

MALT-O-MEAL



Paul Reppenhagen,
director-consumer
marketing and strategy,
Malt-O-Meal

Malt-O-Meal breakfast cereal doesn't have an ad agency, never runs focus groups and even bypasses such fundamental marketing tactics as freestanding inserts.

The brand—run by a 92-year-old family-owned company of the same name—is so frugal that it barely put any thought into the character that for several years has fronted its top-selling Frosted Mini Spooners, simply redeploying the rather generic “Cool Blue” kangaroo it once put on a hot wheat cereal.

“In our low-cost way, we recycled what we had,” said Paul Reppenhagen, director-consumer marketing and strategy.

Despite virtually no advertising, Malt-O-Meal grew sales by 8.4% in the year ending Sept. 4, outperforming big marketers such as Kellogg, General Mills and PepsiCo's Quaker Oats. Mini Spooners, meanwhile, is the No. 3 best-selling cereal in Walmart supercenters, ahead of Cheerios, Fruit Loops and Lucky Charms, according to Malt-O-Meal. And across all channels, the company counts 10 top-50 brands, including Golden Puffs and Cocoa Dyno-Bites.

How is the low-profile maker of mostly knock-off cereals doing it? A lot of the answer lies in simply being in the right place at the right time. Malt-O-Meal products are priced about 30% lower than other national brands—a good position as consumers watch every dollar.

But there's more to it than that. Malt-O-Meal has found new ways to talk to consumers. For instance, while it has long sold its cereals in bags—another cost-saving move—it discovered this year that the approach has marketing value. So it launched a modest public relations effort, “Bag the Box,” emphasizing the environmental benefits of using less packaging.

The initiative, assisted by PR firm Kohnstamm Communications in St. Paul, Minn., cost less than \$100,000 but generated a ton of free media, with articles appearing on Forbes.com and a blog run by Fast Company, as well as other spots. The brand even caught the eye of Cooking Light this year: Mini Spooners took top taste honors in the frosted-shredded cereal category.

No doubt Cool Blue was jumping for joy.

—E.J. SCHULTZ

8.4%

SALES RISE IN THE
YEAR ENDING SEPT. 4



30%

LOWER-PRICED THAN
OTHER NATIONAL BRANDS