



2020



4P REPORT

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EXECUTIVE SUMMARY



SITUATION

Kashi is going to introduce their newly branded breakfast cereal GO Original to three new international markets in the United Kingdom, Russia, and Brazil. Each country values different key attributes of cereal, and those key attributes are evaluated by factors of cultural considerations and the country's target segment. In order to penetrate these foreign markets a 4P analysis will be performed for each country.

UNITED KINGDOM

The target segment in the United Kingdom (UK), values natural and simple ingredients in their ready to eat (RTE) breakfast cereal. In the UK target segment there is a trend for plant-based, healthier on the go breakfasts. For this reason, Kashi will focus on enhancing GO Original to reduce sugar content and market aggressively a newly enhanced to-go packaging of GO Original. If Kashi can achieve this, they will meet points of parity and gain advantage over their brand competitors, Weetabix, Jordan's Crunchy, and Shreddies. Kashi will use a premium price strategy when entering the UK market. Kashi will price GO Original at £2.40 for 371 grams per box. If GO Original can gain at least 1% of the market share, Kashi could make an estimated £19,620,000 in revenue and £3,335,400 in profit, which would mean GO Original would need to sell 8,338,500 boxes. Kashi will place GO Original in the biggest grocery and convenience stores in the UK, one being TESCO. Kashi will promote GO Original at a vegan festival, in TESCOs, and their convenience stores, along with placing advertisements in the Tube.

RUSSIA

GO Original will serve the Russian health conscious consumer who wants to save time with a RTE cereal as opposed to hot cereal. The target segment in Russia will rely heavily on the Kashi's advantage of having cereal that is high in protein. GO Original will see small product change due to the large advantage they have over their competitors, Axa, Nestlé Gold, Nestlé Fitness and Ogo!, in the target segments most valued product key attributes. Kashi will use a penetration pricing strategy at first when entering the Russian market, but will transition to a premium pricing strategy, once enough market share is secured. Kashi will price GO Original at RUB 220.63 for 371 grams per box. If GO Original can gain at least 2% of the market share, Kashi could make an estimated RUB 1,479,414,000 in revenue and RUB 251,500,380 in profit, which would mean GO Original would need to sell 6,705,407 boxes. Kashi will place GO Original with the largest independent grocer, Magnit, and the larger grocer parent company, X5 Retail Group. Kashi will promote GO Original on the Russian social network, VK, partner with stores loyalty programs, and give coupons at gyms.

BRAZIL

GO Original will target Brazillians who are seeking more natural breakfast cereals. These consumers want products that are less processed, have low or no sugar, and that contain natural ingredients. Brazilian consumers perceive products with regional ingredients to be healthier. Kashi will focus on millenials that are exploring more plant based and vegan options. To align with the segments most valued attributes, GO Original will modify their recipe by using regional ingredients and reducing sugar. Doing so GO Original can compete with competitors such as Nestlé Cornflakes, Moça Flakes, Kobber, and Crunch. Kashi will use a premium price strategy when entering the UK market. Kashi will price GO Original at RUB R\$15.27 for 371 grams per box. If GO Original can gain at least 1% of the market share, Kashi could make an estimated R\$20,989,000 in revenue and R\$3,568,130 in profit, which would mean GO Original would need to sell 1,375,525 boxes. Kashi will be distributed in main grocery supermarkets/hypermarkets. Kashi will promote GO Original by providing free samples at grocery stores, attending regional farmers markets, and participating in a vegan festival.

CONCLUSION

The UK, Russia, and Brazil are all three promising locations where Kashi GO Original could succeed. By leveraging the specific buying behavior and cultural trends of each country, Kashi could modify and tailor their product to help better serve the target segment for each country. Kashi could build a competitive advantage over competitors and penetrate the market share for RTE breakfast cereals.

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Kashi

GO

**KASHI IS GOING TO PENETRATE
THREE FOREIGN COUNTRIES AND
INTRODUCE THEIR NEW CEREAL
GO ORIGINAL.**



**UNITED
KINGDOM**



RUSSIA



BRAZIL

INTRODUCTION

In the 1980's a couple created Kashi, a company which focuses primarily on ready-to-eat, plant-based cereal. Kashi's original commitment to protein, good health, athleticism and wholesome nutrition still stands in their mission statement today ("Our Mission"). Kashi was later purchased by Kellogg Co. in 2000 (Garrison, Robert). In a continued effort to giving the most wholesome and natural products, Kashi removed all GMO's from existing products in 2014 and continues to innovate and seek opportunities to make their breakfast cereal more natural and plant based (Nassauer, Sarah).

Kashi GO will be the main product focused on for the 4P analysis. The product line recently rebranded from GOLEAN to Kashi Go in May 2019 (Kashi Company). The Kashi GO product line offers nine different flavors of ready-to-eat cereal and three flavors of protein bars. The original Kashi GO will be the specific product focused on for this 4P analysis. Kashi GO Original is a sweetened mix of crunchy fiber twigs, crispy soy protein grahams, and honey-toasted whole grain puffs. It is a mix of healthy substances that satisfy 46% of daily fiber and 17% of daily protein needs. The product also has 12g of protein and 13g of fiber. ("Kashi GO® Original"). A 13.1 oz box of Kashi GO is sold at \$2.99 in the United States ("Kashi Go Original Breakfast Cereal"). The product focuses on providing consumers a healthy breakfast cereal made with wholesome ingredients. Kashi products are plant-based and organic, receiving ingredients from organic US farmland. Kashi differentiates their breakfast cereals in America with wholesome ingredients that are not artificial.

UNITED KINGDOM

COUNTRY DETAILS

DEMOGRAPHICS

The United Kingdom is defined as a developed economy by 2020 World Economic Situations and Prospects report by the United Nations ("World Economic Situation and Prospects"). As of 2018, the United Kingdom has a population of 66.4 million people. Of that total population, 49.36% are male and 50.64% are female ("World Economic Outlook Database"). The average salary income is £30,350 for full-time employed in the UK ("United Kingdom Labour Force").

MARKET SIZE

In 2019 there were a total of £1,914 million of sales for breakfast cereal and a forecasted sales of £1,964.5 million for the year 2020. Y-O-Y retail value RSP growth is expected to make an increase from 0.6% in 2019 to 2.7% in 2020 ("Breakfast Cereals in the United Kingdom").

CULTURAL CONSIDERATIONS

In 2018 the UK government created a "sugar tax" to help promote healthiness among their citizens, which in turn has increased the demand for natural food products ("Consumer Overview in the United Kingdom"). People in the UK, and more specifically millennials, have taken an interest in nutrition and the quality of their food. As a result there has been a larger demand for more natural products with minimal ingredients, superfoods, and gluten-free ("Breakfast Cereals in the United Kingdom"). Public Health England has created a deadline of 2020 to cut the sugar content in breakfast cereals by 40%. This mainly has affected children's breakfast cereal but healthier options of cereal have also been required to cut any existing sugar in their cereal. Another rising trend within the UK is demand for on-the-go breakfast. ("Breakfast Cereals in the United Kingdom").

BUYING BEHAVIOR

In The United Kingdom, 60% of the population will go grocery shopping at least once a month ("Consumer Behaviour in the United Kingdom"). Over 40% of UK consumers expect to be healthier in the future. With the upward trend of eating more natural, 32% of UK citizens closely read the label when shopping, which was a 10% increase from 2015 ("Consumer Overview in the United Kingdom").

TARGET SEGMENT

GO Original is a product that serves many people in the United Kingdom. Kashi targets anyone over the age of 20 years. Over 70% of people over the age of 20 go grocery shopping at least once a month (“Consumer Behaviour in the United Kingdom”). Following current health trends in the UK, Kashi will target individuals with diets such as plant-based, flexitarians, vegetarians, and vegans (“Consumer Overview in the United Kingdom”).

PRODUCT

The key attributes of GO Original for consumers is that the product is plant based, made with natural ingredients, non-GMO certified, and offers a portable version, with a high amount of protein. The three brands competitors of GO Original in the UK are Weetabix, Jordan’s Crunchy, and Shreddies. These brands share the same key attributes, while the differentiating attribute between them and GO Original is the lesser amount of fiber Kashi Go contains. The competitive advantage and point of difference for Kashi GO Original is their claim of plant-based and high amount of plant fiber included. Shreddies and Kashi GO Original are the only two cereals to offer portable options. The main advantage that Kashi GO Original has over all it’s competitors is a cereal that has a high source of natural protein. This proves advantageous for Kashi because of the increasing health awareness trend in the UK (“Consumer Overview in the United Kingdom”).

In order for Kashi GO Original to be successful in the UK it would be to its advantage to lower the sugar content in their cereal from 9 grams to 2-3 grams and increase the amount of fiber by a few more grams to be at parity with its competitors. In order to be at a point of parity with Shreddies, Kashi will need to add an attached side of milk to their portable cup. With these two adjustments Kashi will gain a competitive advantage.

Attribute	Weetabix	Jordans Crunchy	Shreddies Original	Kashi GO Original
Plant-Based	●	●	●	●
Vegetarian/Vegan	●	●	●	●
Non-GMO Certified	●	●	●	●
High in Protein	●	●	●	●
Whole Grain	●	●	●	●
Low in Sugar	●	●	●	●
Portable Option	●	●	●	●
Fiber	●	●	●	●

PRICE

If Kashi were going to price their product the same as in the United States, GO Original would be £2.40 and would have around 371 grams per box. There are no specific details on how much it costs to produce a box of GO Original cereal, but according to UBS Warburg the average cereal will deliver a 17% profit margin (“The Scoop on Cereals”).

Kashi currently has the lowest purchasing price compared to its competitors, but it contains less grams of the cereal, ultimately making it the most expensive option due to the price per gram of cereal. Kashi would be implementing a premium pricing strategy. In order for GO Original to compete with its competitors, Kashi will enter the UK market with it’s existing price and weight. By entering the market with it’s same price and weight, Kashi will adopt a premium pricing strategy, where Kashi will price the product at £2.40 for 371 grams. Since the purchase of cereal is low involvement, and the pricing of cereal is low to begin with, a premium pricing strategy of Kashi for a box of cereal with less grams of cereal will not seem unreasonable for a consumer. If GO Original can gain at least 1% of the market share, it could make an estimated £19,620,000 in revenue and £3,335,400 in profit, which would mean GO Original would need to sell 8,338,500 boxes of GO Original.

Brand	Price	Profit per Box	Pack Size	Gram per £
Weetabix	£5.68	£0.97	1350 g	237.68 g
Jordans Crunchy	£3.00	£0.51	850 g	283.33 g
Shreddies Original	£2.44	£0.41	500 g	204.92 g
Kashi GO Original	£2.40	£0.40	371 g	154.58 g

PLACEMENT

GO Original targets people who are looking to improve their health by switching from a shredded wheat cereal to a whole wheat based cereal. Within the customer segment, there are Millennials who want an on-the-go breakfast without sacrificing nutrients. As mentioned above, at least 70% of the UK population over the age of 20+ goes to the grocery store once a month. 87.7% of the UK consumers purchase their breakfast cereals from modern grocery retailers. Of this 87.7%, 69.7% of these consumers purchase their breakfast cereals specifically from the hypermarkets and supermarkets. 10.8% of these consumers who shop at modern grocery retailers purchase their groceries at convenience stores.

GO Original would be sold in supermarkets and hypermarkets that have the most total expenditure in grocery stores mainly including stores. This includes stores such as Tesco, Sainsbury's, Asda, Morrisons, and Aldi which account for 78% of all supermarket/hypermarket sales in the United Kingdom ("Inflation Continues as 'Free from' Booms"). Kashi would sell the boxed version of GO Original at convenience stores as well, along with the to-go version with a carton of milk and spoon on the side. Kashi would be sold specifically at the CO-OP, Circle K, Esso, BP, Maxol, Star, Food Store, Applegreen, Sheel, Sainsbury's, Texaco, ASDA, and Tesco which accounts for £9,344 million in average annual revenue ("Market Review 2020").

PROMOTION

VEGFEST

Our target segment is focused on vegetarian and vegan friendly products. Kashi would participate and have a booth in "VegFest", which is a vegan festival celebrating and exploring vegan products. In the United Kingdom VegFest is held in the cities of London, Bristol, and Brighton ("Vegan Festivals Directory: Top Events Worldwide"). At their booth Kashi would offer deals on GO Original and offer free tastings.

TESCO & CONVENIENCE STORES

Kashi would promote the to-go cups at the front of convenience stores. Kashi would place advertisements at the ends of the aisles so consumers would be given exposure to GO Original before entering the cereal aisle.



THE TUBE

They will place advertisements on the Tube with information of where the closest convenience store is located where a consumer could purchase the ready-to-go cup.



RUSSIA

COUNTRY DETAILS

DEMOGRAPHICS

The Russian Federation is defined as an “Economies in Transition” nation by 2020 World Economic Situations and Prospects report by the United Nations (“World Economic Situation and Prospects”). As of 2020 Russia has a population of 145.93 million people (“European Countries by Population (2020)”). Of the total population 47% are female and 53% are male (“Population, by Sex and Age”). Russians between the age of 35-44 are those who earn the highest incomes. (“Income and Expenditure: Russia”)

MARKET SIZE

In 2019 there were a total of RUB 67,886 million of sales for breakfast cereal and with a forecasted sales of RUB 73,090 million in the year 2020. Y-O-Y retail value RSP growth is expected to make a decrease from 8.3% in 2019 to 7.7% in 2020 (“Breakfast Cereals in Russia”).

CULTURAL CONSIDERATIONS

Life expectancy in Russia is low compared to the rest of the world, with men expecting to live to 60 and women to 68 year of age. The low life expectancy is due to factors such as Russia’s AIDS epidemic, high suicide rates, and strong drinking and smoking habits. Along with poor life expectancy, obesity rates are at 32% for men and 21% for women due to the intake of foods with high saturated fats and sodium. Due to the slow yet successful awareness of health and wellness, 40% of Russians actively monitor what they eat in order to maintain their weight, 50% of Russians closely look at the nutrition label while shopping for groceries and 60% of Russians exercise at least once a week (“Consumer Overview in Russia”). In Russia, hot cereals typically have the image of the healthier cereal, while ready-to-eat (RTE) cereals benefit from the image of convenience. With convenience and health both on the rise, there is a demand for more healthy RTE cereals that can compete with hot cereals (“Breakfast Cereal in Russia”). Traditionally cereals have been targeted towards women and children, but cereal companies are looking to target adults by saying RTE cereal will both save time and be a nutritious breakfast.

BUYING BEHAVIOR

Supermarkets can expect 52% of the Russian population to go to a store at least once a month (“Consumer Behaviour in Russia”). As many as 77% of consumers are a part of a grocery store's loyalty program in order to receive discounts on purchases (“Consumer Overview in Russia”).

TARGET SEGMENT

Kashi GO Original will target the health conscious consumer who wants to save time with a RTE cereal as opposed to hot cereal. The target segment in Russia will rely heavily on the Kashi’s advantage of having cereal that is high in protein. These consumers will most likely be above the age of 20 years.

PRODUCT

In Russia, the consumer seeking out a healthy breakfast cereal is not overwhelmed with whether the product is vegetarian, vegan, or plant based. The Russian consumer is concerned whether or not the breakfast cereal is easy and quick to consume, will help their bodies while exercising, promotes weight loss, and is a reasonable price. In Russia, Kashi’s closest competition is Nestlé Fitness. GO Original and Fitness have points of parity with healthy and convenient attributes. Kashi has an advantage over Fitness with having more protein in their cereal. Fitness has an advantage over GO Original who has a more reasonable price than what GO Original is currently priced at in the United States. In regards to the competitive gap, Kashi is ahead of the other Russian brands, Axa, Nestlé Gold, Nestlé Fitness and Ogo!

with their actual RTE breakfast cereal. Where the product currently stands, GO Original will meet the needs of the Russian target segment. The adjustments of the GO Original come with making sure Kashi advertises the key attributes of what a Russian consumer looks for in a RTE breakfast cereal. The biggest product adjustments will be the copy on the cereal box emphasizing the included protein and how it can help consumers reach their weight loss goals.

Attribute	Axa	Nestlé Gold	Nestlé Fitness	Ogo!	Kashi GO Original
High in Protein	●	●	●	●	●
Healthy	●	●	●	●	●
Convenient	●	●	●	●	●
Reasonable Price	●	●	●	●	●

PRICE

If Kashi were going to price their product the same as in the United States, GO Original would be RUB 220.63 and would be around 371 grams per box. As mentioned above the fixed assumption of profit margin will be 17% for all brands of cereal. If Kashi continues to use the same price and weight as in the United States it will be the most expensive out of all of their competitors, with more grams per box. The size and gram per ruble are similar enough, where it is not unreasonable for GO Original to be priced for that amount of weight. For one ruble, a consumer can get 1.68 grams of GO Original and 1.85 grams of Fitness. However, Kellogg's Kashi's parent company, has no presence in Russia. The best pricing strategy for Kashi would be a penetration strategy which would be ideal to secure some market share. Instead of lowering the price to be lower than all the competitors, Kashi would lower the price to be a little lower than Nestlé Fitness which is the biggest competition for GO Original. If the price of GO Original were to be under Nestlé Fitness it would go for around RUB 160.

After securing enough market share, Kashi could transition from a penetration strategy to a premium pricing strategy by increasing the price of GO Original back to the RUB 220 price. Due to the low competition and high demand for a RTE cereal to meet the needs of the Russians, GO Original could secure a 2% market share by the end of 2020. While selling GO Original at the RUB 220 price, Kashi could generate RUB 1,479,414,000 of revenue and RUB 251,500,380 in profit. In order to secure this revenue, Kashi would need to sell 6,705,407 boxes of GO Original.

Brand	Price	Profit per Box	Pack Size	Gram per Ruble
Axa	RUB 116.4	RUB 19.79	225 g	1.93 g
Nestlé Gold	RUB 134	RUB 22.78	330 g	2.46 g
Nestlé Fitness	RUB 162	RUB 27.54	300 g	1.85 g
Ogo!	RUB 90.79	RUB 15.43	350 g	3.86 g
Kashi GO Original	RUB 220.63	RUB 37.51	371 g	1.68 g

PLACEMENT

As mentioned above 52% of Russian will go grocery shopping at least once a month ("Consumer Behaviour in Russia"). The majority of the Russian population goes to modern grocery retailers to purchase RTE cereal, which 79% go shopping at supermarkets/hypermarkets. There are two specific groups of supermarkets that Kashi would want to work with and directly distribute GO Original to. The first is X5 Retail Group, which has a chain of five major grocery retail stores across Western Russia. In the year of 2019 the X5 Retail Group has generated RUB 1,734.5 billion, over 5.2 billion customers served, and over 16 thousand stores ("X5 Retail Group"). The second will be another supermarket called Magnit. In 2019 Magnit brought in a revenue of RUB 1,333 billion. Magnit covers most of Russia, including more of the eastern side (Вирченко, Ксения). Kashi will form a strategic partnership with X5 retail group and Magnit and will create deals for GO Original with the grocers loyalty programs which will be explained in greater detail below.

PROMOTION

VK

VK, VKontakte, is the most popular social media in Russia (Roth, Emma). Kashi will run a digital advertising campaign and use VK to advertise.

LOYALTY PROGRAMS

As mentioned above, 77% of consumers are a part of a grocery store's loyalty program in order to receive discounts on purchases (“Consumer Overview in Russia”). Kashi’s strategic partnerships with X5 Retail Stores and Magnit will have deals on GO Original.



COUPONS AT GYMS

Over 19% of Russians report that they use a gym regularly. At gyms Kashi will place coupons to try GO Original for free. These coupons will advertise the protein amount and the low sugar content.



BRAZIL

COUNTRY DETAILS

DEMOGRAPHICS

Brazil is defined as a “Developing Nation” by 2020 World Economic Situations and Prospects report by the United Nations (“World Economic Situation and Prospects”). As of 2018 Brazil has a population of 209.47 million people. Of the total population 51% are female and 49% are male (“Population, Total - Latin America & Caribbean.”). In 2018 the gross national income per capita was R\$47,528.91.

MARKET SHARE

In 2019 there were a total of R\$1,935 million of sales for breakfast cereal and with a forecasted sales of R\$2,098.9 million in the year 2020. Y-O-Y retail value RSP growth is expected to make an increase from 7.7% in 2019 to 8.5% in 2020 (“Breakfast Cereals in Brazil”).

CULTURAL CONSIDERATIONS

In 2019 the Brazilian population was classified as being 36% obese and overweight. Leading causes of Brazil’s obesity issue are frequent meals containing meat, beans, rice, pasta, cassava, fast food, and sweets. 35% of Brazillians claim they are on a diet to lose weight, of these 35%, 42% are millenials and 40% are Generation X. 48% of consumers read the nutrition labels closely to make healthier choices. Brazil has traditionally been a country with a high percentage of meat consumption, however the younger generation has become more environmentally and health conscious. 26%

of Brazilian millennials are trying to follow a plant based diet (“Consumer Overview in Brazil”). Brazil has also seen value growth of breakfast cereals that has been supported by increased consumer spending and introduction of more healthier breakfast cereals. With this growth has also emerged another trend of Brazilian consumers shifting away from highly processed and sugar laden breakfast cereals. Since consumers have been shifting towards more natural products, smaller breakfast cereal brands that use regional ingredients have been benefitting (“Breakfast Cereal in Brazil”).

BUYING BEHAVIOR

Supermarkets can expect 48% of the Brazilian population to go to a store at least once a month (“Consumer Behaviour in Brazil”). 70% of consumers find recommendations from family and friends to be influential when choosing products. Even though 62% of Brazilians are looking for a bargain, 45% prefer to buy fewer but higher quality products. When shopping in store, the ability to see and try a product before buying, 44%, and to purchase immediately, 40%, are the key motivational factors to purchasing (“Consumer Overview in Brazil”).

TARGET SEGMENT

Kashi GO Original will target Brazilians who are seeking more natural products for breakfast consumption. Both male and female above the age of 20+ years old will be included in the segment. These consumers are looking for products that are less processed, have low or no sugar, and made with natural ingredients in order to help them with their health goals. Consumers are more likely to align a product with natural ingredients if the ingredients were supplied regionally. Kashi will focus on the niche market of millennials that are exploring more plant based and vegan options, as this lifestyle continues to gain traction in Brazil.

PRODUCT

GO Original has many of the key attributes that meet the demands of the Brazilian target segment. The cereal is high in protein, is a healthy RTE breakfast cereal, low processed, and is plant based. In comparison to GO Original’s competitors, GO Original has an advantage over Nestlé Cornflakes, Moça Flakes, Kobber, and Crunch with being high in protein and low processed. The areas where GO Original has a disadvantage is being low in sugar and not being regionally produced. GO Original can look to improve by reducing the sugar content. Kashi would also need to attempt to get ingredients to their cereals from regional areas. If Kashi could implement these changes, it is important that they advertise this on their packaging.

Attribute	Nestlé Cornflakes	Moça Flakes	Kobber	Crunch	Kashi GO Original
High in Protein	●	●	●	●	●
Healthy	●	●	●	●	●
Low Sugar	●	●	●	●	●
Low Processed	●	●	●	●	●
Regionally Produced	●	●	●	●	●
Plant-Based	●	●	●	●	●

PRICE

If Kashi were going to price their product the same as in the United States, Kashi GO Original would be R\$15.27 and would be around 371 grams per box. Once again as previously the fixed assumption of profit margin will be 17% for all brands of cereal. Similar to the Russia, Kashi GO Original gives the lowest grams per Brazilian real compared to GO Original’s competitors. They however charge the second highest price, of R\$15.27, but the highest price that is offered is by Kobber at R\$17.75. It is important to note however, Kobber gives 1000 grams per box compared to GO Original’s 371 grams per box. Kobber gives 56.34 grams Brazilian real which gives the consumer the most value for their breakfast cereal. Since Kellogg’s has market share of existing brands in the Brazilian market, a focus on a premium pricing strategy would secure the most market share for GO Original. Again, as mentioned above purchasing RTE breakfast

cereal is a low involvement purchase, but GO Original will differentiate themselves by being a premium breakfast cereal that will speak to the target market who would be willing to pay more for a less processed, healthier RTE breakfast cereal. Kashi could generate R\$20,989,000 of revenue and R\$3,568,130 in profit. In order to secure this revenue, Kashi would need to sell 1,375,525 boxes of GO Original.

Brand	Price	Profit per Box	Pack Size	Gram per Ruble
Nestlé Cornflakes	R\$8.45	R\$1.44	240 g	28.40 g
Moça Flakes	R\$13.50	R\$2.30	330 g	24.44 g
Kobber	R\$17.75	R\$3.02	1000 g	56.34 g
Crunch	R\$11.74	R\$2.00	330 g	28.11 g
Kashi GO Original	R\$15.27	R\$2.60	371 g	24.30 g

PLACEMENT

As mentioned previously 48% of the Brazilian population will go to the supermarket at least once a month. Of the population that uses modern grocery retailers to purchase RTE breakfast cereal, 99% use supermarkets/hypermarkets. For this reason Kashi will distribute Kashi GO in the five leading supermarkets in Brazil, Carrefour Comércio e Indústria Ltda., Grupo Pão de Açúcar, Cencosud Brasil Comercial Ltda., Irmãos Muffato & Cia. Ltda., and SDB Comércio de Alimentos Ltda.

PROMOTION

IN GROCERY STORE SAMPLES

Due to Brazilian buying behavior that over 40% will more likely purchase a product if they can try or test the product out. With this knowledge Kashi will have a pop up stands in grocery stores for consumers to try a small portion of GO Original and then have the opportunity to purchase the box of cereal right then and there.



REGIONAL FARMER'S MARKETS

With the increasing trend of wanting regionally sourced foods, Kashi will find regional farmer markets where Kashi uses those specific regionally sourced ingredients to showcase to consumers that is not a normal RTE breakfast cereal and is not processed. Kashi will offer free tasting of GO Original.

VEGFEST

This promotion will be similar to the VegFest tactic that Kashi will participate in the UK. This will target the millennial group that have fully committed to a vegetarian and vegan lifestyle. The difference is that Kashi will focus on how Kashi used regional ingredients for their RTE cereal similar to the promotion of the regional farmer markets.

CONCLUSION

The UK, Russia, and Brazil are all three promising locations where Kashi GO Original could succeed. By leveraging the specific buying behavior and cultural trends of each country, Kashi could modify and tailor their product to help better serve the target segment for each country. Kashi could build a competitive advantage over competitors and penetrate the market share for RTE breakfast cereals.

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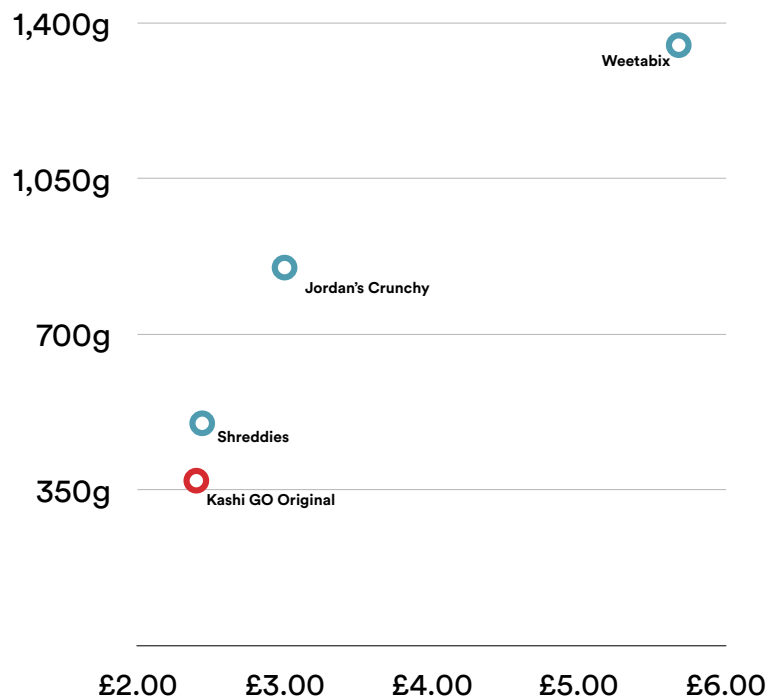
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APPENDIX

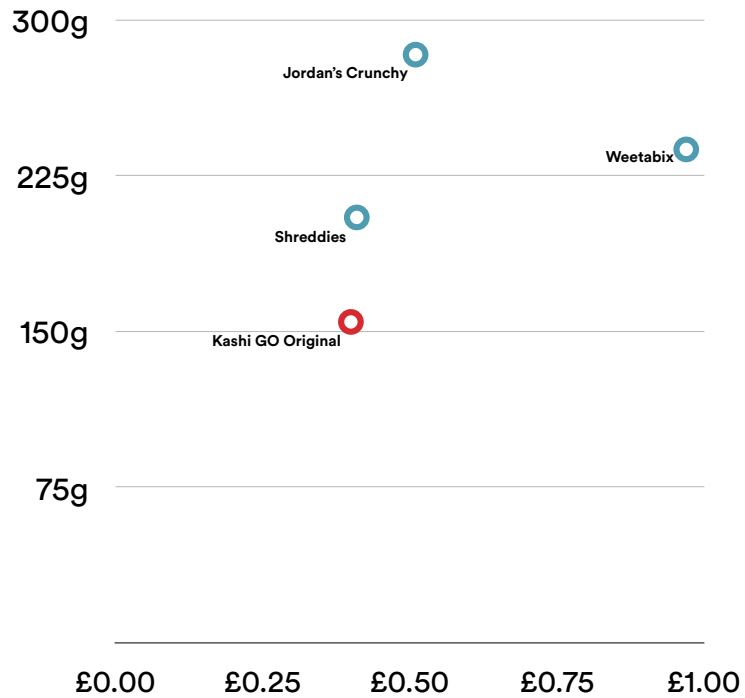
Price vs Brand Share - UK Breakfast Cereal



Price vs Pack Size - UK Breakfast Cereal

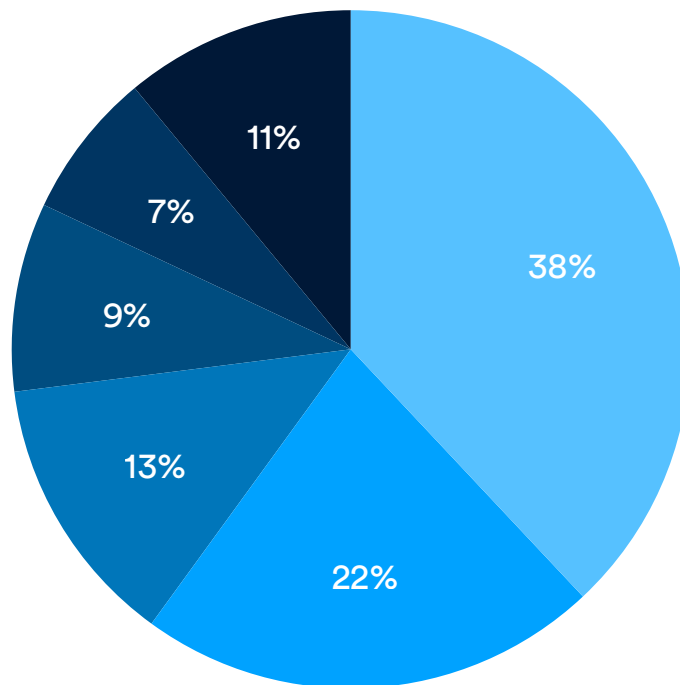


Profit per Box vs Gram per Pound - UK Breakfast Cereal



Shopping Frequency: Groceries and Household Essentials - UK

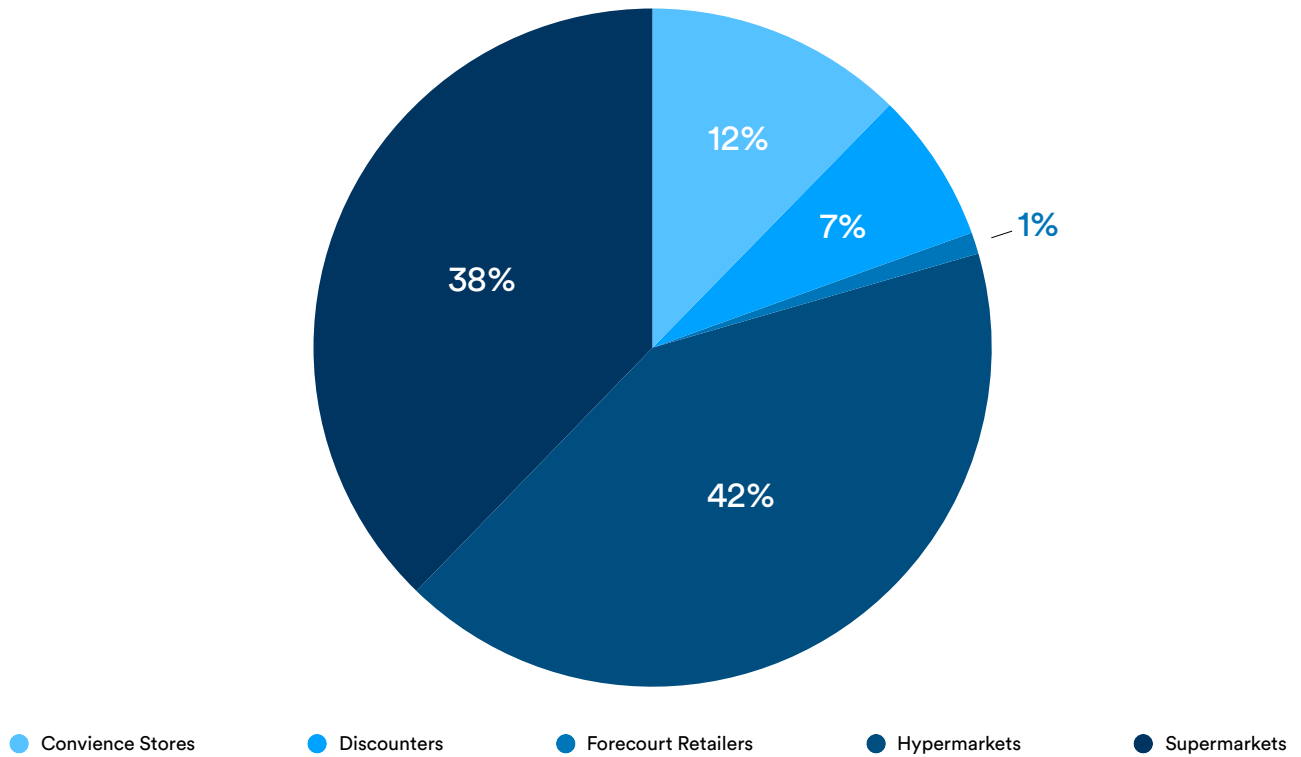
How often do you buy groceries and household essentials?



● At least weekly
 ● 1-3 times a month
 ● Once every few months
 ● 1-2 times a year
 ● Rarely
 ● Never

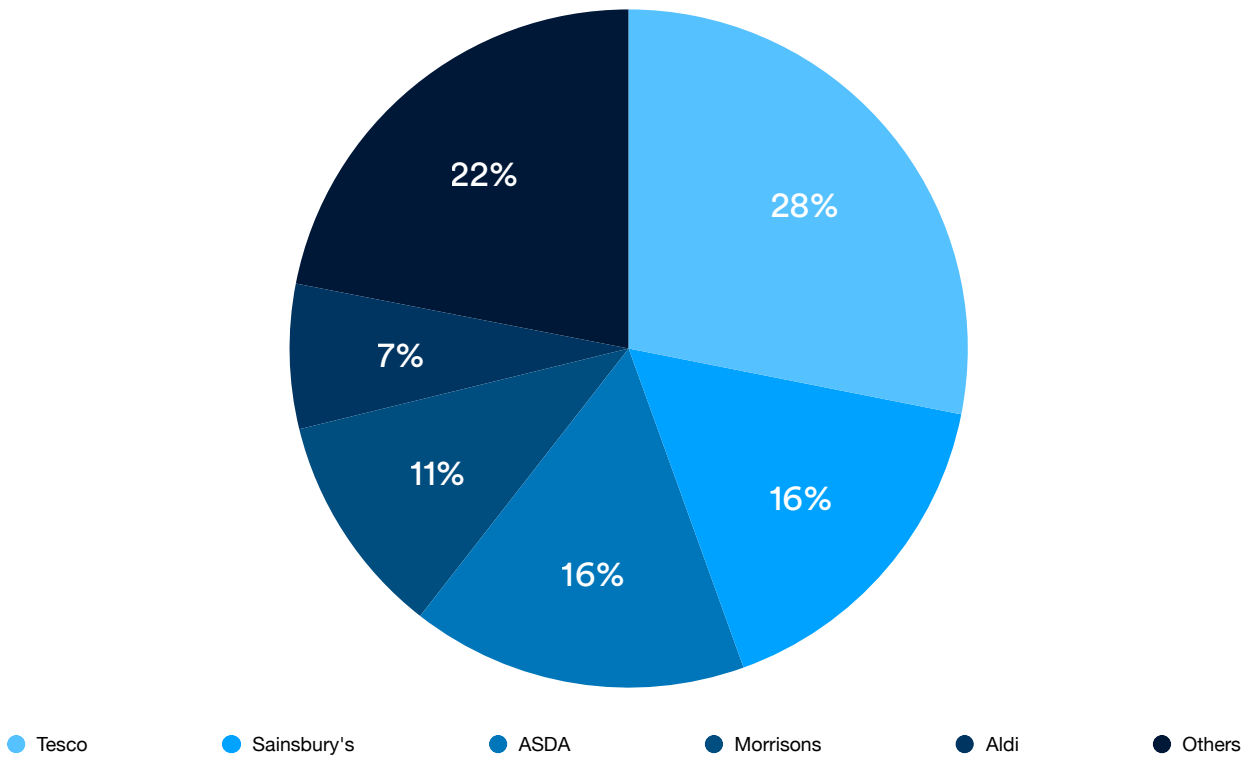
Channel Distribution for Breakfast Cereals - UK

Retail Value RSP 2019 and Percentage Point Growth - 2014-2019 - Modern Grocery Retailers Breakdown



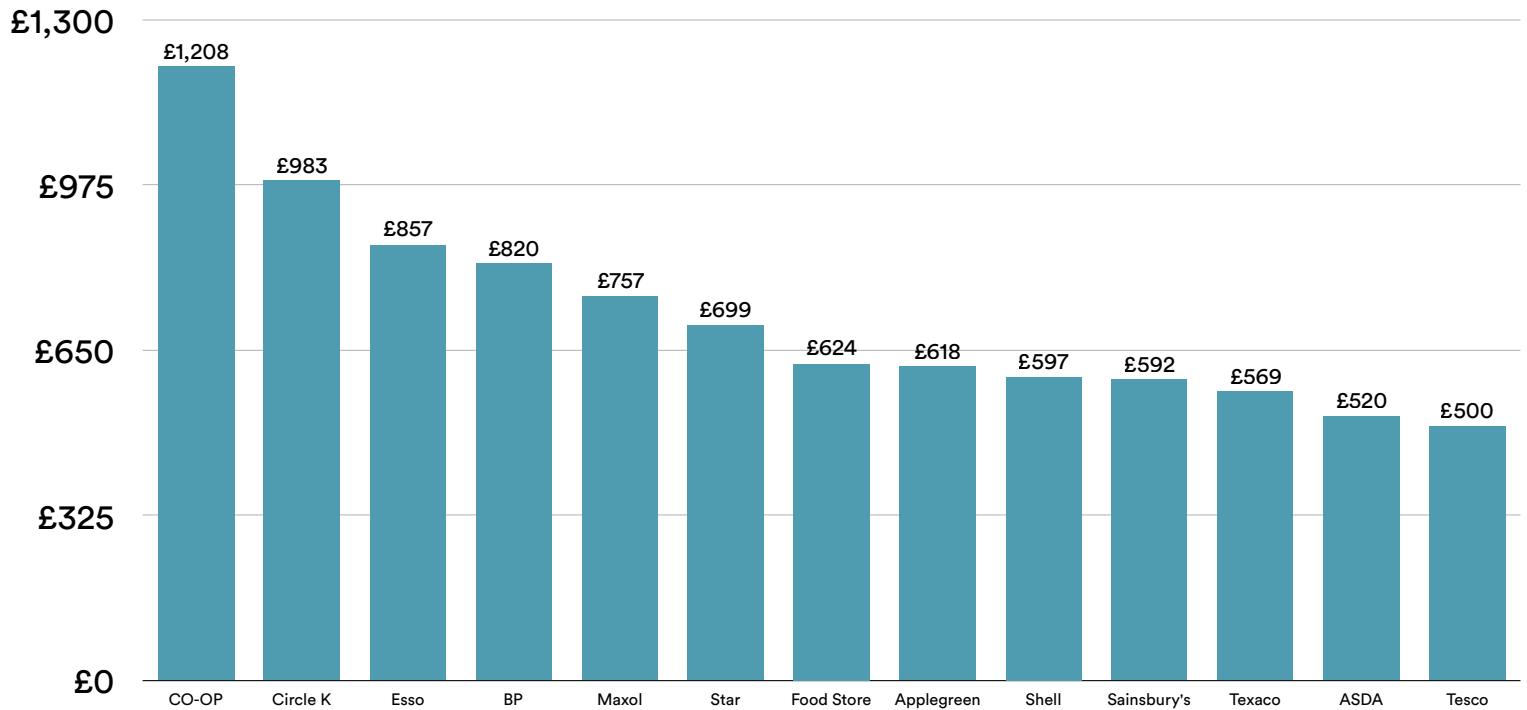
Total Expenditure in Grocery Stores in the United Kingdom

Consumer spending in grocery stores in the United Kingdom

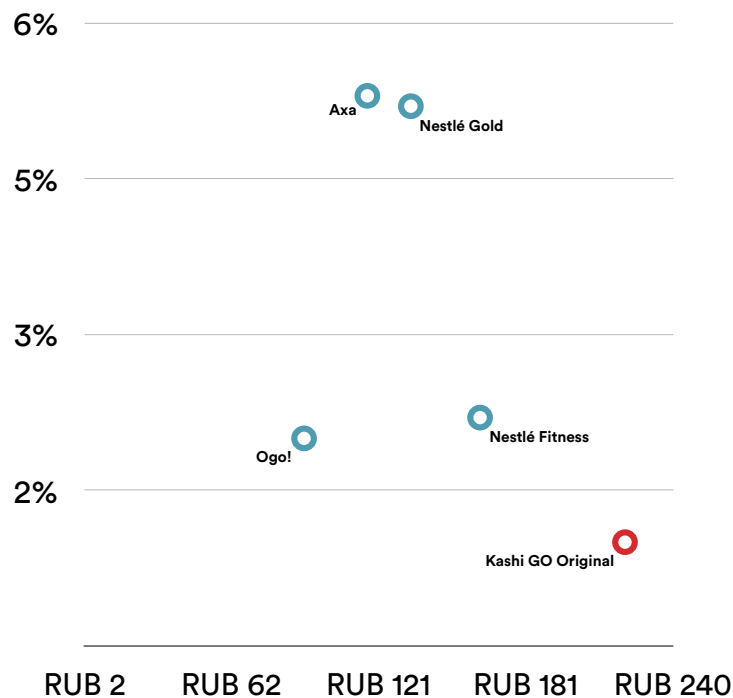


Average Annual Shop Sales at Petrol Stations in the United Kingdom in 2019

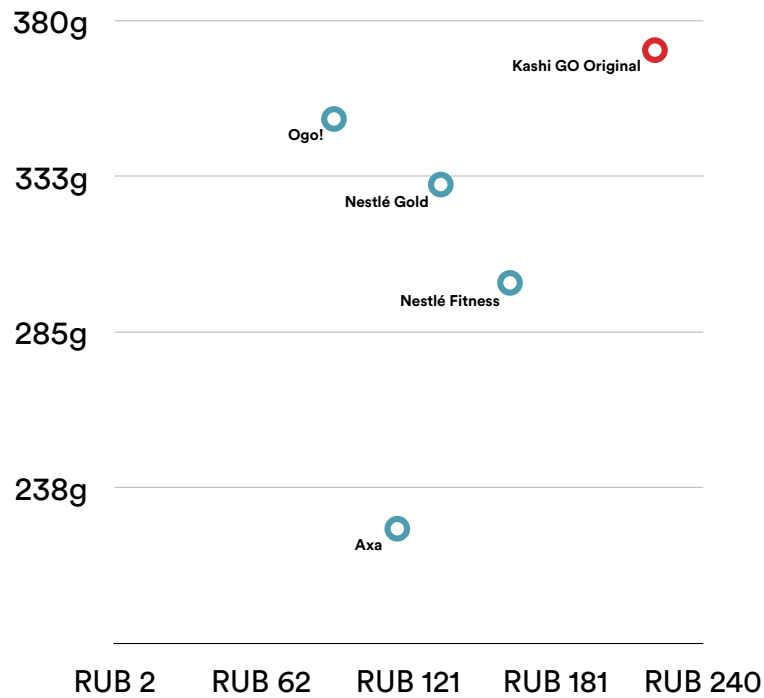
Petrol station average shop sales in the United Kingdom (UK) 2019 - Average sales thousand GBP



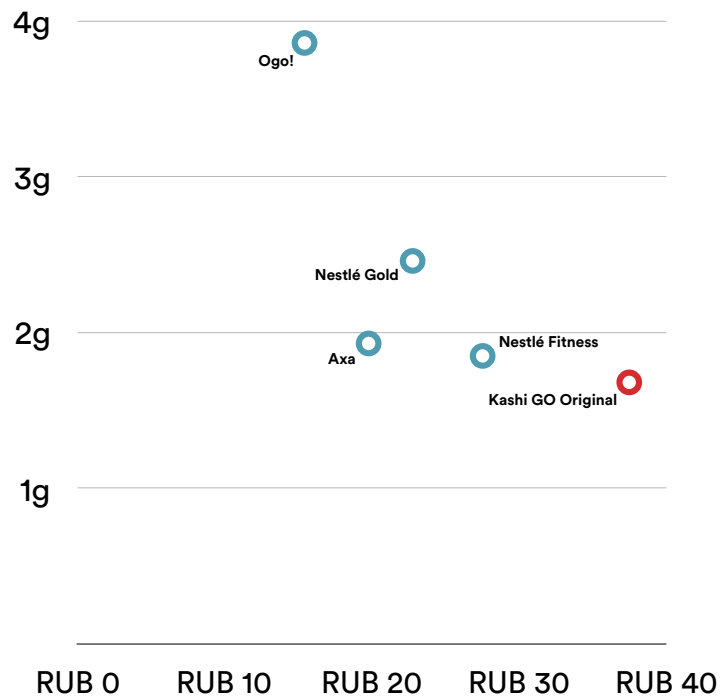
Price vs Brand Share - Russia Breakfast Cereal



Price vs Pack Size - Russia Breakfast Cereal

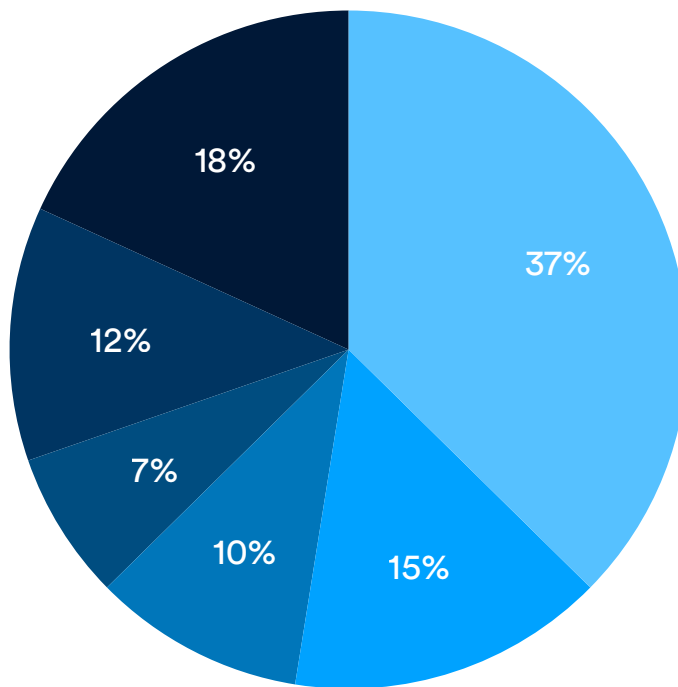


Profit per Box vs Gram per Ruble - Russia Breakfast Cereal



Shopping Frequency: Groceries and Household Essentials - Russia

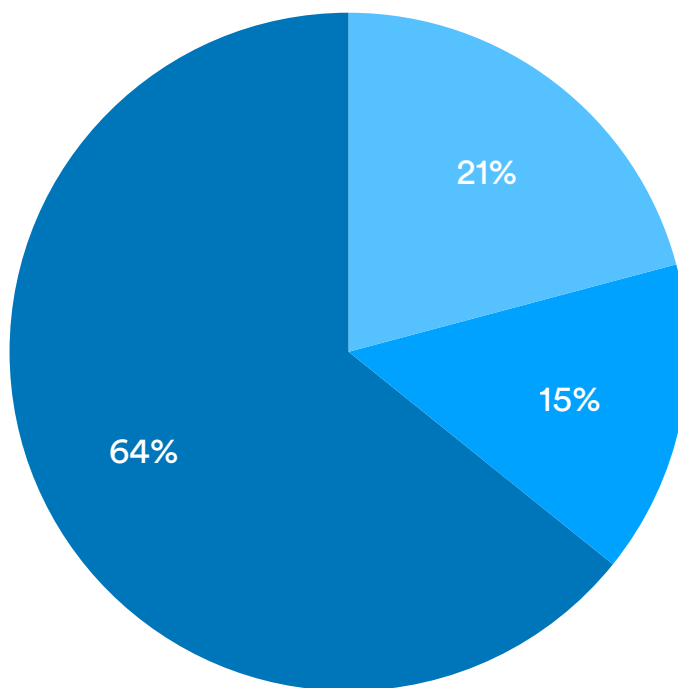
How often do you buy groceries and household essentials?



● At least weekly
 ● 1-3 times a month
 ● Once every few months
 ● 1-2 times a year
 ● Rarely
 ● Never

Channel Distribution for Breakfast Cereals - Russia

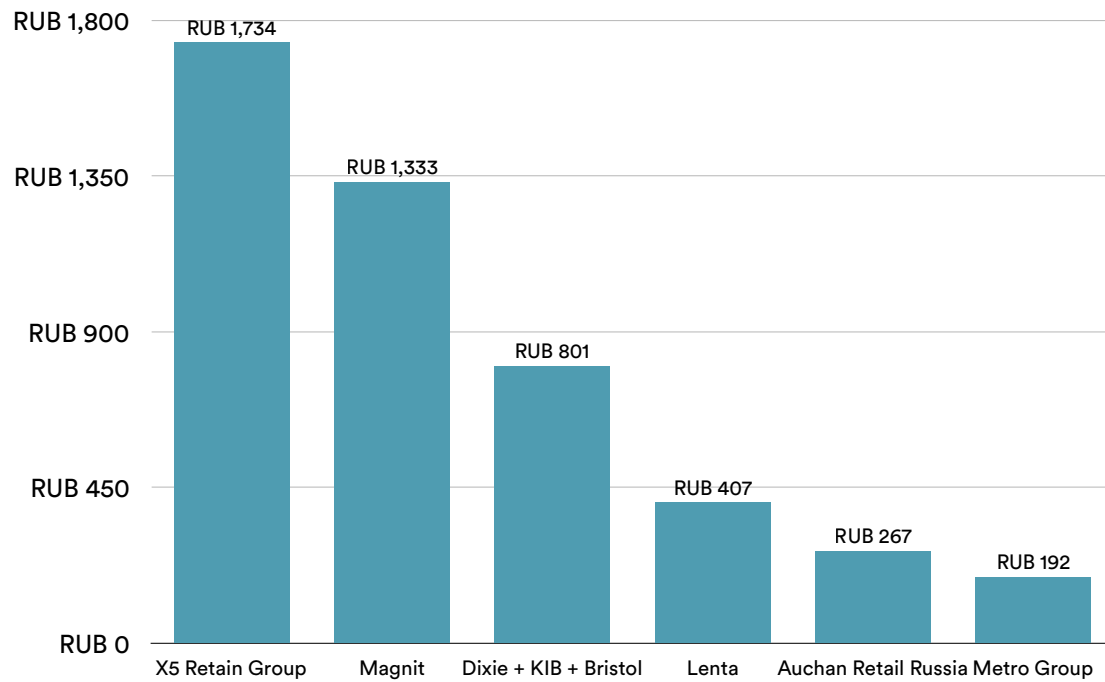
Retail Value RSP 2019 and Percentage Point Growth - 2014-2019



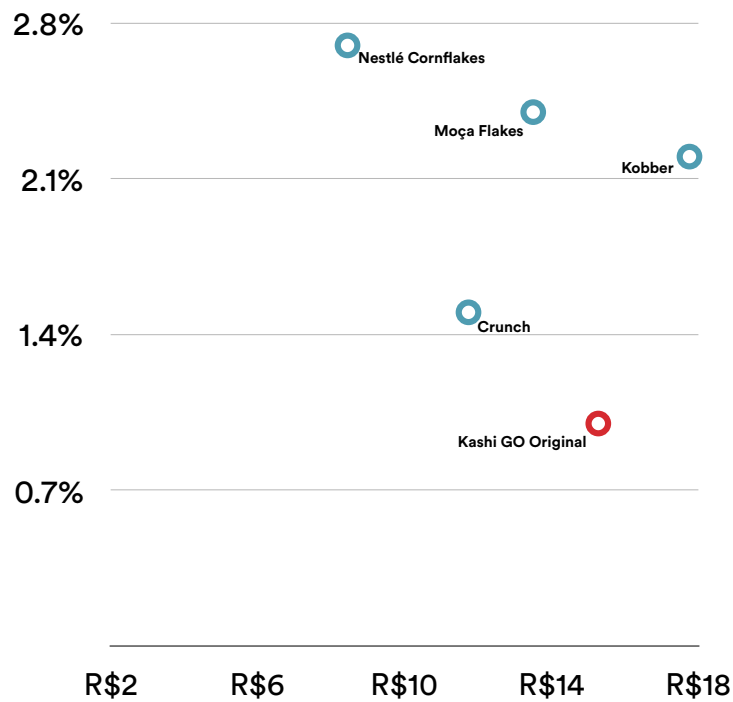
● Convenience Stores
 ● Hypermarkets
 ● Supermarkets

Major Food Retailers in Russia in 2019, by Annual Revenue

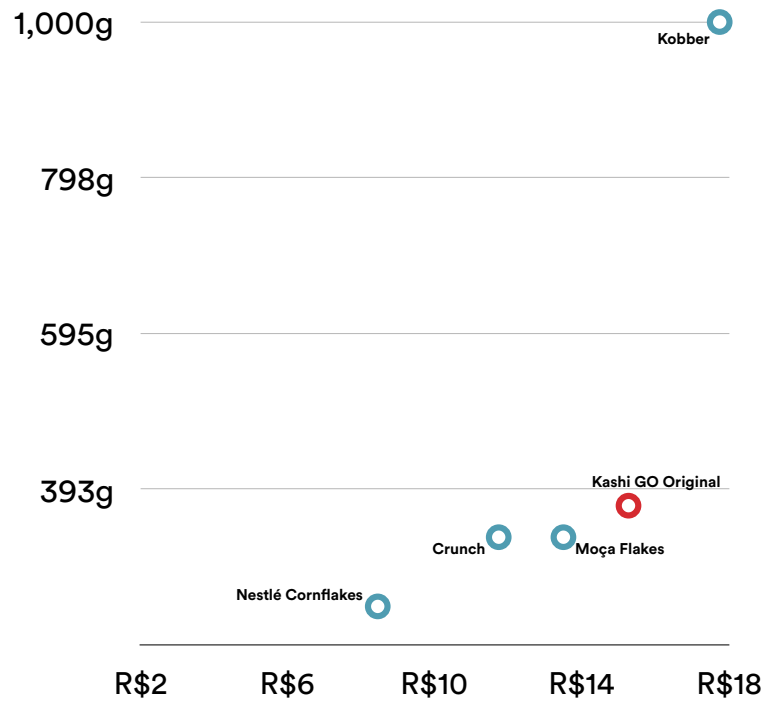
(in billion Russian rubles)



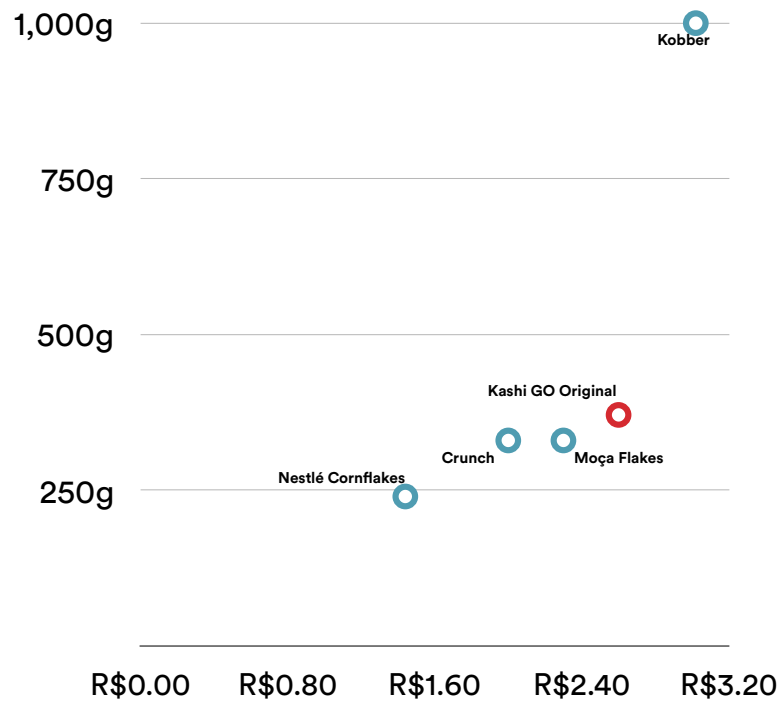
Price vs Brand Share - Brazil Breakfast Cereal



Price vs Pack Size - Brazil Breakfast Cereal

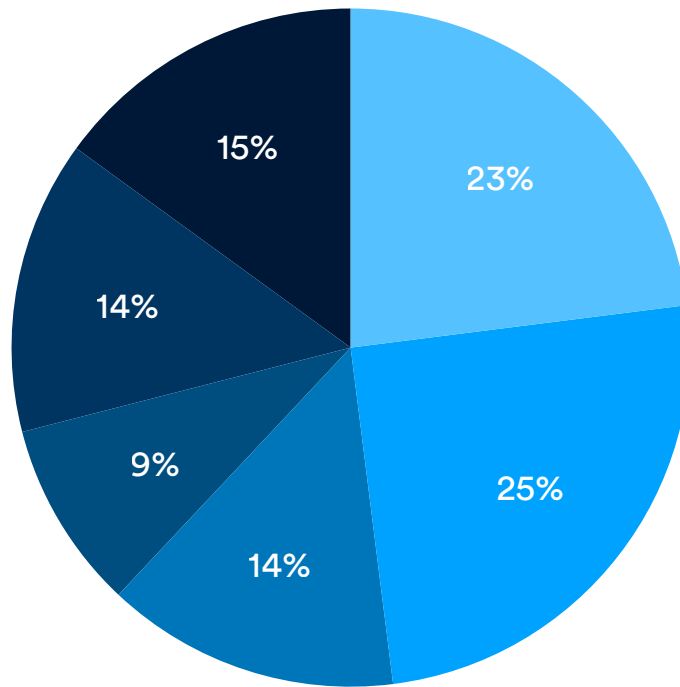


Profit per Box vs Gram per Ruble - Brazil Breakfast Cereal



Shopping Frequency: Groceries and Household Essentials - Brazil

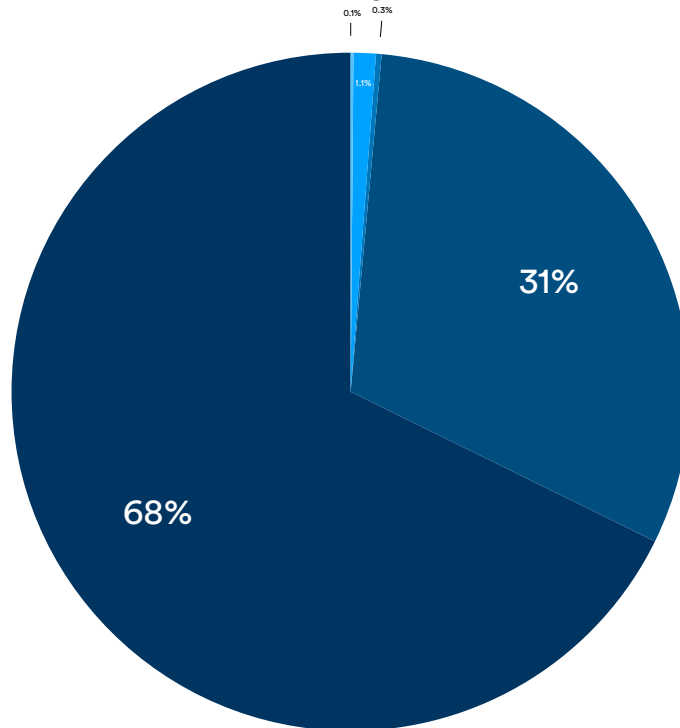
How often do you buy groceries and household essentials?



- At least weekly
- 1-3 times a month
- Once every few months
- 1-2 times a year
- Rarely
- Never

Channel Distribution for Breakfast Cereals - Brazil

Retail Value RSP 2019 and Percentage Point Growth - 2014-2019



- Convenience Stores
- Discounters
- Forecourt Retailers
- Hypermarkets
- Supermarkets

Leading Supermarkets and Food Retail Stores in Brazil in 2018, by Gross Revenue

(in billion Brazilian Reals)

