

A young girl with brown hair is eating cereal from a white bowl. She is holding a spoon with cereal in her mouth. The background is blurred. The image is framed by a circular cutout on an orange background.

# Four Key Trends Reinventing the Breakfast Cereal Market

  
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# Consumer changing preferences are directing cereal trends into the snack and health food categories, among others.

- Despite the breakfast cereal market declining, hot/cold cereal remains a household staple.
- In order to retain or grow sales, brands need to cater to new consumer preferences and cereal trends.
- Consumer's busier lifestyles has also made on-the-go eating more common, leading to an increased demand for convenient yet healthy options.

With consumers' growing health concerns about sugar content, flavours and processed ingredients, breakfast cereal producers today have to react to more health-conscious cereal buyers. Buyers now have to place high importance on fibre and low sugar, no or less additives and natural ingredients, while also demanding great taste!

Gut wellness is expected to attract more attention from brands and consumers while portability and snackability will continue to have a big impact due to increasing time pressures. Consumer's busier lifestyles has also made on-the-go eating more common, leading to an increased demand for convenient yet healthy options.

## Here we highlight 4 key trends for brands working to capture a piece of the cereal market.

1



### Reducing sugar & Gut Health

Since 'clean label/eating' continues to be a hot topic for consumers, the cereal category is witnessing ongoing efforts around offering more natural varieties, with a strong focus on sugar reduction and 'clean labelling'. Gut wellness is also a growing concern for health-minded and stressed consumers.

According to Mintel 86% of US consumers have tried/have not tried but are willing to try, high-fibre food/drinks for digestive relief and 54% of German consumers use functional food and drink products to maintain/improve their digestive health. Although the use of explicit digestive health claims has so far been fairly limited in the breakfast cereal category, many brands have been widely associated with digestive wellness due to their high-fibre formulations/the high fibre content found in whole grains.

2



### Convenience and snackability

Making cereal more portable and snackable is a necessity given the ongoing time pressures experienced by today's consumers. This can help reposition cereals from a breakfast food to an anytime food. According to Mintel's "The Future of Breakfast Cereal Report: 2020" 38% of US cereal consumers eat cereal as a snack and 28% claim to have increased their cereal consumption due to snacking on it more. As a result, this means brands need to create and promote packaging that is more portable and convenient.

Although cereal (either hot or cold) is commonly regarded as a breakfast item, according to Mintel nearly half of consumers reach for cereal as snack. This is especially true for younger consumers (in Germany), who eat cereal as a snack— (48%) of 16-24 year olds eat cereal as a snack, with almost 4 out of 10 (39%) claiming to like products that can be eaten on the go.

3



### Energy and satiety

It is widely regarded that breakfast is the most important meal of the day, due in part to the perception that a morning meal supplies all-day energy. In a recent Mintel study, 82% of breakfast food buyers agreed that their breakfast selections should keep them energised and 56% wished cereals provided a greater sense of alertness and energy. This was particularly true of consumers who enjoyed cereal as a snack: 62% looked for snacks that provided energy while 68% wanted snacks that were filling.

In order to meet these consumer desires, cereals could be formulated to be more energizing and filling through the inclusion of whole grains or added fibre. Only 9% of UK consumers meet the recommended daily intake of fibre, and, according to NHANES, US consumers are also not meeting recommended fibre intakes. Balancing these additions along with superior taste is essential.

4



### Sustainability

Cereal brands, big and small, need to explore a variety of planet-friendly solutions to remain competitive in the coming years. Paying more attention to a more sustainable production process by exploring energy-conserving solutions is one possible route.

Ethical and environmental claims were featured on 34% of all global breakfast cereal launches introduced throughout 2019. Of those, the most commonly explored areas included claims that referred to environmentally friendly packaging, recycling, sustainable sourcing and environmentally friendly products.

The breakfast cereal market is changing, but opportunities are overflowing for brands that position their products to appeal to consumers preferences. Our grains portfolio offers a range of nutritious and functional Ingredients that answer consumer demands for a nutritious, reduced-sugar cereal while providing an outstanding taste.

### Get in Touch

To find out more about how Glanbia Ireland can support you in developing your solutions, please contact us directly.

Email: [solutions@glanbia.ie](mailto:solutions@glanbia.ie)

[www.glanbiairelandingredients.com](http://www.glanbiairelandingredients.com)



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