



Starting the day with breakfast is good for consumers. But it is even better for retailers and suppliers who have tapped into these consumers' demands for health benefits, value-for-money and convenience in the category.

nielsen

Give breakfast a boost and improve your morning sales

The right start to the day

Breakfast provides the energy and nutrients for a proper start to the day and yet many people still replace the meal with a cup of coffee to go. Amongst children, those that eat breakfast tend to be slimmer, as well as perform better in school, according to a recent study (Szajewska H, Ruszczynski M. 2010). The Nutrition Foundation of Italy recently conducted a research review concludes that the regular consumption of breakfast is associated with a reduced risk of developing obesity, cardiovascular events, and diabetes, possibly by controlling some of their risk factors, as reported in the Breakfast is Best campaign, a European campaign promoting breakfast.

According to the Nielsen Company (SA), South African households do continue to buy breakfast offerings despite heavy pressure on household incomes over the last two years. However, they are choosing different options within the segment to get the best value for their money. "The breakfast category has been largely unaffected by the recession although there was a definite shift in the product basket that was purchased towards more value for money offerings," says Anchen Myburgh-Creighton, head of marketing at Bokomo Foods, a Division of Pioneer Foods.

BY LAURA DURHAM

As the most important meal of the day, breakfast sales have continued to show growth despite the tough economic climate. Convenience, value-for-money in bulk savings and tapping into the health demands of consumers remain the drivers of the category. A fitting start to the year, Supermarket & Retailer visits one retailer who sees breakfast as business and spoke to various players about how to boost sales in the category.

Breakfast on the go

"Everyone knows how good it is to eat breakfast – the information is out there – it's whether they choose to listen and take action," says Daniela Govetto, CEO of Daisy Health Foods, which produces a range of specialised mueslis. Many people complain about a lack of time in the morning to prepare and eat breakfast so suppliers have come up with a number of quick and easy solutions: Instant oats, breakfast bars, cereal and yoghurt blends to name a few. Bokomo's Cup O' Oats is another solution to the consumer's need for a quick breakfast fix and the hot oats drink is doing well, says Neil Meyer, brand manager of hot cereals at Bokomo. "Obviously it, like other hot cereals is a winter product, but consumers have responded well to the convenient and tasty breakfast solution.

Many suppliers have entered the snack market with breakfast bars and cereal drinks, like Bokomo's UP & Go as a convenient choice for breakfast on the run. Myburgh-Creighton comments on the reasons behind this move: "It is a natural progression in terms of product offering as convenience becomes more and more important. Proper distribution/merchandising and the correct price point is key." ▶



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BREAKFAST FEATURE ►

Value-for-money

Dr Dana Braithwaite, research director at BMI notes that hot cereals remain the most popular breakfast food with 53.3% of the total market share in 2009. "It is believed that this is due to their health benefits and good value-for-money proposition," she says.

No one can deny that value-for-money and bulk savings has become an essential factor of a product for consumers and suppliers have acknowledged this by introducing bulk formats. One cereals brand manager says that the launch of instant oats in a box – versus individual serving sachets – is doing very well. Meyer seconds this, saying, "bulk savings are huge – consumers are now able to pay +/- R10 for a 1kg of instant oats versus around R20 for a box of sachets – they are getting the same flavour and benefits, at a much cheaper price."

Value-for-money and bulk savings has become an essential factor of a product for consumers – and suppliers have acknowledged this by introducing bulk formats



According to Nielson, "hot cereals have also grown in the last year driven by the Mabela segment which is a more affordable option for households. Although much smaller, instant oats has experienced very high growth with the launch of Jungle Oats Instant 750g. This is a more economical option than other instant oats and in line with households wanting convenience for their morning meal."



Cross-merchandising in your cereals aisle is a clever way to promote items that complement the product, such as spoons (pictured) or perhaps tea, coffee and fruit juice too.

Getting more in the morning

Along with the demand for value-for-money and convenience, consumers are looking for breakfast products that offer added health benefits. Wholegrain, added fibre and low GI are some of the functional benefits being seen in new cereals on the market. Nestlé launched wholegrain Milo and Cheerios in 2009 and both were well received by the public. Kellogg's also launched a wholegrain cereal, Coco Pops Choc 'O's last year. "Many consumers turned their attention to low GI, higher fibre products, and as a result, these categories saw a healthy growth during 2009," notes BMI's Braithwaite.

"Breakfast has always been a healthy choice and most suppliers have tapped into the health trend," comments Mike Paddick, marketing director at Alpen Food Company SA. "And they make this clear to consumers by boldly pointing to the health benefits on their packaging," he adds. Indeed, 'gluten-free', 'low GI' and 'added fibre' have become popular on cereal boxes, particularly amongst the mueslis on the shelves.

Tia's Muesli is one of the suppliers that has tapped into the health-conscious upper niche market. Director, Hani Niash, notes that both packaging and positioning on-shelf are important in the cereals market. "As a high-end product, consumers need

to feel that they are getting bang for their buck and so we use thicker plastic with a zip lock. This also keeps the muesli fresher for longer," he says.

"Consumers will always respond positively to products that deliver on taste and have added health benefits. Health benefits alone will however not be enough – the product has to deliver on taste," says Bokomo's Myburgh-Creighton.

According to Nielson, Ready to Eat Cereals is growing at 4.4% in volume annually. "This is driven by households increasing their purchase of family offerings such as Weetbix which offers something for the entire family at an affordable price. Nestlé has driven growth through their new pre-sweetened wholegrain cereals offering a healthier option. Their brands also offer a large pack size in addition to their regular pack size, again providing value to the consumer."

Consumers will respond positively to products that deliver on taste and have added health benefits – wholegrain, added fibre and low GI are some of the functional benefits being seen in new cereals



An international breakfast

'Breakfast is Best' is a European campaign to promote the importance of breakfast and to



ensure that breakfast is treated as a serious public policy issue. Over 61% of Europeans skip breakfast at least once a week and while the mealtime is seen as natural and commonplace, it is not considered essential and the importance of breakfast in nutrition is highly under-emphasised.

The goal of the campaign is to build visibility around the importance of breakfast and its nutritional benefits, as well as act on public policy. By targeting decision makers and role models (schools, employees, public health), the campaign draws attention to the positive impact that breakfast can have on people:

- To prevent obesity
- Decrease the risk of heart disease and improve general health
- Increase cognitive ability and concentration
- Boost energy levels and kick-start your metabolism



Many suppliers have tapped into the health trend by introducing cereals with added vitamins, minerals and nutritional benefits. However, taste remains key to the successful selling of cereal.

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BREAKFAST FEATURE ►

Additional breakfast choices

In addition to the traditional cereal or eggs and bacon fare, yoghurt continues to do well.

According to Nielson, "Adult Eating Yoghurt is growing ahead of other yoghurt offerings such as Maas, Drinking Yoghurt and Kids Yoghurt. Once again, indicating that households are buying products that all members can enjoy and opting for healthier variations." Functional properties, such as extra vitamins and minerals, the addition of rooibos extracts and the development of yoghurt with pre- and probiotics to improve gastro-intestinal health, are also being seen on the shelves, with this trend set to continue. BMI sees the category's growth to continue at 6.7% for 2011.



Time-poor customers are always on the lookout for a quick meal solution – breakfast bars, muesli and yoghurt combinations, instant oats and cereal drinks are ideal for those who eat breakfast on-the-go.

Eggs are magic!



The debate on whether eggs are actually good for you has been raging for years and they've certainly achieved a bad reputation for being a high cholesterol food. However, they are actually a cheap superfood that is full of protein, vitamins, minerals, antioxidants and good fats (lifemojo.com).

The South African Poultry Association (SAPA) ran a campaign last year – Eggs are magic – to educate consumers and stimulate egg demand in South Africa. The objectives of the competition (which took place between August and October 2010) was to make eggs a part of the daily eating habits of South Africans and to move eggs beyond their position as merely breakfast food towards a position of healthy, convenient and affordable food.

"Eggs are the cheapest form of animal protein available in South Africa. They

are also rated as the best form of animal protein by nutritional scientists. We believe that improving nutrition through increased egg consumption will help South Africa in its goal of a better life for all.

We currently consume only about a third as much eggs as countries like Japan, Mexico and China", says Kevin Lovell, CEO of SAPA.

The 30s egg trays were the medium used in communicating the campaign mechanics through selected retail stores; which included having consumers send an sms to stand a chance of winning part of the big prize (a share of R160 000).

One hundred Siyaya taxis and fifty quantum's were branded with the 'Eggs are magic' slogan across Gauteng, Mpumalanga, Limpopo and North West to support the campaign and for awareness purposes.

the market café



CASE STUDY

The Edenvale Food Lover's Market at Stoneridge Mall is bustling every weekend as customers stream in for their breakfast buffet (for only R60 per adult!).

Edenvale Food Lover's Market

Many retailers choose to neglect the business of breakfast in order to capitalise on the lunch trade or HMR offering but as one store demonstrates, boasting about one's breakfast offering is a great way to draw feet to the store on a regular basis.

Fruit & Veg City Food Lover's Market in Stoneridge Mall has situated itself as the breakfast hub of the area, offering breakfast on-the-go during the week and an enormous breakfast buffet during weekends and public holidays.

For a very reasonable R60 per adult and R30 per child, customers have a wide selection of fresh and stewed fruit,



The Fresh Stop in-store, which provides a range of fresh fruit and smoothie recipes, is a popular stop for customers doing the breakfast run on their way to work.

yoghurt and cereals, hot breakfast, as well as a range of breads, pastries and muffins. These are all replenished throughout the morning and one staff member cooks eggs per request (scrambled or fried). Customers are seated in the Market Café area, which can be accessed separately from the main entrance, and beverages (not included in price) are served by an attentive team of waiters. Store manager, Alex Panayi says the breakfast buffet is very popular and they even had to extend it from 11.30am to 12.45pm to cater for the crowds.

He says the benefits of having the buffet is that it takes pressure away from staff having to serve individual breakfasts during the peak weekend times and certainly assists with traffic flow in the store. "It's a nice feature because it brings feet into the door and also complements the rest of the store as it encourages browsing afterwards," Panayi says.

In addition to the breakfast buffet, the Fresh Stop in-store caters for customers throughout the day, especially those



The breakfast buffet draws feet in the door and complements the rest of the store, as customers tend to browse after eating.

looking for a breakfast on-the-go solution. Customers are able to make up their own fruit salad from a selection of fresh fruit (freshly cut each morning and replenished throughout the day), muesli and they have the choice of yoghurt or ice cream to go with it. There is also an impressive smoothie menu and customers may also make up their own recipes – very useful for those on detox diets after the festive season! The nearby gym also means that many gym-goers come to the Food Lover's Market for their protein and post-workout shakes. Panayi says that being open at 7.30am makes the store a perfect breakfast stop for those working in the area. 