

Retail Sector: Market leader Kellogg uses OKI's banner printing functionality to leverage its investment

Using OKI colour printers, Kellogg is the first manufacturer to deliver banner printed Planograms, pictorial depictions of stock on shelves, to the supermarkets' merchandise buyers. In addition to significant financial and resource savings, the professional Planogram presentation has boosted Kellogg's relationships with its key retail customers.

The Kellogg Company

With sales of \$8.3 billion in 2002, Kellogg Company is the world's leading producer of cereal and a leading manufacturer of convenience foods such as cereal bars and in the UK, increasingly fruit snacks, since the successful launch of Real Fruit Winders in 2001. Founded in 1906, Kellogg has manufacturing facilities in 19 countries and sells its products in more than 180 countries. The retail market has changed dramatically since Kellogg's first UK sales in 1922. At that time the company's product range included Kellogg's Corn Flakes and Kellogg's All-Bran. Today, Kellogg's numerous products can fill up to 27 bays in a major supermarket store and the process of ascertaining which product goes where is highly complex and key to business profitability.

Category Management

JDA Intactix is at the forefront of category management, enabling Kellogg to analyse brand profitability across stores and ascertain the correct levels of stock - both on shelf and in the back room - plan deliveries and forecast the impact of marketing campaigns. A key element of the solution is the production of the Planograms that are sent to the supermarket merchandise buyers, depicting Kellogg's desired product layout in store. These Planograms are regularly updated in response to changes in promotional activity and brand performance. In the past, however, these large Planograms depicting goods, across up to 36 metres of store fixture, had to be printed on A4 paper and spliced together. "The presentation of the Planogram really undermined the exceptional quality of the information," explains Alan Walker, Category Development Systems Manager. "Kellogg is Category Captain with every major UK supermarket chain and it is important to underline that position by providing accurate and well presented information." Recognising that no other product manufacturer had managed to address this problem, Kellogg assessed the colour printer market and discovered OKI's banner printing facility; the ability to print in A4 and A3 paper up to 1.2m in length. The company invested in an OKI C7000 Series digital LED colour printer in Manchester and an OKI C9000 Series digital LED colour printer in Dublin and is using the banner printing facility to print all Planograms. "OKI's banner printing facility is a huge step forward," says Walker. "Our old approach was unprofessional and time consuming. Now we print in banner form creating a professional, clean Planogram. This unique facility from OKI is ideally suited to our application - we could not have designed it better."

Quality and Reliability

The OKI C7000 Series and C9000 Series printers are also used as general office printers including printing graphical analysis of product performance from JDA Intactix. "It is another asset that Kellogg did not require a dedicated printer for banners," says Walker. "The printers deliver high quality colour printing for all our Category Management requirements in the UK and Ireland." Walker also cites OKI's approach to "user" replaceable parts as a key benefit, removing the need for expensive and time-consuming visits from engineers. "The OKI printers are maintenance free. The machine prompts when a part is ready for replacement and the process is extremely simple. In addition to ensuring high availability of the printer, it also delivers a far lower cost to run than other machines," he says.

Professional Planograms

Kellogg is the first manufacturer to use banner printing to provide Planograms to the retailers and has attained positive feedback from its customers. Walker estimates the company is saving significant time and money through the adoption of the OKI printers. He adds, "More importantly, the Planograms are extremely professional - no other print solution would produce a Planogram that looks as professional as this. The quality of the Planogram emphasises to our retail customers that Kellogg justifies Category Captain status. It is better than anything our competitors can deliver."