

## MSU Product Center

*For Agriculture and Natural Resources*

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

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### **Corn: Cereal Bars – Selective opportunities**

#### **Market drivers that provide many opportunities**

- There are **selective** opportunities for cereal bar products that appeal to the demand driver of **convenience** and **ethnicity**.

#### **Specific opportunities**

- A major determinate of cereal bar consumption is the presence of children in the home; 69 percent of households with children consume cereal bars compared with 46 percent of households without children. It appears that there is room for growth in the cereal bar market.
- Many ethnic groups have larger households than the U.S. average. This implies that there are more children present. This presents an opportunity for growth within the cereal bar market.
- One way to appeal to ethnic groups is by offering products with flavors that appeal to different ethnic groups, examples would be banana, orange and lemon.
- Cereal bars are an extremely convenient product; they can be consumed at work, while driving and even while exercising.
- One way to enhance the convenience of cereal bars is through their distribution. Health food stores, convenience stores, and vending machines are three ways to make cereal bars even more convenient.

#### **New product examples**

- From 2000 through 2004 there were 1,952 new product introductions throughout the world in this product category. Products that made a health claim were common.
- Kellogg's Nutri-Grain Granola Chewy Bites.
- General Mills SunKist Fruit and Grain bars in apple, strawberry, and lemon flavors.
- Deerfield Farms Snackin'Flax Granola Bites, are available in Walgreens stores.

#### **Special opportunities**

- Entry into the market may be difficult, the market is maturing rapidly, and several large firms are already in the market.
- Finding self space in supermarkets may be difficult. Supermarkets are increasingly offering their own cereal bar products through their own in stores. However, there may be opportunities in offering products to health food stores, convenience stores, etc.

#### **Key to success**

- Consider whether or not it would be possible to combine products attributes such as ethnicity and wellness. Alternative flavors and distribution channels that might be available.

#### **Sources**

Mintel. Cereal Bars.

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