

POP-TARTS FOR JAPANESE MARKET

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INTO THE JAPANESE MARKET

- Kellogg's Pop Tarts
 - Plan to introduce through strategic alliance with ÆON
 - ÆON is the largest retailer in Asia

KELLOGG'S

- Kellogg started in 1906 with Corn Flakes.
- Released original unfrosted Pop Tart in 1964 to compete with Post Cereal Company.
- Frosted Pop Tart created in 1967
 - 28 different varieties of Pop Tarts currently
 - Sold in nine different countries around the world
 - Kellogg sells about two billion Pop Tarts each year just in the US.

JAPAN

- Japan has a population of over 126 million people, with 99% of the population speaking Japanese fluently. The largest age group is 25-54 year olds at 37.68%.

COMPETITION

- **When marketed in breakfast area**
 1. Pillsbury Toaster Strudels
 2. Traditional Breakfast Meals
 3. Local Bakery

RETAILERS TO SELL THROUGH

➤ Strategic Alliance

ÆON: include stock for exhibit

Walmart

SWOT

➤ Strength

Japan has **good supply chain management**

Kellogg's has current global experience--**UK, France, Egypt, Canada, Mexico, Australia, Korea**, etc.

Also experience with global business ventures such as the joint venture with Tolaram Africa

➤ Weakness

Price reductions have caused a recent **decline in sales**

Volume sales have also declined due to no longer delivering directly to **retail stores (DSD)**

Can **negatively impact** the company if they can't keep costs down

➤ Opportunity

In 2005, **Seiyu** (a large supermarket chain in Japan) became a wholly owned subsidiary of Walmart

Walmart accounted for **20%** of Kellogg's net sales in 2016

By partnering with **Walmart, Kellogg's** would have a better chance of reaching Japanese consumers with **Pop Tarts**

➤ Threat

Project K, Kellogg's **global efficiency** and **effectiveness program**, presents many risks if they are unable to anticipate the savings from the program

Could lose money if costs/savings is not what was expected

Can result in **financial** or **strategic delays**

MISSION STATEMENTS:

“At Kellogg, we're always trying to look for ways to brighten your future, from better-for-you ingredients to labels that encourage a healthier tomorrow. That's why we're on a constant journey to improve the nutrition of our foods — without forgetting the things that you love most about us: taste and goodness.” - Kellogg's ([Source](#))

“The Pop-Tarts® brand believes in sprinkling, frosting and filling the lives of families with everyday fun” - Kellogg's Company ([Source](#))



ENTRY MODE: STRATEGIC ALLIANCE

❖ GDP : 4.383 Trillion (2015)

❖ Population : 126 trillion (2015)

❖ Numbers of males for each female : 0.95 (there are .95 males for everyone 1 female) (more females than males)

THE FOLLOWING LIST LOOKS AT THE TOP 6 SOCIAL NETWORKS IN JAPAN:

1. Mixi (25million) Mixi, which launched in February 2004, is the biggest social networking site in Japan. ...
2. Facebook (16 million) ...
3. Gree (29 million) ...
4. Mobage 40 million. ...
5. Twitter (30 million) ...
6. LINE (36 million)

People do spend a lot of time working

Many Ports : <http://www.worldportsource.com/ports/JPN.php>

VERY GOOD INFRASTRUCTURE, WITH MAJOR ROADS AND TRAINS

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- Sweet options to breakfast meals
- Pop-Tarts bars, less sweet, cultural based flavors (Green Tea, Lavender)
- Pop-Tarts should cost less than standard pastries
- Will work with Aeon to create a discount and proper promotion strategy

SOURCES

- <http://data.worldbank.org/country/japan>
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- <http://www.studycountry.com/guide/JP-language.htm> (language usage)
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