

# The Grocer

Focus On: Cereals by Natalie Brown ([natalie\\_brown@live.co.uk](mailto:natalie_brown@live.co.uk))

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## The Story

It's goodbye to Captain Rik. Sugary cereals for kids have fallen dramatically out of fashion this year, as the iconic Ricicles brand has been discontinued amid social media mourning and others have struggled to get sales up despite TV advertising and new variants. Now manufacturers are concentrating on reformulation to bring the punters back in. So can the cereal category regain its mojo?

### Key themes:

**Reformulation:** Cereals are one of the nine categories Public Health England has targeted for reformulation by 2020 in a bid to cut the amount of sugar consumed at breakfast. So who is making changes? And can this work get customers back on board?

**Not ready to eat:** It's not just the sugary variants that are struggling; ready to eat is down as a whole in value sales including major brands with health credentials. Why is this?

**Own label:** The rise in own label is one explanation for this hit to big names. Although shoppers are actually buying into the cereal category slightly more often, this is driven by own-label variants that are cheaper than their branded counterparts.

**Hot stuff:** Hot cereals are bucking the decline in ready to eat, up in value sales and volume. Is this all down to the popularity of porridge? (Oats are suddenly so cool there is now such a thing as a porridge pop-up café) And dieticians have promoted it as a healthy breakfast option.

**Drinks:** Finally, it's hard to ignore the rising popularity of breakfast drinks. Although still 1% of the total cereal market, value sales are growing at a rate of 25%. Can this growth continue to make it a sizeable chunk of the market, or will it always be niche?

**Innovations:** Eight new products that have ideally not appeared in The Grocer before including image, launch date and RSP.

### 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?