

Breakfast Cereals: Inc Impact of COVID-19 - UK - August 2020

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“COVID-19 has provided the stagnating breakfast cereals market with a temporary boost, as the nationwide lockdown brought out-of-home breakfasts to the home overnight. As the lockdown continues to be eased, however, more breakfast occasions are expected to shift back out of home, the category seeing growth slow.”
– Alice Pilkington, UK Food and Drink Analyst, 27th August 2020

This report looks at the following areas:

- The impact of COVID-19 on the breakfast cereals market
- Launch activity and opportunities for 2020
- Attributes consumers most look for when choosing breakfast cereals
- Frequency of usage of RTE and hot cereals
- Consumer behaviours and attitudes related to breakfast cereals
- Attributes associated with breakfast cereals.

62% of people who eat and buy cereals state that swapping their favourite cereal brand for a cheaper version is a good way to save money. Such willingness to trade down suggests that brand loyalty is not as strong as the big brands' dominance in the market might suggest. This will be particularly pertinent as the recession places pressure on consumer incomes.

The boost to the category brought about by the nationwide lockdown is expected to be short-lived. The renewed focus on the nation's health following the pandemic will put heightened pressure on the category. However, the expected shift towards more working at home long term will see more at-home breakfast occasions, these holding potential also for breakfast cereal.

As the lockdown continues to ease and a 'new normal' is reached, competition from out-of-home breakfast occasions and alternative breakfast choices will return. Furthermore, the recession and income squeeze will see consumers looking to make easy savings in their grocery shops, dialling up the need for branded cereals to prove their value proposition.

The continuing consumer focus on health, particularly gut health, provides further opportunities for the category to tap into. With the connection between good gut health and the immune system already being drawn within some areas of the media, this can enable breakfast cereals to tap into the expected focus on immunity prompted by the pandemic.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Sugar content continues to be a key issue for consumers

Taste is the top factor driving choice

Potential for cereal brands to expand into other categories

Impact of COVID-19 on Consumer Behaviour

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 Long-term homeworking trend provides opportunities for category
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