Cold and Hot Breakfast Cereals in the U.S.

Description:
A perfect storm of cultural, culinary and demographic trends has led to a stubborn weakness in the breakfast cereal market. As all-day snacking replaces sit-down meals for on-the-go Americans, an increasing number of consumers treat breakfast as an on-the-run, away-from-home eating occasion rather than an at-home, sit-down meal. Many Americans are increasingly turning away from breakfast cereal and embracing alternatives such as cereal bars, bagels and yogurt.

Yet, breakfast cereal marketers have begun to see glimmers of hope for their beleaguered category. Although U.S. retail sales of cold cereal were down in 2013, hot cereal registered a noticeable uptick in sales as major marketers of breakfast cereal intensified their efforts to return cereal to the breakfast table at home and to expand its presence at breakfast occasions away from home. Senior executives from major breakfast cereal marketers continue to express the firm conviction that they are on the right path to revive their cereal businesses.

Cold and Hot Breakfast Cereals in the U.S. assesses the obstacles facing U.S. marketers of breakfast cereal and also identifies the opportunities still offered by American consumers. Although the connection between Americans and their breakfast cereals may be strained, Packaged Facts survey data highlighted in the report indicate that it remains unbroken. Three in four adults eat cold cereal and more than 60% eat hot cereal. Three in five cold cereal eaters and two in five hot cereal eaters consume cereal daily or a few times a week. Moreover, Americans eat still breakfast cereal morning noon, and night. More than 40% of cereal consumers eat it as an evening or late-night meal or snack. In fact, cold cereal plays a crucial role in the lives of snackers. Two in five cold cereal eaters consume cold cereal as a snack right out of the box, while 15% mix it with other ingredients to make their own customized snack mix.

In short, this report suggests that breakfast cereal still represents a handy, convenient and satisfying meal or snack for millions of adults and fits well into the eating habits of today’s American consumer. It also demonstrates that the challenge for cereal marketers is not only to leverage the traditional bond with breakfast cereal but also to offer innovative products that suit the diverse tastes and eating habits of today’s cereal consumers.

Scope of the Report
This report analyzes the U.S. market for cold, or ready-to-eat, breakfast cereal and hot breakfast cereal. The report highlights trends shaping the market; identifies key opportunities available for companies active in the market for breakfast cereals; provides an estimate of U.S. retail sales of cold and hot breakfast cereals for the 2008 through 2013 and a projection of U.S. retail sales through 2018; analyzes the strategies of major competitors in the market; identifies marketing and new product trends; and provides an in-depth look at the tastes and preferences of today’s cereal consumers.

Methodology
The consumer data in this report are derived from two sources. One is a Packaged Facts national online consumer survey conducted in January/February 2014, which reflects a panel of 2,000 U.S. adults (age 18+) that is balanced to the national population on the primary demographic measures of gender, age bracket, race/ethnicity, geographic region, marital status, presence or absence of children in the household and household income.

The other consumer data source is the Simmons National Consumer Survey for Summer 2013 (and Spring 2004 in the case of 10-year-trend tables and figures) from Experian Marketing Services. On an ongoing basis, Experian Marketing Services conducts booklet-based surveys of a large and random sample of consumers (approximately 25,000 for each 12-month survey compilation) who in aggregate represent a statistically accurate cross-section of the U.S. population.

Retail sales figures credited to IRI (Chicago, IL) are based on IRI aggregated multi-outlet (MULO) sales tracking, which represents sales through U.S. supermarkets, drugstores (including Walgreens, CVS, and Rite Aid), mass merchandisers (Walmart, Target, Kmart, and Shopko), warehouse clubs (Sam’s Club and BJ’s, but excluding Costco), dollar stores (excluding Dollar Tree), and military commissaries.
The report is also based upon data collected from field surveys of food retailers in various channels as well as a wide range of industry sources, including company websites, trade publications, business newspapers and magazines, consumer blogs, and annual reports, 10Ks and other releases from public companies.

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