



MARKETING: CEREAL BOX DESIGN CHALLENGE

Congratulations! A major manufacturer of delicious breakfast cereals has just hired you. Your first assignment is to work with a team that has been given the responsibility of developing a new cold breakfast cereal. You will come up with the product idea, packaging, cereal name, and price. Most products are aimed at specific consumers called target markets.

TARGET AUDIENCE

The target audience for your new cold breakfast cereal are three to ten year old children and their buyers (i.e. parents).

THE ASSIGNMENT

Working independently, complete the following items below. You may choose to share your work through any means, such as a PowerPoint or Prezi presentation, an infographic, brochure, etc., which will be presented orally to the class.

1. Product Design

- You must produce a product that will appeal to the wants and needs of your target market. Determine the contents of your cereal and design/create a prototype box of your cereal to present to your potential investors (i.e. the class). Use the *Breakfast Cereal Cost List* to help you design this new product. It has the basic cost for cereal and the basic cost for the box. To make your cereal unique so that the consumer will purchase your cereal instead of one of your competitors, you will select “add-ons” to add to your cereal, your box, and the package design. This requires thought and research.

2. Research

- Research is to provide information about what the consumer wants and needs. Often this is done with surveys or by looking at the competition. For your research, create a survey with a minimum of five questions which will be distributed to individuals within your target market. Your questions should be closed-ended and make sure the questions are geared towards your target market.

Sample questions:

- Do you enjoy sugary cereal or cereal rich in fiber?
- Does the price of cereal determine which cereal your parents buy?
- Do you like marshmallows in your cereal?





MARKETING: CEREAL BOX DESIGN CHALLENGE

3. Price

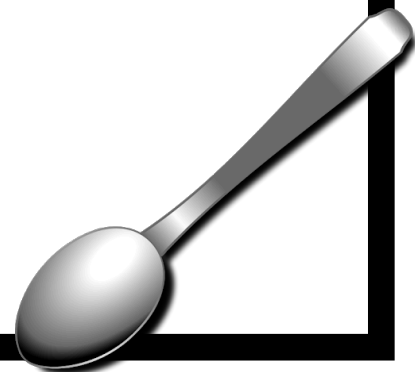
- Price is determining a dollar amount you can sell the product for. Complete the *Production & Development Cost Worksheet*. Write the basic costs of your cereal and box onto your cost worksheet. Carefully consider your research and your own preferences and then list any add-ons that will be added to your cereal, the box, and the design.
 - Determine Total Production Cost (by adding all costs of the cereal)
 - Determine Cost to Retailers (by adding Total Production Cost and Profit)
 - Determine Cost to Consumers (by adding Cost to Retailers and Profit)
- Profit is very important to a Production Company or a Retail Store. To stay in business, a company must make enough money to cover costs of production plus items such as: employees, building leases, utilities, stockholder's dividends, etc.

4. Promotion

Produce an attractive package for your cereal which supports your overall marketing strategy. Be sure to cover each side of the cereal box. Keep your target market in mind as you are designing your package. You might want to also look at your competition. Create at least one promotional tool for the product (jingle, commercial, flyer, radio announcement, magazine ad, Internet advertisement, etc.).

5. Place

Discuss how your product will reach the customer (through the mail, by telephone, in the grocery store). If in a store, where in the store (depends on demographic)? Include your rationale for determining the particular place your team chose to sell your product.





MARKETING: CEREAL BOX DESIGN CHALLENGE

RUBRIC

Criteria	Points Possible	Points Earned
Product <ul style="list-style-type: none"> Were survey questions (minimum 5) and results included? Were the survey questions appropriate for the target audience? Did the survey gather useful data? 	15	
Price <ul style="list-style-type: none"> Was the Production & Development Cost Worksheet filled out correct and included? Is the price given supported by an explanation? Is the price competitive? 	20	
Promotion <ul style="list-style-type: none"> Is the cereal box designed to appeal to the target market? Is the cereal box attractive? Are all sides of the box covered? Does the promotional tool appeal to the target audience? Was there rationale given as to why that promotional tool was selected? 	20	
Place <ul style="list-style-type: none"> Does the rationale support the choice of placement? 	5	
Total	60	



MARKETING: CEREAL BOX DESIGN CHALLENGE

BREAKFAST CEREAL COST LIST

BASIC COSTS		
Cost of Cereal	\$0.70	15oz of cereal with basic nutrition value
Cost of Box	\$0.32	Four-colour with wax paper inner wrapper

ADD-ON COSTS	
Cereal	
Sugar Coating	\$0.27
Colouring	\$0.16
Unique or unusual shapes	\$0.14
Marshmallows	\$0.23
Fruits (raisins, blueberries, etc.)	\$0.26 per fruit
Nuts	\$0.24 per nut
Reduced fat and calories	\$0.27
Enhanced nutritional value	\$0.32
Box	
Box larger than 15oz oddly shaped	\$0.16
Foil inner wrapper	\$0.13
Other	
Premium (prize provided inside box)	\$0.42
Celebrity endorsement	\$0.50
Fictional character on package	\$0.25