

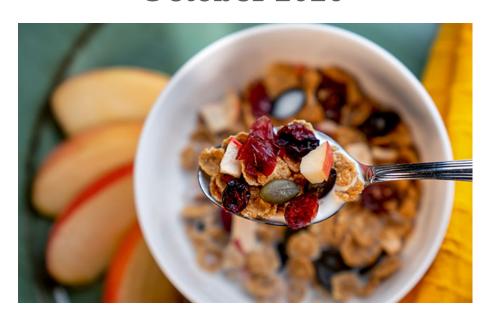


News and analysis on the food and beverage industry





Hot and Cold Cereal Market Trends October 2020



For more information, please contact

Tree Top Ingredients at

509-698-1435

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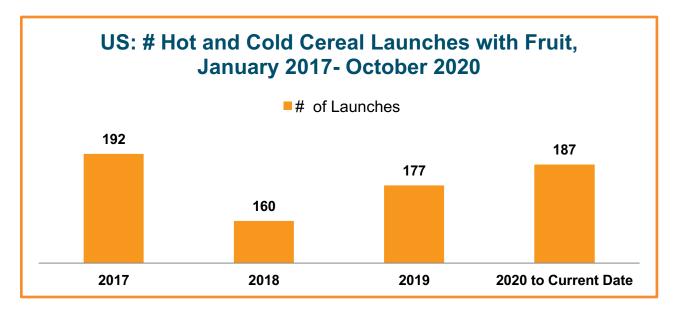
Patty Avila, Mintel, Contributing Editor Mintel Global New Products Database (GNPD)



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Tree Top is proud to partner with Mintel to provide our customers with the latest research and new product introductions. Mintel is the world's leading market intelligence agency offering perspectives, purchasing data and insights.



US: Top Fruit Ingredients in Hot and Cold Cereal Launches, January 2017- October 2020

Fruit	2017	2018	2019	2020	% change: 2017 - 2019
Raisins	51	38	37	35	-27%
Apple	39	38	40	27	3%
Blueberry	33	24	34	31	3%
Cranberry	33	28	29	28	-12%
Strawberry	28	20	17	21	-39%
Date	14	11	19	17	36%
Banana	14	9	18	16	29%
Raspberry	15	11	7	15	-53%
Apple Juice Concentrate	13	9	6	5	-54%
Luo Han Guo Extract	1	2	9	19	800.00%



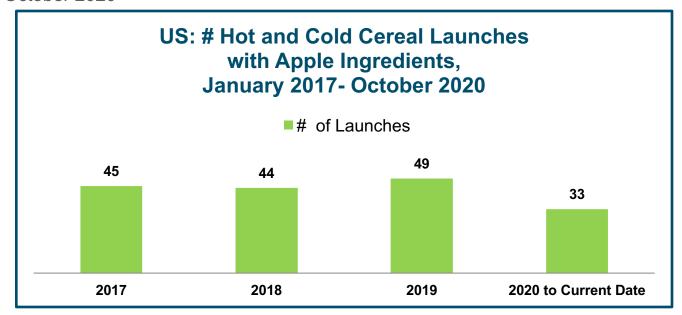




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Consider a pivot to snacking

Better-For-You hot cereal and cold cereal brands may want to consider how they can permeate the snacking occasion long-term to establish themselves outside the breakfast occasion. According to <u>Snacking Motivations and Attitudes – US, January 2019</u>, consumers look for a mix of fun and function in snacks; nearly equally driven to treat themselves or to satiate hunger.

More than a third of cereal eaters find cereal to be healthier than other snacks. For less-flavorful options like steel cut oats, recipe content that encourages adding fruit, natural sweeteners like maple syrup, juice concentrate, or other toppings can encourage consumers to make these options more of a treat by taking flavor into their own hands. Packaging is also something brands may want to consider when targeting the out-of-home snack occasion.







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2020 Hot and Cold Cereal Launches



Cascadian Farm Organic Cinnamon Apple Granola contains wholegrain oats, date powder, apples, and cinnamon, and is sweetened with fruit.



Real Made Apple & Coconut Overnight Oats contain thickcut rolled oats, apples, raisins, almonds, chia, dates, and coconut.)



This cereal is made with fruit and North American grains. It contains 10 layers of wheat, 6g of fiber and 41g of whole grain.

Nutrient-dense options can edge into Better-For-You Snacking

Healthy cereal can provide value in its versatility in the COVID-19 moment by serving as not only a breakfast but also a nutritious snack. This positioning will especially resonate during a recession when consumers are tightening the budget and purchasing products with the most versatility across meal and snack occasions. According to *Breakfast Foods: Including the Impact of COVID-19, US, September 2020*, 25% of breakfast eaters agree that it's boring to eat the same thing every day and edging into the BFY snack occasion can give variety-seeking consumers license to have on hand a broader array of cereals to rotate in their mornings and use throughout the day.

Products like muesli, high-fiber cereal and oats are all good contenders for the BFY snack occasion, as consumers who eat those are more likely to agree that cereal is healthier than other snacks.







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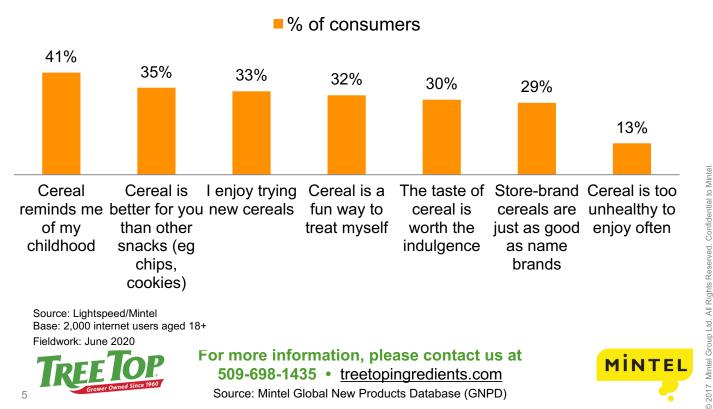
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The experience of cereal can be strengthened

For heavy users, cereal is more than a food – it's an experience, but one that can still be strengthened. Heavy consumers are much more likely to think that cereal reminds them of their childhood, is a fun way to treat themselves, is a worthwhile indulgence and that they enjoy trying new types. Brands can leverage these experiences to retain loyalty and excitement, which may reduce the consumption pullback from sweetened cereal as consumers get older.

For light users, brands will still want to focus on health attitudes and harnessing the renewed breakfast occasion. To continuously engage heavy users, brands can get creative and playful with their marketing by exploring everything from cobranding and sponsored events to pushing entertaining content and fun merchandise. Playfulness, one of the pillars of Mintel Global Trend Driver Experience, is a key motivator for behaviors; 73% of US consumers agree that they seek fun in all aspects of life, according to Mintel's 35-market consumer research study, July 2020.

"Which of the following statements about cereals apply to you? Please select all that apply."



Source: Lightspeed/Mintel

Base: 2,000 internet users aged 18+



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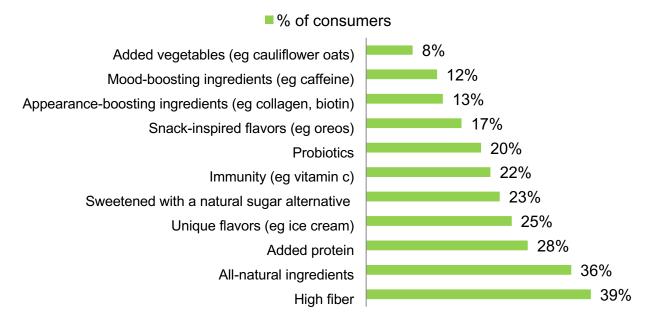


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"Which of the following would motivate you to try a new cereal? Please select all that apply."



Inspire product trial with Better-For-You

The features that have the widest appeal to motivate consumers to try a new cereal relate to simple nutrition. More so than flavor or functional benefits like immunity, consumers want high fiber, all-natural ingredients, and protein. Particular attributes such as mood-boosting or appearance-enhancing ingredients have very limited appeal on their own. Innovation for the general market should focus on providing good nutrition through natural ingredients, whether that's whole grains for digestive benefits or nut butters for added proteins.

While BFY innovations are the leading motivators for trying new cereals, they are not the answer for all types of products. Consumers of healthier cereals, especially ancient grains, and granolas, are much more likely to be motivated to try new cereals with the top health-related factors like fiber or natural ingredients.





Source: Mintel Global New Products Database (GNPD)



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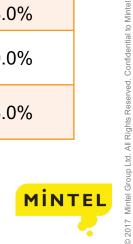
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Top Flavors for Hot and Cold Cereals with Fruit Ingredients

Here are the most frequent flavors used in new launches and the flavors that resonate most with consumers based on purchase intent.

Ranked by # of Launches						
Rank	Flavor	# Launches	Purchase Intent			
1	Apple & Cinnamon	61	44.4%			
2	Berry	36	41.4%			
3	Raisin	34	47.2%			
4	Blueberry	28	34.0%			
5	Unflavoured/Plain	26	31.2%			
6	Fruit & Nut	19	42.1%			
7	Strawberry	16	39.4%			
Ranked by Purchase Intent						
Rank	Flavor	# Launches	Purchase Intent			
1	Berry & Peach	1	73.0%			
2	Almond & Apple & Raspberry	1	70.0%			
3	Almond & Pecan & Cherry	1	63.0%			







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Top Good Value Hot and Cold Cereal Launches



Kroger

Fruit & Cream Variety Pack Instant Oatmeal

77%* Good value \$ 1.49



Great Value

Mixed Berry Overnight Oats

76%* Good value \$ 0.35



Fit & Active

Vitality Cereal with Red Berries

75%* Good value \$ 1.89



Giant Eagle

Instant Oatmeal Variety Pack 75%* Good

value \$ 1.99



Great Value

Blueberry Vanilla Overnight Oats

74%* Good value \$ 0.35

Top Tasty Hot and Cold Cereal Launches



Kellogg's Special K Nourish

Berries and Peaches Cereal

86%* Tasty \$ 2.00



Kellogg's Special K Nourish

Apple, Raspberry & Almond Multi-Grain Flakes

83%* Tasty \$ 2.69



Quaker Overnight Oats

Orchard Peach Pecan Perfection

82%* Tasty \$ 1.50



Private Selection

Summer Berry Steel-Cut Rolled Oatmeal

80%* Tasty \$ 1.49



Kellogg's Special K

Red Berries Cereal

80%* Tasty \$ 2.89



For more information, please contact us at 509-698-1435 • treetopingredients.com

Source: Mintel Global New Products Database (GNPD)





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Snapshot of Consumer Feedback

The following verbatims are purchase intent respondents for **Hot and Cold Cereal with Fruit Ingredients**

Why They Would Buy

"I like the fact of the options of making hot or overnight oats people like me like having different choice options of consuming their meals keeps things interesting. I also like green apples and cinnamon plus the yummy oats count me in."

- MALE 18-34** WEST

"I love cereals they are very healthy. This product shows that it's from an organic source, fruits are in it, the package looks great and it's whole grain. The combination of all these elements in a single package definitely caught my attention."

- MALE 35-54 SOUTH



"Fruit and fiber. and again another of my favorites cranberries and almonds! My Doctors would give it their seal of approval to eat regularly!."

- FEMALE 55+ MIDWEST



Source: Mintel Purchase Intelligence

Research Methodology: All scores displayed in any report are based on T2B (Top 2 Box), excluding Instant Reaction ratings.



2nd Review



1st Review



3rd Review



