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The Influence of the cultural differences between UK and Taiwan on
Kellogg's International Marketing Strategies

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Executive Summary

Based on Hall (1960, 1981, 1990), Hofstede's (1991, 2001) and Usunier (2000) theories of culture and consumer behaviour, this report is set out to examine on how the cultural differences between UK and Taiwan have resulted Kellogg's adaptation of marketing strategies differently to these two countries. The product that this report is using for this study is breakfast cereal. It has found that the theoretical assumption of cultural differences between consumers in the UK and Taiwan have certainly influenced the development of Kellogg's marketing strategies and resulted in a different approach to these two countries in terms of market segments and positions. However its marketing mixes are very similar to a large extent.

Kellogg's locally tailored marketing strategies and mixes are very successful, this was reflected in both of its Net Sales and Profit Earnings from above countries.

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1. Introduction

The purpose of this report is to examine on how the cultural differences between UK and Taiwan have resulted Kellogg's adaptation of marketing strategies differently to these two countries.

In order to do so, this report shall divide into four parts: it starts with a strategic audit of Kellogg Group, in particular, a summary of the internal and external analysis of the firm with the environment in which it operates in will be presented, this is followed by an examination and comparison of the Kellogg's marketing strategies in the UK as well as Taiwan, then this report shall move on to look at similarities and differences of its marketing mixes in above countries with an overall conclusion at the end of the report.

The product that this report is going to use for the above study is breakfast cereal. Analysis will be made from the secondary sources of data, including Kellogg's official publications, market intelligence, journals, press reports and text books.

1.1 Company's Profile: the Kellogg

Kellogg, is an American based international food producer company. It first started its business back in 1906 in the USA. Today, Kellogg employs more than 30,000 people, manufacture its products in 18 countries and selling them to over 180 countries around the world. (Kellogg, 2008)

With an annual net sale of US\$ 11.7 billions in 2007 (Kellogg, 2008), Kellogg is specialised in producing and marketing its products in 'Ready to Eat' breakfast cereals as well as other convenience foods, such as cookies, crackers and toaster pastries. (Mintel, 2008)

1.2 Countries' Profile: UK and Taiwan

The table 1 below is a summary of countries' profile for both of UK and Taiwan, a detailed analysis of this information will be presented in the later part of this chapter.

Table 1 Countries' Profile: UK and Taiwan

| UK | | Taiwan |
|---|----------------------------|--|
| 60,943,912 (July 2008 est.) | <i>Population</i> | 22,920,946 (July 2008 est.) |
| white 92.1%, black 2%, other 5.6% (2001 census) | <i>Ethnic group</i> | Taiwanese (including Hakka) 84%, mainland Chinese 14%, indigenous 2% |
| Christian 71.6%, Muslim 2.7%, Hindu 1%, other 1.6%, unspecified or none 23.1% (2001 census) | <i>Religions</i> | mixture of Buddhist and Taoist 93%, Christian 4.5%, other 2.5% |
| constitutional monarchy | <i>Government</i> | multiparty democracy |
| Developed, service industry plays important role | <i>Economy</i> | Developed, import & export is important |
| \$35,300 (2007 est.) | <i>GDP -per capita</i> | \$29,800 (2007 est.) |

Source: CIA 2008

1.3 The Situation Analysis

In order to have a better understanding of how cultural differences between UK and Taiwan have resulted Kellogg's to adopt a different marketing strategy approaches to these two countries., it is important to analyse its internal and external situation at first, including Kellogg Group's main business areas, the firm's own capacities and the market environment of above countries. This is the purpose of this section. This report shall start with the internal analysis, and then extend to the external.

1.3.1 Internal Analysis – Kellogg’s Group Worldwide

1.3.1.1 Vision and Mission

Table 2 Kellogg’s Group Vision and Mission Statement



Source: Kellogg Company Information 2008

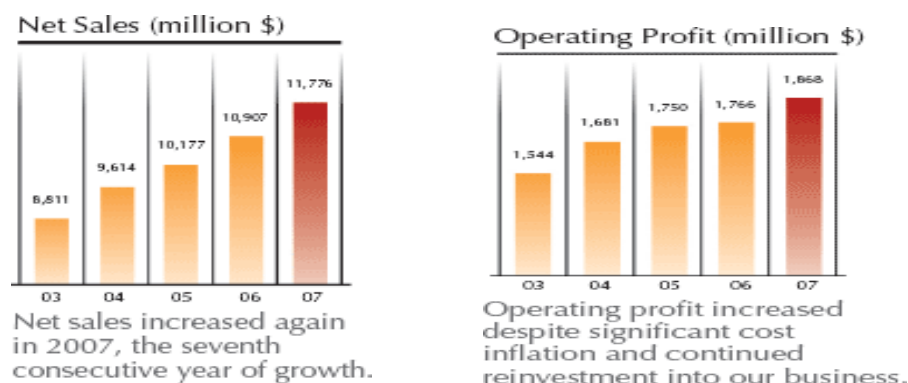
The table 2 has clearly outlined the Kellogg’s business focus at the corporate level. It has stated that the senior management’s version of Kellogg is to be the market leader in the food retailing industry. They are trying to achieve this by building up its brands, and empower its employees. This was supported by the integrated focused strategy, operating principles and key foundations of its business: K values, its people and commitment to the social responsibility.

1.3.1.2 Non-Financial Highlights

- Kellogg’s main Business sector is in the food processing (Kellogg 2008);
- Its main products are: ‘Ready to Eat’ Breakfast Cereals, Cookies, Crackers, toaster Pastries (Kellogg 2008);
- Until 2008 they employ 30,000 people around the world (Kellogg 2008);
- Kellogg is manufacturing its products in 17 countries and marketing them in almost every single country world-widely (Kellogg 2008).

1.3.1.3 Financial Assets

Figure 1 Kellogg's Group Financial Information 2003-7



Source: Kellogg 2008

Figure 1 has shown that both of the Net Sales and Operating Profits were increasing in the past five years: Net sales 2007 nearly doubled from 2003 to US\$11.7 billion. Similarly, Operating Profits increased by 16% to US\$1.8 billion. (Kellogg 2008)

Among Kellogg's earnings, Europe has been regarded as the second most important market for the group after North America with a fastest growth rate seen in the Asian Pacific. (Kellogg 2008) UK has the largest market share of the Kellogg's products in Europe, whereas Taiwan is increasingly become important (Kellogg 2008).

1.3.1.4 Core Competencies

Firm's core competencies processes the skills which, provide competitive advantages for the company and consisting of the necessary supporting resources. (Johnson and Scholes 1997) Kellogg's core competencies are:

- Strategic: by building up its brands and empower its employees in order to provide best possible services to its customers (Kellogg 2008)
- Functional: to ensure the quality of its products to the highest possible standard (Kellogg 2008)
- Operational: Kellogg has adopted a multi-channel retailing strategy in order to create the convenience for its customers. (Kellogg 2008)
- Corporate Ability: has a flexible organisational structure to fit the needs and demand of the local needs. (Mintel 2008)

1.3.1.5 Value Chain Analysis

A comprehensive value chain analysis can be found **in the Appendix**. Based on such analysis; this report concludes that Kellogg is creating its customer values through its good brand image, high levels of the customer services and efficiency of the channels of distribution.

1.3.2. External Analysis

1.3.2.1 UK and Taiwan's Macro-Environment

Because of business is operating within an economic political and social institutional framework. Therefore we cannot analyse the individual market without understanding the macro business environment at first. Thus this section is aiming to identify, assess, compare and contrast all the variable factors that might in turn affect the performance of the business between UK and Taiwan at macro level.

Table 3 has shown a detailed of comparison between UK and Taiwan's Macro-Environment. It can be concluded that although UK and Taiwan are culturally different, however both countries do have a good macro-environment in terms of its political, socio-cultural, economic and technological for Kellogg's international business.

Table 3 Pest Analysis on UK and Taiwan's Macro-Environment

| | UK | Taiwan |
|-----------------------------------|---|---|
| Political/Legal | Stable Political Environment Private enterprise encouraged | Stable Political Environment Foreign investment is welcomed |
| Socio-Cultural Environment | Western Life-style Have a tradition of eating cereals as breakfast | Eastern Chinese Life-style; No such tradition, but the local people are always willing to try and adapt good foreign culture. A good example can be found in the Success of McDonald restaurant business in Taiwan, thus it is good news for Kellogg's cereal business |
| Economic | Economy is growing, but facing a downturn | Economy is growing, with a good future outlook |
| Technological | Good infrastructure and well established channels of distributions | Good infrastructure and well established channels of distributions |

Source: CIA 2008

1.3.2.2 UK and Taiwan's Industry Analysis

Based on Porter's Five Forces (quoted in Rassam from Salder 2001), the nature of the relationships within the industry have now been identified to determine the attractiveness of the industry, a comparison between UK and Taiwan are presented in the table 4 below. Broadly speaking, both markets are offering potential big business opportunities for cereal business.

Table 4 Industrial Analysis- Porter's Five Forces Analysis

| | UK | Taiwan |
|--------------------------------------|--|---|
| Power of Buyers | High Market has been dominated by few big supermarket chains. | Medium Taiwan's market size is naturally smaller than UK and each supermarket chain is smaller than UK's too |
| Power of Suppliers | Low Kellogg has chosen to manufacture its products near its major markets. (Kellogg 2008) | Low Kellogg has chosen to manufacture its products near its major markets. (Kellogg 2008) |
| Threat of New Entrants | Low Market is already very competitive | High A Relatively New market for the breakfast cereal Business |
| Threat of Substitute Products | Relatively low Due to the tradition of eat cereal in people's breakfast | Relatively high People do not have such tradition of eating breakfast cereal |
| Intensity of Rivalry | High | Medium |

Source: CIA 2008, Mintel 2008 and Kellogg 2008

1.3.3 SWOT Summary

Based on above internal and external analysis of Kellogg and its UK and Taiwan markets, we could conclude as outlined below:

- Strengths: Kellogg has got a healthy finance, strong global based brands, product range diversity, innovation of new product and ability to explore new market
- Weakness: limitation on the growth of product margins and pollutions in the production lines
- Opportunities: better business can be reached through further improvements on its channel of distributions (to gain the costs savings) and further expansion on the product ranges (to create new business opportunities)
- Threats: rising costs of product materials and increase intensity of market competition in both countries

2. Culture Influences on Kellogg's International Marketing Strategies

Culture is a vague and abstract notion. There are many definitions of it. Kluckhohn (1951 quoted in Hofstede 2001) describes culture as “patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups.” Based on such idea, Hofstede (1991, 2001) defined culture as an identity that to distinguish of one group of people from another. However, for Doney et al (1998), culture is “a system of values and norms that are shared among a group of people and that when taken together constitute a design for living.” (Doney et al 1998, 601) Similarly, Keegan and Schlegelmilch (2001) indicated that culture is formed over the years and has a life. These previous definitions by various authors have all presented culture successfully from one particular perspective, but failed to account it as a whole. Thus to be more precise, for this report, culture is defined: 1. as a tool that to create contents and patterns of values, ideas and beliefs for a particular group of people; 2. is a communication device that can transmit these values, ideas and beliefs into shaping human behaviours among members of such group in deciding what, why, where, how and when to do things; 3. as the result, it forms a way of thinking and living shared by these groups of human beings; 4. is therefore an identity that to distinguish of one human group from another.

For an international company, in terms of the marketing, culture plays a vital role in determining the success of its business; this is largely due to the power of culture in influencing the consumers' buying decision makings: both psychologically and socio-psychologically.

There are enormous numbers of literature on studying of the culture with two are particularly useful for the purpose of this report. One is Hall's (1960, 1981, 1990) concept of high and low context cultures and the other one is Hofstede's (1991, 2001) theory of individualism VS collectivism and uncertainty avoidance.

Edward T Hall (1960, 1981, 1990) introduced us the concept of high and low contexts as a way to explain and understand the different cultural orientations. He divided the world of culture into two categories: high context and low context.

For him, high context culture has a tendency to cater towards in-groups; an in-group is formed based on the close tie in personal relationships such as family friends and colleagues etc and in such groups, things, including information and knowledge are shared exclusively. As the result, people are more inter-dependent on each other, thus social networks and public meanings are very important. Hall (1960, 1981, 1990) identified that high context cultures are more common in the East than West; Chinese culture has been included in.

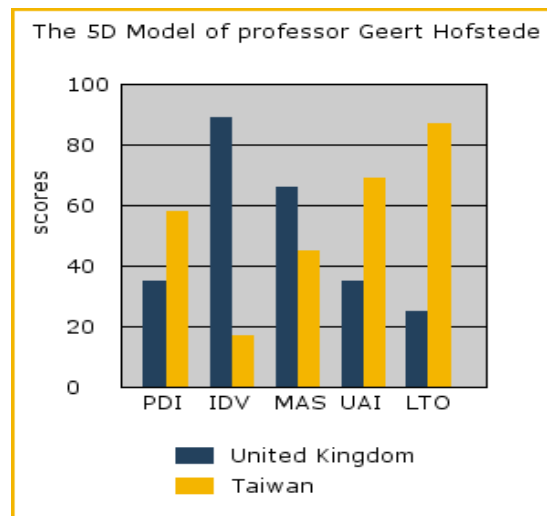
Conversely, low context culture has a tendency to cater towards out-groups. In such culture, people are tend to compartmentalise their personal networks, as the result, family, friends and colleagues are all separate from each other, things are shared less exclusively. Thus people are more independent, private meanings are valued more and social networks therefore are less important. Britain is in this category.

Similarly, Hofstede (1991, 2001) has identified five aspects of cultural dimensions while he was trying to find an explanation in the concepts of motivation for IBM employees around the world, two is particular useful: individualism VS collectivism and uncertainty avoidance.

According to Hofstede (1991, 2001), there are two types of human society: individualistic and collectivistic. In individualistic society, people are self-centred and seek fulfilment of their own goals. UK is a country for him towards more on this type of society. However, in a collectivistic society, members of such society have a group mentality and seek mutual accommodation to maintain group harmony. Taiwan according to Hofstede’s (1991, 2001) research has a high rating on collectivism. (See the figure 2)

The second aspect of Hofstede’s (1991, 2001) work on culture is the uncertainty avoidance. Uncertainty avoidance is concerning the degree to which people in a country prefer formal rules and fixed pattern of life, as means of enhancing their security. Thus uncertainty avoidance is about whether people like to take risk. In a high uncertainty avoidance society, people are normally associated with risk aversion. Contrast to this, in the low uncertainty avoidance societies, people are more willing to experience and explore new things. UK in Hofstede’s (1991, 2001) research has scored a lower uncertainty avoidance index than Taiwan. (See the figure 2)

Figure 2 Hofstede’s Cultural Dimensions: UK and Taiwan



PDI Power Distance Index
IDV Individualism
MAS Masculinity
UAI Uncertainty Avoidance Index
LTO Long-Term Orientation

Source: Hofstede 2008

Based on Hall (1960, 1981, 1990) and Hofstede’s (1991, 2001) theories, Usunier (2000) summarised some valuable aspects of consumer behaviour which can be influenced by the cultural differences. According to her that in the individualistic or low context society, because people are more independent from one another, therefore they tend to shop in accordance with their own personal taste, values and convictions, whereas in the collectivistic or high context society, this goes largely to opposite ways. (Usunier 2000) Similarly, the differences between high and low context, individualistic and collectivistic societies are also reflected in the brand loyalty, many previous studies have shown (Robinson, Chiou quoted in Usunier 2000) that collectivistic societies with high

uncertainty avoidance index such as Taiwan, people are more likely to loyal to the brand they choose, this is because 1 People are tend to follow the group consensus and reply more on the information given by their reference group. (Usunier 2000) 2 People generally are trying to avoid risk that is associated with switching to the new brand.

According to Hofstede (See figure 2), UK and Taiwan are culturally diametric. Kellogg certainly recognises and understands it, and has developed its marketing strategies and mix accordingly. This and next part of the report is about to study on how the cultural differences have resulted Kellogg to apply a different marketing strategies and mix based on the conclusion from the Hall (1960, 1981, 1990), Hofstede’s (1991, 2001) and Usunier (2000) theories.

2.1 Segmentations and Targeting

Table 5 Segmentation and Targeting of Kellogg’s Products in the UK and Taiwan

| | UK | Taiwan |
|---|---|--|
| Product | Ready to eat Cereals | Ready to eat Cereals |
| Demographic (Age, sex, income group) | Adults, Children, Elderly, Men, Women Middle-High income | Pre-school Children, Teenagers, Middle-high income |
| Behavioral | Nutritional, healthy, breakfast Light snack | Convenient, healthy breakfast Office workers |

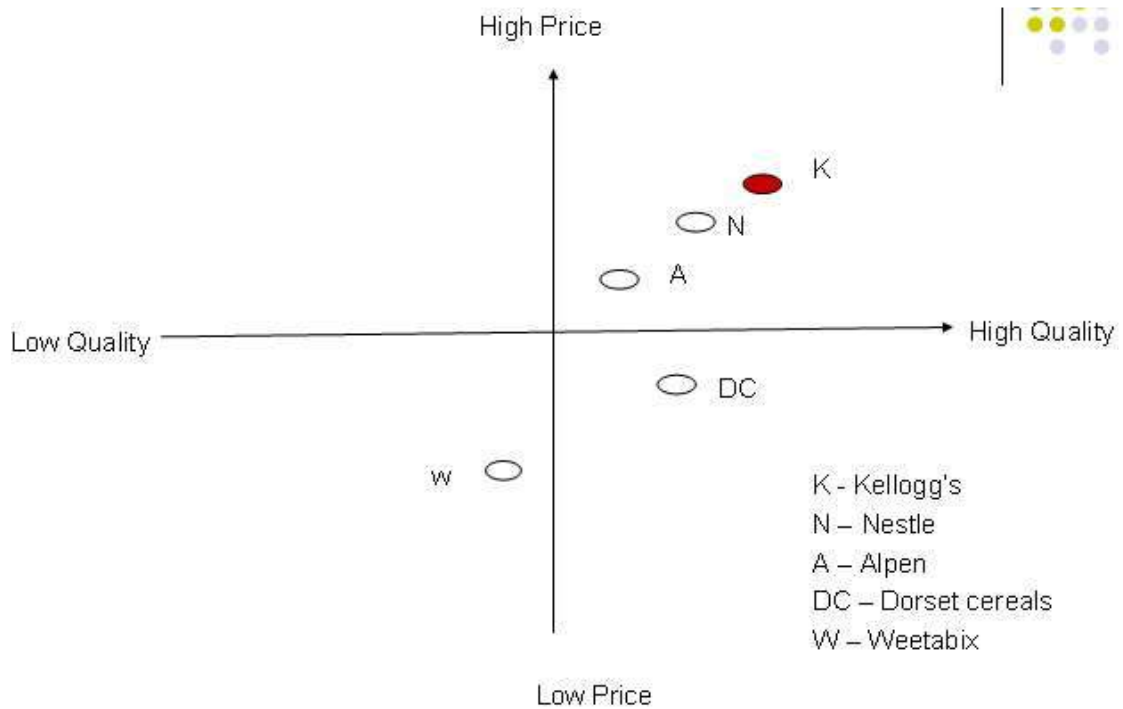
Source: Mintel 2008

The table 5 has shown how Kellogg has segmented its products in the UK and Taiwan market. In the UK, because consumers have a long established tradition in eating cereals as their breakfast, therefore Kellogg has targeted its products on almost all demographic groups (Mintel 2008) whereas in Taiwan, local consumers do not have such tradition, therefore Kellogg has posed its products as a symbol of Western lifestyle and targeted mainly on children, young people and middle-class office worker who are more likely to accept and adapt Western way of life. Furthermore, based on Hall (1960, 1981, 1990), Hofstede’s (1991, 2001) and Usunier (2000) theories, because Taiwanese consumers are more likely to be influenced by their reference groups such as family members, closeness friends. Thus by persuading children, young people and highly educated middle class workers to consume cereals, would be a good starting point for Kellogg, because of their powers of influence on other social groups.

2.2 Positioning

2.2.1 UK

Figure 3 Kellogg's Positioning UK

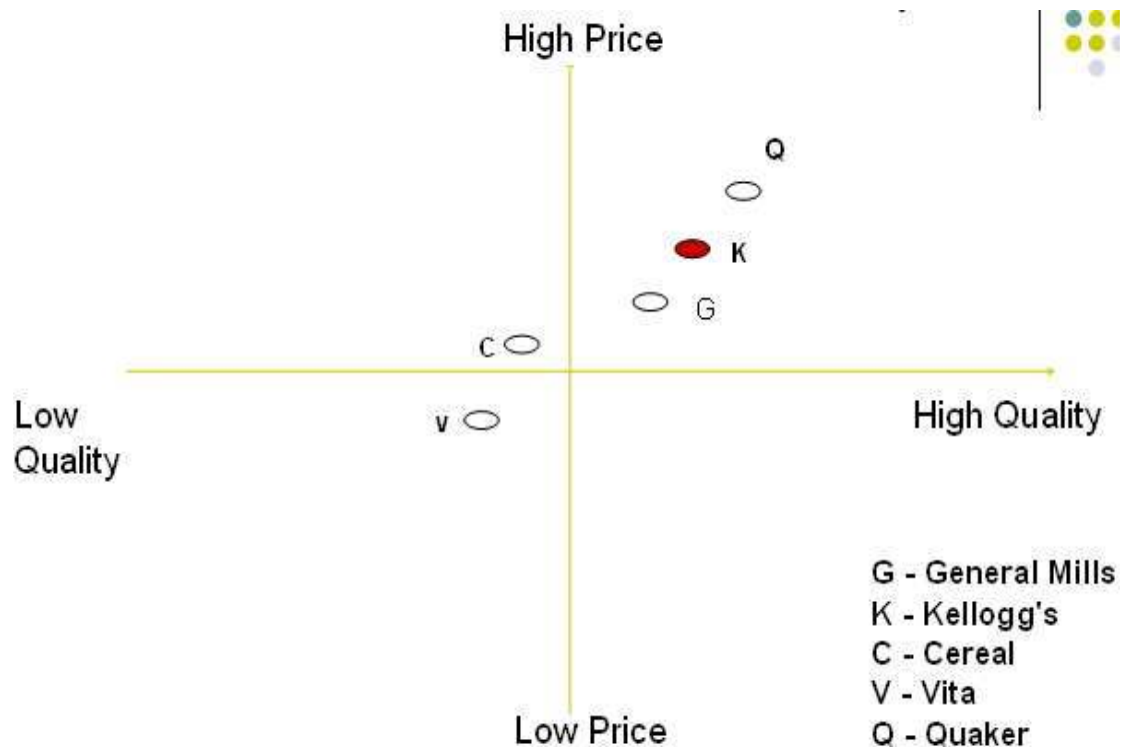


Source: Mintel 2008

As figure 3 has shown that how Kellogg positioned its products in the UK as healthy convenient breakfast light snack with high price and high quality.

2.2.2 Taiwan

Figure 4 Kellogg's Positioning Taiwan



Source: Mintel 2008

However, different from UK, in Taiwan as figure 4 is showing that Kellogg positions its products as middle high price with relatively high quality of healthy convenient breakfast food for the young students and busy office workers.

2.2.3 Evaluation

As we can see above (figure 3 and figure 4), that Kellogg has placed its cereal products in the different positions of the different markets in order to reflect the reality of the local situation. In the UK, because of the cereal market is very mature (Mintel 2008), Kellogg has seized the opportunity in the high price and high quality product ranges and therefore positioned its product accordingly whereas in Taiwan, the market is quite new for the cereal business and people do not have such tradition of eating it (See Table 3), therefore, Kellogg posed its product as a new affordable Western style of Breakfast food with high quality in order to woo the school children, young people and educated office workers as they are more willing to accept and adopt new things than other social groups.

Kellogg's positioning strategies have been doing very well; this was reflected in the recent increasing on both of its sale numbers and profit earnings from the above countries. (Please see Kellogg Annual Report 2007)

Therefore we can conclude that it is essential for an international company to position its products in corresponding with its market segments.

2.3 Branding Strategies

As stated in the previous chapter of this report, over the years, Kellogg has successfully built up a portfolio of powerful international well known brands such as 'Special K', which could be found in both of UK and Taiwan markets (Kellogg UK and Taiwan 2008). It also created some famous regional brands which were dedicated to the local market, for example, 'Black Sesame', designed only for the Taiwanese consumers (Kellogg Taiwan 2008). These products were all second branded as Kellogg's product to remind its customers who made them. This has not only enabled Kellogg to raise its international profile, but also anchored to the specific local customer needs.

2.4 Competitive Strategies

Based on the above analysis and in accordance with Hall (1960, 1981, 1990), Hofstede's (1991, 2001) and Usunier (2000) theories, we could conclude that cultural differences between UK and Taiwan have certainly influenced Kellogg's international strategies. As a result, Kellogg applied different strategies to suit different market needs.

In the UK, because of the local culture and maturity of the market, Kellogg has adopted a strategy of differentiation and targeted its products on all the consumer groups (regardless of age, sex etc), the core to this strategy is to differentiate its products from others in the same product category by emphasis the product characters on nutrition, health, convenience and quality.

However in Taiwan, as the market is quite new for the cereal breakfast, Kellogg has applied a different strategy, which was only to focus on specific consumer groups (school children, young people and educated office workers) with emphasis of its products on nutrition, health, convenience, quality and more importantly Western way of life. This was a good strategy to penetrate a new market. As according to Usunier (2000) in a collectivistic society where people are largely interdependent to one another and take into account more from their reference groups for the consumption preference than their counterpart in the individualistic society. Thus by converting school children, young people and educated office workers to have cereal in their breakfast menu, would be a good starting point as these people are more likely to accept and adopt new things and new ideas than others.

Both strategies are working really well for Kellogg, which were reflected in their 2007 Annual Report. The next chapter is to examine its Marketing Mixes.

3. Kellogg's Marketing Mix

Are different marketing strategies necessary to produce different marketing mixes? This section is about to study on Kellogg's marketing mix in the UK and Taiwan in accordance with its strategies. It will start with the Product Strategies, then the Channel of Distribution, after that moves on to the Pricing Strategies and will end in Communication Strategies.

3.1 Product Strategies

Table 6 Product Differences between UK and Taiwan

| UK | | Taiwan |
|---------------------------|---------------------------|--|
| long | <i>Enter time</i> | short |
| Over 40 Types | <i>Types of product</i> | Only 5 |
| All Ages Types and Groups | <i>Targeted Customers</i> | Children, Young People and office people |

Source: Kellogg UK 2008, Kellogg Taiwan 2008

The overall goal of Kellogg Group is to be a market leader in the breakfast food industry. (Kellogg 2008) They are trying to achieve this by constantly searching the needs and want of its local customers and matching these needs and want by developing and introducing tailored products. The table 6 has summarised this point.

In the UK, as mentioned before, Kellogg targeted its products on all the consumers groups. As the result, it developed over 40 different types of products to suit for the needs and want from different groups. (Kellogg UK 2008)

However, in Taiwan, due to the short entering time and its focused strategy, Kellogg is only offering five different products with ‘Black Sesame’ which is specifically designed to match the taste of Taiwanese consumers. (Kellogg Taiwan 2008)

Thus an adaptation product strategy has been used by Kellogg for both of UK and Taiwan.

3.2 Channel of Distribution

To be profitable, the cereal products requires high sales turnover, with the supporting from the good infrastructure system in both countries (See Chapter One Part Three), Kellogg was able to apply the same distribution strategy to both of UK and Taiwan markets, which is the ‘Intensive Coverage’ (Hellensen 2007) in order to maximise its sales potentials by exposing its products to as many customers as possible. The way they did this was to place its products in almost all the local supermarkets, convenience shops and shopping malls. The sales results from the figure 1 (Chapter One Part Three) have proved that this was a very successful strategy.

3.3 Pricing Strategies

Kellogg has adopted different pricing strategies for its products in the UK and Taiwan.

As figure 3 and 4 in the Chapter Two Section Two indicated that, in the British market, Kellogg placed its products as a high price with good quality product, whereas in Taiwan, prices for Kellogg’s products were largely reflected on its values.

3.4 Communication Strategies

Table 7 Kellogg’s Marketing Communication Activities: UK and Taiwan

| UK | Taiwan |
|--|--|
| <p>Promotional Campaigns</p> <ul style="list-style-type: none"> • Drop a dress size promotion • Swimming coupons for children <p>TV Advertising</p> <ul style="list-style-type: none"> • Focus on the health benefits of cereals for breakfast <p>Online Special Offer</p> <ul style="list-style-type: none"> • Free baseball cap <p>Sponsorship</p> <ul style="list-style-type: none"> • Kellogg's sponsors the Amateur Swimming Association | <p>Promotional Campaigns</p> <ul style="list-style-type: none"> • Sponsor baseball association • Cartoon character ‘Donny’ • Free spa products with bulk order <p>TV Advertising</p> <ul style="list-style-type: none"> • Colourful, fun and memorable to children <p>Online Game</p> <ul style="list-style-type: none"> • Obtain free cereal <p>Package</p> <ul style="list-style-type: none"> • Carton character |

Source: Kellogg UK and Kellogg Taiwan 2008

Table 7 is a summary of various marketing communication activities which have been undertaken by Kellogg both in the UK and Taiwan. They were all designed to target on specific consumer groups in accordance with Kellogg’s local marketing strategies, both the short term and long term. In the short term, Kellogg’s communication objectives were to obtain new customers for the purpose of increasing sales, they are trying to achieve this through promotional campaigns and media advertisement. In the UK, their communication campaigns were more emphasis on the individual taste whereas in Taiwan, it was focused on family means. These differences were largely due to the culturally differences between these two countries as showed in the Hofstede’s Cultural Dimensions (See figure 2). However, in the long term, Kellogg is offering sponsorships to both countries in order to raise the product awareness (thus company awareness) and to maintenance the customer loyalty.

3.5 Chapter Three Conclusions

Kellogg has adopted a variety of marketing mix in associated with its local strategy. Despite many similarities in the distribution and product strategies due to its product character, and there are still some differences in the pricing and communication strategies, these were corresponding to its local positioning strategies.

4. Conclusion

According to Hofstede's (1991, 2001), UK and Taiwan are culturally diametric, where UK consumers are more focused on the individual achievement; but Taiwanese consumers value more on the social networks. Based on these assumptions, Usunier (2000) presented us some valuable aspects of consumer behaviour which could be influenced by accordingly. Kellogg has certainly recognised them and developed its marketing strategies to correspond. This was resulted a different marketing strategy in the UK and Taiwan. However, their marketing mixes were quite similar in many ways such as product and distribution strategies.

From the Chapter One Part Three Figure 1– Financial Highlights, we could conclude that Kellogg's locally tailored marketing strategies and mixes are very successful (resulted in a continuation of increase in both of Net Sales and Profit Earnings over the past four years). However a further business improvement could be made on continue to expand its product ranges and explore possible new ways of distribution channel for its customer.

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Appendix-Kellogg's Group Value Chain Analysis

Primary Activities:

- Inbound logistics- Kellogg chooses its suppliers based on the cost efficiency (Kellogg 2008)
- Operations: Kellogg has set up office in almost every single country around world. Each office has largely its own automatic power in selecting what is the best product to offer to its local customers. (Kellogg 2008) Thus the structure of the operational system is very flexible.
- Outbound logistics: distribute its products to the end user via a multi-layer's channel system in order to create the convenience, thus benefits for its customers. (Kellogg 2008)
- Marketing and Sales: customers are generally made aware of the Kellogg's products through the power of word of mouth and well-placed sales channels in the neighbourhoods. (Kellogg 2008) Furthermore, Kellogg also encourages the sponsorships locally to heighten brand awareness.
- Services- Kellogg aims to add value to its products by offering outstanding customer services. (Kellogg 2008)

Secondary Activities

- Infrastructure: Kellogg adopts a flexible organisation structure with encouragement of innovation in its products where the customers are always at the heart of its business. (Kellogg 2008)
- Human Resources: Kellogg is claiming that its employees are one of the two biggest assets for the company. (Kellogg 2008) They value and empower them through various training activities, company's share schemes and promotional opportunities. (Kellogg 2008)
- Technology Development: Kellogg is investing heavily on its production and communication technologies (Kellogg 2008) in order to create new values for its customers.
- Procurement: Kellogg chooses to produce its products in or near its major markets in order to reduce the costs and save the time on delivery. (Kellogg 2008)