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Why Cream of Wheat, Ortega Are Back On Air

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-By Elaine Wong

With the Olympics still fresh on many minds, B&G Foods is using the opportunity to launch new TV spots today and shine some spotlight on two of its lesser known brands: Cream of Wheat and Ortega.

In both cases, B&G Foods' TV spots will feature stars from this year's Games, similar to what Kellogg has done with gold medalist Michael Phelps (Kellogg this week expanded its tie-in with Phelps by putting the swimmer's face on packages of Club Crackers and Kellogg's Rice Krispies Treats Marshmallow Squares).

The spot for Ortega will debut during this evening's 2008 Tour of Gymnastics Superstars, airing on My Network TV. B&G Foods, Parsippany, N.J., created four one-minute commercials to be broadcast during the program. The brand also has sponsored three Olympians—twin stars Paul and Morgan Hamm and this year's women's balance beam gold medalist Shawn Johnson—in upcoming Internet, TV and in-store ads.

Meanwhile, Cream of Wheat is a sponsor for ABC's *Frosted Pink with a Twist* program, airing on the Oct. 12. The two-hour ABC special pairs this year's Olympic gymnasts with popular music icons, and is intended to raise awareness of cancers affecting women. U.S. gold medal winners Shannon Miller and Amanda Borden will appear on TV, in-store signage and coupons on behalf of the brand.

A Cream of Wheat spot featuring the two Olympians already started airing on B&G Foods' Web site. It opens with a sportscaster headlining the achievements of Shannon Miller and Amanda Borden at the 1996 Olympics. "What's for breakfast?" Miller asks, walking into the kitchen. "Good old Cream of Wheat," Borden replies, putting two bowls on the table. "Speaking of the good old days, Cream of Wheat sure brings back memories." "Yeah, warm memories," Borden says. "Cream of Wheat. Smooth and creamy goodness and an excellent source of iron and calcium." Tagline: "Cream of Wheat. The Cream of the Crop."

For Albert Soricelli, evp-marketing at B&G Foods, the tie-in makes perfect sense. "The Olympics have all the family values and positive equities we want associated with our brand," he said. "With Ortega, the whole idea of family entertainment and fun is something very important to the brand."

The effort marks the first big advertising push for the brands since B&G Foods acquired Cream of Wheat from Kraft in 2007, and Ortega from Nestlé in 2005. Soricelli said the initiative marks phase two of the company's plan to bring these two brands back to consumers' pantry shelves, as both brands were on a steep sales decline by the time they changed hands.

"When we bought the business, it was declining by 6% in retail sales," Soricelli said of Cream of Wheat. "It

was losing distribution. It was really bad. It hadn't gotten paid attention to. The tactic was to secure space on shelves through point-of-sale merchandising. We also started to introduce new, healthier line extensions. The message was: 'Cream of Wheat is very good for you.'"

With Ortega, B&G Foods faced a similar dilemma. The brand had dropped 5% in retail sales prior to the acquisition and, in Soricelli's view, it wasn't "being marketed as a complete brand." "It was just being hodgepodged by [Nestlé's] sales team," he said. To reposition the brand as family-friendly, B&G Foods recently introduced a new line of salsas and rice mixes. Cream of Wheat, on the other hand, added a Whole Grain and Instant Variety to its SKUs.

Sales-wise, Cream of Wheat and Ortega have exhibited mixed results over the past year. Hot cereal sales for Cream of Wheat totaled approximately \$32 million for the 52 weeks ending Aug. 10, up 0.46% from the previous year, per IRI. Ortega refried beans, on the other hand, slipped 9.3%, garnering \$1.6 million in sales. Hard and soft taco sales jumped 5.35%, or roughly \$20 million. Taco sauce also was up 6.8%, or \$17 million in sales.

While linking the two brands to the Olympics may give them a sales boost, Denise Lee Yohn, a brand consultant in San Diego, said she isn't so sure the strategy works. "I think they would have been better served by pursuing a wholesome, natural positioning instead," Yohn said. Cream of Wheat, in particular, "has latent equity and people have fond memories of the product from their childhood. It seems tapping into this emotional space would be a more unique and authentic strategy."

As for Ortega, linking the brand with an event like the Olympics, which has passed, may make it seem even more irrelevant, Yohn added. "Packaged foods categories are so crowded already," she said. "Unless a new/newly revived brand has a clear point of difference, I doubt their retail customers or end consumers are going to notice or care."

B&G Foods spent \$250,000 advertising Cream of Wheat in 2007 and \$300,000 through July of this year, per Nielsen Monitor-Plus. The company spent \$375,000 marketing Ortega in 2007 and \$300,000 through July. Those figures do not include online spending.

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