] Other: ____________

14. How do you rate Kellogg's products in terms of price? *

Mark only one oval.

- Expensive
- Cheap
- Average
- No Preference

15. Which product ranges would you consider Kelloggs to be best known for? *

Mark only one oval per row.

	1	2	3	4	5	6	7
Cornflakes							
Chocos							
Oats							
Muesli							
Special K							
Honey Loops							
Oat-bites							

16. Are you satisfied with the product range Kellogg's is currently offering? *
Mark only one oval.

- Yes *Skip to question 20.*
- No *Skip to question 17.*

New Suggestions

17. Any suggestions for new products/flavours? *

Skip to question 20.

For those who do not Consume Kellogg's

18. Which brand do you prefer for breakfast cereals? * *Mark only one oval.*

- Quaker
- Saffola
- Baggry's
- Patanjali
- Other:

19. What is the reason for not choosing Kellogg's? * *Check all that apply.*

- [ ] Health
- [ ] Price
- [ ] Quality
- [ ] Taste
- [ ] Packaging
- [ ] Other: ____________

Demographics

20. Age *

Mark only one oval.

- ( ) 20 - 25
- ( ) 26 - 30
- ( ) 31 - 35
- ( ) 35 - 40
- ( ) above 40

21. Are you a working woman?

* *Mark only one oval.*

- Yes
- No

22. Monthly Income of family

* *Mark only one oval.*

- 0-10000
- 10001-25000
- 25001-50000
- 50001 - 100000
- Above 100000
