

A top-down view of a white bowl filled with granola, yogurt, banana slices, strawberries, and a blueberry. The bowl is on a rustic wooden surface. A silver spoon is partially visible in the bowl. The background is a dark, textured wood.

Kellogg's

AWAY FROM HOME

AHEAD OF THE CRAVE

THE EVOLUTION OF BREAKFAST: PLANNING TODAY FOR SUCCESS TOMORROW

*How operators can capitalize on changing
consumer behaviors and preferences*



The pandemic's effect on the morning meal extends far beyond the breakfast table. COVID-19 has prompted radical changes in consumer behaviors around mealtimes, meal choices and more, and an ongoing recession is expected to propel further change in the months to come.

Operators today need to understand and adapt to the changes in consumer behaviors and the foodservice industry as a whole. Trends underway offer a significant opportunity to reinvent breakfast for consumers away from home.¹ Breakfast makes up to 30% of your business. It's also your biggest untapped opportunity for profits.² Here's what operators need to know about the trends shaping the landscape:

At breakfast, taste and value still beat health.

This hasn't changed with COVID-19. Just one-third of consumers consider health or nutrition when making breakfast choices on weekdays and weekends alike.¹ Looking ahead, consumers will increasingly search for functional ingredients and alternative proteins that don't sacrifice great taste. When they do consider nutrition, consumers are looking for high-fiber, high-protein and low-sugar options in addition to healthier starches – for example, cornmeal, buckwheat or almond flour pancakes. The college and university segment may be better suited for the alternative protein trend than other segments, with a wider variety of vegan and vegetarian menu items and greater success.

Put it into action:

Lead with flavor and taste instead of health benefits, but make sure your options provide the nutritional benefits consumers are looking for. Consumers want to feel free to indulge with a little less guilt; grains with functional qualities and higher nutritional values allow them to treat themselves to classic breakfast favorites that are healthier yet still craveable.

Breakfast is becoming more of a quick, convenient occasion for diners, with fewer consumers considering it to be a destination meal.¹

Consumers are looking for food that travels well as they increasingly order takeout and delivery at breakfast. Even before the pandemic, grab-and-go menu items were driving the breakfast daypart, and younger consumers (Generation Z) will continue to drive the need for foods that travel.¹ College and university students in particular are looking for crave-worthy foods and unique offerings. Students often don't make time for traditional breakfast, so they need convenient options.¹

Consumers are also demanding menu flexibility and variety.¹ Offerings that include versatile items – across time of day as well as in customization so consumers can make breakfast their own – enable operators to do more with less.

Put it into action:

Offer more ready-to-eat, grab-and-go options that not only allow consumers to make a quick decision to grab one item over another for a nutritious breakfast but also taste just as good as if they were prepared to order. Craveability, while always a factor, has increased in importance. Cater to younger consumers' desire for veggie-forward offerings that deliver on the flavor and taste mandate and consider items that can be prepared in-house but packaged to go, like breakfast sandwiches or overnight oats. Bowls, meal kits to go and handheld breakfast options that have a bit of a kick or incorporate globally-inspired flavors are also trending.

Cereal is king – and it's not just for breakfast anymore.

As breakfast has morphed into an on-the-go meal, cereal has become both a vehicle for innovation (think: pancakes with cereal mixed into the batter or cereal-sprinkled donuts) as well as a convenience for consumers. A cornerstone of American food culture, cereal is the No. 1 breakfast food during the week.³ Nine in 10 (92%) people in the U.S. eat cereal,⁴ and nearly one-fourth of breakfast meals include cereal.⁵ It's not just for breakfast, though; 40% of cereal is consumed outside of breakfast.⁴ While high-fiber cereals and granolas are seen as wholesome, nutritious and filling, sweetened and indulgent cereals are strongly nostalgic and are likely to be snacked upon outside of breakfast by younger generations – people ages 18 to 34 are more likely to eat cereal at times of the day other than breakfast.⁴ Millennials in particular have embraced the convenience and availability of cereal, outpacing the rest of the population in eating cereal during the pandemic – their cereal consumption was up 13% between March and August 2020.⁶

Put it into action:

Optimize your cereal set with options that take cereal beyond the breakfast hours, in a way that consumers want it. Consider options that meet consumers' demand for nutritious, filling options in addition to ones that satisfy emotional cravings. Offerings that combine cereal with other delicious, healthy foods, such as a nontraditional smoothie, can help operators capitalize on the increasing demand.



It's all in the name – the brand name.

Now more than ever, consumers are seeking out trusted products and brands when making decisions, especially when it comes to plant-based breakfast meats.¹ That's because consumers' needs are changing – comfort and safety are now top drivers.¹

“During the pandemic, we saw consumer trust linked to reduced supply-chain disruptions,” Tom Madrecki wrote in a report by the Consumer Brands Association. “Consumers were drawn to the brands they knew and loved, because they wanted something they could count on.”⁷

Hospitals and long-term care facilities in particular are increasingly called to focus on comfort and safety due to the vulnerable populations they serve. Low-labor, low-touch solutions in addition to single-serve packaged goods are desirable.¹ For consumers eating breakfast at a hotel or other lodging option, breakfast remains critical and may be an increasingly important differentiator. Branded items are highly valued and present partnership opportunities.

Put it into action:

Consider partnering with a brand that offers more than just trusted products and brands. Operators can also realize significant value by working with a brand that is able to innovate, offer products that fit special diets, develop recipes and stay in touch, visit the operation or provide samples for tastings. Highlight messaging that emphasizes how the breakfast products and brands offered are protecting the health and safety of consumers as well as employees while ensuring their emotional, social and physical wellbeing.

For many operators, breakfast may in fact become the most important meal of the day, as it holds untapped potential to increase profits and market share.² The breakfast landscape is evolving, and many of these consumer breakfast choices and habits are likely here to stay. To survive and thrive, operators need to pay attention to the new consumer dynamic, which puts a premium on flavor and new, reinvented breakfast options that combine convenience with comfort and trust. Doing so will enable them to meet their unique operational challenges and adapt to the new consumer mindset in a post-virus world.

1. 2020 Technomic: *The Breakfast Opportunity in Noncommercial and Lodging*
2. Straily, Jennifer. “Industry Waking Up to the Untapped Profitability of Breakfast.” *Winsight Grocery Business*, 25 Nov. 2019
3. Mintel. *Breakfast Foods – US – July 2018*.
4. Mintel. *Hot and Cold Cereal – US – September 2019*.
5. The NPD Group / National Eating Trends, YE Feb. 2019.
6. Doering, Christopher. “CPGs Wake up to Breakfast's New Future after Coronavirus Shakeup.” *Food Dive*, 12 Jan. 2021.
7. “The CPG Post-Pandemic Outlook.” *Consumer Brands Association*, 12 Mar. 2021.