

# The Grocer

Focus On: Cereals by Emma Sturgess ([emma-sturgess@hotmail.co.uk](mailto:emma-sturgess@hotmail.co.uk))

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## The Story

**Cereals continue to be hit hard. Value and volumes are down on top of falling average prices and they're fighting off stiff competition from the likes of breakfast biscuits and drinks. But cereal brands aren't taking the decline lying down – they're innovating hard to tap into areas of potential growth. So, what have they come up with over the past year? Which areas are they eyeing for future growth? And, are they able to fight off the onslaught of RTE breakfasts or do they have to join their ranks?**

### Key themes:

**Innovation:** This will be key to this feature. We will be investigating how new product development has shaped the category over the past year and what is in store for shoppers in 2016. Suppliers have certainly been reviewing their ranges, with many favourites taken into new formats or categories. We will be profiling four of the most interesting launches in a separate innovation panel.

**Health:** Concerns about high sugar levels in cereal have long blighted this sector but many are looking to prove they're good for you. Kellogg's is removing sugar from its cereals while Sugar Puffs famously changed its name last year. So how are 'healthier' cereals such as granolas and mueslis faring? There has been a lot of innovation into this arena plus the booming protein trend is heating up.

**Hot cereals:** Hot cereals have managed to avoid the decline hitting RTE cereals thanks to on-the-go sachets and pots in recent year. How is it faring now? How are RTE brands tapping into the sector?

**Own label:** Own label is declining faster than brands. Why? This feature will pay particular attention to what individual retailers are doing to carve out a greater share of the market for their own brands.

**Retail share:** The big four are promoting hard in this arena. Is this paying off for them? How are the discounters performing? Are they using brands or own label to drive this?

**Advertising and marketing:** This feature will also investigate how the marketing and advertising strategies of the category's biggest players have evolved over the past year and how they will develop in the coming year to sustain growth or return brands to growth.

**Price/promotions:** This feature will explore how the promotional strategies of retailers and brands have changed over the past year. Particular attention will be paid to the promotional strategies of retailers when it came to NPDP aimed at adding value to the category. Did these products realise their full potential or were they undermined by unnecessarily high promotions?

**Indulgence:** Despite the war on sugar chocolatey and indulgent cereals are in growth. So, how are they bucking the trend? Who else is developing indulgent cereals? And how are they marketing them to consumers?

**Key questions the feature is likely to address:**

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers' strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What's next for the category?