

Big “G” Identity



Mark Addicks has a deep and abiding affection for his brands, some of which his own family has used for generations.

“It’s just amazing that, after growing up on a farm in Brenham, Texas, I could end up in Minneapolis working on a brand like Cheerios that my grandparents loved,” says Mark, chief marketing officer at General Mills.

It’s true: Few companies could lay claim to as many enduring, iconic brands as does General Mills. So, how is it that so many “Big G” brands have achieved such status for so many years? Mark suggests that there’s really no great mystery to it.

“Brand building has been the primary corporate strategy of General Mills since the beginning,” he says. “Year after year, we have terrific people who take our brands and make them even more iconic.”

General Mills has always made it a priority to understand the roles its brands play in everyday life, says Mark. It’s not enough simply to identify who uses which brand. It’s about connecting with those who can’t live without the brand, people he likes to call “brand champions.”

Increasingly, Mark’s champions are Hispanics and African Americans—consumers that Mark says many other companies ignore, but who are driving much of his company’s growth.

“At General Mills, we’re passionate about inviting all of those consumers into our brands and we’ve been rewarded for those efforts,” he says.

Another key to iconic brands, says Mark, is a corporate culture that respects the past while aiming at the future, and that literally connects those who used to work on a brand to those creating its future.

It’s a future, he adds, where a brand’s reputation for ethics and social responsibility increasingly trumps traditional product benefits.

The future of brand identity both depends on and departs from its past, says **General Mills CMO Mark Addicks.**

If Wheaties were launched today, could it have the same kind of impact on popular culture?

Yes, I believe so, and we may see that coming to us in the future. The fundamentals of Wheaties are about a cereal designed to help athletes perform at their best, which never goes out of style.

There are certain elements of any brand that are timeless. When a legacy brand is not performing well, one of the first places we always go back to is the time when the brand and its category were at its peak. Then we ask, what would be the translation of that today?

That tends to unlock a lot of growth and good ideas. For example, there was a saying on the original Hamburger Helper package, “one pound, one pan, one happy family.” That was something we brought back into today’s language, and it worked really well.

What’s going to become of Hamburger Helper when the recession ends?

Hamburger Helper is a great brand and product experience that will continue to do well. There will always be times when your brand really fits the moment and times when it doesn’t fit quite as well. So, you need to figure out how your brand becomes part of the consumer’s ritual.

For instance, Old El Paso has built a ritual around the Thursday night taco dinner. When the recession goes away, maybe people will feel like they can go back out to eat on Thursdays. But if it’s more than a product and truly a brand experience, Old El Paso will continue to stand for Thursday night and having a fun meal at home.

Where do breakfast cereals fit into that kind of ritual?

We need to constantly remind consumers that the ten minutes it takes to pour a bowl of cereal, get your milk and sit down and eat it is a lot less than driving somewhere and ordering an 800-calorie breakfast. Breakfast cereal is really a great way to start your day and start it at home.

You once said that great marketers market to everyone. How is that possible?

What I see in a lot of cases is that brands are only marketing to 60 percent of the population because they literally are not communicating with Hispanics or African Americans. That’s what I was referring to.

Sometimes I’m sitting in one of our industry meetings and it stuns me how marketers are still thinking of parts of our population as being very small. In fact, if you’re marketing to ten-year-olds today, you can pretty well guarantee that more than 40 percent of them are not in the general market. That’s pretty astounding.

These are sizable parts of the population that we’re passionate about at General Mills because they’ve been ignored. We are now growing at twice the rate with Hispanics than in the general market, and one-and-one-half times the rate with African Americans as with the general market. That’s a huge opportunity for most marketers.

Why aren’t they pursuing that opportunity?

Most marketers are retrenching because of the recession. What I find odd about that is that if they really did a solid business analysis of their brand marketing, most of them would find that they are over saturating the general market and under-indexing in the multicultural market.

How will the rise of store brands affect the identity of national brands like yours?

Store brands are a challenge, but they also present a great opportunity for us to deliver things that consumers really care about in a proprietary way. Retailers are making us much better as brand marketers.

What does shopper marketing mean within the General Mills organization?

At General Mills, we pursue it by retail partner and we call it retail marketing. We look at ways that our brands can win while we help make that partner

win in the marketplace. That can be proprietary marketing tools that we bring to help them market an event that is unique to their store, for example.

We work very closely with retailers in terms of looking at their full schedule, what they are seeking to do and whom they are targeting. We try to find unique and proprietary ways that we can partner with them and then plug in and feature the right General Mills brands for each of those initiatives.

You call it retail marketing, not shopper marketing?

We called it shopper marketing, but our new term is retail marketing.

What's the difference?

Truthfully, probably nothing! But we take it seriously at General Mills. And we would like to be ranked higher on your *Hub* Top 12 list.

It might help if you went back to calling it shopper marketing!

Yes, well, whatever you call it, we've assigned marketers to key retail accounts. They are part of a unit that meets regularly, shares best practices, learning and the like. They are supported by teams that work with unique capabilities and tools, such as cross-media promotion, for example.

Basically, they work directly with the marketers at the retail account to understand what their objectives and key events are. They coordinate with our sales folks in terms of what we are going to feature and the capabilities we can bring to make those bigger and better events for them.

Does TV still define brand identity more than other media?

TV is always important because it is such a great medium for seeing, saying and visually understanding something. It's going to be interesting to watch the ability to customize more on a per-household basis.

We've done some experiments with that, where you can get very, very targeted and actually deliver one-to-one messaging through the television. That's going to be a big, revolutionary change for TV.

I'm also a big proponent of local radio for some brands. Most people would be surprised by our media mix because while it's still heavily TV, it's also very strong in digital, local radio and print.

What is the next frontier of brand identity?

Part of the next frontier of brand identity is how brands are going to continue to grow in this world of consumer engagement. So, social media is a big next frontier. Another next frontier for some brands is going to be direct-to-the-consumer. That could be in terms of marketing, retail or any number of things.

The whole area of corporate social responsibility and sustainability is going to be big. Many younger people expect that the small number of brands that they will identify with and talk about must have some kind of cause or social profile. That's become a prerequisite, even before taste.

Really?

Yes. It's really interesting. I recently did some ethnographic work, following 20-somethings around, just talking with them and watching them shop for food. I was surprised at some of the brands they picked and asked them why. And they said, "Well, actually the other one tastes better, but I won't buy it because this brand supports a good cause." Ten years ago you wouldn't have heard that.

Is sustainability number-one on the list of causes?

There are other things, as well. For younger women, breast cancer, for Yoplait, is very, very big. I shopped with a couple of young mothers, who were 28, almost 30, and our Box Tops for Education program was a big, big deal for them.

You have been doing that for years, right?

We have been doing that for years, but these are Kindergarten moms, so they are just discovering it now. A couple of them referenced that they used to buy other brands but switched because of the Box Tops program. It's just been terrific. I think this is going to be more important as we go into the new frontier.

Does that frontier include healthfulness?

Absolutely, but that may be a different group. What you have is very interesting in that almost 80 million Americans, in the Boomer range, are rediscovering brands based on their health profiles. They are becoming very loyal to brands that they weren't eating before.

Another thing I've seen in some of my consumer work is that younger people are particularly health aware because they have observed health conditions

Cereal Cutters

General Mills has come up with a “fat-trimming system called holistic margin management that’s starting to pay off in a big way.” Looking for ways to cut costs is nothing new at Mills, “but the rise in inflation a few years ago spurred it to seek a more effective companywide productivity solution.”

The key was to get everyone within the company to scrutinize costs. That concept was applied for the first time to Hamburger Helper, of which there were 50 versions at the time, “with 25 pastas ranging from wagon wheels to spirals.”

Mills looked into the costs of having so many varieties, researched “how much consumers liked them, and then eliminated half of them. They excised unimportant spice and cheese pouches. They shrank the size of the box while keeping the serving size the

same. The upshot: Hamburger Helper now costs 10 percent less to make.”

Other victories included getting rid of “multicolored Yoplait lids.” That saved \$2 million a year. Mills has also eliminated box sizes that don’t fit neatly onto trucks, and saved some \$12 million annually by consolidating purchasing of “oils, flour and sugar.”

Mills takes care to note that innovation still rules. But as CEO Ken Powell explains, “First you have to protect your margins.”

The net of these cuts is that General Mills last year “posted a 13 percent gain in profits on a 10 percent increase in sales,” giving it “fatter margins than Kraft and ConAgra,” according to analysts.

[SOURCE: Mina Kimes, *Fortune*, 11/10/08]

in their parents. I was talking to a couple of 30-year-olds during one of my store checks and they were buying Fiber One. I was kind of surprised.

That sounds like a significant shift.

It is. But to me, it’s really that they’re taking a more holistic view of a lot of things. They look at the entire world, the way we live our lives, how much we recycle, how much is sustainable, the foods we eat, and they are asking a lot of questions about all of these things.

What is the most innovative thing happening at General Mills?

There are a number of things I would point to. One is a program called Bold Experiments, where once a year we’ll offer several million dollars for innovative brand development ideas. Any brand can apply.

Sometimes you need the excuse of these kinds of programs to make sure that everybody in the organization feels liberated that they can put an idea forward and get funding for it.

The way we’ve brought our marketing community together is, in itself, pretty innovative. For example, we have a global marketing meeting that’s known as First Wednesdays. I kick off the meeting, we share best practices from around the world and

then usually we have a provocative speaker, such as David Plouffe from the Obama campaign.

Each of those meetings is followed up by a digital case study of somebody else’s brand that is performing well in the marketplace. We also have a marketing portal that includes all of our best practices and reports.

Many of these initiatives are based on a “next frontier” question of how big organizations can have an advantage in today’s world. What we’re really trying to do is build a community that connects and leverages.

How has that played out within the organization?

Well, for example, about six years ago, we started out on a hunch, with an experiment. We had an advertising campaign for one of our cereals that is marketed to ten-year-olds. The group planned to do an extensive advertising test by showing some of the work to consumers in three different cities. You can imagine the cost of that.

Instead, I gave them the names of eight people who, like me, have been at General Mills forever and who have worked on these brands in the past. These weren’t just marketers; they included product developers, R&D and supply-chain people. I asked them to listen to what these people had to say before doing any consumer work.

So we did that, and within a matter of minutes we had direct assessments of each of the ideas, which ones the consumers would and wouldn't like, and why. We wrote down everything and then went through all of this expensive research, which of course confirmed everything they had said. The only difference was money and time.

That was a real eye opener. From there we've become very serious about how we put this community together in a different way. We have to make sure that making and leveraging connections internally is the cultural practice, and not just an instinctual practice that some people happen to do very well. The problem is, others don't, and we want to change that.

We also have a one-week course called Brand Champions. It's a really detailed course. In one week, you see 400 cases. It is taught by our own people. We make each of our senior marketers teach one of these courses a week in very small groups of about 25 people.

We're in the business of connecting our people and making sure that they speak the same language, that they have the same culture, so that they will connect and communicate with each other. That's really powerful.

How do you connect and leverage externally?

We are extremely externally focused, as well, which we weren't five or six years ago. We are always benchmarking and we do a lot of soliciting of ideas externally. I love to go visit other companies. You walk in the door and you just get a sense of what the company is like, if it's a sharing culture or not.

About three years ago, we did an incredible study on multicultural marketing. We started out with a company that we thought, just through general literature, did the best job and asked them if they would share information with us, and they did. This company was getting 45% of its sales from Hispanics for a national brand, but its success was kind of a secret.

They had a very different organizational structure for multicultural marketing. They had people out in the field, working against retailers, and getting a demonstrably good result. We brought that learning back in, reorganized and reshuffled. When you go outside and bring it back in, you just have to respond to it. If you don't go outside, you don't have to respond to it. The only time you have to respond to it is when you have a disaster on your hands, market share loss or whatever.

Is that changing the way you work with your agencies?

It is. In general, we've changed how we work with our agencies. We've gone to a system called Brand Navigator, where two of our agencies, McCann and Saatchi & Saatchi, are global agencies, and act as the "navigators."

We put them together with digital agencies, media buying agencies, Hispanic and African American. They lead that work and the lead idea can come from any of those teams. They are paid on growth and we have been pretty happy with the results.

What do Cheerios mean to you?

Well, they have a special meaning to me. I grew up in a household, honestly, where my parents were very permissive. So, I had Cap'n Crunch. I had Frosted Flakes. I had a lot of sugar and there seemed to be no end to it.

But when I went to my grandparents, they gave me Cheerios. I liked Cheerios — my grandparents were all about Cheerios. I should be careful how I say this because my mother might get mad at me!

So, one Friday afternoon, I went to our archives here at General Mills to look at our packages. I came upon a box and it completely stopped me. I caught my breath. There was an offer on it for these beautiful porcelain bowls, white and blue. These were the bowls that were in my grandparents' house. They had a set of them.

Now, here I was, sitting in this room at General Mills, looking at this box, and I was just emotional. I just thought my grandparents would have been so proud of me.

So, will you be offering bowls again?

You know, everything that's old is new again, and I do think we need to offer bowls again. Sometimes we forget about these things that worked. It is a different country today, but we need to do more of that kind of thing. ■



MARK ADDICKS is senior vice president, chief marketing officer, of **General Mills**, with responsibility for the company's global brand-building strategy, including its advertising, promotions, public relations, design, packaging, online, licensing and multicultural initiatives.