“RTE cereals have suffered from the negative media focus on sugar and competition from other products for the breakfast occasion. Given strong consumer interest, launches tapping into current healthy eating trends like ‘positive nutrition’ show potential going forward. Further development in low sugar should help brands to stand out in a crowded market.”

– Anita Winther, Research Analyst

This report looks at the following areas:

- Low sugar continues to warrant focus – control appeals to users
- ‘Positive nutrition’ resonates with consumers – natural has an edge over fortified
- Opportunities are ripe for high-protein cereals

Breakfast cereals have seen a decline in total volume sales of 6% between the 2012 high and 2015. This is a result of volume losses suffered by ready-to-eat (RTE) cereals, due to health concerns and consumers’ changing breakfast habits, coupled with stagnation in hot cereal sales since 2013. Further decline is expected in 2016.

Strong consumer interest in cereals with ‘positive nutrition’ or ones high in protein shows potential to drive growth going forward. Demand for low-sugar variants should also guide future NPD (New Product Development).

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.
Breakfast Cereals - UK - August 2016

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market
Values and volumes continue to decline in 2015
Value growth predicted for the future
   Figure 1: UK retail sales of breakfast cereals, by value, 2011-21
RTE cereals continue to struggle
Hot cereals’ growth grinds to a halt
Sugar remains on the agenda
Competition for the breakfast occasion
Companies and brands
Market leader Kellogg’s continues to see falling RTE cereal sales
   Figure 2: Leading manufacturers’ shares in the UK RTE cereals market, by value, 2015/16*
Quaker continues to dominate hot cereals
   Figure 3: Leading manufacturers’ shares in the UK hot cereals market, by value, 2015/16*
Cereal launches hit four-year high in 2015
Kellogg’s and Quaker Oats target wellness trend with positive nutrition
Protein trend gathers momentum, low/no/reduced sugar remains niche
Advertising spend plateaus as focus turns to positive nutrition
Weetabix enjoys the highest brand commitment
The consumer
RTE cereals are eaten by 83%
   Figure 4: Usage of breakfast cereals, by type, June 2016
Breakfast continues to be the main occasion for eating cereals
High fibre is a key factor
   Figure 5: Nutritional factors deemed important when buying breakfast cereals, June 2016
Strong associations between fibre and digestive health
   Figure 6: Behaviours relating to breakfast cereals, June 2016
‘Positive nutrition’ resonates
   Figure 7: Attitudes towards breakfast cereals, June 2016

What we think

Issues and Insights

Low sugar continues to warrant focus – control appeals to users
The facts
Breakfast Cereals - UK - August 2016

The implications
‘Positive nutrition’ resonates with consumers – natural has an edge over fortified

The facts
The implications
Opportunities are ripe for high-protein cereals
The facts
The implications

The Market – What You Need to Know
Values and volumes continue to decline in 2015
Value growth predicted for the future
RTE cereals continue to struggle
Inflation to prop up RTE value sales
Hot cereals’ growth grinds to a halt
Growth expected to return to hot cereals
Sugar remains on the agenda
Competition for the breakfast occasion

Market Size, Forecast and Segmentation
Values and volumes continue to decline in 2015
Figure 8: UK retail sales of breakfast cereals, by value and volume, 2011-21
Value growth predicted for the future
Figure 9: UK retail sales of breakfast cereals, by value, 2011-21
Figure 10: UK retail sales of breakfast cereals, by volume, 2011-21
RTE cereals continue to struggle
Inflation to prop up value sales
Figure 11: UK retail sales of RTE cereals, by value and volume, 2011-21
Figure 12: UK retail sales of RTE cereals, by value, 2011-21
Figure 13: UK retail sales of RTE cereals, by volume, 2011-21
Hot cereals’ growth grinds to a halt
Growth expected to return
Figure 14: UK retail sales of hot cereals, by value and volume, 2011-21
Figure 15: UK retail sales of hot cereals, by value, 2011-21
Figure 16: UK retail sales of hot cereals, by volume, 2011-21

Forecast methodology
Market Drivers
Sugar remains on the agenda
Competition for the breakfast occasion
Aging population should benefit porridge
Figure 17: Trends in the age structure of the UK population, 2011-16 and 2016-21

BUY THIS REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.
Weakening Pound poses risk of rising prices

Companies and Brands – What You Need to Know

Market leader Kellogg’s continues to see falling RTE cereal sales

Weetabix extends lead, Nestlé’s sales fall

Quaker continues to dominate hot cereals

Cereal launches hit four-year high in 2015

Kellogg’s and Quaker Oats target wellness trend with positive nutrition

Protein trend gathers momentum, L/N/R sugar remains niche

Advertising spend plateaus as focus turns to positive nutrition

Weetabix enjoys the highest brand commitment

Market Share

Market leader Kellogg’s continues to see falling RTE cereal sales

Chocolate cereals buck health trend

Growth extends Weetabix’s lead as biggest RTE brand

Nestlé’s sales fall, ABF sees mixed results

Quaker continues to dominate hot cereals

Kellogg’s sees porridge sales fall as Special K struggles

Own-label grows ahead of market

Launch Activity and Innovation

Cereal launches hit four-year high in 2015

Kellogg’s targets wellness trend with positive nutrition

Quaker Oats launches Super Goodness range

Protein trend gathers momentum

L/N/R sugar claims grow but remain niche

Gluten-free continues to receive growing attention

Sown & Grown launch in disruptive packaging

Advertising and Marketing Activity

Advertising spend plateaus in 2015

Kellogg’s continues repositioning of Special K

BUY THIS REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.
Kellogg's supports Ancient Legends launch with VR experience
Weetabix and Quaker focus on positive nutrition and wholesomeness
Weetabix shifts focus to nutritional benefits
Quaker ups spend to support granola launch
   Figure 27: Total above-the line, online display and direct mail advertising expenditure on breakfast cereals, by top 5 advertisers (sorted by 2015), 2012-16
Alpen and Quaker focus on the breakfast occasion
Customisation and creativity take centre stage
Nestlé opens Aisle of Wonder pop-up cereal store
Brands look to promote sports and activity
Kellogg's goes for gold with Team GB Olympic sponsorship...
...while Weetabix launches Summer of Sport
Nielsen Ad Intel coverage

Brand Research

What you need to know
Brand map
   Figure 28: Attitudes towards and usage of selected brands, June 2016
Key brand metrics
   Figure 29: Key metrics for selected brands, June 2016
Brand attitudes: Weetabix and Kellogg's Corn Flakes excel on trust, quality and reputation
   Figure 30: Attitudes, by brand, June 2016
Brand personality – macro: Krave stands out as fun and vibrant
   Figure 31: Brand personality – macro image, June 2016
Brand personality – micro: Weetabix and Kellogg’s Corn Flakes share a traditional, family image
   Figure 32: Brand personality – micro image, June 2016
Brand analysis
Quaker Oat So Simple stands out as moving forward
   Figure 33: User profile of Quaker Oat So Simple, June 2016
Weetabix is the most trusted and reputable brand
   Figure 34: User profile of Weetabix, June 2016
Jordans enjoys a strong ethical image
   Figure 35: User profile of Jordans, June 2016
Kellogg’s Corn Flakes has the strongest image as traditional and family
   Figure 36: User profile of Kellogg's Corn Flakes, June 2016
Healthy image remains Special K’s key strength
   Figure 37: User profile of Special K, June 2016
Alpen challenges competitors on health and naturalness
   Figure 38: User profile of Alpen, June 2016
Shreddies lacks momentum
   Figure 39: User profile of Shreddies, June 2016
Krave has the fun factor, but loses out on healthiness
Figure 40: User profile of Krave, June 2016

**The Consumer – What You Need to Know**

- RTE cereals are eaten by 83%
- Two in five eat porridge oats
- Breakfast continues to be the main occasion for eating cereals
- High fibre is a key factor
- Demand for low-sugar cereals
- Young men value high protein most
- Strong associations between fibre and digestive health
- 'Positive nutrition' resonates
- Cereal and yogurt pots attract interest
- Parents struggle to find healthy and tasty kids’ cereals
- Taste trumps healthiness for many

**Breakfast Cereal Usage**

- RTE cereals are eaten by 83%
  Figure 41: Frequency of eating breakfast cereals, June 2016
- Two in five eat porridge oats
- Plain cereals are most popular type
  Figure 42: Usage of breakfast cereals, by type, June 2016
- Families are core eaters of RTE cereals
  Figure 43: Usage of RTE breakfast cereals, by type, by the presence of children, June 2016
- Flavoured cereals are popular with 16-24-year-olds
- Use of granola and muesli skewed towards higher earners
  Figure 44: Usage of granola and muesli, by gross annual household income, June 2016

**Occasions for Eating Breakfast Cereals**

- Breakfast continues to be the main occasion for eating cereals
  Figure 45: Occasions for eating breakfast cereals, June 2016
- Under-45s are main users beyond breakfast

**Nutritional Factors Deemed Important when Buying Breakfast Cereals**

- High fibre is a key factor
  Figure 46: Nutritional factors deemed important when buying breakfast cereals, June 2016
- Wholegrain is important to 47%
- Demand for low-sugar cereals
- Naturalness appeals to 56%
- Young men value high protein most

**Behaviours Relating to Breakfast Cereals**

- Strong associations between fibre and digestive health
Figure 47: Behaviours relating to breakfast cereals, June 2016
Tailoring sugar contents appeals
Toppings are popular

'Positive nutrition' resonates

Figure 48: Attitudes towards breakfast cereals, June 2016
Cereal and yogurt pots attract interest
Parents struggle to find healthy and tasty kids' cereals
Taste trumps healthiness for many

Appendix – Data Sources, Abbreviations and Supporting Information
Abbreviations
Consumer research methodology

Appendix – Market Size and Forecast
Forecast Methodology

Figure 49: Total UK retail value sales of breakfast cereals, best- and worst-case forecast, 2016-21
Figure 50: Total UK retail volume sales of breakfast cereals, best- and worst-case forecast, 2016-21
Figure 51: UK retail value sales of RTE breakfast cereals, best- and worst-case forecast, 2016-21
Figure 52: UK retail volume sales of RTE breakfast cereals, best- and worst-case forecast, 2016-21
Figure 53: UK retail value sales of hot breakfast cereals, best- and worst-case forecast, 2016-21
Figure 54: UK retail volume sales of RTE breakfast cereals, best- and worst-case forecast, 2016-21