

# **Lesson Plan**

## **Create a New Cereal**

### **Help Kellogg Boost Sales**

**Rachel Bontoyan  
Kennard-Dale High School**

## Lesson Plan

**Grade: 9-12**

**Subject:** Introduction to Business – Marketing/Entrepreneurship

**Objectives:** Students will justify the importance of marketing research.  
Students will identify parts of a product.  
Students will justify the importance of communication in marketing.  
Students will discuss the selling price of a product and how it is calculated.

**I Statements:** I contributed to a projects successful outcome while working on a team.  
I have used listening techniques such as clarifying, encouraging, restating and summarizing when working as part of a team  
I can give examples of how to use mediation, negotiation and problem solving in the workplace to diffuse and or resolve conflict.

**Standards:** Evaluate team member roles to describe and illustrate active listening techniques.  
Evaluate conflict resolution skills as they relate to the workplace.  
Evaluate time management strategies and their application to personal and work situations.

**Materials:** Computers                      Kellogg Case  
Cereal Boxes                      Computer & Printer  
Scissors                              Markers/Colored Pencils

**Day 1** – Discuss the importance of marketing research to a company. Review some of the failed products students previously presented in class. Discuss how marketing research plays a key role in success the or failure of a product. Students will read the Kellogg Article. As a class discuss what Kellogg needs to do to develop a new product. Split students into groups of 3-4. Inform the teams they are going to create a new cereal for Kellogg. Students will work in their groups to create surveys. Surveys need to have at least 10 questions and each team member will survey 10 people.

**Day 2** – Students will work together analyzing the data collected from their surveys. During class each group will create a chart showing the data collected. Based on survey results the teams will decide on a target market for the new cereal. Students will identify the needs and wants of their target market and begin brainstorming cereal ideas they believe will satisfy the target market.

**Days 3, 4 & 5**– Students will discuss the design for their cereal boxes and begin the design process. The teams will make decisions crucial to the success of their product such as cereal type and packaging design. Teams will decide on a name, a price and a slogan for their product. Students should also incorporate promotional ideas into their product.

**Days 6 & 7** - Students will create a presentation to promote their new cereal idea to Kellogg. The presentation will be 6 slides. The slideshow will include an explanation of the research process, the outcome of the research and the target market. The presentation will have a chart showing the results from the surveys. The slideshow will also discuss the marketing mix for the new cereal. The new box design will also be presented.

**Days 8 & 9** – Students will present their product to Kellogg (the class). Students will vote on which cereal should go to production.

**Resources:** Lesson Plan Idea from <http://travisrmartin.com/lesson-plans/marketing-lesson-plans/>  
The article for this lesson, *Kellogg's Quest for that Old Snap, Crackle and Pop*, Business Week, February 15<sup>th</sup>, 2001. <https://www.bloomberg.com/news/articles/2001-02-15/kelloggs-quest-for-that-old-snap-crackle-and-pop>



Intro to Business  
Chapter 10 Marketing  
Product Planning

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### **CASE BACKGROUND**

Kellogg's Quest for that Old Snap, Crackle and Pop.

*Despite the breakfast king's world famous brands, tastes are changing and sales are flat. Can you come up with a winner?*

After several consecutive years of disappointing results due mainly to slumping breakfast-cereal sales, Kellogg, the maker of Rice Krispies and Frosted Flakes, has leveled with investors. For most, the truth hasn't been easy to swallow.

Most analysts who follow the company's stock rate it a hold or neutral—and they don't expect much, if any, market appreciation this year. "The company really lowered expectations substantially," says CS First Boston analyst David Nelson, who adds: "Kellogg finally fessed up to the magnitude of the problem. Recognizing it was a positive, but this company still doesn't provide a particularly exciting story."

The woes at Kellogg begin and end with the ready-to-eat cereal business. Sales across the industry are declining. Since 1994, Kellogg's U.S. cereal sales have gone nowhere. Worse, the company has lost market share to rivals General Mills, Post and Quaker Oats. Just recently, General Mills, the maker of Cheerios, surpasses Kellogg in total-dollar market share, even as major cereal companies saw slight sales declines, according to information Resources & Marketing, a research company based in Chicago. General Mills now controls nearly 33% of the cereal market, vs. Kellogg's 30%. This is a stunning considering that Kellogg has reigned supreme in this business for decades.

Getting the cereal business moving will be a tricky proposition, but Gutierrez insists it can be done. It's hard to say how much untapped value remains in these old brands. Gutierrez, who has spent his entire career at the company, certainly knows the products. But he had been CEO less than two years and deserves a bit more time to demonstrate whether or not he can turn this company around.

But, dry cereal still accounts for the overwhelming majority of Kellogg's \$7 billion in annual revenue. **Gutierrez is hoping his product development department can create a new cereal that will help propel growth in an industry that has gone soggy.**