

Proactive Competitive Intelligence for Brands

An introduction and a
sample document

Why proactive competitive intelligence?

Competitive intelligence helps brand and category managers build a comparative view about the performance and intent of core competitors. Used well, it can deliver powerful insights and help secure market advantage but too often it is deployed reactively and typically in a crisis.

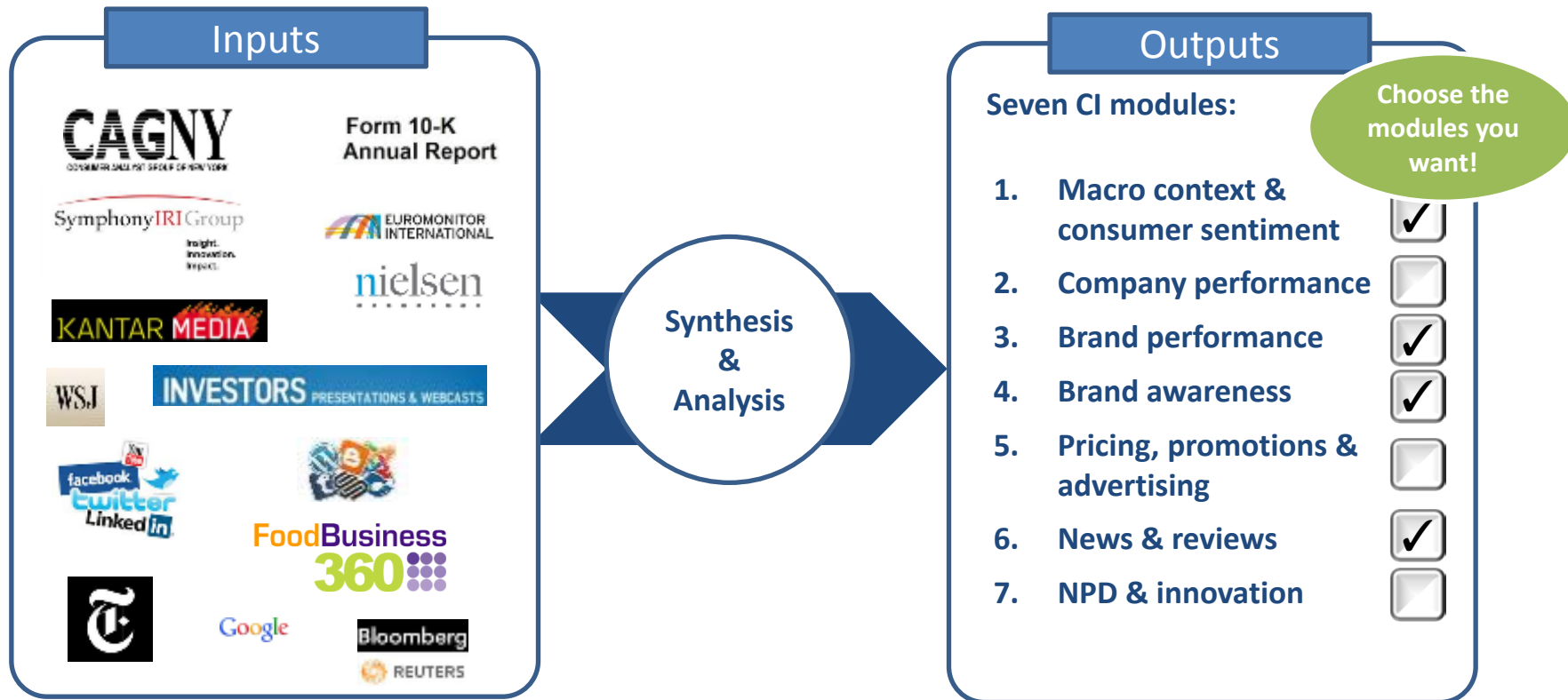
Proactive competitor intelligence keeps track of important competitor moves and enables decision makers to better understand the marketplace and build better strategies. In our work:

- We collaborate with brand and category managers to understand the insights they need about the brands they watch
- We generate insights from diverse sources to help brand managers understand the competitive landscape
- We leverage publicly available data and commentary but can fold in purchased data (Nielsen, IRI, Kantar Media, Euromonitor...), as needed

Our proactive competitor intelligence focusses on English sources and aims to deliver important high-level insights. Deeper dives with more specialized data sources or across different languages (we work in 20) may be needed to clarify some issues.

Inputs and Outputs

Competitive intelligence takes a broad range of information inputs and generates valuable insights using experienced researchers and analysts. Outputs are organized around a series of modules that cover specific topics. Clients select which modules they want us to cover.



Modules

Each module provides high-level, robust comparative intelligence about competitor brands and their companies. Together they provide a broad picture of the brands and companies but they are also standalone modules that can be selected alone or extended for a more comprehensive view.

Macro context	<ul style="list-style-type: none"> • Global macroeconomic environment • Consumer sentiment 	<ul style="list-style-type: none"> • <i>What are the macroeconomic conditions affecting companies?</i> • <i>How do consumers perceive prevailing conditions?</i>
Company performance	<ul style="list-style-type: none"> • Topline sales • Sales analysis • Analyst reaction • Share performance • Company outlook 	<ul style="list-style-type: none"> • <i>How are competitor companies performing on sales?</i> • <i>How are competitor companies growing or losing sales?</i> • <i>What is the investment community saying?</i> • <i>How have the companies' shares performed in recent months?</i> • <i>What is the company saying about its outlook?</i>
Brand performance	<ul style="list-style-type: none"> • Category and brand sales • Category and brand share performance • Brand performance • Company comments 	<ul style="list-style-type: none"> • <i>How do brand sales compare?</i> • <i>How are competitors performing in categories?</i> • <i>How are competitor brands performing?</i>
Brand awareness	<ul style="list-style-type: none"> • Cyber penetration • Social media • News media • Proprietary metrics 	<ul style="list-style-type: none"> • <i>How do competitors compare in online presence?</i> • <i>What companies and brands best leverage social media?</i> • <i>What news presence do competitor brand & companies have?</i> • <i>How do brands compare with proprietary brand awareness metrics?</i>
Advertising and promotion	<ul style="list-style-type: none"> • Advertising spend and insights • Promotional activity 	<ul style="list-style-type: none"> • <i>How do the companies compare on ad spend plans?</i> • <i>What recent promotion activity have the competitors run?</i>
News & reviews	<ul style="list-style-type: none"> • Brand, corporate and market news • Reviews • Consumer videos and comment 	<ul style="list-style-type: none"> • <i>What recent news is there about the brand and company?</i> • <i>What do recent online reviews say about competitor products?</i> • <i>How are consumers using and reviewing competitor products?</i>
NPD & innovation	<ul style="list-style-type: none"> • R&D investment and plans • New products • Trademark activity 	<ul style="list-style-type: none"> • <i>What are companies saying about product rollouts and plans?</i> • <i>What new products have competitors launched?</i> • <i>What new trademarks have the companies filed for?</i>

Deliverables

We provide you with two deliverables:

1. A quarterly (or monthly) executive brief that brings together findings from many sources. The following document is an example of a quarterly brief. Each module provides high-level, robust comparative intelligence about competitor brands and their companies. Further research and analysis may be useful but in itself the material in each module is a solid base and will aid decision makers. Currently we send executive briefs as PDFs but plan to make available the content online with real-time updates
2. A weekly or twice weekly insight brief that summarizes important news on your target category and competitor brands to keep you and your team current with breaking news. These alerts leverage our innovative [food business news](#) service that enables very targeted news streams (see an example that covers [Natural, Organic & Functional Foods](#))



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Subject: FOOD BUSINESS NEWS

Period: June 13, 2013 to June 20, 2013

Geographies: Worldwide

Categories: All Categories

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Labeling Food As "Low Fat" Is A Powerful Inducement For Consumers




In a study involving 175 female college students, researchers at the University of Hawaii found that the label "low fat" on candy (M&M's) conveyed an impression that the food was not only healthier but better tasting than regular M&M's. (All of the M&M's in the study were regular versions.) They also found that participants significantly underestimated the caloric content of candy labeled as low fat. Those who did not know the caloric content underestimated the calories of supposedly low fat M&M's by an average of 71 calories, and overestimated the caloric value of regular M&M's by an average of 38 calories. "The study findings may... [More](#)

"Is less always more? The effects of low-fat labeling and caloric information on food intake, calorie estimates, taste preference, and health attributions", *Appetite* (Volume 68, 1 September 2013, Pages 82-97) September 01, 2013

Study Pinpoints Biochemical Reason Why Insufficient Sleep Can Lead To Weight Gain

Getting too little sleep at night

Cocoa Reduces Obesity-Related Inflammation



A study by Penn State researchers has found that obese mice fed cocoa along with a high-fat diet experienced less obesity-related inflammation than mice not fed cocoa. The mice were fed the human equivalent of 10 tablespoons of cocoa (about four cups of hot cocoa) each day for 10 weeks. The cocoa-fed mice had about 27 percent lower plasma insulin levels, an indicator of diabetes. The cocoa-fed mice also had 32 percent lower levels of liver triglycerides, an indicator of fatty liver disease, inflammation and diabetes.

"Dietary cocoa ameliorates obesity-related inflammation in high fat-fed mice", *European Journal of Nutrition*, June 19, 2013

Therapeutic Nutrition Drink Treats Age-Related Muscle Wasting

A U.S. study testing the impact of a

Sample executive brief

Proactive Competitive Intelligence for Brands

Ready-to-eat cereals category, United States

A brief for CLIENT three competitor brands for the US RTE CEREAL segment: General Mills, Kellogg, Post Foods and Quaker Oats, and a target product for each*

Q1 2013 (prepared June 2013)

*As a user, you stipulate the products covered



Macro context

Real GDP growth

House prices

Consumer prices

Interest rates

Unemployment

Personal income and consumption

Consumer confidence

Important unknowns

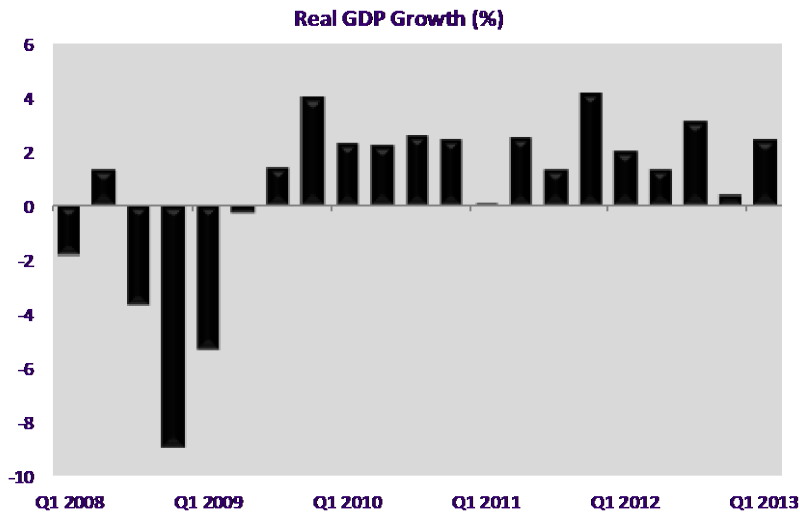
Topline insights about the macro-economic environment and consumer confidence

The US economy continues to grow, albeit without conviction, but consumer confidence lags

- US GDP growth is expected to improve this year and again in 2014, but downside risks will keep the picture uncertain and a robust recovery remains elusive
- A sustained housing market recovery (construction and prices) should help support growth, but house prices will remain below pre-recession peaks for a while yet
- Consumer price inflation is expected to be fairly stable, with little sign of any surge in prices
- Relatively low inflation should help policymakers keep interest rates low until unemployment falls further
- Headline unemployment will continue to fall, but the real picture is more opaque, with persistent underemployment, especially for some demographics
- Nominal personal income growth turned negative in Q1 2013, and real personal consumption growth is only just positive
- Consumer confidence is generally slowly improving but remains fragile, relatively low and volatile, especially for expectations

Real GDP growth

GDP growth positive, but robust recovery remains elusive



Recent trends

- A return to strong growth has proved elusive since the recession
- Real GDP growth of 2.2% for 2012 as a whole, up from 1.8% in 2011

Latest figures

- Real US GDP was up at an annual rate of 2.4% in Q1 2013 (according to the "second" estimate released by the Bureau of Economic Analysis), following a 0.4% rise in the previous quarter
- The increase in Q1 primarily reflected positive contributions from personal consumption expenditures, private inventory investment, residential fixed investment, nonresidential fixed investment, and exports

Outlook

- GDP growth is generally expected to pick up speed a little this year, with further acceleration next year
- Uncertainty comes from the sustainability of recovery in the US housing market and the global economy, as well as the depth and nature of sequestration and longer-term austerity measures

GDP Growth (%)

	2013	2014
WSJ Average	2.3	2.8
Jan Hatzius (Goldman Sachs)	2.1	3.4
Bart van Ark (The Conference Board)	1.9	2.9

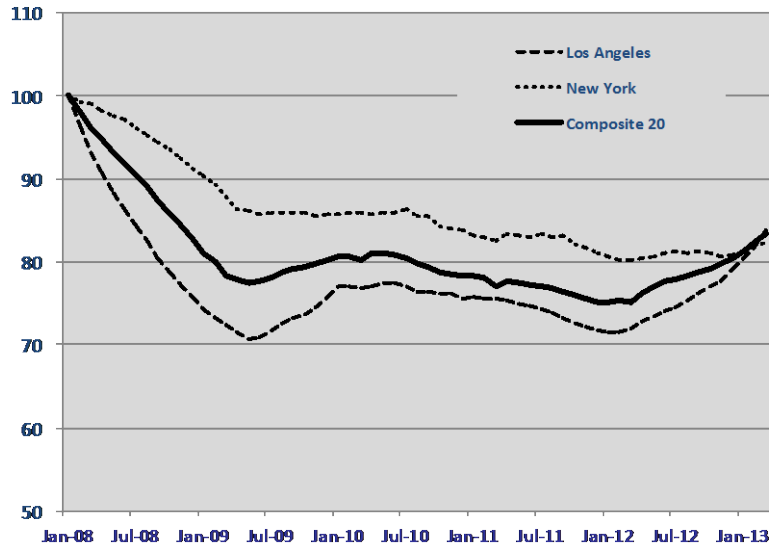
Forecasts taken from Wall Street Journal's survey of ~50 economists. Released June 17, 2013

... continued/ Real GDP growth

House prices improving, but still below peaks

S&P/Case-Shiller House Price Index

January 2008=100, seasonally adjusted



Recent trends

- House prices have gained in recent quarters, but are still short of pre-recession levels

Latest figures

- According to the S&P/Case-Shiller Home Price Indices, all three composites posted double-digit annual increases to March 2013. The 10-City, 20-City and national composites were up 10.3%, 10.9% and 10.2% respectively. All 20 cities posted positive year-over-year growth
- On a monthly basis, the 10- and 20-City composites both posted increases of 1.4%
- David M. Blitzer at S&P Dow Jones Indices said *“home prices in all 20 cities posted annual gains for the third month in a row. Twelve of the 20 saw prices rise at double-digit annual growth. The National Index and the 10- and 20-City Composites posted their highest annual returns since 2006”*

Outlook

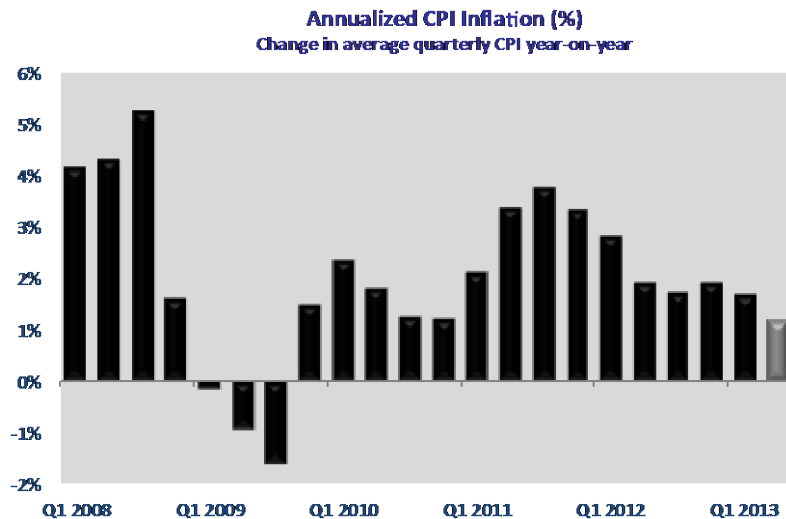
- House prices are expected to continue growing but possibly at a slower rate than seen in the last few months
- Some pockets of strong growth are likely, supported by low interest rates and limited inventory

House price growth (%)

	FHFA 2013/12	FHFA 2014/2013
WSJ Average	6.65	4.76
Jan Hatzius (Goldman Sachs)	NA	NA
Bart van Ark (The Conference Board)	5.00	5.00

Consumer prices

Inflation is moderate and expected to stay moderate



Recent trends

- The CPI was up 1.1% in the 12 months to April 2013, before seasonal adjustment, the smallest 12-month increase since November 2010
- Inflation is still tailing off from the 2011 highs

Latest figures

- The CPI for All Urban Consumers (CPI-U) fell 0.4% in April (seasonally adjusted)
- The primary cause was a sharp decrease in the gasoline. The energy index was down 4.3%
- The food index was up 0.2%

Outlook

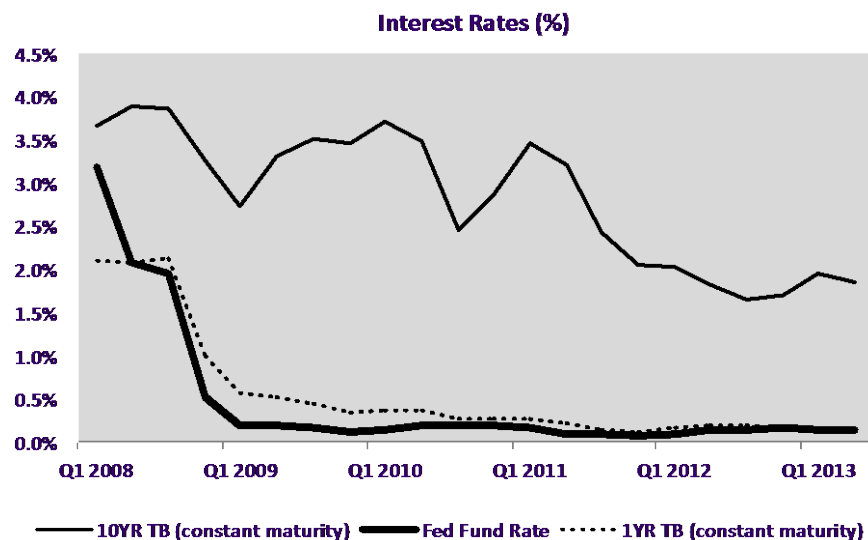
- Inflation is expected to nudge a little higher than in recent months, to just over the 2% mark for the next 2-3 years
- None in the WSJ survey sees inflation in the near future above 4%

CPI (%)

	Dec 2013	Dec 2014
WSJ Average	1.7	2.1
Jan Hatzius (Goldman Sachs)	1.2	1.7
Bart van Ark (The Conference Board)	1.5	1.6

Interest rates

Interest rates keeping low, and the Fed Funds Rate close to zero



Recent trends

- The Fed Funds Rate has been kept low for over 4 years
- The 10-year TB rate has shown a downward trend since the recession kicked in, but with an uptick since July last year

Latest figures

- The Fed Funds Rate range remains at 0-0.25%, and the Federal Open Market Committee has pledged to keep its target interest rate close to zero until unemployment falls to 6.5%
- The Fed Funds rate in May averaged around 0.11%
- The 10-year TB rate averaged around 1.95% in Q1 2013, 1.76% in April and 1.93% in May

Outlook

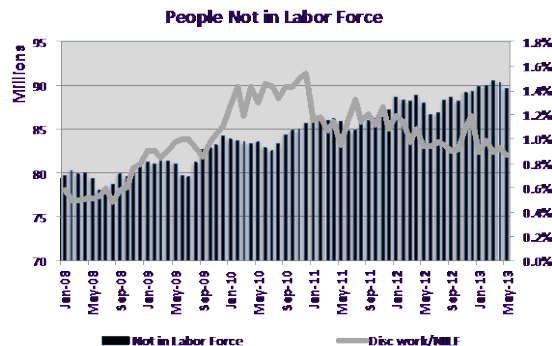
- There might be some upward pressure on the Fed Funds Rate in the coming quarters, but rates are likely to stay low without sustained improvement in fundamentals – and especially unemployment
- 2015 looks a more likely year for monetary tightening

Fed Funds Rate (%)

	Dec 2013	Dec 2014
WSJ Average	0.16	0.36
Jan Hatzius (Goldman Sachs)	0.13	0.13
Bart van Ark (The Conference Board)	0.13	0.25

Unemployment

Unemployment falling, but the invisible unemployed remain a concern



Recent trends

- The headline unemployment rate has been falling month-by-month since late 2009 and averaged 7.7% in Q1 2013
- The number of people not in the labor force has been trending up in recent years, but the number of discouraged workers has been trending down since 2010

Latest figures

- Total nonfarm payroll employment increased by 175,000 in May 2013 and the unemployment rate was essentially unchanged at 7.6%
- In May 2013, 2.2 million were marginally attached to the labor force, down from 2.4 million in May 2012. Among them were 780,000 discouraged workers, little changed from a year earlier. Discouraged workers are those not currently looking for work because they believe no jobs are available to them. Another 1.4 million had not searched for work for other reasons

Outlook

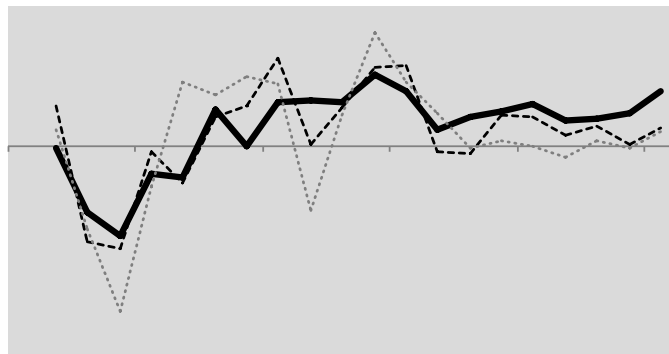
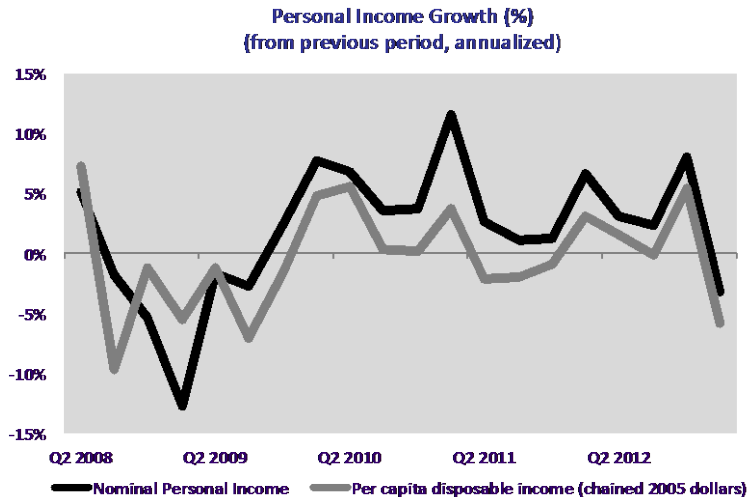
- Forecasters expect continued improvement in the headline unemployment rate in the coming quarters
- It's not clear how invisible unemployment (or underemployment) will develop

Unemployment rate (%)

	Dec 2013	Dec 2014
WSJ Average	7.3	6.7
Jan Hatzius (Goldman Sachs)	7.3	6.6
Bart van Ark (The Conference Board)	7.4	7.0

Personal income and consumption

Income growth has been tailing off, but real personal consumption has been growing



on - - - - - Non-Durables Food and Beverages

Recent trends

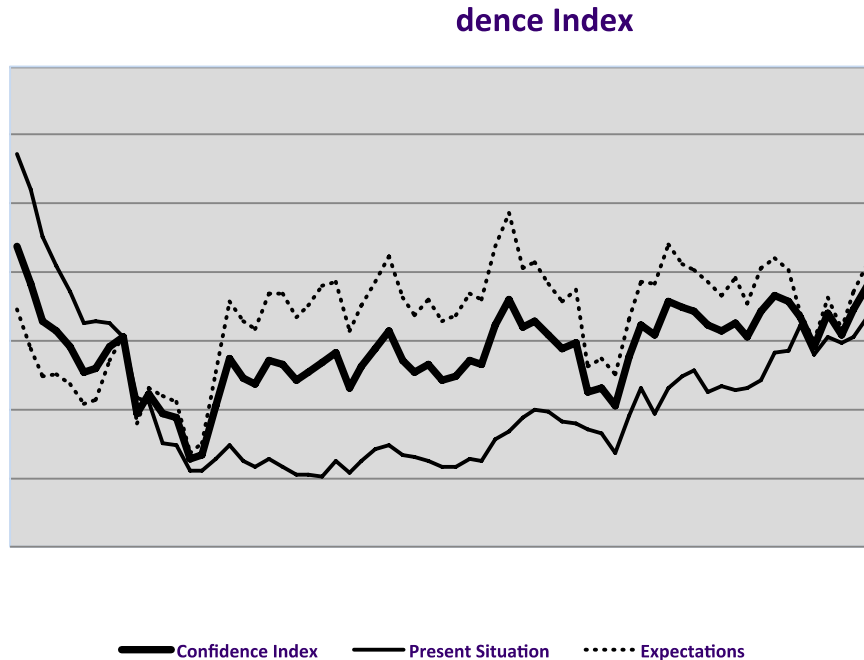
- Nominal personal income was up 3.6% in 2012 and 5.1% in 2011
- Sequential quarterly growth in nominal personal incomes has been positive from end-2009 until Q1 2013, when it turned negative
- Growth in real personal consumption expenditure (PCE) has been positive on a sequential quarterly basis since Q3 2009, but some constituents (e.g. non-durables) have grown slower and sometimes dipped

Latest figures

- Personal income was down less 0.1% in April 2013, as was disposable personal income. PCE was down 0.2%
- Real disposable income and real PCE both increased 0.1%
- Within real PCE, purchases of durable goods increased 0.7%, nondurable goods increased 0.1% and purchases of services decreased 0.1%

Consumer confidence

Consumer confidence relatively low and volatile, especially expectations



Recent trends

- There has been a slight upward trend in the Index since the start of 2009, but confidence is still relatively low by historic standards

Latest figures

- The Conference Board Consumer Confidence Index was up in May, to 76.2 (1985=100) from 69.0 in April.
- The Present Situation Index increased to 66.7 from 61.0, and the Expectations Index improved to 82.4 from 74.3.
- The Index is now at its highest level since February 2008.
- Lynn Franco from the Conference Board said *“back-to-back monthly gains suggest that consumer confidence is on the mend and may be regaining the traction it lost due to the fiscal cliff, payroll-tax hike, and sequester.”*

Outlook

- Continued stock market record highs will help confidence, but the biggest driver is jobs, and pessimism prevails despite improvements in the short-term outlook, both for business conditions and the labor market

Important unknowns

A series of political and economic unknowns prevent robust forecasts

Upside potential

- Resumption of dynamic growth in China and other BRIC countries
- Domestic growth gains traction and wealth effects kick in
- The housing recovery is sustained and strengthens
- A “grand bargain” is reached on the federal deficit

Downside risks

- Fiscal austerity:
 - Retention of sequestration
 - Intensification of long-term austerity
- Geopolitical instability (e.g. in Asia and Middle East):
 - Impact on confidence
 - Impact on economic activity
 - Impact on commodity prices
- Worsening economic conditions in Eurozone:
 - Emergence of new, more significant bailout candidates
 - Instability in financial system
- Global inflation

Company performance

Topline sales
Sales analysis
Analyst reaction
Company outlook

Topline news about company sales performance and outlook

Sales – Key Insights

- The best topline performance in the quarter came from Kellogg, with 12.2% growth, most of which came from acquisitions. The 7.5% topline growth from General Mills was also reliant on acquisitions. PepsiCo's sales were up 1.2%, but Post saw sales dip by almost a point
- Sales by the US Retail business of General Mills were up 2.1% and PepsiCo's Quaker Foods North America grew sales by 1.8%. Kellogg's US Morning Foods business saw sales rise by 1.6%, and the company's North America business overall grew sales by over 8%
- Organic sales were up over 4% for PepsiCo, but flat for General Mills and down a point for Post. Organic sales were up 2% for General Mills' US Retail segment and PepsiCo's QFNA business. Nestlé Nutrition grew organic sales by 7.6% and Zone Americas by 5.3%. For Kellogg, internal net sales were up 2.2% overall, up 1.6% for US Morning Foods, and up 1.7% for North America business
- Analysts were largely bullish on General Mills, but less so on Post. Opinion was very mixed for PepsiCo and Kellogg's
- Post and General Mills did not provide any sales guidance. PepsiCo said it expects organic sales to grow at a mid-single-digit rate in Fiscal 2013, and Kellogg's is looking for about 7% topline growth for the full year

Quarterly sales – growth rates, category and regional breakdowns

	General Mills FQ3 2013 Dec-Feb 2013	Kellogg FQ1 2013 Jan-Mar 2013	Post Foods FQ2 2013 Jan-Mar 2013	PepsiCo FQ1 2013 Jan-Mar 2013
Total Sales	\$ 4.43 billion	\$ 3.86 billion	\$ 0.25 billion	\$ 12.58 billion
Actual Sales Growth	↑ 7.5%	↑ 12.2%	↓ -0.9%	↑ 1.2%
Category/Segment	US Retail \$ 2.66 billion 60.1% of total sales ↑ 2.1%	US Morning Foods \$ 0.91 billion 23.6% of total sales ↑ 1.6%	NA	Quaker Foods North America \$ 0.63 billion 5.0% of total sales ↑ 1.8%
Region	NA	North America \$ 2.59 billion 67.2% of total sales ↑ 8.1%	NA	NA

- In the latest quarter, the best year-on-year growth came from Kellogg (12.2%) and General Mills(7.5%), both driven by acquisitions.
- PepsiCo's topline sales were up 1.2%, but Post's were down nearly a point.
- Within Kellogg, the US Morning Foods business grew sales by 1.6% and North America overall by 8.1%
- General Mills' US Retail segment and PepsiCo's QFNA business both grew sales by around 2%

Quarterly sales trends

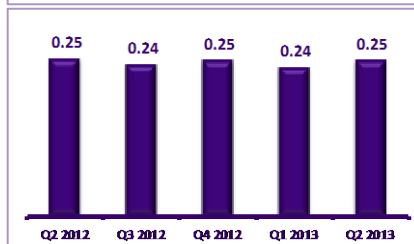
General Mills (US\$ bn)



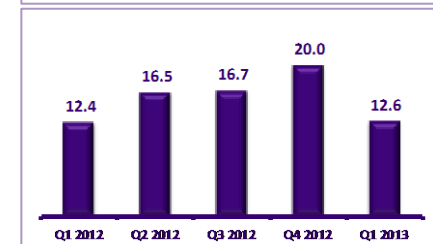
Kellogg (US\$ bn)



Post (US\$ bn)



PepsiCo (US\$ bn)



What are competitors' sources of growth?

	General Mills FQ3 2013 Dec-Feb 2013		Kellogg FQ1 2013 Jan-Mar 2013		Post Foods FQ2 2013 Jan-Mar 2013		PepsiCo FQ1 2013 Jan-Mar 2013	
Company	Organic growth	0.0%	Internal net sales growth	2.2%	Organic growth	-1.0%	Organic growth	4.4%
	Pound volume	1.0%	Volume (tonnage)	1.4%	Volume	3.0%	Volume	1.0%
	Price realization and mix	-1.0%	Pricing/mix	0.8%	Pricing	-4.0%	Effective net pricing	3.0%
	Acquisitions	8.0%	Acquisitions/Dispositions	10.9%			Acquisitions & Divestiture	-3.0%
	Foreign currency	0.0%	Integration	-0.1%			Foreign Exchange Trans.	-0.5%
		Foreign currency	-0.8%					
Category/Segment	US Retail		US Morning Foods				Quaker Foods North America	
	Organic growth	2.0%	Internal net sales growth	1.6%			Organic growth	2.0%
	Volume	0.0%					Volume	3.0%
	Price realization and mix	2.0%					Effective net pricing	-1.0%
	Acquisitions	0.0%					Acquisitions & Divestiture	0.0%
	Foreign currency	0.0%					Foreign Exchange Trans.	0.0%
Region	Big G Cereals (in US Retail)		North America					
		-2.0%	Internal net sales growth	1.7%				
			Volume (tonnage)	1.2%				
			Pricing/mix	0.5%				
			Acquisitions/Dispositions	6.6%				
			Integration	-0.1%				
		Foreign currency	-0.1%					

- Organic sales were up over 4% for PepsiCo and around 2.2% for Kellogg, but flat for General Mills and down a point for Post
- For General Mills, positive volume was cancelled out by negative price/mix. Acquisitions drove topline sales. Organic growth in its US Retail segment of 2% came from a positive price/mix contribution. Actual sales for its Big G Cereals business were down 2%
- PepsiCo's organic growth came from both volume and pricing, and 2% organic growth in the QFNA unit came from positive volume partially offset by pricing
- For Post, negative organic growth was a result of 3% volume growth being more than offset by a 4% negative pricing impact
- Acquisitions drove growth for Kellogg overall and its North America business, but volume and pricing/mix were positive for both too

What are analysts saying about latest competitor earnings?

Most analysts were happy that the results indicated strength and growth potential...

- **Analysts at Zacks:** *“General Mills' retail sales in the five global categories are growing at attractive rates and all of these have promising long-term growth potential.”*
- **The Motley Fool:** *“General Mills is one of the only major U.S. companies whose revenues and dividend increased every year during the financial crisis...”*
- **The Street:** *“General Mills (GIS) has been reiterated by TheStreet Ratings as a buy with a ratings score of A. The company's strengths can be seen in multiple areas, such as its increase in stock price during the past year, revenue growth, reasonable valuation levels, good cash flow from operations and notable return on equity. We feel these strengths outweigh the fact that the company has had generally high debt management risk by most measures that we evaluated.”*

General Mills

But one was concerned that GIS might be buying share with aggressive promotions...

- **Bernstein analyst Alexia Howard**, who rates General Mills a “market-perform” said *“we worry that General Mills might just be ‘buying’ share with aggressive promotions and may be driving up promotional spend for the whole category.”*

Recent acquisitions should help, but its core business is struggling...

- **Seth Jayson, The Motley Fool:** *“For the quarter ended March 31 (Q2), Post Holdings missed estimates on revenues and missed estimates on earnings per share...Compared to the prior-year quarter, revenue contracted slightly. Non-GAAP earnings per share dropped significantly. GAAP earnings per share dropped significantly...Margins shrank across the board.”*
- **Moody's on Post's acquisition strategy:** *“While the two recently announced acquisitions in natural and organic foods will strengthened Post's business mix towards faster growing categories, they also add financial and operational risk at a time when the company is still struggling to stabilize the operating performance of its core cereal business.”*

Post

... continued/ What are analysts saying about latest competitor earnings?

Kellogg's Q1 results missed consensus and provided a very mixed picture...

- **Edward Jones analyst Brian Yarbrough:** *"This is just a ho-hum quarter, so I think there could be a little profit-taking."*
- **Analysts at Zacks:** *"Kellogg's first quarter 2013 earnings of \$0.99 per share missed the Zacks Consensus Estimate by 2.9% and prior-year quarter earnings by 8.3% due to higher costs and headwinds from the Venezuela currency devaluation. Revenue were also not very encouraging, rising only 2.2% organically as significant growth in Latin America, some improvement in Europe and the strong performance of its Pringles business were offset by sluggishness in snacks and Asia Pacific."*

There is some question over the ability of Kellogg's to meet the company's guidance...

- **Credit Suisse analyst Robert Moskow:** *"Kellogg adjusted 1Q EPS of \$0.99 missed consensus of \$1.02, and management lowered expectations for second quarter, implying a very back-half loaded year. As we expressed in our January 28 report, there seems to be a disconnect between the market view that the 5-7% EPS growth guidance for 2013 is highly conservative, and the management view that it has guided 'responsibly' for a 'normal year.' We think that FY13 guidance is achievable, but not very beatable given the lack of excitement on the top-line and the uncertainty as to whether commodity deflation can drop to the bottom line. Fourth quarter looks particularly aggressive given that it may now imply as much as 40% EPS growth."*
- **Thilo Wrede of Jefferies:** *"K's 1Q13 adj. EPS of \$0.99 missed expectations as the co. was dealing with inflation and, in our view, lower than expected sales. However, as inflation is abating and cost savings are ramping up, mgmt expects performance to improve over the course of the year. Nevertheless, results might still come under pressure because of the limited benefit of share repurchases due to the recent run up in share prices."*

Kellogg

But some analysts think the full year should bring stronger earnings...

- **Analysts at Zacks:** *Overall we are optimistic about Kellogg's solid brand positioning, its geographic diversity and significant investments behind innovation, marketing and supply-chain initiatives. Moreover, we are encouraged by the growth potential, diversification and international presence that the Pringles deal provides. However, the strained cereal business, pressures in Europe and rising input costs keep us on the sidelines."*
- **TheStreet:** *"Kellogg Company (K) has been reiterated by TheStreet Ratings as a buy with a ratings score of A-. The company's strengths can be seen in multiple areas, such as its revenue growth, solid stock price performance, expanding profit margins and notable return on equity. We feel these strengths outweigh the fact that the company has had sub par growth in net income."*
- **TheStreet's** ratings report also said: *"The company has suffered a declining pattern of earnings per share over the past two years. However, we anticipate this trend to reverse over the coming year. During the past fiscal year, KELLOGG CO reported lower earnings of \$2.67 versus \$3.38 in the prior year. This year, the market expects an improvement in earnings (\$3.88 versus \$2.67)."*

... continued/ What are analysts saying about latest competitor earnings?

Some analysts believe the results were solid and demonstrated that it was building for the future...

- **Analysts at Zacks:** *"PepsiCo Inc. (PEP) reported strong first-quarter earnings results beating both the Zacks Consensus Estimate as well as the year-ago number. The company also delivered positive top-line growth and strong margins while retaining its 2013 outlook. 2012 was a turning point for PepsiCo. In this year the company increased investments in brand building, market execution and innovation, improved productivity and efficiency, and drove significant cash flow generation, thereby setting a solid foundation for further growth and securing competitive advantage."*
- **JP Morgan analyst John Faucher:** *"The business momentum continues to look solid, as PepsiCo delivered its first earnings growth quarter in over a year."*
- **Janney Montgomery Scott analyst Jonathan Feeney:** *"Despite various headwinds - for example, weak consumer, cost inflation, gas inflation - PepsiCo appears to be sticking to its planned increases in reinvestment levels behind its 12 global mega brands, which should keep its healthy, highly cash-generative developed markets business powering its robust growth overseas."*

Trefis sees particular strength in Frito-Lay North America and in the emerging markets generally

- **Trefis:** *"According to our estimates, Frito-Lay North America is the most valuable division of PepsiCo that makes up more than one-third of our valuation estimate for the company. Frito-Lay's organic net revenue increased 4% y-o-y driven by 4% organic volume growth with flat effective net pricing during the first quarter."*
- **Trefis:** *"Within the emerging markets, Saudi Arabia, Pakistan, Vietnam, and the Philippines, witnessed significantly strong growth in organic revenues, each growing in excess of 20% while percentage growth from Jordan and Egypt was in high teens. However, staggering volume growth seen from China in both the company's snacks and beverages categories of 47% and 17% respectively, is of great significance, especially in light of the rapidly slowing growth of its prime competitor in the beverage category...PepsiCo's 2011 strategic alliance with Tingyi that operates China's most extensive bottling and distributing network is paying off really well and has put the company's operations in the humungous beverage market of China in a fast lane."*

But not all of the analysts were convinced that all is well at PepsiCo...

- **JP Morgan analyst John Faucher:** *"The big concern given the weak volume number is profits...are not really that sustainable."*
- **Bonnie Herzog at Wells Fargo,** said the results were "decent", but "remain[ed] concerned about the health of the beverage business."
- **The Street:** *"Despite its growing revenue, the company underperformed as compared with the industry average of 3.3%. Since the same quarter one year prior, revenues slightly increased by 1.2%. This growth in revenue does not appear to have trickled down to the company's bottom line, displayed by a decline in earnings per share."*

PepsiCo

Share performance



- Of the four companies, Post's share price has been the most robust over the past 12 months, and is currently around 40-50% higher than 12 months ago
- General Mills (GIS) and Kellogg (K) both slightly outperformed the S&P 500 and are 25-30% higher than 12 months ago
- PEP (PepsiCo) underperformed the broader market, but still delivered 20% gains on 12 months

What are competitors saying about their outlook?

Q4 2013 supply chain costs above year-ago levels

Adjusted diluted EPS in Q4 to be below year-ago results

Fiscal 2013 input cost inflation of 3%

General Mills

- **Q3 2013 earnings call (and reiterated in a presentation at the Citibank Global Consumer Conference in May 2013):**
 - Q4 2013: supply chain costs to be above year-ago levels; adjusted diluted EPS to be below year-ago results that grew 15%.
 - *"Including this fourth quarter outlook, General Mills increased its guidance for fiscal 2013 adjusted diluted EPS to a range of \$2.66 to \$2.68, excluding mark-to-market effects, a net tax benefit recorded in the first quarter, and restructuring and integration costs."*
 - *"...our plans for fiscal 2014 call for high single-digit EPS growth, consistent with our long-term model."*

Note: On June 10, 2013, General Mills announced that it now expects to deliver fiscal 2013 adjusted diluted EPS of \$2.68-2.69 (up from \$2.66-2.68). The company also reiterated guidance for fiscal 2014 of high single-digit growth in adjusted diluted earnings per share and increased cash returns to shareholders.

Fiscal 2013 adjusted EBITDA of \$216-225 million

Post Foods

- **Q2 2013 earnings release:**
 - *"...Including the partial year expected results of the cereal, granola and snacks business of Hearthside and Attune Foods, Post management now expects fiscal 2013 Adjusted EBITDA to be between \$216 million and \$225 million."*

... continued/ What are competitors saying about their outlook?

Full-year reported net sales growth of ~7%

EPS (excluding mark-to-market effect) to grow 5-7%

- **Q1 2013 earnings release:** *“The company reaffirmed its guidance for full-year reported net sales growth of approximately seven percent. Earnings per share growth, excluding the impact of mark-to-market accounting, is still expected to be between five and seven percent. Integration costs associated with the acquisition of the Pringles business are still expected to be in a range between \$0.12 and \$0.14 per share. As a result, earnings excluding the impact of mark-to-market accounting and integration costs are still anticipated to be between \$3.82 and \$3.91 per share..”*
- **Ronald L. Dissinger at the Q1 2013 earnings call:**
 - *“And our outlook for the year remains consistent with previous guidance. We still anticipate that reported net sales will increase by approximately 7% and that internal net sales growth will be approximately 3%. As we told you last quarter, our internal net sales growth depends on the phasing of Pringles' sales across the first and second halves. Our latest outlook is consistent with our original guidance.”*
 - *“Our estimates for cost inflation are unchanged at approximately 5% and we continue to expect cost savings of around 4%.”*
 - *“...our guidance provided on the fourth quarter call included a \$0.02 headwind from currency translation. Currency rates were volatile in the first quarter and we saw as much as a \$0.03 to \$0.05 headwind for the year.”*
 - *“And the Venezuela devaluation was slightly more than we thought for the year. The impact of dilution is also a little greater than anticipated, as a result of the strong share price. Now, depending on what happens over the rest of the year, these two items could put pressure on our outlook. However, we have plans below-the-line to offset the impact.”*
 - *Turning to Pringles, we still anticipate \$0.12 to \$0.14 of integration costs for the year and we remain on track to deliver synergies of \$50 million to \$75 million in 2013.”*
 - *“Finally, just a quick word on the second quarter, we expect strong reported sales growth and solid comparable sales growth, but we do anticipate that there will be a continued impact from the softness in the U.S. Snacks business. And we believe that we are not likely to gain traction until the second half of the year. We continue to expect good reported operating profit growth, including the benefit of two months of Pringles' profits. But the shape of net inflation, combined with investment to support innovation launches and the softness in the U.S. Snacks business, could result in internal operating profit being relatively flat in the second quarter. We expect better profit growth in the second half, due to the net cost deflation and the Pringles' synergies I discussed earlier. As was the case last quarter, our guidance for operating profit and earnings per share excludes the impact of mark-to-market adjustments.”*

Kellogg

... continued/ What are competitors saying about their outlook?

Fiscal 2013 to deliver 7% core constant currency EPS growth

Organic revenue growth in mid-single digits

Low-single-digit commodity inflation, and productivity savings of approximately \$900 million

Over \$9 billion in cash flow from operating activities and over \$7 billion in management operating cash flow

Net capital spending ~\$3 billion, within the long-term capital spending target of 5% or less of net revenue

• **Indra K. Nooyi - Chairman and CEO, Sanford Bernstein Strategic Decisions Conference, May 2013:**

- *“We believe that PepsiCo is capable in the long-term of delivering mid single-digit revenue growth, which is mostly organic and its balanced, driven by a balanced portfolio of products including good for you, better for you and fun for your products and from a geographical perspective developing and emerging markets contributing disproportionately to our growth... We think PepsiCo is capable of delivering high single-digit EPS growth on a core constant currency basis and core constant currency operating profit will grow ahead of revenue growth with margins expanding 30 to 50 basis points a year, and management operating cash flow excluding certain items to grow inline with a net income growth and returns on invested capital expansion of 50 basis points for year on average supported by highly disciplined capital allocation. And healthy return of cash to shareholders through dividends and share repurchases building on our long track record.”*
- *“From a category perspective, we expect our global beverage portfolio to grow organic revenue in the low to mid single digits and our global snacks to grow mid single digits... From a market perspective, we expect developed markets to grow in the low to mid single digits and our developing and emerging markets to grow in the high single to the low double-digit range. With this growth profile we expect about 2/3s of our growth to come from snacks and from a geographic perspective, about 2/3s of our growth to come from our developing and emerging markets... Our business mix will gradually shift to being more heavily weighted towards snacks and being more heavily weighted towards developing and emerging markets than we’re today and this should enable us to sustainably grow our organic revenue mid single digits. ...we expect our business to continue to generate strong cash flow with cash flow growing in line with net income and maintaining at roughly the 90% convergence cycle that we’ve historically been at.”*

PepsiCo

Brand performance

Category and brand sales

Category and brand share performance

Brand performance

Company comments

Topline news about brand and category performance and outlook

Brand Performance – Key Insights

- Big G cereal sales fell 2% vs. last year but management expects improvement in Q4 and is 'very bullish' on the category. Its share loss in 2013 so far follows five consecutive years of share gains but recent trends in its US cereal business are improving - baseline volume trends improved 250 basis points since January, with particular strength in original Cheerio sales.
- General Mills had growth with Honey Nut Cheerios Medley Crunch and Peanut Butter Toast Crunch, and established brands such as Lucky Charms and Cheerios but these were more than offset by declines in other established brands. The company thinks that health concerns and demographic trend will drive US cereal category growth.
- Internal sales growth for Kellogg's U.S. Morning Foods segment was +1.6% in Q1 and its cereal business gained 0.3 of a point of share in the quarter. However, cereal sales are actually down 'a little bit in Q1,' with the difference due to very strong Pop-Tarts performance in the same quarter.
- Kellogg says the category is a little soft and points out that it (and the category) is growing in kids, that it (but not the category) is growing in family, but that it (and the category) is down about 5% in the quarter. It thinks the current 'big opportunity' in the cereal category is high-income boomers.

... continued/ Topline news about brand and category performance and outlook

Brand Performance – Key Insights

- The company remains bullish about the category with opportunities to expand the definition of the category. It points to its products like Nutri-Grain Biscuits and Kellogg To Go, a drinkable breakfast product that goes national this year.
- Net sales for Post fell 0.9% in the quarter and dollar market share fell 0.1% versus the same period a year ago. Still, its share improved throughout the quarter as marketing and sales efforts continued to increase leading to Post's highest 4-week share in over a year at 10.7% and the highest package share in 2 years at 11% for the period ended March 30, 2013.
- Post made no comments about the category but its acquisitions of Attune Foods and Hearthside Food Solutions demonstrate its believe that opportunities remain robust.
- PepsiCo does not provide a lot of detail about its Quaker business (it was not mentioned in the Q1 earnings call or PepsiCo's CAGNY presentation), but it did mention that organic revenue for Quaker Foods North America grew 2 percent, driven primarily by organic volume gains. Reported net revenue also grew 2 percent.

Which brands are gaining share?

Market share (%)	Apr-Jun '12	Jul-Sep '12	Oct-Dec '12	Jan-Mar '13	Q-o-Q change (%)	Y-o-Y change (%)
General Mills	<p>Nielsen's licensing restrictions prevent us from showing this data without a client agreement in place</p>					
Brand: Cheerios						
Kellogg						
Brand: Frost Flakes						
Post Foods						
Brand: Honey Bunches of Oats						
PepsiCo						
Brand: Quaker Life						



... continued/ Which brands are gaining share?

<i>Sales (\$ million)</i>	Apr-Jun '12	Jul-Sep '12	Oct-Dec '12	Jan-Mar '13	Q-o-Q change (%)	Y-o-Y change (%)
General Mills	<p>Nielsen's licensing restrictions prevent us from showing this data without a client agreement in place</p>					
Brand: Cheerios						
Kellogg						
Brand: Frosted Flakes						
Post Foods						
Brand: Honey Bunches of Oats						
PepsiCo						
Brand: Quaker Oats						

What are competitors saying about their category performance and intent?

Big G cereal sales fell 2% over last year but management expects improvement in Q4

“During the third quarter of fiscal 2013, net sales for Big G cereals declined 2 percent from last year, as growth from new items such as Honey Nut Cheerios Medley Crunch and Peanut Butter Toast Crunch, along with gains by established brands such as Lucky Charms and Cheerios, were offset by declines from other established cereals.” 10Q - 3rd Quarter Fiscal 2013, March 20, 2013

“Breakfast cereal is, by a wide margin, the most dominant component consumed at breakfast. We are in well over 1/3 of all breakfasts and the #2 falls far below that, so we're the lion's share. But there is competition, clearly, for the breakfast occasion.” – Kendall J. Powell, CEO. Q3 2013 Results, Earnings Call Transcript, March 20, 2013

“Recent trends in our US cereal business are encouraging... Baseline volume trends have improved 250 basis points since January.” – Don Mulligan, EVP & CFO. Citi 2013 Global Consumer Conference Transcript, May 30, 2013

“The strength of our cereal business is rooted in the breadth of our portfolio. Our cereal brands deliver on a number of attributes important to consumers, from the cholesterol-lowering benefits of whole grain oat Cheerios to the all-family appeal of Cinnamon Toast Crunch and Lucky Charms, to the great taste of gluten free Chex. These brands shown here represent over 20% of cereal category sales.” – Don Mulligan, EVP & CFO. Citi 2013 Global Consumer Conference Transcript, May 30, 2013

“In the U.S. cereal category, after 5 consecutive years of market share gains, we've lost a bit of share so far in 2013. But as our levels of merchandising improved in the third quarter, our share trend has also improved, and we expect further improvement in the fourth quarter, with both established brands and new cereals contributing to our momentum.” – Kendall J. Powell, CEO. Q3 2013 Results, Earnings Call Transcript, March 20, 2013

“In total, our January cereal launches represent over a full percentage point of category sales and will help build momentum in our cereal business in the fourth quarter and into fiscal 2014.” – Kendall J. Powell, CEO. Q3 2013 Results, Earnings Call Transcript, March 20, 2013

Management is comfortable with current pricing

“As we look at our price points across our categories now, we think we are about where we need to be...So we feel that we're about in the right place, with the exception of some aspects of the cereal category, overall, we think that... the merchandising environment is reasonably stable now. So we don't really expect any changes in the fourth quarter.” – Kendall J. Powell, CEO. Q3 2013 Results, Earnings Call Transcript, March 20, 2013

More...

General Mills

... continued/ What are competitors saying about their category performance and intent?

Management is bullish about cereal category

"If you look over the longer term, this is a category that has grown low single digits, not each and every year, but certainly over time. Wide participation in the category in terms of penetration and high-frequency...in terms of in-home breakfasts. So we believe it still has a lot of growth in front of us and to Ken's point, it really is about innovation and ensuring that we and other market leaders are supporting the brands the right way, and I think we're starting to see that in the category again" – Don Mulligan, CFO. Q3 2013 Results - Earnings Call Transcript, March 20, 2013

"In recent years, our U.S. cereal business have led the category's growth. From 2008 to 2012, we added nearly 2 points of market share. Now through the first half of the current year, our cereal net sales and market share were below year-ago levels. That's because other players in the category had more merchandising activity in the first half. We've got more merchandising planned for the second half, including introductory support for new items." – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 2013

"The US is the single largest cereal market. Over the last three decades category volume and sales have grown at low single-digit rates. This 30-year history includes periods like oat bran mania when cereal was hot, and moments like the Atkins Diet fad when it was not. So the category doesn't grow each and every year, but over the long term the trend in cereal is steady growth." – Don Mulligan, CFO. Q3 2013 Results - Earnings Call Transcript, March 20, 2013

"We remain very bullish on cereal, and here's why: Cereal tastes great and it's quick and easy to eat. Cereal beats most other breakfasts on price. It's just \$0.50 per serving, and that includes the milk. Cereal is one of the lowest calorie options for breakfast, too . Breakfast is a growth market, of course. The number of breakfast occasions rises with U.S. population growth...So we have confidence in the long-term growth prospects for cereal." – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 2013

"We believe demographic trends bode well for the US cereal category in the years ahead." – Don Mulligan, EVP & CFO. Citi 2013 Global Consumer Conference Transcript, May 30, 2013

Opportunities seen in education channel

"Recent legislation of the K-12 school nutrition program recommends more whole grain at breakfast. Since all of our Big G cereals contain more whole grain than any other single ingredient, we have a great opportunity to expand our cereal distribution in the education channel." – Kendall J. Powell, CEO. Q3 2013 Results - Earnings Call Transcript, March 20, 2013

**General Mills
(continued)**

... continued/ What are competitors saying about their category performance and intent?

Internal net sales for U.S. Morning Foods increased 1.6% but cereal sales fell a little

“Internal net sales for U.S. Morning Foods increased 2% as a result of increased volume and flat pricing/mix. This segment consists of cereal, toaster pastries, health and wellness bars, and beverages. Cereal category growth has been slightly lower than anticipated. Despite this category performance, Special K[®], Mini-Wheats[®], and Frosted Flakes[®] all posted increased consumption and share gains during the quarter.” Q10 2013 Results Q1, May 7, 2013

“Slide 13 shows the performance of the U.S. Morning Foods segment. Internal sales growth was 1.6% in Q1. Our cereal business gained 0.3 of a point of share in the first quarter.” – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

Kellogg

*“Well, if I look within the cereal category, as I said before, we're actually seeing strength with low-income consumers, strength with kids. We're doing well in all family categories also. It's really adult where we are seeing weakness, it's high-income adults. I don't think they're really that price-sensitive. It's not about -- as prices come up, we'd normally expect volumes naturally to follow with high-income boomers. I think the real issue there is our innovation, and the innovation in the category needs to be more nutrition and benefit-oriented and, quite frankly, less about pricing and merchandising. And that's the opportunity, I think, we have as a company; I think the category has as well. And I think the more we drive into that, the more we're going to grow the business. And in addition to that, when you think about the weakness in the cereal category, we're also doing things to give people the benefits of cereals outside that normal definition of ready-to-eat cereal. So we have Kellogg's To Go Shakes, and we have the Breakfast Biscuits, and we have also hot cereal in there as well. That's also all driving our cereal consumption but not getting captured in the uptake [ph] data. If you look in Q1, our Morning Foods sales growth was up 1.6%, 1.7%, and the consumption for cereal is actually down. **Our cereal sales are actually down a little bit in Q1**, and the difference there is very strong Pop-Tarts performance in the first quarter. That's what's driving the difference between consumption and shipments in Q1.”* – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

More...

... continued/ What are competitors saying about their category performance and intent?

Management believes it can grow its cereal business and sees opportunities in the cereal category

“Yes. I think if you look at the cereal category, it is a little softer than what we would like it to be. But you break it apart in different segments. So kids, we're actually growing in kids, and the category is growing in kids. In all family, we're growing, but the category is a little soft, but we feel okay about where all family is. It's really adults where the category and ourselves are both down about 5% in the first quarter, and that's where the opportunity for future growth lies. What is also interesting, David, is if you take the category and you break it up by income, the category is actually growing with low-income consumers but is actually declining a little bit with high-income consumers. So you boil it all down and say the big opportunity in the cereal category right now is high-income boomers. And so what are we doing to address high-income boomers? We have innovation coming out this year around Raisin Bran Omega-3, Heart to Heart Cheer, Special K Multi-Grain. So we have a range of innovation targeted at those adult consumers, plus we think we have a very strong adult portfolio between Special K, Kashi, Bear Naked. And if we can get those brands all driving on all cylinders, I think we can really drive all the adult consumption in the category.” – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

“We're absolutely passionately committed to growing the cereal category around the world. As you can see around international, we still have relatively low per capita consumption. So there is a lot of opportunity for continued growth there, but even in a market like the U.S., we absolutely believe we can grow the Cereal business and with that the cereal category in the United States. Why do we have this confidence? It is a low calorie, nutrient dense food form; it is very affordable, relatively inexpensive. A lot of underlying reasons that I believe that we can continue to grow; plus from a versatility perspective, it's much more versatile than a lot of people give it credit for. 10 years ago, 20% of all breakfast cereal was consumed outside the breakfast occasion. Today, 30% is consumed outside the breakfast occasion. So we can drive additional consumption of cereal in other day parts, whether it be dinner replacement or snacking throughout the day.

In addition, if you look at per capita consumption for cereal, it's bimodal, high for kids, comes down for 20, 30, 40 year olds, starts coming back up again and older adults have as high a consumption per capita as kids. With an aging population, we have another demographic trend that will help us there as well. So, as we look at cereal in our very traditional definition of cereal – of a bowl, cereal, cold milk, spoon first thing in the morning, we think we can keep growing that business, but the other opportunity for us is to challenge that definition of cereal.” – John A. Bryant, CEO. CAGNY Conference Transcript, February 20, 2013

Kellogg has some innovations due to launch mid-year

“...we're also expanding the definition of our categories. In the breakfast segment, the drinkable breakfast products you saw at our Investor Day in November are now expanding distribution, and we've also got hot cereal planned for introduction at midyear. These are both exciting steps for us and should also help drive adult consumption in the broader category.” – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

**Kellogg
(continued)**

... continued/ What are competitors saying about their category performance and intent?

Net sales for the three months ended March 31, 2013 decreased \$2.3 million or 0.9% YoY

“Net sales for the three months ended March 31, 2013 decreased \$2.3 million or 0.9% compared to prior year. This decrease was primarily driven by a 3% improvement in overall volumes which was offset by a 4% decrease in average net selling prices.” – 10Q, Q2 2013 Results, May 8, 2013

Overall share is flat but seems to be set to rise slightly

“Post's dollars market share, as measured by Nielsen, was 10.5% for the 13 weeks ended March 31, 2013, down 0.1% versus the same period a year ago. Compared with the first quarter, Post dollar share grew 1/10 of a point, driven by new items and increased in-store promotional activity. Encouragingly, Post's share improved throughout quarter 2 as marketing and sales efforts continued to increase leading to Post's highest 4-week share in over a year at 10.7% and the highest package share in 2 years at 11% for the period ended March 30, 2013.” – Terence E. Block, President, Chief Operating Officer, Q2 2013 Results, Earnings Call , May 13, 2013

Post Foods

Management points to declining category sales as a factor behind it's sales fall

“Second quarter net sales were \$248.2 million, down 0.9% versus the same period last year. The shipment performance was against a challenged ready-to-eat cereal category, as measured by Nielsen, that was down, in dollars, 2.4% for the same period. For the first 6 months, net sales grew 3.3%, reaching \$485.1 million during the October through March period. This was against the category backdrop that declined 1.6% during the same 6 month period. It's important to view our sales narrative over the first 6 months as strong new item shipments at the end of the first quarter led to higher retailer inventories, which slowed shipments early in the second quarter. This inventory was partially sold through to consumption during the second quarter as new item marketing and merchandising tactics unfolded in the back half of quarter 2 following the achievement of retail distribution goals.” – Terence E. Block, President, Chief Operating Officer, Q2 2013 Results, Earnings Call , May 13, 2013

More...

... continued/ What are competitors saying about their category performance and intent?

Acquisitions of Attune Foods and Hearthside Food Solutions will help Post in the category

"We made a very small acquisition of Attune Foods in December 2012. This acquisition provided Post a branded platform of non-GMO and organic cereals and snacks. The just-announced acquisition of the organic and natural cereal, granola and snacks business of Hearthside Food Solutions, greatly enhances that platform. This business has a 40-year legacy and a leadership position in the all-natural and organic cereal and granola segment. They're a provider of cereals, granolas and snacks to a diverse customer base, and their natural specialty and conventional channels consisting of proprietary brands and significant private-label brands, serving a portfolio of preeminent, specialty and conventional retailers.

"...The Attune brands, Erewhon and Uncle Sam's, together with the Golden Temple brand, Peace Cereal brand, Sweet Home Farm granola brand and Willamette Valley brand snacks affords Post an improved footprint and the opportunity to participate in the higher-growth, organic, all-natural, non-GMO-verified cereal and adjacent categories." – Terence E. Block, President, Chief Operating Officer, Q2 2013 Results, Earnings Call , May 13, 2013

Post Foods (continued)

... continued/ What are competitors saying about their category performance and intent?

Revenue for Quaker Foods North America (QFNA) up 2 percent, driven primarily by organic volume gains

“Quaker Foods North America (QFNA) - Organic revenue grew 2 percent, driven primarily by organic volume gains. Reported net revenue also grew 2 percent.” – PepsiCo Q1 2013 Results Press Release, April 18, 2013

QFNA Volume was +3 and Effective Net Pricing (1) – PepsiCo Q1 2013 Results Press Release, April 18, 2013

“PepsiCo Americas Foods organic revenue grew 6 percent in the quarter driven by organic revenue growth in all divisions, including Frito-Lay North America, Quaker Foods North America and Latin America Foods. Reported net revenue increased 5 percent in the quarter.” – PepsiCo Q1 2013 Results Press Release, April 18, 2013

Note: PepsiCo provides very little detail about QFNA since it is a small part of its business. It was not mentioned in the Q1 earnings call or PepsiCo’s CAGNY presentation

PepsiCo

What are competitors saying about their brand performance?

Cheerios is doing better and new items like Honey Nut Cheerios Medley Crunch cereal was a big contributor in Q3

“And then Cheerios has seen a nice strengthening in the baseline of our yellow box, our original Cheerios. It has great health benefits, cholesterol-lowering health benefits, but we went back to advertising what I’d say is more of the emotional content and how it brings generations together. And it’s advertising that’s been tried and true and we went back to it and we’ve seen some really strong results over the past quarter or so.” – Don Mulligan, EVP & CFO. Citi 2013 Global Consumer Conference Transcript, May 30, 2013

“Products making the strongest contributions to U.S. Retail net sales growth in the third quarter included new items such as Honey Nut Cheerios Medley Crunch cereal, Fiber One Protein bars, Yoplait Greek 100 yogurt and frozen Green Giant Seasoned Steamers vegetables, along with established brands such as Cheerios and Lucky Charms cereals.” – Ken Powell, CEO. Results For Fiscal 2013 Q3 Press Release, March 20, 2013

General Mills Cheerios

“Cheerios is by far the largest franchise in the U.S. cereal market, with 13% of category sales. The original flanker Honey Nut Cheerios is now the top-selling U.S. cereal. The core 3 Cheerios varieties have grown to a combined 11.5% share of cereal category sales. We’ve also added new flavor varieties, bringing product news and consumer excitement to the franchise. The latest variations have added another point of market share...

“...Our newest variety is Honey Nut Cheerios Medley Crunch. This cereal has the heart health benefits and great taste consumers expect from Honey Nut Cheerios. It also has a great texture with Os, clusters and flakes. We’re supporting this launch with in-store merchandising and advertising, and retailer response has been terrific.” – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 19, 2013

“Cereal, which is pretty important in our data, as I commented in my remarks, is down in the front half of this year. We’ve gained share for 4 years in a row. It’s really very uniquely around a merchandising and new products slow that will a reverse here, and I think, in the back half and improve as we go forward.” – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 19, 2013

QUAKER LIFE

No commentary

... continued/ What are competitors saying about their brand performance?

Category growth was lower than anticipated but Frosted Flakes, Mini-Wheats and Special K posted share gains

“Internal net sales for U.S. Morning Foods increased 2% as a result of increased volume and flat pricing/mix. This segment consists of cereal, toaster pastries, health and wellness bars, and beverages. Cereal category growth has been slightly lower than anticipated. Despite this category performance, Special K[®], Mini-Wheats[®], and Frosted Flakes[®] all posted increased consumption and share gains during the quarter.” – 10Q Q1 2013 Results, May 7, 2013

Kellogg's

“[for Special K] ...we've had good innovation on the brand, including Chocolatey Strawberry and a restage of Special K Protein. All of this led to a very successful resolution program. And in fact, during Q1, Special K saw increased share, consumption and household penetration...

“...Other brands also did well, including Mini-Wheats and Frosted Flakes, both of which gained share on strong rates of consumption. Although category growth improved sequentially during the quarter, it has been a little bit slower than we would like in recent periods. While the kids segment has been doing well, the adult segment has been lagging. Special K activity, I mentioned, is helping, and we're also doing our part with innovation. We have a lot of activity planned for the middle of the year that will address this further and which will be supported with brand building. The new products include Raisin Bran with Omega-3, Multi-Grain Special K, Kashi GOLEAN Vanilla and Kashi Cheer Heart to Heart...” – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

... continued/ What are competitors saying about their brand performance?

Great Grains and Grape Nuts are doing well but HBO and Pebbles are struggling

“For the three months ended March 31, 2013 the improved volumes were primarily driven by increases from our Great Grains and Grape Nuts brands which increased 15% and 13%, respectively and volumes from co-manufactured products and for our recently introduced Good Mornings brand products. The decline in Honey Bunches of Oats volumes resulted from an increase in prior quarter shipments, primarily related new product extensions, that reduced shipping volumes in the current period. The decrease in average net selling prices was primarily the result of higher trade and promotion spending, which included higher slotting fees resulting from a higher level of new product introductions in the current year, volume shifts to larger package sizes and increases in co-manufactured product sales and sales of our Good Mornings brand cereals which sell at a lower price point.” – 10Q, Q2 2013 Results, May 8, 2013

“According to Nielsen data, Grape Nuts and Great Grains increased dollar volumes during the second quarter. Most notably, Great Grains increased 8.2% over the same quarter last year, while Grape Nuts volume increased 2.4%. HBO and Pebbles declined 7% and 7.1%, respectively. The increases in Grape Nuts and Great Grains were driven by new item distributions and new marketing programs. HBO and Pebbles were challenged with increased competitive promotional activity and distribution losses on a weak line extension; HBO flavors, Pebbles Boulders and Pebbles Marshmallows. Similar to other Post brands, HBO shipments improved in the latter half of quarter 2 as high new-item shipments began selling through to consumption and as a new advertising campaign kicked in beginning in mid-February...

Post Foods

“...We're particularly pleased with our HBO Hispanic efforts that have contributed to the brand indexing stronger than any other brand among this growing demographic segment. Great Grains accelerated growth throughout quarter 2 behind new distribution achievement on Great Grain's Protein Blends and new advertising as the Great Grains consumer responds well to advertising. Old factors helped contribute to Great Grains becoming one of the fastest-growing better-for-you positioned cereal brand. Increased promotional support, new distribution on Grape Nuts Fit and the first advertising of Grape Nuts in 10 years, helped propel growth on the Grape Nuts brand for the quarter, helping Grape Nuts reach a 4-year share high.” – Terence E. Block, President, Chief Operating Officer, Q2 2013 Results, Earnings Call , May 13, 2013

“Honey Bunches of Oats had a second quarterly decline of 9% compared from the prior year, largely resulting from the timing of shipments that were pulled forward into Q1. On a year-to-date basis, Honey Bunches of Oats volumes were down 3%.” – Robert V. Vitale, CFO. Post Holdings Q2 2013 Results, Earnings Call Transcript, May 13 2013

“HBO Greek, which incorporates authentic Greek yogurt in and on the granola clusters, combined with multigrain flakes, is off to a good start, capturing consumption dollars totaling to approximately \$7.2 million for quarter 2. We're adding to the HBO Greek line up in June with the addition of an extremely tasty Mixed Berry Greek line extension.” – Terence E Block, CEO. Post Holdings Q2 2013 Results, Earnings Call Transcript, May 13 2013

Brand awareness

Proprietary awareness measures

Cyber presence

Social media

News media

Online brand presence

Topline news about comparative brand awareness performance

Brand Awareness – Key Insights

- Of the four brands Cheerios has by far the most comprehensive and extensive social media strategy. Only HBO is also active on YouTube, Facebook and Twitter, but to a far lesser extent. Frosted Flakes does not have a YouTube Channel and Quaker's Life has neither a Facebook nor Twitter account.
- Cheerios has substantially more search interest on Google and way more YouTube channel subscribers. A recent peak in search interest in Cheerios was due to an ad it ran that features a mixed race couple and their mixed-race child. We expect ongoing media attention to drive interest through Q2.
- Cheerios has the strongest social network with substantially more Facebook Likes and Twitter followers. Frosted Flakes is the opposite, with a small number of followers but a lot of tweets (mostly retweets).
- Cheerios is the outstanding lead on mainstream, advertising and lifestyle media mentions. Frosted Flakes has slightly more press releases than Cheerios. Both Honey Bunches of Oats and Life have very limited media presence.
- Cheerios is the only brand to have a Pinterest page while Honey Bunches of Oats is the only one to have an Instagram page.

Comparative brand awareness performance based on proprietary measures

Brand Awareness – Proprietary Metrics

- We can include proprietary measures of brand awareness, as needed
- This can cover unaided awareness, top of the mind, brand recall, brand recognition, unawareness and so on

This section is based on proprietary awareness metrics provided by the client

Comparative online presence metrics

	Google		YouTube			
Brand	Hits (million)	Search Interest (1,000/mo)	Channel Subscribers	Videos In Channel	Total Views (thousands)	Videos Added in Last 90 Days
Cheerios	9.8	165.0	1,942	13	3,929	5
Frosted Flakes	2.3	22.2	-	-	-	-
Honey Bunch of Oats	0.8	0.5	87	24	1,374	3
Life*	15.8	1.9	-	-	-	-

Notes: * Search metrics use Quaker Life

Data captured June 10, 2013

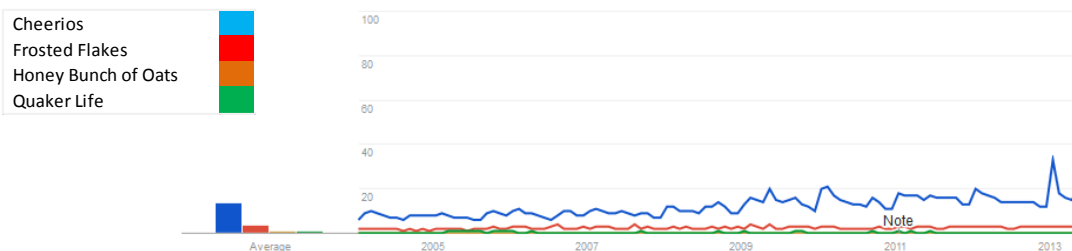
Search interest is for US only

Neither Frosted Flakes or Life have a YouTube channel

Search interest over time

Interest over time

The number 100 represents the peak of search interest



Source: Google Trends

- Cheerios generally has by far the strongest online presence. It has substantially more search interest on Google and way more YouTube channel subscribers
- Life has more hits than Cheerios on Google but this likely reflects the broader meanings of 'Quaker Life', the search term we used for Life
- Cheerios YouTube channel is the most active with nearly 2,000 subscribers and roughly 4,000 views, however at a broader level these engagement levels are low
- Neither Frosted Flakes nor Life have YouTube Channels

- Cheerios has consistently outperformed the other brands
- A recent peak in interest in Cheerios was due to an ad it ran that features a mixed race couple and their child

Comparative social media presence metrics

Brand	facebook	Talking about this	Topsy Tweet Count (pass 30 days)	Followers	Tweets
	LIKES (thousands)				
Cheerios	1,014	46,279	26,000	10,631	432
Frosted Flakes*	832	17,130	7,649	230	6,979
Honey Bunch of Oats	450	8,174	1,819	2,136	2,344
Life**	-	-	-	-	-

* No US presence on Twitter but there is an active account for The Netherlands, the data for which is used here

** No presence on Facebook or Twitter

- Cheerios has the strongest social network with substantially more Facebook Likes and Twitter followers
- Yet while Cheerios has a lot of Twitter followers and a strong Topsy Tweet Count it has only sent a small number of Tweets
- Frosted Flakes is the opposite, with a small number of followers but a lot of tweets (mostly retweets)
- Life has neither a Facebook nor Twitter account

Trends in last three months

Brand	facebook			Followers		
	Likes (% increase)			Followers (% increase)		
	7d	1m	3m	7d	1m	3m
Cheerios	0.88%	9.07%	16.21%	8.83%	25.12%	59.48%
Frosted Flakes	0.36%	1.00%	4.96%	NA	NA	10.57%
Honey Bunch of Oats	0.06%	4.95%	47.02%	0.20%	-0.40%	17.61%
Life*						

* No US presence on Twitter but there is an active account for The Netherlands, the data for which is used here

** No presence on Facebook or Twitter

- Cheerios is generally growing at the fastest rate on Facebook and Twitter
- Its growth on Facebook was the fastest over the last week and month and second over three months, after HB of Oats (which is from a much smaller base)
- Over all three time periods Cheerios grew fastest on Twitter

Comparative news media metrics

Media mentions for Q1 2013

	Mainstream (all media)	Advertising	Lifestyle	Press Releases
Cheerios	760	178	83	17
Frosted Flakes	138	40	26	20
Honey Bunches of Oats	66	NA	NA	0
Life*	4	1	NA	0

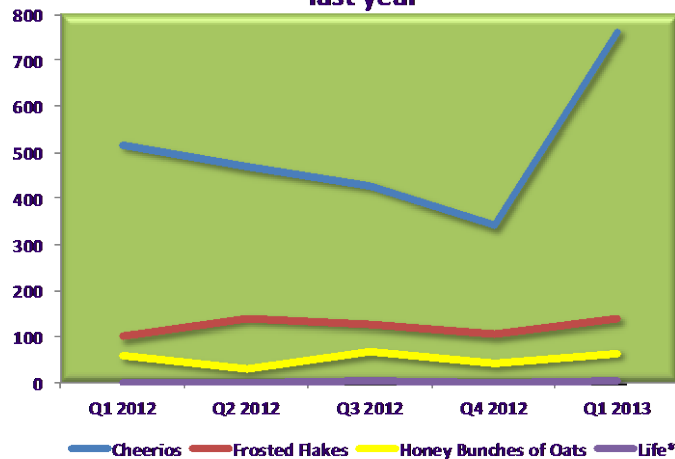
Based on Factiva hits. Last three months, US, English language, excludes blogs

Advertising is just hits under Advertising. Lifestyle is just Living/Lifestyle

Press releases from PR Newswire (just US)

* Search team used: Quaker Life

Mainstream US media mentions over the last year



Note: Media hits is a good and simple way to see what media presence a brand has but it is very much a first step. It doesn't capture quality of media output (WSJ or Kalamazoo Gazette), article position (front page or mid-page side bar), tone (positive or negative), interest level (many comments or none). A more considered assessment would need more research and analysis. We can include proprietary brand awareness metrics in our analysis as needed.

- Cheerios is the outstanding lead on mainstream, advertising and lifestyle media mentions
- Frosted Flakes has slightly more press releases than Cheerios
- Both Honey Bunches of Oats and Life have very limited media presence

- Over the last year, Cheerios continued to have substantially more mainstream media mentions than its competitors
- Mentions for Cheerios are in an upswing, likely driven by a recent ad that featured a mixed race couple and their child
- Attention created from this ad will likely continue to push mentions for Cheerios higher in coming months

YouTube channels...



Cheerios Subscribe 2,300

Honey Nut Cheerios

Gracie Gortzly | Big Time Hollywood Movie Star
by cheerios
67,733 views

Cheerios Commercials 2012

Cheerios "Simple" by cheerios 13,376 views
Cheerios "Big Brother" by cheerios 72,208 views
Cheerios "Mama" by cheerios 18,960 views
Cheerios "Gym" by cheerios 26,201 views

Recent uploads

Evidence 1,247 views 2 months ago
Just Checking 3,481,372 views 2 months ago
Little Free Libraries 8,289 views 3 months ago
Happy Mother's Day 8,821 views 1 month ago

Honey Bunches of Oats Subscribe 12

50 Million Smiles and Counting
1,267 views 7 months ago
Born in 1959, Honey Bunches of Oats hit the market and became an instant success. But, did you know it all started from a single smile?
Loving father and M&Ming employee, Vernon J. Hootz had the idea to combine a few of Post's cereals together to make the ultimate tasty breakfast. With a little help from his daughter, he knew he was onto something the moment he saw her face light up with a smile.

TV Spots

Honey Bunches of Oats - Distribution Areas (Star C... 364 views 3 months ago
Honey Bunches of Oats - Behind the Scenes 2013 500 views 3 months ago
Honey Bunches of Oats - Absorbent Commercial 2013 139,815 views 4 months ago
Honey Bunches of Oats - Growth Honey Crunch 44,825 views 7 months ago

Frosted Flakes does not have a YouTube channel

Life does not have a YouTube channel



Facebook pages...

Cheerios
1,016,672 likes · 35,676 talking about this

Food/Beverages
Welcome! For community rules, visit <http://fb.ly/HRQjxt>

About · Suggest an Edit

Highlights

Recent Posts by Others on Cheerios

Randy Bourne
Love your new ad with the multi-racial family. The best thin...
55 minutes ago

Kim Dickson
remove all GMO
· about an hour ago

Kellogg's Frosted Flakes
836,304 likes · 6,277 talking about this

Food/Beverages
Kellogg's Frosted Flakes® cereal has the delicious taste you're excited to share with the ones you love. They're gr-r-reat!®

About · Suggest an Edit

Highlights

Recent Posts by Others on Kellogg's Frosted Flakes

Megan Decarlo
Just started learning about GMO's and I will no longer be bu...
4 hours ago

Honey Bunches of Oats
450,451 likes · 9,637 talking about this

Food/Beverages
Welcome to the official Honey Bunches of Oats Facebook page. Connect with other fans and fill your day with bunches of smiles. We're glad that you are here!

About · Suggest an Edit

Highlights

Recent Posts by Others on Honey Bunches of Oats

Tim Ellis
Great cereal. Loved the peach (bring it back please) and str...
2 · 6 hours ago

Steve Patton
Just watch this.

Life does not have a Facebook page



Twitter pages...

Cheerios
@cheerios
The one and only cheerios.com

433 TWEETS | 116 FOLLOWERS | 11,013 FOLLOWING

Tweets

- Cheerios** (@cheerios) 13 Jan
@reese309 looks like a heart-melting morning!
View conversation
- Cheerios** (@cheerios) 9 Jan
@JamesLynnChecks Thanks so much for your support ,Jame!
View conversation
- Cheerios** (@cheerios) 6 Jan
@12YoungDots12 Thanks Darnny! We're so glad you like it!
View conversation
- Cheerios** (@cheerios) 6 Jan
@dinnermeal Thanks so much for the love, idna! We really appreciate the support
View conversation
- Cheerios** (@cheerios) 6 Jan
@ootravelz don't worry Nigeria. We never look it off -!
View conversation
- Cheerios** (@cheerios) 6 Jan
@PerezMilton Thanks Perez. We sincerely appreciate the support!
View conversation
- Cheerios** (@cheerios) 6 Jan
@Casper101 We are getting much more love than flack. Thanks for your support!
View conversation
- Cheerios** (@cheerios) 6 Jan
@Coblete Gorgeous family! Thanks for sharing and many congrats!

HoneyBunchesOfOats
@HBOats
Born in 1969, Honey Bunches of Oats became an instant success. But it all started from a single smile... 50 million since then. It's just good, strong!

2,061 TWEETS | 354 FOLLOWERS | 2,129 FOLLOWING

Tweets

- HoneyBunchesOfOats** (@HBOats) 16 Jan
@the_alexandri Please give us a call at 1-800-431-POST so we can learn more about what happened. We look forward to hearing from you!
View conversation
- HoneyBunchesOfOats** (@HBOats) 16 Jan
@moeth_9 You're making us blush! Thanks for being a fan!
View conversation
- HoneyBunchesOfOats** (@HBOats) 26 Jan
@the_alexandri Smile. Bigger bite of Honey Bunches of Oats. Bigger smile! Expand
- HoneyBunchesOfOats** (@HBOats) 26 Jan
On this day in 1777, Congress officially adopted the Stars & Stripes as the official flag of the United States of America. Happy #FlagDay! Expand
- HoneyBunchesOfOats** (@HBOats) 23 Jan
@_Connet14 Thanks for brightening our day!! -!-
View conversation
- HoneyBunchesOfOats** (@HBOats) 23 Jan
@dony_Vendor You're sweet! Thank you! -!-
View conversation
- HoneyBunchesOfOats** (@HBOats) 23 Jan
@MickeyWHATSGOOD Do it! Do it!
View conversation
- HoneyBunchesOfOats** (@HBOats) 23 Jan

Frosted Flakes
@FrostedFlakes10
I like my cereal
The Netherlands

6,961 TWEETS | 28 FOLLOWERS | 233 FOLLOWING

Tweets

- Gameoft** (@gameoft) 5 Jan
It's #FreeGameFriday! RT & follow @Gameoft 10 #FREE Gameoft iOS & Android games of your choice to win every Friday!
Retweeted by FrostedFlakes
Expand
- ComZus** (@comzud) 11 Jan
RT this and get an #InfluencerCard 5 will be randomly selected! #HappyFriday #RTtoWin pic.twitter.com/3CZ8G64F
Retweeted by FrostedFlakes
View photo
- Frosted Flakes** (@FrostedFlakes10) 8 Jan
@FreelyApps Hoping to win 10 #FreelyAppsColorClick pic.twitter.com/4Z7916
View photo
- Gameoft** (@gameoft) 7 Jan
It's #FreeGameFriday! RT & follow @Gameoft 10 #FREE Gameoft iOS & Android games of your choice to win every Friday!
Retweeted by FrostedFlakes
Expand
- Frosted Flakes** (@FrostedFlakes10) 28 Nov
@RICH_netscape Dank je wel! Ga ik doen!
View conversation
- Frosted Flakes** (@FrostedFlakes10) 28 Nov
@RICH_netscape Link doet het niet! En ik wil lang naar een standaard pag en mijn beste vriende foto dus vergheten
View conversation

Life does not have a Twitter account

Pinterest pages...



Frosted Flakes does not have a Pinterest page

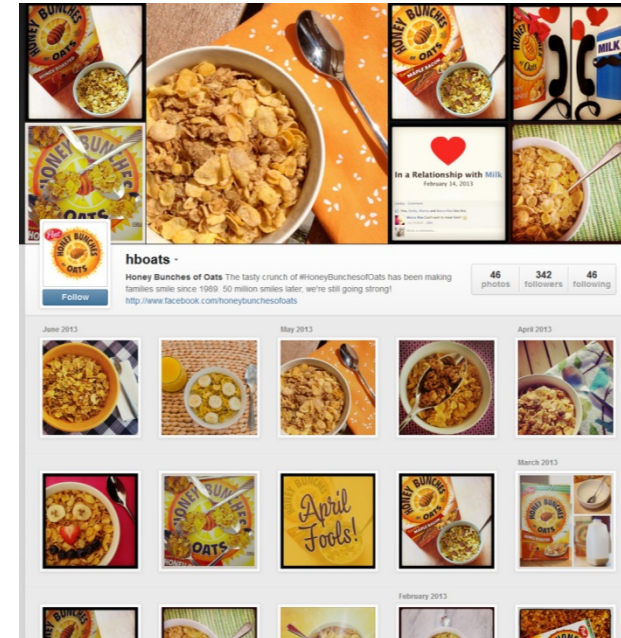
Honey Bunches of Oats does not have a Pinterest page

Life does not have a Pinterest page

Instagram pages...



Cheerios does not have a Instagram page



Honey Bunches of Oats does not have a Instagram page

Life does not have a Instagram page

Advertising and promotion

Advertising spend and insights
Promotional activity

Topline news about pricing, advertising and promotions

Advertising & Promotions – Key Insights

- Kantar Media ad spend data indicates that:

Kantar Media's licensing restrictions prevent us from showing these data without an agreement in place

- General Mills is pulling back on ad spend. Globally media and advertising spend was down 2 percent for its last quarter; for the US it was down 6 percent. Still, its in-market pressure continues to expand and it claims that over the latest 12 months its added '*almost a point to our overall share of voice with the consumer.*'
- Kellogg is shifting to digital media on brands where appropriate, leveraging co-branding opportunities and assessing and maximizing the return on investment on all the activities that constitute our brand-building investment.
- Post's US media spending is lower (down \$8.5 million for the last quarter) but in-store promotional activity is up and looks to be effective. Post dollar share is up (1/10 of a point). And HBO indexes higher with Hispanics than any other brand.
- Quaker saw Q1 advertising and marketing expense increase by 11 percent. Management says advertising and marketing expense will increase at or above the rate of net revenue growth.

How much are competitors spending on advertising?

<i>Advertising spend (\$ million)</i>	Apr-Jun '12	July-Sep '12	Oct-Dec '12	Jan-Mar '13	Q-o-Q change (%)	Y-o-Y change (%)
General Mills	Kantar Media's licensing restrictions prevent us from showing these data without an agreement in place					
Brand: Cheerios						
Kellogg						
Brand: Frosted Flakes						
Post Foods						
Brand: Honey Bunches of Oats						
PepsiCo						
Brand: Life						

Competitor comments about advertising spend and intent

Encouraging trends but total media expense will be down for fiscal 2013, with US expense down more sharply

For Q3: "...SG&A expenses decreased compared to the same period last year, including a 2 percent decrease in media and advertising expense compared to fiscal 2012". For the US, General Mills reported: "a 6 percent reduction in advertising and media expense" – Fiscal 2013 Q3 Earnings Release, March 20, 2013

On a nine-month basis: "...SG&A expenses decreased compared to the same period last year, including a 4 percent decrease in media and advertising expense compared to fiscal 2012". And for the US, a "7 percent decrease in advertising and media expense" – Fiscal 2013 Q3 Earnings Release, March 20, 2013

"Recent trends in our US cereal business are encouraging. Our new advertising campaign reminds consumers about the simple goodness of our iconic original Cheerios." – Don Mulligan, EVP & CFO. Citi 2013 Global Consumer Conference Transcript, May 30, 2013

"For example, our new advertising campaign is reminding consumers about the simple goodness of our iconic original Cheerios. Baseline trends are improving in response to this message and we'll support this baseline momentum with strong promotions, including our Spoonfuls of Stories free book program next month."

"Adults make up nearly half of total Lucky Charms cereal consumption, so we've expanded our marketing efforts to include new advertising that targets adults, and results have been terrific. Since the new campaign started in January, Lucky Charms baseline sales have increased 16%. And in celebration of St. Patrick's Day, we just launched our Chase for the Charms mobile application, giving consumers the chance to chase down their favorite marshmallow charm and win great prizes."

"We've also launched a strong slate of new cereal products. Honey Nut Cheerios is the single largest brand in the U.S. cereal aisle. Our latest addition to the franchise is Honey Nut Cheerios Medley Crunch, it started shipping in January and advertising began 8 weeks ago. Early consumer response has been terrific. We're adding new varieties of other popular cereal brands, too." – Kendall J. Powell, CEO. Q3 2013 Results - Earnings Call Transcript, March 20, 2013

"In recent years, our U.S. measured media spending has grown to over \$900 million as tracked by Kantar. We expect our U.S. media expense to be down for fiscal 2013 in total. But our in-market pressure continues to expand. Over the latest 12 months available, our tracked advertising dollars are up, and we've added almost a point to our overall share of voice with the consumer." – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 2013

General Mills

... continued/ Competitor comments about advertising spend and intent

Kellogg expects brand building to grow in Q2 due to the timing of innovation launches

"We continue to invest in advertising and other equity-building initiatives in the quarter. As you know, brand building, along with innovation, is at the heart of our sustainable growth operating model. We know that when we invest in the business and provide value through our brands and new products, consumers will respond...." – Ronald L. Dissinger, CFO. Kellogg Management Discusses Q1 2013 Results - Earnings Call Transcript. May 2, 2013

"We also strive to be more efficient and effective with our investment dollars. This includes shifting to digital media on brands where it is appropriate, leveraging co-branding opportunities and assessing and maximizing the return on investment on all the activities that constitute our brand-building investment. We have increased the way we leverage advertising copy across multiple markets. We've decreased redundancies between agencies, renegotiated some agreements and driven broad-based efficiencies in working media. Looking forward, though, we expect brand building to grow in the second quarter due to the timing of our innovation launches." – Ronald L. Dissinger, CFO. Kellogg Management Discusses Q1 2013 Results - Earnings Call Transcript. May 2, 2013

"I think – in terms of promotional activity in the U.S., let's take the cereal category for example. We actually saw a price per pound in the category grow \$0.03, \$0.04 in the fourth quarter of last year. In the first month of this year, it looks a little bit more promotional, but quite frankly, I think that's because of the comparable. So in January last year, we increased our promoted price points on Special K, and quite frankly that promotional strategy failed. So as we went into January this year, we went back to our more normal promotional price points, and the result is it looks like more promotional activity, but it's actually just the comp is a bad comp. So, we operate in intensely competitive categories. They are always competitive. I don't think we are seeing a shift change in the level of merchandising across the – across the categories from a U.S. perspective." – John A. Bryant, CEO. CAGNY Conference Transcript, February 20, 2013

Kellogg

... continued/ Competitor comments about advertising spend and intent

U.S. media expense to be down for fiscal 2013 in total, but in-market pressure continues to expand

For three months ending March 31, 2013, Post had "...reduced advertising and promotion costs of \$8.5 million"; For the six months ending March 31, 2013, Post had a "...\$9.2 million reduction in advertising and promotion expense" – 10Q for Q2, May 13, 2013

"Recent trends in our US cereal business are encouraging. Our new advertising campaign reminds consumers about the simple goodness of our iconic original Cheerios. Baseline volume trends have improved 250 basis points since January." Don Mulligan – EVP & CFO. Citi 2013 Global Consumer Conference Transcript, May 30, 2013.

"We're particularly pleased with our HBO Hispanic efforts that have contributed to the brand indexing stronger than any other brand among this growing demographic segment. Great Grains accelerated growth throughout quarter 2 behind new distribution achievement on Great Grain's Protein Blends and new advertising as the Great Grains consumer responds well to advertising. Old factors helped contribute to Great Grains becoming one of the fastest-growing better-for-you positioned cereal brand. Increased promotional support, new distribution on Grape Nuts Fit and the first advertising of Grape Nuts in 10 years, helped propel growth on the Grape Nuts brand for the quarter, helping Grape Nuts reach a 4-year share high." – Terence E. Block - President, Chief Operating Officer and Director

"Post's dollars market share, as measured by Nielsen, was 10.5% for the 13 weeks ended March 31, 2013, down 0.1% versus the same period a year ago. Compared with the first quarter, Post dollar share grew 1/10 of a point, driven by new items and increased in-store promotional activity. Encouragingly, Post's share improved throughout quarter 2 as marketing and sales efforts continued to increase leading to Post's highest 4-week share in over a year at 10.7% and the highest package share in 2 years at 11% for the period ended March 30, 2013." – Terence E Block, CEO. Post Holdings Q2 2013 Results - Earnings Call Transcript, May 13 2013

"HBO and Pebbles were challenged with increased competitive promotional activity and distribution losses on a weak line extension; HBO flavors, Pebbles Boulders and Pebbles Marshmallows. Similar to other Post brands, HBO shipments improved in the latter half of quarter 2 as high new-item shipments began selling through to consumption and as a new advertising campaign kicked in beginning in mid-February." – Terence E Block, CEO. Post Holdings Q2 2013 Results - Earnings Call Transcript, May 13 2013

Post Holdings

... continued/ Competitor comments about advertising spend and intent

A&M investment will grow ‘at least’ in line with net sales; A&M spending of at least 5.7% of sales (2012 baseline)

Q1 results press release, April 18, 2013:

- Q1 “advertising and marketing expense increased by 11 percent...”
- For Quaker Foods North America (QFNA), “Core constant currency operating profit declined 6 percent, driven principally by increased advertising and marketing expense and investments in product innovation.”
- “For 2013, the company expects low-single-digit commodity inflation, and productivity savings of approximately \$900 million. The company also expects advertising and marketing expense to increase at or above the rate of net revenue growth.”

PepsiCo

“We will grow A&M investment at least in line with net sales meaning you should expect A&M spending of at least 5.7% of sales, which was our 2012 baseline investment.

“With the productivity we are unlocking, we are able to invest in growth drivers like advertising and new product launches and to simultaneously drive margin improvement.” – Hugh Johnston, CFO. PepsiCo 2013 Q1 Earning Conference Transcript, April 18, 2013

“And we have improved the execution in our global sports properties as well. We have a terrific stable of [league] protein and college sports properties. We are doing more to better leverage these great equities across our stable of brands. A good example was our activation around the Super Bowl with the NFL where we had tie-ins with Pepsi, with Doritos and with Quaker.” – Hugh Johnston, CFO. PepsiCo CAGNY Conference, February 21, 2013

Observed promotional activity



Recent Cheerios promotional activity



No promotions provided on Cheerios Facebook page.

- May 2013 [Latest coupons and offers available from Cheerios® cereal](#)
 SAVE 75¢ when you buy ONE BOX Honey Nut Cheerios® Medley Crunch™ cereal. SAVE 50¢ when you buy ONE BOX Original Cheerios® cereal. SAVE 75¢ when you buy ONE BOX Multi Grain Cheerios® OR Multi Grain Cheerios® Peanut Butter cereal.
- April 23, 2013 [Cheerios serves Spoonfuls of Stories for the 11th year to get books into childrens' hands](#)
 As it has for the past decade, Cheerios Spoonfuls of Stories will provide eight million bilingual children's books free inside specially marked cereal boxes. In addition, 3 million chapter books for older children will be included in specially marked boxes of Honey Nut Cheerios for the very first time.
- April 2, 2013 [SAFEWAY Coupon Deals](#)
 General Mills Honey Nut Cheerios Medley Crunch, 13.1 oz \$2.50, General Mills Cinnamon Toast Crunch, 12.2 oz \$2.50 Use \$1.10/2 – Cheerios, Any – (pillsbury.com) Or \$1.10/2 – Cheerios, Any – (boxtops4education.com) Or \$1.00/2 – Cheerios, Any – (coupons.com) Or \$1.00/2 General Mills Big G Cheerios, Cinnamon Toast Crunch, Chex, Lucky Charms, Cocoa Puffs, Trix, Reese's Puffs, Fiber One, Cookie Crisp, Golden Grahams, Kix, Total, Wheaties, Frosted Toast Crunch, Peanut Butter Toast Crunch, Dora the Explorer, Oatmeal Crisp, Raisin Nut Bran, Basic 4 or Honey Nut Clusters from SS 3/24 (exp 5/14)
- March 20, 2013 [FREE Sample of Honey Nut Cheerios Medley Crunch](#)
 Box Top Members: FREE Sample of Honey Nut Cheerios Medley Crunch
 Hurry and request a FREE Sample of Honey Nut Cheerios Medley Crunch. This is only available to the first 10,000 members. You must be a Box Top member to qualify.
- Feb 21, 2013 [Safeway: Cheerios \\$.88/box \(No Coupon Needed\)](#)
 General Mills Honey Nut Cheerios Medley Crunch, Peanut Butter Toast Crunch or FiberOne Chocolate 80 Calories Cereal with in ad coupon (limit 4) - \$1.88

Observed promotional activity



Recent Kellogg's Frosted Flakes promotional activity



No promotions provided on Kellogg's Frosted Flakes Facebook page

Expires Nov 1,
2013

[Kellogg's™ Share Breakfast Collector's Wristband and Cause-Related Program -Collector's Wristband!](#)
Enter two codes from inside specially marked packages and receive one wristband by mail. 4 colors to choose.

May 2013

[Kelloggs Family Reward Program](#)

Customers enrolled in in the Rewards Program find point values for all products participating with Kellogg's Family Rewards™. Frosted Flakes earns 250-80 points depending on size of cereal box. Redeem your points on great rewards

May 2013

[Get \\$5 Off with Retro Kellogg's® Cereal Boxes](#)

Get \$5 off any order from the Kellogg Store when you enter Kellogg's Family Rewards™ codes found inside specially marked boxes of Kellogg's® cereals from Target

January 4, 2013

[Target Weekly Ad & Coupon Matchups - 2013](#)

Kellogg's Value Twin Pack Cereal
-\$1/2 Kellogg's Cereals 10 oz+ 12-9-12 RP x1/20
-.50/1 Kellogg's Frosted Flakes Cereal or on Kellogg's Family Rewards
-\$1/2 Kellogg's Cereals, Select (Frosted Flakes included)

March/April 2013

[Frosted Flakes coupons](#)

RITE AID Coupons/Ads Match Up- Kelloggs Frosted Flakes 8.7-12 oz, Sale price \$2.0
SAFEWAY - Kelloggs Frosted Flakes 10.5 oz or Corn Flakes 12 oz, Coupon 1/3\$. Sale price \$2.17
FOOD-4-LESS Kelloggs Cereal, Coupon any \$1/3 off. Sale Price \$3.0

Observed promotional activity



Recent Post Honey Bunch of Oats promotional activity



May 2013 2013	<p>Flip the Flap to Win! Promotion 1 in 4 Chances to Win! Get a PIN code inside specially marked boxes of Post cereal and enter online for a chance to WIN over \$2,300,000 in prizes. Free box of cereals to entrants. Create an account and enter your PIN for a chance to WIN!.</p>
May 1, 2013	<p>Safeway – In Store Ad Coupon Sale Price \$2.49</p>
March 31, 2013 Ends April 21, 2013	<p>Honey Bunches of Oats Cereals Match-Up RITE AID - Coupon (\$1/2) Post Honey Bunches of Oats Cereals, any 13 oz. or larger \$1/2 (04-21-13) SS-3/10</p> <p>CVS – Coupon (\$1/2) Post Honey Bunches of Oats Cereal, any 13 oz or larger \$1/2 (04-02-13) SS-3/10</p>
March 14, 2013 Ends April 15, 2013	<p>2013 Tropical Trio Sweepstakes! Purex is teaming up with Honey Bunches of Oats AND Outrigger Hotels and Resorts to launch an amazing prize in their 2013 Tropical Trio Sweepstakes! ONE lucky winner will get to go on a tropical paradise vacation to Outrigger Waikiki on the Beach!</p>
February 20, 2013	<p>FACEBOOK: Honey Bunches of Oats Tropical Blends Cereal – Free Product Coupon Giveaway Two readers are going to win a Free product coupon to try Honey Bunches of Oats Tropical Blends Cereal. To enter, leave a comment stating if they have tried any flavor of Honey Bunches of Oats cereal. I will give you extra entry if you retweet this giveaway post link using @HBOats #HoneyBunchesofOats.</p>
January 16, 2013	<p>SAFEWAY With in-ad store coupon or Just for U Digital Coupon Sale Price 1.99</p> <p>Albertsons/Arizona Post Honey Bunches of Oats Greek Honey Crunch Cereal, any 15.5 oz or larger \$1/1 (02-17-13) HealthyEssentialsSS-1/6 Sales price 1.99</p>

Observed promotional activity



Recent Quaker Life promotional activity



- May /June, 2013 [Albertsons](#)
Quaker Life Cereal (13 oz) or Oatmeal Squares Cereal (14.5 oz) on sale \$1.49 (must buy 6 mix & match)
- April 27/28, 2013 **Publix**
The Quaker 50% off sale was in the Publix weekly ad and Super Deals this week.
All Quaker Breakfast Products: 50% Off (Saturday and Sunday 4/27 – 4/28 ONLY)
- April 24, 2013 [Giant Eagle](#)
Weekly Promotions Quaker Life or Cap'n Crunch Cereal or Granola Bars \$2.49 each. Get \$3 off your next shopping trip when you buy 4 in a single transaction.
- March 27-April 2, 2013 [SAFEWAY](#)
Quaker products. Quaker Life cereal (13 oz) or chewy granola bars (8 ct) - \$1.88 each with in-ad coupon – limit 4
- March 3-9, 2013 [KROGER](#)
Get a FREE gallon of milk, or ½ a gallon of organic milk when you purchase Quaker products.
- February 9, 2013 **SAFEWAY**
With in-store Ad coupon or manufacturers coupon \$0.75/2- Sale Price \$1.99
- January 20, 2013 [TARGET Quaker Life Cereal](#)
Any size - Coupon \$0.75/2
Sale price \$2.13

News and reviews

Brand, corporate and market news

Reviews

Consumer videos and comment

Topline insights about news and reviews

News & Reviews – Key Insights

- General Mills caused a firestorm of media publicity with its latest Cheerios ad that features a bi-racial couple and their child, some positive, some negative, a lot of it very passionate. General Mills suffered some negative PR when it had to pull its app when users swamped the system with comments about GMOs in the company's products. It's Cheerios Honey Nut Medley Crunch product has mostly been well reviewed ('strangely delightful,' everyone here 'loves it')
- Kellogg's innovation has lately centered on products away from RTE cereal (snacks, hot breakfasts...). It launched its MyBowl™ breakfast planning resource website, kelloggsnutrition.com, a site with health advice geared to healthcare professionals
- Post is in a period of transition having just purchased two cereal providers (Attune Foods and Hearthside Food Solutions) and embarking on its "most aggressive new product line-up" it has had "in years." It launched New Honey Bunches of Oats® Greek Honey Crunch Cereal to mixed reviews but apparently positive consumer reception and has pushed forward with new introductions (Tropical Blend and Mixed Berry)
- Quaker struggles to stand out from PepsiCo's larger brands. It hasn't had any notable recent brand news or launched any major new cereal products.

Recent brand, corporate and market news



Brand news

May 28, 2013
Various

Cheerios' latest ad that features a bi-racial couple and a mixed race child caused a firestorm of publicity, some positive, some negative, most of it very passionate. See the video [here](#), latest news [here](#) and some samples of opinion and comment: [NPR](#), [ADWEEK](#), [Detroit Free Press](#), [Racist White Men & Angry Black Women Go Insane Over Beautiful Interracial Family](#). The ad has also caused a sub-meme of parody ads, for example: [WATCH: 'Eat It Haters' Parodies Controversial Cheerios Ad](#)

April 25, 2013
General Mills

[Cheerios serves Spoonfuls of Stories for the 11th year to get books into childrens' hands](#)

Furthering its commitment to nourish children's bodies and minds, Cheerios is expanding its Spoonfuls of Stories to reach older kids for the first time in the history of the 11-year program.

January 2013
Cheerios.com

[Cheerios® Superfan Hits Milestone](#)

Cheerios Superfan Chris R gave a heads up to the Cheerios team that he would eat his 10,000,000th Cheerio on November 14th, 2012. We were so impressed with his dedication to our cereal, we partnered with illustrator Brent Schoonover to create a poster highlighting all of the milestones leading up to #10 million.

Corporate news

May 14, 2013
General Mills

[General Mills honored for 10th consecutive year in "Best Companies for Multicultural Women" list from Working Mother](#)

Working Mother has selected General Mills as one of 25 "Best Companies for Multicultural Women" in the U.S. for its ability to hire, retain and advance women of color.

April 30, 2013
General Mills

[General Mills honored for 10th consecutive year in "Best Companies for Multicultural Women" list from Working Mother](#)

General Mills released its 2013 Global Responsibility Report, which outlines the company's progress and commitments in the areas of health, environment, sourcing, workplace and community engagement.

Market news

March 20, 2013
Yahoo Finance

[Despite strong earnings, General Mills can't rely on Cheerios for growth](#)

General Mills is among a slew of consumer product companies that are increasingly relying on overseas markets to make up for its US business. Although General Mills's earnings today beat Wall Street estimates as the American economy improves, the real growth for the company's future will be found elsewhere. One of General Mills' main products, breakfast cereals like Cheerios, aren't as popular in overseas markets, forcing it to branch out. The company's recent M&A strategy reflects that sentiment.

Feb 18, 2013
Natural News

[General Mills pulls Cheerios 'app' following groundswell of GMO opposition](#)

According to Activist Post, a Facebook "app" created by General Mills that allowed members of the public to generate their own messages about the company's Cheerios breakfast cereal product was pulled after countless individuals swarmed the system with messages warning others about the presence of GMOs in General Mills food products.

Recent brand, corporate and market news



Brand news

June 6, 2013
Kellogg [Kellogg Launches Hot Cereal, Bars, Shakes And More For Changing Breakfast Preferences](#)
Kellogg Company is introducing several new breakfast products to meet the changing needs and preferences of many of its consumers, including Special K® Nourish hot cereal and bars, and Kellogg's® To Go breakfast shakes.

Corporate news

June 14, 2013
FoodBusinessNews [Kellogg turns to new flavors, ingredients in expansive product launch](#)
The Kellogg Co. said it is responding to consumers' demand for snacking alternatives with the launch of fresh flavors, new ingredients and entirely new foods.

May 28, 2013
FoodBusinessNews [Kellogg looks to settle Frosted Mini-Wheats suit](#)
The Kellogg Co. has agreed to create a fund of \$4 million and make certain changes to the marketing and labeling of its Frosted Mini-Wheats cereal as part of a proposed settlement in a class action lawsuit dating back five years.

May 14, 2013
Kellogg [Kellogg's MyBowl™ Helps Deliver The Perfect Start To Every Day](#)
MyBowl™ breakfast planning resource and enhanced global website – www.kelloggsnutrition.com – provide new tools for healthcare professionals. Build a better bowl of cereal to start the day right with Kellogg's MyBowl™ – a new interactive resource designed to help bring U.S. Dietary Guidelines to life and aid consumers in meeting dietary intake recommendations.

Market news

May 7, 2013
Food Business News [Kellogg homes in on away-from-home eating](#)
From veggie burgers to mini pancakes, a diverse product portfolio has positioned the Kellogg Co. to compete in various categories across away-from-home channels...*"Keeping our brands relevant and available to the 55 million K-12 students in the U.S. is a priority for Kellogg,"* Mr. Huff said. *"We continue to invest in innovation and renovation of our brands to meet and even exceed U.S.D.A. guidance."*

May 2, 2013
Reuters [Kellogg first-quarter profit hurt by ingredient costs](#)

April 30, 2013
FoodNavigator [Boomers or bust: Is the \\$10bn US breakfast cereal market in a state of terminal decline?](#)
Kellogg: 'We think we can continue to grow the cereal business quite aggressively' For older adults - many of whom still do sit down for breakfast in the morning - Kellogg has developed new products such as Raisin Bran Omega-3, which is coming out in the middle of the year, while for adults who eat breakfast on the go, it has developed breakfast shake 'Kellogg's to Go', which is *"basically a bowl of cereal and milk in a portable beverage format, 10g protein, 5g fiber"*, said Bryant...Another area of focus for Kellogg is innovation, particularly in the quick-growing convenience and gas channel. *"Special K is our fastest growing brand in this channel, with excellent growth in protein bars, chips and beverages,"* Mr. Huff said. *"In the future, our strategy will continue to focus on expanding our core portfolio and reach and investing in innovation to drive continued category growth."*

Recent brand, corporate and market news



Brand news

January 25, 2013 [Post Foods, LLC, Announces New Honey Bunches of Oats® Greek Honey Crunch Cereal](#)

Corporate news

May 9, 2013 [Post Holdings to Acquire Organic and Natural Cereal, Granola and Snacks Business of Hearthside Food Solutions](#)
Post Foods
Post will acquire the branded and private label cereal, granola and snacks business of Hearthside Food Solutions. Post will acquire assets from Hearthside comprising the Golden Temple, Peace Cereal, Sweet Home Farm and Willamette Valley Granola Company brands, as well as its private label granola business. The acquisition includes a 135,000 square foot manufacturing facility.

April 4, 2013 [Post Holdings, Inc. Moves Forward with Modesto Plant Closing](#)
Post Foods

January 15, 2013 [Post Foods snaps up natural cereal specialist Attune Foods](#)
Bakery and Snacks

Market news

February 11, 2013 [How Post Pulled Off a Six-Month Cereal Launch - Honey Bunches of Oats With Greek Yogurt Rockets From Concept to Shelf...](#)
Adage
The ambitious line extension comes after Honey Bunches of Oats, the third-largest cereal brand in the U.S. with 4.16% share, suffered a setback in the 52 weeks ending Dec. 30. Market share fell 0.41 points, as dollar sales dropped 8.68% to \$398.7 million, according to SymphonyIRI. Such innovations are a key part of the growth strategy for Post, which a year ago spun off from parent company Ralcorp. The Greek rollout is a major test for a company that is positioning itself as an entrepreneurial, nimble competitor to Kellogg and General Mills. The early returns look good. Post says the cereal in just four weeks reached distribution of 48% of all grocery and mass retail stores nationwide, including every Walmart. That, Mr. Izzo said, is the fastest rollout in Post history.

February 8, 2013 [Post 'self-inflicts' cereal market share loss; plans Q2 innovation](#)
Bakery and Snacks
Post Holdings reported a "self-inflicted" market share loss in the first quarter (Q1) of 2013 and plans new product launches backed by large ad campaigns to become a long-term share gainer... According to Block, brand-building will assist share resurgence. Post is launching what Block called, "the most aggressive new product line-up Post has had in years". The company will launch Honey Bunches of Oats Greek Yoghurt and a separate Mango Coconut variety in Q2. Other launches include Great Grains protein blends, Grape Nuts Fit and Sesame Street apple and banana flavors. "Importantly, these items are targeting different consumer segments of the cereal usage experience," said Block.

February 8, 2013 [Why Post is a Buy](#)
CNBC: MONEY
Stock picker Jim Cramer said "Now that Post is its own company, all the problems that held it back under Ralcorp can now be corrected, and I think the stock has a whole lot more room to run."

Recent brand, corporate and market news



Brand news

No significant brand news for Q1

[Quaker Oats Celebrates Life's Everyday, Epic Adventures; Encourages Families To "Quaker Up" – New Integrated Marketing Campaign Leverages the Power of Oats across Multiple Touchpoints](#)

December 21, 2012
PR Newswire

A new campaign takes a master brand approach by highlighting the broad portfolio of delicious Quaker products made with oats from oatmeal to snack bars to cereal to cookies. It aims to contemporize the iconic and trusted brand by creating a more relevant connection to today's mom and acknowledging and sharing her point-of-view that everyday family life can be "epic." Hispanic-themed creative, New packaging, refreshed icon of Quaker man. *"This campaign shifts the word Quaker from a noun to a verb, sparking action and bringing to life how Quaker can help provide healthy fuel like oatmeal for families' daily adventures,"* said Justin Lambeth, Chief Marketing Officer for Quaker Oats. "

Corporate news

[Quaker® Oats Survey Finds There Is No Universal "Perfect" For Today's Mom New Quaker Perfect Portions customizable oatmeal helps moms make breakfast a little more perfect](#)

April 2, 2013
PepsiCo

According to a survey by The Quaker Oats Company, a subsidiary of PepsiCo, Inc., more than 90 percent of moms say there is not one definition of the perfect mom or that it means different things to different moms. Whether it's balancing work and family life or deciding what to serve during mealtime, today's mom creates her own kind of "perfect." And now Quaker is providing a new option to help her customize the perfect breakfast for everyone in the family.

Market news

[Oatmeal beats ready-to-eat cereal on satiety, PepsiCo research shows](#)

April 30, 2013
Food Navigator

Remember the gluey texture of the oatmeal your mom served you as a kid? Turns out, this is a good thing, according to new research comparing the satiating effects of oatmeal versus ready-to-eat cereals...*"RTEC is [often produced via] an extrusion process, and that changes the molecular weight of the fiber itself. The soluble fiber is the component that influences satiety; it absorbs a lot of water and becomes viscous,"* Marianne O'Shea, senior director of nutrition R&D for PepsiCo told FoodNavigator-USA.

[PepsiCo Keeps Marketing Top-of-Line Despite a Dip in Earnings](#)

April 19, 2013
Brand Channel

PepsiCo continues to ramp up marketing investments for its core brands including Pepsi, Gatorade, Lay's and Quaker. And so while first-quarter earnings showed a drop of 5 percent from a year earlier, the increased advertising outlays may be the harbinger of future top- and bottom-line payoffs from brands that critics say were underexposed for years.

Recent online product reviews



This section brings together recent online reviews about the target Cheerios product

Products covered: **Cheerios and Cheerios Honey Nut Medley Crunch**

Note: as a user of this service you specify the products you want us to cover

Reviewer	Most Recent Activity	Selected Comment	Average Rating
Amazon	June 12, 2013	Most helpful favorable comment: When it comes to breakfast cereal, I can't think of any type that I enjoy more than Cheerios . They have a delicious taste, I never seem to get tired of eating them, and best of all, they are fairly healthy as well. The crunchy, slightly powdery taste of Cheerios has a certain quality that can't be described except to say it is delicious, and when one looks at the vast array of sugar-overload cereals available now, Cheerios remain a steadfastly healthy way to start a day. Healthy for your heart, your diet, your well-being; what more can you ask? Also, they make a great snack at any time of the day. There's not much to diss about Cheerios- there's a reason they've been around for almost 70 years.	4.1
she speaks	March 5, 2013	Honey Nut Cherrios Medley Crunch - LOVE the clusters and the flakes- they make this cereal crunchy. Cherrios are good but much better with the addition of the flakes and clusters. The whole family loved eating them plain and also in milk	5.0
Mr Breakfast	January 25, 2013	This cereal is strangely delightful... at first. It seems like just a jumble of different cereals you might put together at home if all your cereal boxes were nearly empty. Medley Crunch is a combination of Honey Nut Cheerios, crispy flakes and a smattering of tiny oat and almond clusters. At first taste, this new cereal is a nice reminder that good old Honey Nut Cheerios is a great cereal. The Honey Nut Cheerios pieces are the most prominent in terms of flavor and fairly even with the flakes in terms of volume. Recently, I reviewed a cereal from Post called Grape-Nuts Fit. That was also a mad combination of different cereal pieces, but in that cereal, the textures of the various pieces fought with each other and resulted in mouthfeel-chaos. The textures in this cereal work better together. Everything is crunchy at the same time. When it sets in milk, everything softens at a similar rate. The "crunch" in Honey Nut Cheerios Medley Crunch is maybe a little misleading. Everything is crunchy... for about 2 minutes. After that, only the tiny cluster pieces retain anything that could really be called a crunch. I would have liked to have seen more of those cluster pieces. When you're halfway through a bowl, their pleasant crunch is more of a sneaky surprise than a spoon-by-spoon element of the cereal. The biggest negative factor of this cereal is that it gets dull by the end of a serving. As everything softens, the distinction between the taste of the different pieces gets blurred, resulting in sort of diluted Honey Nut Cheerios flavor that will make you miss the original cereal. All that said, I really enjoyed the first 2/3 of my serving. If you made a blended cereal concoction like this on your own, you'd probably be happy with your efforts but I'd be surprised if you did it again. If this cereal sounds fun, I say try it. If you're low on cash and can only afford one cereal this week, get original Honey Nut Cheerios. It's better without all the added malarkey.	5/7
serious eats	January 14, 2013	Honey Nut Cheerios Medley Crunch - You'd be hard pressed to find a person who doesn't like Honey Nut Cheerios. While my personal Cheerio favorite is MultiGrain, I'm a huge Honey Nut Cheerios fan. After trying all the Cheerio varieties last year and finding most to be delicious, I was excited about trying this new variety. Cheerios has mostly stuck with different flavors when it comes to their varieties, with the exception of some added fruit and Oat Clusters (which lacked in clusters). This iteration of Cheerios boasts not only clusters, but flakes as well. It all works. The clusters are tasty and plentiful and the flakes have a wonderful almond flavor. My only complaint would be the texture of the flakes—they remind me a bit of Total Raisin Bran, not a good thing. I overlooked this as I polished off half the box in one sitting. Apparently everyone else here at SE loved it as well, as the box disappeared, never to be seen again. Totally looking forward to having this one again!	

Recent online product reviews



This section brings together recent online reviews about the target Kellogg's Frosted Flakes product



Product covered: Kellogg's Frosted Flakes

Note: as a user of this service you specify the products you want us to cover

Reviewer	Most Recent Activity	Selected Comment	Average Rating
Amazon	May 24, 2013	<p>Most helpful favorable comment: i have been eating this since i was in grade school, they are still my favorite cereal ever! sweet and crunchy, yummy!</p> <p>Most favorable critical comment: We have stopped buying Kellogg's Frosted Flakes because the corn in this product is an EPA registered pesticide. It is Bt GMO corn which is patented by a chemical company that genetically engineered it in a lab and turned it into an EPA registered pesticide. When corn worms bite into this corn, their stomachs explode. There are concerns about the effect these GMOs have on human health and no long term studies have been done. Kellogg's Frosted Flakes are not the same product I ate when I was growing up. I won't feed my family EPA registered genetically modified corn, or any other GMOs. The sugar they are using is from GMO sugar beet.</p>	4.3
serious eats	December 3, 2012	<p>This week, while browsing the cereal aisle, I spotted that iconic blue box and thought, too boring to talk about in my cereal column. But has that been my problem all along? Have I overlooked the simple Flakes for more colorful and interesting cereals? Do people even eat it anymore? How do you people feel about Frosted Flakes? Perhaps we have something to talk about after all.</p> <p>... when I sheepishly placed the bright blue Tiger-clad box of Frosted Flakes in the kitchen, I heard several cries of "Oh! Frosted Flakes" "MMM Frosted Flakes!" "Yay! Frosted Flakes" Uh, you get the picture. The people were pleased! As I crammed a handful into my mouth, and tasted sweet, corn-flaky, frosted sugary goodness, I realized why. Frosted Flakes is a perfectly executed cereal.</p> <p>Simple is the key to this classic cereal. Kellogg's Frosted Flakes was introduced as 1951, as Sugar Frosted Flakes. As with many cereals from that era, the "sugar" was dropped from the name. Like Raisin Bran, the name Frosted Flakes cannot actually be trademarked because it's a description. In fact if you look at the box it actually says FROSTED FLAKES (of corn).</p> <p>There are tons of varieties of "frosted flakes" out there, but only Kellogg's has that distinct and beloved flavor. I was surprised to find there are only 5 ingredients in the sugary flakes. Milled corn, sugar, malt flavoring, salt and good old BHT for freshness. Look, I'm not saying it's health food by any stretch, but I was surprised to see the ingredients were so, simple.</p> <p>What makes Kellogg's Frosted Flakes so darn good? First off, the corn flakes themselves have that indescribably corny flavor and the flakes set the standard for the perfect crispness and thickness. Other brands are too crumbly, too thick, and too brittle. (Am I the only one who cares about this kinda stuff?)</p> <p>Then of course, there's the most obvious trait of the cereal: the frosted coating. I've used the word "crusty" before to describe this on cereals and once again will acknowledge that unless we are talking about bread, crusty is never a good word for food. Well I hereby want to state that when we are talking about a sugary frosted cereal, crusty is very, very good.</p> <p>I've had knockoff brands that are slick and slimy and grainy and just all around worse. You want a nice sugary crust coating each crispy, corny flake. That is what makes Frosted Flakes so awesome. I don't even think I have time or space to talk about how Frosted Flakes are in milk. The flakes shed their sugary coats and transform into satisfying cornflakes, surrounded by a perfectly sweetened pool of milk. THAT IS A DELICIOUS BITE OF CEREAL, MY FRIENDS.</p>	
Mr Breakfast	June 15, 2013	It's been around for so long because it really is the best. I hadn't had any for years and bought a box this week because it was on on super sale. Still the grrrrreatest!	4.0/5.0
she speaks	Not reviewed		

Recent online product reviews



This section brings together recent online reviews about the target POST Honey Bunch Oats product

Product covered: **Post Honey Bunches of Oats**

Note: as a user of this service you specify the products you want us to cover



Reviewer	Most Recent Activity	Selected Comment	Average Rating
Amazon	June 11, 2013	<p>Most helpful favorable comment: I've always been a fan of Honey Bunches of Oats. I find that it's the perfect balance of taste and health. The best part is that my kids actually love this as well. This is significantly healthier than many of the sugar cereals that are marketed to kids. Even my 1 yo enjoys eating this dry. Between this and Honey Nut Cheerios, I don't have to feel guilty about giving my kids "bad" cereal.</p> <p>Most helpful critical review: Bland without much flavor of honey or roasting. This cereal is OK. That is, it's edible, but my headline really says it all. The cereal is not at all comparable to the other Honey Bunches of Oats cereals, and in both taste and texture it is bettered by Food Lion's generic granola cereals. I suggest that you save your money.</p>	3.9
she speaks	June 12, 2013	<p>Recent comments:</p> <p>June 12: Always Loved this cereal!! one of my favs!!</p> <p>May 9: My husband loves these for their taste and I love them because they aren't loaded with sugar like some other brands. They get 10 thumbs up in this family.</p> <p>Apr 27: Great cereal. Can eat it with or without milk.</p>	4.6
Mr Breakfast	May 1, 2013	<p>Review of Honey Bunches of Oats Greek Honey Crunch: The complete name of this new cereal is Honey Bunches of Oats Greek Honey Crunch. I was expecting something fun and different. The way they write "Greek" on the box is just how they do it on the menu of a Greek restaurant I like. The box graphics might be slightly unique, but the taste is nothing new.</p> <p>The cereal is made up of very small flakes (that look like crushed traditional Honey Bunches of Oats flakes) and granola clusters - some covered in yogurt and some that are not. The predominate flavor is honey. The granola clusters have very little impact on the eating experience. You might notice a slight crunch every 3rd spoonful, but any flavor they might add gets lost and diluted within the combination of flakes and clusters.</p> <p>This cereal tastes and feels like traditional Honey Roasted Honey Bunches of Oats that's been crushed and drizzled with a bit more honey. That's not necessarily a bad thing. The taste is great. It's just not different. Only real negative happens at the end of a bowl. Because the flakes are smaller or crushed, the cereal's consistency starts to feel like oatmeal when it gets soggy. It still tastes fine, but it's unnerving to start with a bowl of cereal and end up with a bowl of mush.</p>	4.0/7.0
serious eats	January 22, 2013	<p>Review of Greek Honey Bunches of Oats: Alright, alright—I can already hear the groans. These days, it seems everyone is coming out with Greek yogurt products from frozen treats to hummus blends. And I've definitely found myself rolling my eyes as brands seems to think "Greek yogurt" are the magic words. All that aside, this new variety of my beloved Honey Bunches of Oats is truly something to get excited about.</p> <p>We tried all the flavors of Honey Bunches last year I and found nearly all of them awesome, barring the very unfortunate Flavor Blends. But I must admit I was wary of this one. It wasn't just the vague "Greek" name; I've never been a big "yogurt-covered-whatever person, so I thought this might not be for me. Upon further examination I realized this cereal is a completely different animal. While Original HBO is described as "crispy flakes (corn flakes), crunchy oat clusters and a touch of honey!" this new breed is described as "2 unique granolas made with real Greek yogurt, crispy whole grain flakes and a touch of honey".</p> <p>So what does that translate to flavor-wise? Well, the flakes are a lot closer to Special K, as Carey pointed out, which is very welcome! The various indiscernible granolas are tasty and plentiful. The coated clusters are smaller than the original "bunches," but slightly tangy and pleasantly candy-like without being too sweet. As a dry cereal, this is a decent snack. But it really shines in milk. Soft and crunchy in all the right places. I know it's early in the year, but this is a big winner so far! As with most HBO varieties, I can highly recommend this one.</p>	

Recent online product reviews



This section brings together recent online reviews about the target Quaker Life product

Product covered: **Quaker Life**

Note: as a user of this service you specify the products you want us to cover



Reviewer	Most Recent Activity	Selected Comment	Average Rating
Amazon	April 25, 2013	<p>Recent comments:</p> <p>April 25: I've been eating life cereal for about as long as I can remember. Always liked the original flavor best. Amazon often has nice pricing and I stock up. If you can get the bigger 18oz box for under three dollars each, buy! Highly recommended!</p> <p>January 8: This cereal has just the right amount of sugar out of the box and you don't need to add additional sugar.</p> <p>December 31: Great tasting "indulgence" cereal, basically saying indulgence because of the sugar. I still feel I'm doing better with this cereal than alternatives like Cap'N Crunch, Cocoa Puffs, etc. The complaint about it getting soggy in milk doesn't bother me because sometimes I think it tastes better a little soggy! Also my kids will always eat it</p> <p>Dec 9: This product contains GMO's Known to cause Cancer and Organ Failure, Im sorry but I will not be feeding my family your cereal anymore until you use safer ingredients. Shame on you</p>	4.0
she speaks	Not reviewed		
Mr Breakfast	Not reviewed		
serious eats	Not reviewed		

New videos where consumers talk about competitor products



This section brings together recent consumer created video reviews about the target Cheerios product

Products covered: **Cheerios, Honey Nut Cheerios Medley Crunch, Multi grain cheerios Peanut Butter**

Note: as a user of this service you specify the products you want us to cover



April 21, 2013 [Cerealous Business - Peanut Butter Cheerios](#)

5260 views



April 20, 2013 [Cerealous Business - Honey Nut Cheerios Medley Crunch](#)

4,909 views



Nov 15, 2012 [Cereal Review: Multi grain cheerios Peanut butter flavoured](#)

42 views



April 2, 2013 [Cheerios Review](#)

16 views

New videos where consumers talk about competitor products



This section brings together recent consumer created video reviews about the target Frosted Flakes product



Product covered: Kellogg's Frosted Flakes

Note: as a user of this service you specify the products you want us to cover



January 2013

[Chocolate Frosted Flakes Review](#)

35 Views



December 2012

[Frosted Flakes Review](#)

57 Views

There are very few reviews of Frosted Flakes but there does look to be a sub-genre of people eating Frosted Flakes:. Some examples:

[Let's Eat - Part #2 - Frosted Flakes](#)

[Frosted Flakes PT 2](#)

[Eating a bowl of frosted flakes!!!!](#)

[Eating Frosted Flakes](#)

New videos where consumers talk about competitor products



This section brings together recent consumer created video reviews about the target HBO product

Products covered: **Honey Bunches of Oats, HBO Tropical Blend**

Note: as a user of this service you specify the products you want us to cover



March 11, 2013 [Post Honey Bunches of Oats Tropical Blend](#)

35 Views



February 15, 2013 [Honey Bunches of Oats Tropical Blend Review](#)

48 Views



January 14, 2013 [Food Fun Honey Bunches of Oats](#)

23 Views

New videos where consumers talk about competitor products



This section brings together recent consumer created video reviews about the target Quaker Life product

Product covered: **Quaker Life Cereal**

Note: as a user of this service you specify the products you want us to cover



February 3, 2013 [Just good cereal for adults and kids](#)

28 views



February 3, 2013 [The Perfect Cereal](#)

36 views



March 13, 2013 [f@&* quaker oats](#) - Never change the guy on the box again; or I WILL make a RANT ON IT!!!!

28 views

NPD and innovation

R&D investment

Company comments about R&D plans

Company comments about innovation

Media commentary on innovation

Company comments on new products

New products

Recent trademark activity

Topline insights about NPD & Innovation

NPD & Innovation – Key Insights

R&D

- Both General Mills and Kellogg spend around 1.5% of sales on R&D each year, which is considerably more per unit of sales than both Post and PepsiCo (around 0.8% of sales).

Innovation Intent and New Products

- General Mills says that the category hasn't had enough innovation but thinks this will change. It plans over 100 new products for fiscal 2013 and says it has a stronger line up for 2014. GM apparently sees specific opportunities in protein and nutrition, but some analysts are skeptical. Goldman Sachs' Jason English sees a risk of *"continued ineffectiveness of net innovation."* GM's major cereal launch so far in 2013 is Honey Nut Cheerios Medley Crunch, for which *"early consumer response has been terrific."* It will also add new varieties to other popular cereal brands.
- Kellogg also believes the category suffers from insufficient innovation and that the focus needs to shift to nutrition and benefits. It sees opportunities with high-income boomers. It wants to "redefine" the category with products like Nutri-Grain Biscuits and Kellogg To Go, a breakfast beverage (*"a bowl of cereal in a beverage format"*) that has 10 grams of protein and 5 grams of fiber, which launched with one major retailer last year and goes national this year. Kellogg plans some new products mid-year, including Raisin Bran with Omega-3, Multi-Grain Special K,

...NPD & Innovation – Key Insights

Chocolatey Strawberry Special K, a restage of Special K Protein, Kashi GOLEAN Vanilla and Kashi Cheer Heart to Heart.

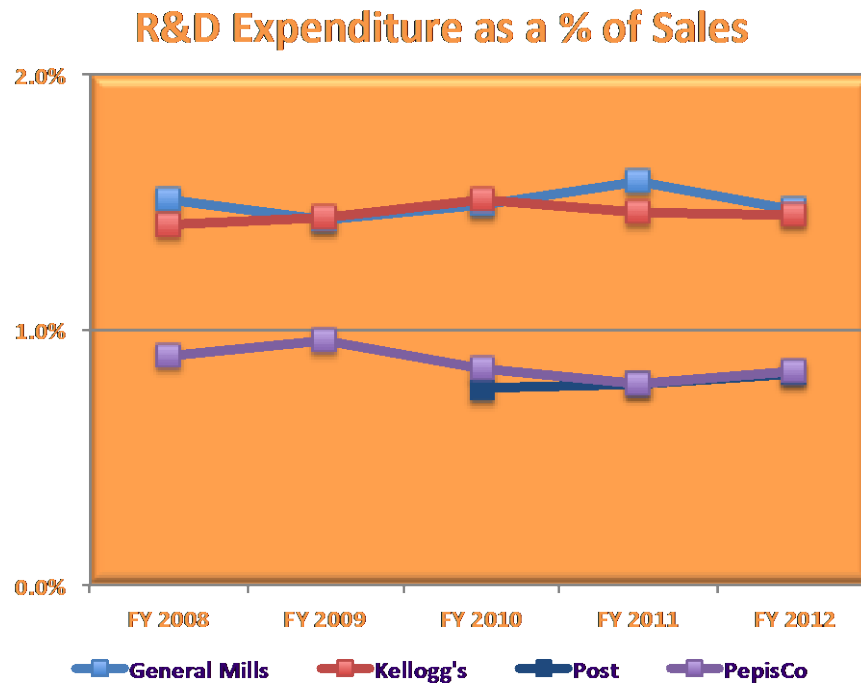
- Post mentions efforts to strengthen its portfolio breadth and accelerate brand innovation but provides little detail about how this will play out. It has reportedly done well with its new Bunches of Oats With Greek Yogurt and just launched a Mixed Berry Greek line extension. In June, HBO is introducing a line of 3 granolas, replacing the Just Bunches! line extension.
- Innovation investment at Quaker is rising and it is “encouraged” by its pipeline for 2013 and beyond. It is beginning to explore “reverse innovation”, leveraging learnings in developing and emerging markets to yield benefits in developed markets. Also, to sharpen its innovation it wants to use design in the early stages of innovation and for the first time it recently established a design capability. Management is proud of Quaker Real Medleys, which was named the breakfast product of the year for 2012, but didn’t detail any cereal plans for 2013.

Trademark filings

- All four companies have filed trademark applications for names or marks for use with cereals. General Mills filed three, Kellogg filed two, Post Foods filed one and Quaker filed ten. Notably, Quaker looks to have neglected to also reserve the domain names for seven of its trademarks, while Kellogg has neglected to register the domain for one.

R&D Investment

R&D spend as a percentage of sales is higher for General Mills and Kellogg's



- General Mills and Kellogg consistently invest more than Post and PepsiCo in R&D as a % of sales
- General Mills and Kellogg invest 70-80% more per unit of sales than the other two companies
- General Mills saw a dip in R&D spend from 1.6% of sales in Fiscal 2011 to 1.5% in Fiscal 2012
- PepsiCo invested less as a percentage of sales in the last three fiscal years (~0.8%) than it did in Fiscal 2008 and 2009
- Post has published data for the last three fiscal years only

What are companies saying about their R&D activity and plans?

The company has increased R&D spending on health and wellness by 86% since 2004

"...Within our business units, we invest in research and development (R&D) to help improve the health profile of our products. Since 2004, we've increased R&D spending on health and wellness by 86 percent. In May 2012, we realigned our Innovation, Technology & Quality (ITQ) organization to increase the speed of innovation, invest in technologies that support multiple businesses and leverage our R&D and Quality capabilities around the world.." – Global Corporate Responsibility Report April 16, 2013

General Mills

"The current economic environment continues to be a challenge for many suppliers and consumers. At every step in the supply chain, packaging professionals need to understand the impact of their decisions on total costs. We should also make sure we understand the true consumer desire and requirements for packaging so that we work together to meet those needs without adding excessive costs...Seek inspiration from other product categories and from around the world." – Scott Hemink, senior R&D manager for Intl. Technical Services at General Mills, Packaging Digest Interview, January 23, 2013

Kellogg

Nothing specific mentioned on R&D plans and activities in most recent earnings call

... continued/ What are companies saying about their R&D activity and plans?**Post Foods**

Nothing specific mentioned on R&D plans and activities in most recent earnings call

Increasing Investment in R&D

"We will grow A&M investment at least in line with net sales meaning you should expect A&M spending of at least 5.7% of sales, which was our 2012 baseline investment. In addition, we are also accelerating our investment in R&D and innovation..."

PepsiCo

"With the productivity we are unlocking, we are able to invest in growth drivers like advertising and new product launches and to simultaneously drive margin improvement." – Hugh Johnston, CFO. PepsiCo 2013 Q1 Earning Conference Transcript, April 18, 2013

"In addition, we're also accelerating our investments in research and development and in innovation" – Hugh Johnston, PepsiCo, Inc. EVP & CFO, CAGNY Presentation, Feb 21, 2013

What are competitors saying about their innovation activity and intent?

Management believes the cereal category is ripe for innovation but recent performance has been poor

"In our view the category participants have to drive that category growth, and there hasn't been enough innovation. And this year the merchandising from a category standpoint wasn't as well balanced by player as it could have been and that's hurt the growth" ...

"...on cereal in particular, it does come back to what I mentioned earlier in terms of innovation and the right marketing, and the underlying both convenience and health benefits of the category. Protein is very analogous to me with what we did with fiber, with Fiber One a couple years ago, five years ago now. Fiber One was a decades' old brand that we had. Through some technology advancements we were actually able to make fiber taste good and at the end of the day a health benefit is important, but if it doesn't taste good consumers aren't going to come back to it. And by having the health benefit of fiber and actually the taste profile that people have come to expect from General Mills cereal that created a huge tailwind in growth trajectory for our Fiber One business.

We see the same opportunity in protein. It's a matter of making it taste good. With our Nature Valley product that we're rolling out we believe we have an offering that will do that. We believe that consumers if they're looking for protein, cereal consumption again being a high-consumption category, very kind of routinized within people's repertoire, they'll gravitate to cereal as well to find their protein as long as it tastes good. They won't come back if it doesn't taste good but if you make it taste good they'll try it and they'll come back.

General Mills

So we think that's what's going to drive the cereal category. It's great new products with the right health benefits that are on trend with the consumers and the right marketing messages behind them. And as I said I think we're starting to hit that on a number of fronts in our business." – Don Mulligan, EVP & CFO, Citi 2013 Global Consumer Conference Transcript, May 30, 2013

"I think it's such a versatile category and it's so responsive to innovation. I think, clearly, the opportunity is for us to strengthen our innovation, strengthen the marketing. I think there are going to be other nutrition-oriented opportunities that we can innovate around. And I think as we do that, typically, what we see is a return to category growth, low single-digit growth, but we've seen that low single-digit growth in response to innovation that we lead over very long periods of time" – Kendall J. Powell, CEO. Q3 2013 Results, Earnings Call Transcript, March 20, 2013

"The particular food categories where we compete are highly responsive to innovation, and they're on trend with evolving consumer needs. And these dynamics represent a terrific long-term growth advantage for General Mills." – Kendall J. Powell, CEO. CAGNY Conference Transcript, February 19, 2013.

General Mills runs innovation weekends to kick-start its innovation process

At [Idea Weekend](#), General Mills employees make 60-second pitches of their ideas, then form into teams to develop working prototypes.

... continued/ What are competitors saying about their innovation activity and intent?

General Mills points to holistic margin management as an important strategy used to facilitate innovation

"We also remain committed to holistic margin management or HMM. This is our innovation discipline to identify and eliminate waste and protect our gross margins. For 2013, we are on track to achieve record levels of supply chain cost savings. And we have a good pipeline of HMM projects in the works. So we like our prospects for protecting and expanding our margins in the years ahead." – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 2013

"...HMM really started with us probably six or seven years ago now at the start of that inflation wave ... it's not a traditional cost-cutting program where you're closing plants or combining lines. It's an innovation process and the reason we call it holistic is a number of aspects. One, it's holistic in terms of it's not just driven by our supply chain group which is the historical way I think most companies have operated on productivity or margins. It really starts with our marketing organization and determining with various associated tools where is there waste in our product, either in how we produce it or what we offer in the ingredients. And waste is defined by what the customer or consumer is not willing to pay for and so it involves marketing, R&D, finance, supply chain of course. So it's holistic from a business functional standpoint. It's also holistic in terms of the tools we use that it's not just productivity. That's certainly a major component of it, but it's not just COGS productivity I should say – it's also trade efficiency, advertising efficiency, admin efficiency. It's looking at our mix and looking at pricing. So it's a whole spectrum of tools that we bring to bear, and each business as its situation evolves, both its competitive and inflationary situation evolves, use those tools differently at different times.

General Mills (continued)

And we've had some larger items that have driven multi-million dollar savings but quite honestly the bulk of it is a thousand points of light where you have different businesses, different plants, different departments around the company applying continuous improvement tools to really think about our processes, whether it's a manufacturing process, a process to make an ad or a process to pay our bills; and defining how do you do that most efficiently and take that waste out of the system. Key things about it are that we have to make sure that we maintain or enhance the product quality, whether that's the product itself or a service that we're offering customers, and that's true of our administrative processes as well. So that's the ultimate measure of it. And I think what we've seen is two things. First of all, if you look backwards our performance over the last five to six years from a gross margin standpoint would put us in very good stead versus any of the large competitors that we compete against in the marketplace.

And then looking forward, because it is an innovation process we treat it very much like we do our new product development process – that is just like with new products as you can imagine, we meet with the businesses on a regular basis and we look at a pipeline, a multi-year pipeline of ideas. We do the same with HMM. We meet with the businesses and they take us through what their multi-year plan is from a margin standpoint, and again, that includes productivity, that includes mix management. And because of that we have a good line of sight of what is coming both in terms of the activities so we can plan and pace those but also the benefits." – Don Mulligan, EVP & CFO, Citi 2013 Global Consumer Conference Transcript, May 30, 2013

... continued/ What are competitors saying about their innovation activity and intent?

Kellogg is having some innovation success but wants to do more with adult products

"In addition, we're also expanding the definition of our categories. In the breakfast segment, the drinkable breakfast products you saw at our Investor Day in November are now expanding distribution, and we've also got hot cereal planned for introduction at midyear. These are both exciting steps for us and should also help drive adult consumption in the broader category..."

..Special K activity, I mentioned, is helping, and we're also doing our part with innovation. We have a lot of activity planned for the middle of the year that will address this further and which will be supported with brand building. The new products include Raisin Bran with Omega-3, Multi-Grain Special K, Kashi GOLEAN Vanilla and Kashi Cheer Heart to Heart, some of which are pictured on the slide." – John A. Bryant, CEO. Q1 2013 Results - Earnings Call Transcript, May 2, 2013

..."so what are we doing to address high-income boomers? We have innovation coming out this year around Raisin Bran Omega-3, Heart to Heart Cheer, Special K Multi-Grain. So we have a range of innovation targeted at those adult consumers, plus we think we have a very strong adult portfolio between Special K, Kashi, Bear Naked. And if we can get those brands all driving on all cylinders, I think we can really drive all the adult consumption in the category." – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

"Well, if I look within the cereal category, as I said before, we're actually seeing strength with low-income consumers, strength with kids. We're doing well in all family categories also. It's really adult where we are seeing weakness, it's high-income adults. I don't think they're really that price-sensitive...I think the real issue there is our innovation, and the innovation in the category needs to be more nutrition and benefit-oriented and, quite frankly, less about pricing and merchandising. And that's the opportunity, I think, we have as a company; I think the category has as well. And I think the more we drive into that, the more we're going to grow the business. And in addition to that, when you think about the weakness in the cereal category, we're also doing things to give people the benefits of cereals outside that normal definition of ready-to-eat cereal. So we have Kellogg's To Go Shakes, and we have the Breakfast Biscuits, and we have also hot cereal in there as well." – John A. Bryant, CEO. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

"Now let's turn to review our K-12 school business. Keeping our brands relevant and available to the 55 million K-12 students in the U.S. is a priority for Kellogg. We continue to invest in innovation and renovation of our brands to meet and even exceed USDA guidelines." – Brian Huff, Specialty Channel. Q1 2013 Results, Earnings Call Transcript, May 2, 2013

Kellogg

... continued/ What are competitors saying about their innovation activity and intent?

Management say they see results from its 'acceleration of brand innovation' but provide little detail

"Net, we're beginning to see promise behind the execution of our strategies of strengthening the breadth of our portfolio's consumer view and the acceleration of our brand innovation, renovation efforts while mindful that we need to achieve sustainable growth for HBO and Pebbles." – Terence E Block, CEO. Post Holdings Q2 2013 Results, Earnings Call Transcript, May 13 2013.

Post Foods

"Second, a byproduct of our aggressive innovation, renovation activities is a significant amount of new SKUs requiring inventory buildup. We believe we have made the needed investment and additional inventories to reflect the greater complexity of our new portfolio. Roughly half of the inventory increase is attributable to the external event, while half is a new level of investment that has been made." – Robert V. Vitale, CFO. Post Holdings Q2 2013 Results, Earnings Call Transcript, May 13 2013

"Honey Bunches of Oats revolutionized breakfast in 1989 by combining four different cereals to create the perfect blend, and it has been a staple at the family breakfast table ever since. In recent years, Greek yogurt has become a breakfast favorite, as well..."

We channeled the innovation that made Honey Bunches of Oats great – combining favorites – to create two unique granolas that unite both the sweet taste of honey and slightly tangy taste of Greek yogurt. It is sure to make every family member smile." – Dr. Mark Izzo, Vice President of Research, Development and Innovations. Post Foods, LLC, Announces New Honey Bunches of Oats® Greek Honey Crunch Cereal, Press Release, January 25, 2013

... continued/ What are competitors saying about their innovation activity and intent?

PepsiCo seems mostly bullish about its innovation capabilities and achievements

PepsiCo pointed out that for Quaker Foods, operating profit fell 6 percent *“driven principally by increased advertising and marketing expense and investments in product innovation.”* – Q1 2013 Earnings Results, April 18, 2013

“So as we look at our innovation we feel very good about the new products that we launched in 2012 and we are encouraged by the pipeline of innovation that we have for 2013 and beyond.” – Hugh Johnston, PepsiCo, Inc. EVP & CFO, CAGNY Presentation, Feb 21, 2013

“So think about our business as being drinkable, spoonable, and one-hand consumable. So, if you look at Quaker Real Medley, it's a spoonable product, but it's also going to be a bar. And it could also be drinkable oats. So I think, increasingly, you're going to find people think about the convenience occasions as one continuum.” – Indra Nooyi, CEO. Sanford Bernstein Strategic Decisions Conference, May 29, 2013

PepsiCo

“In fact, new products, new innovation over the past three years has accounted for approximately 8% of our 2012 revenue and will continue to deliver breakthrough innovation across our portfolio and good-for-you, better-for-you and fun-for-your products.” – Indra Nooyi, CEO. PepsiCo Annual Shareholders Meeting, May 1, 2013

“... we stepped up our game in innovation by bringing to market a broad array of offerings from line extensions that bring additional frequency to our existing products to new product platforms that capture new occasions by meeting previously unmet needs. We've made progress with both the number and breadth of these new product platforms and these typically have greater staying power and offer the opportunity for consistent growth over a number of years.

Quaker Real Medleys was a convenient high-quality oatmeal with real fruit and real nuts which was just named the breakfast product of the year for 2012.” – Hugh Johnson, CFO. CAGNY Conference Transcript, February 21, 2013

... continued/ What are competitors saying about their innovation activity and intent?

Management points to ‘reverse innovation’ as a new opportunity

We're also just beginning to explore the opportunity for reverse innovation, leveraging fully our learnings in developing and emerging markets to yield the benefits of thinking more holistically about designing a product here, packaging it and equipment that have low costs without sacrificing quality or performance. In fact, we've set up a value innovation center out in India to see how we can bring emerging market learnings to lower costs of what we do here in the western world. We've had good, recent successes with innovation that gives us real encouragement that our investments and focus are beginning to pay off. Trop 50, Pepsi Next, Tropicana Farmstand, Doritos Locos Tacos, Mountain Dew Kickstart, Quaker Real Medleys -- all of these are examples of recent innovation that have had remarkable success.”
– Indra Nooyi, CEO. Sanford Bernstein Strategic Decisions Conference, May 29, 2013

PepsiCo
(continued)

PepsiCo developed ‘design capability’ to boost its innovation edge

“We tightened the linkages between our shopper and consumer insights and R&D, leveraging our proprietary demand moments framework to sharpen the focus of our innovation efforts and make our new products more incremental to our total growth. Late in 2012 for the first time in our company's history, we established a design capability. Our goal is to use design in the early stages of innovation to create truly memorable experiences for our consumers. And we're leveraging our global scale by consolidating our investments around promising, new platforms as well as accelerating our ability to lift and shift great ideas from one market to another.” – Indra Nooyi, CEO. Sanford Bernstein Strategic Decisions Conference, May 29, 2013

What is the media saying about competitor innovation activity?

General Mills

[For General Mills a Year of Ups and Downs](#) (Star Tribune, February 16, 2013)

Challenges in cereal

Another challenge, albeit a more short-term one, is revving up cereal sales. Cereal is the company's largest U.S. business, providing \$2.4 billion in revenue last year, and General Mills and Kellogg dominate the market. But General Mills' cereal sales for the first half of fiscal 2013 are down 2 percent over a year ago.

The company's innovation in cereal "is failing to drive growth," according to a report by Goldman Sachs analyst Jason English, who put a "sell" rating on General Mills' stock last month, a rarity.

"We see a risk of product discontinuation ahead ... or at a minimum, continued ineffectiveness of net innovation," English wrote.

He singled out Cheerios, General Mills' largest cereal franchise. The emphasis on extending the brand — Chocolate Cheerios, Peanut Butter Cheerios, etc. — may be running out of steam, he wrote.

Powell said General Mills' lagging cereal sales stem from ramped-up promotions in the category. "Several competitors increased [promotion], and ours was a little bit lower than it needed to be. We have to adjust."

He dismissed the notion of an innovation slowdown. Cheerios line extensions have been an "incredible success," he said. A new one — Honey Nut Medley Crunch — hit store shelves recently, along with a new iteration of Fiber One cereal and Peanut Butter Toast Crunch, a spinoff of Cinnamon Toast Crunch.

[General Mills 2013 Mantra: Improve Yourself Through Better Snacking](#) (Brandchannel.com, December 20, 2012)

If innovation is the lifeblood of business, then General Mills will be pumping hard in the new year. The CPG giant released news about more than 100 new products that it will launch in its U.S. retail portfolio alone during its fiscal 2013. General Mills would like to generate between 4 percent and 5 percent of its sales from new products "*and we think we will be very much in that range,*" CEO Ken Powell told Wall Street analysts during a conference call this week...

...The new products range from new varieties of Fiber One products to a Snickerdoodles flavor of Chex Mix Muddy Buddies. And if there are some underlying themes to the whole list, they would be peanut butter and chocolate, along with fiber and protein, according to a General Mills blog post detailing the roster of new products.

"Better-for-you snacking" also is strongly represented. "General Mills continues to see growth opportunities" in that category, the blog post said. "More and more people now think of snacks as a way to regulate energy levels and seek specific ingredients such as fiber, protein and whole grains."

In fact, three of the most interesting new entrants fall squarely into the better-for-you category. They are Fiber One Protein bars, Green Giant Veggie Chips, and Yoplait Pro-Force yogurt.

... continued/ What is the media saying about competitor innovation activity?

Kellogg

[Kellogg, General Mills Look to Cereal to Attract Health-Conscious Adults](#) (May 3, 2013, Brandchannel.com)

Bowl by bowl, traditional ready-to-eat cereal is getting more nutritious and edging its way back into the healthful perimeter that more Americans are putting around their diets. Kellogg and General Mills, the industry giants, are making that a priority for their brands. Kellogg, for example, plans to introduce new products infused with more nutrients to help bring back better-educated, higher-income adults to the traditional breakfast that so many of them enjoyed as kids...CEO John Bryant told analysts that kids and lower-income adults are still spooning up plenty of cereal, according to the Associated Press, but higher-income adults have been cutting back. "I don't think they're really that price-sensitive," he said. "The real issue there is innovation."

[Kellogg redefining the cereal category](#) (February 21, 2013, bakingbusiness.com)

With a view toward greater opportunities in the cereal category, the Kellogg Co. is in the process of redefining cereal with products that will exist outside the traditional category. Two products include Kellogg To Go and Nutri-Grain Biscuits.

"We believe we can continue to grow cereal," said John Bryant, president and chief executive officer, during a presentation at the Consumer Analyst of New York conference taking place this week in Boca Raton. "The cereal category is much more versatile than people give it credit."

Making its debut in 2013 will be Kellogg To Go, a breakfast beverage that has 10 grams of protein and 5 grams of fiber, Mr. Bryant said. "It is a bowl of cereal in a beverage format," he said. "We see it as an opportunity to bring consumers who may be skipping cereal back to the category.

"I don't know how big this could be, but there is a breakfast beverage business in Australia that equals \$2 billion for us."

See also [Kellogg heats up cereal category](#) (Food Business News, May 22, 2013)

... continued/ What is the media saying about competitor innovation activity?

[General Mills, Kellogg Compete for Liquid Breakfast Market](#) (March 4, 2013, Brandchannel.com)

American ready-to-eat-cereal brands are coming along to help close the shrinking gap between breakfast solids and liquids with new "on-the-go" beverages aimed at helping Americans ingest the nutrition of a typical morning repast without having to sit at their kitchen tables to do so...Kellogg plans to roll out its Breakfast To Go drink across the U.S. this year while General Mills has been testing a similar drink called BFast in Northeast markets. Both of them are milk-based but are fortified with fiber, more protein and other things that essentially give them the nutritional value of a bowl of cereal and milk.

Kellogg already offers a Special K Protein shake but that product is targeted mainly at weight-managing consumers. In Australia, Bryant told analysts, there has been a breakfast-beverage business for more than a decade, and it's equal to about 20 percent of the Australian cereal category. "If it got to be 20 percent of the size of the U.S. cereal category," the CEO noted, "this would be a \$2 billion subcategory. So [this] is a definite growth opportunity for us."

[Phantom Markets: A Lesson from Kellogg's Mistaken Venture](#) (Harvard Business Review, May 2012 – dated but useful)

Kellogg

How is it possible that Kellogg could envision building a \$3 billion business in India, invest \$65 million in the first year alone, and end up, 16 years later, with only \$70 million in annual revenues? And how can other business leaders avoid making similar mistakes?

Kellogg's mistake (admittedly easier to see in hindsight) was that it had taken a far too simplistic approach to identifying its "huge" market, merely looking for people who might want its products. What it (and similar companies) needed to do was to take a more sophisticated approach to identifying viable markets, a process that comprises three broad steps: gaining the right insights, counting the right people, and envisioning the right innovations to serve those people...

Envision the Right Innovation

To find a big market it could innovate its way into, Kellogg needed to find a job that many Indian breakfast eaters needed done that wasn't yet being fulfilled very well. One could imagine that, for instance, with the insights that Indians' breakfast jobs are best satisfied by a variety of warm, spicy foods that leave you feeling full and healthy, Kellogg might have focused its innovation efforts not on coming up with more ready-to-eat cereals, or different sized packages for its existing products, but on the implications of India's modernizing economy — on the fact that the time once allocated to preparing meals from scratch was now being spent on pursuing the expanding educational and economic opportunities created by a newly-opened market. With such an insight, Kellogg might have more fruitfully focused its innovation efforts on, say, easier-to-prepare versions of traditional favorites that could be delivered at the temperature, in the variety, and with the tastes familiar to Indians, but in a far more convenient way. Thus, by combining qualitative insights with quantitative information, the company would have had a far better shot at using its innovation capacities to create a truly innovative business that could generate significantly better results.

... continued/ What is the media saying about competitor innovation activity?

[How Post Pulled Off a Six-Month Cereal Launch - Bunches of Oats With Greek Yogurt Rockets From Concept to Shelf](#) (Feb 11, 2013, Adage)

The story of how Post converted the concept into a promising product launch is a lesson in how food marketers must move quickly in an age of changing consumer tastes and rising retailer clout. Quite simply, when Target and Walmart say they are interested in your product pitch -- and they are reserving shelf space for it -- you better make it happen, and fast...

One problem: Post had yet to figure out how to produce mass quantities of dried Greek yogurt, which would be needed to mix into the brand's crunchy granola clusters. The retailers also wanted parts of the cereal to be coated in the yogurt to serve as a visual cue for consumers. *"It was an all-out sprint to find somebody in this country who'd be willing to do this for us,"* said Mark Izzo, Post's VP-research, development and innovations. *"Because we literally had the nation's biggest retailer and No. 2 retailer give us a slot to deliver this, and we didn't have the ingredient to do it yet. So we were looking under every stone."*

The marketer had started looking for solutions soon after Honey Bunches of Oats Research and Development Director George Squire brainstormed the idea with a vendor over brews early last summer. Post wanted to use authentic Greek yogurt, which is creamier than regular yogurt. But vendors pushed back. *"It cannot be done. ... You cannot dry Greek yogurt -- it's too thick,"* Mr. Izzo recalled being told. Also: *"Greek yogurt is so hot right now that all the guys just selling refrigerated Greek yogurt are too busy to deal with anything else."*

Post Foods

The marketer eventually found a dairy to give it a shot that Mr. Izzo identified it only as being *"in the South somewhere."* While Post R&D tinkered, the marketer's design team got cracking, creating packaging even before the cereal was finalized. Everyone had a deadline to beat: Boxes had to be sent to retailers by Christmas. The time crunch caused Post to wait until much later than normal to begin consumer-product testing, meaning that it might have to change the cereal after it was in stores. *"Luckily, the product tested very well,"* Mr. Izzo said.

Retailers didn't get their first plant-made samples until November. The first box did not roll off the assembly line of Post's Jonesboro, Ark., plant until early December, which it cranked around the clock to meet demand. *"We had to do major rearranging of [the] production schedule."* Meanwhile, the brand's ad agency, Upshot, Chicago, prepped a TV ad that hit the airwaves in late January featuring consumers raving about the whole-grain-and-yogurt-covered clusters.

The ambitious line extension comes after Honey Bunches of Oats, the third-largest cereal brand in the U.S. with 4.16% share, suffered a bit of a setback in the 52 weeks ending Dec. 30. Market share fell 0.41 points, as dollar sales dropped 8.68% to \$398.7 million, according to SymphonyIRI.

Such innovations are a key part of the growth strategy for Post, which a year ago spun off from parent company Ralcorp. The Greek rollout is a major test for a company that is positioning itself as an entrepreneurial, nimble competitor to Kellogg and General Mills.

The early returns look good. Post says the cereal in just four weeks reached distribution of 48% of all grocery and mass retail stores nationwide, including every Walmart. That, Mr. Izzo said, is the fastest rollout in Post history.

... continued/ What is the media saying about competitor innovation activity?

[PepsiCo Opens Muller Quaker Dairy Yogurt Facility](#) (CGT, June 11, 2013)

Muller Quaker Dairy, a joint venture between PepsiCo, Inc. and Theo Muller Group, announced the opening of its new state-of-the-art yogurt manufacturing facility in Batavia, New York. The new facility, which will employ approximately 180 people, will serve as a national production and distribution center for Muller yogurt, which launched in select regional markets in 2012.

[On The Money: PepsiCo to Accelerate Innovation Spend](#) (April 18, 2013, just-food.com)

PepsiCo has said one of its key investments in 2013 will be to accelerate investment in R&D and innovation...Speaking on the firm's earnings call today, CFO Hugh Johnston told analysts PepsiCo will look to match last year's spending on marketing as a proportion of sales across the company. However, he said it would speed up its investment in research and development.

"We will grow A&M investment at least in line with net sales meaning you should expect A&M spending of at least 5.7% of sales, which was our 2012 baseline investment. In addition, we are also accelerating our investment in R&D and innovation," Johnston said.

"With the productivity we are unlocking, we are able to invest in growth drivers like advertising and new product launches and to simultaneously drive margin improvement."

[Indra Nooyi Scores at PepsiCo Quarterly Results Show Turnaround](#) (February 14, 2013, BrandChannel.com)

Indra Nooyi may be starting to get comeuppance on her constant critics of the last few years. Today PepsiCo posted better-than-expected quarterly earnings and forecasted continued better times in 2013 as the once-embattled CEO continues to fight back from the low ebb of a couple years ago, when many investors were so disappointed with PepsiCo's performance that there were calls to split up the company a la Kraft.

"We enhanced the equity of our global brand," Nooyi said on a conference call Thursday morning. "We stepped up our game-in innovation by bringing to market more balanced offerings, from line extensions that bring additional locations to our existing products, and to new-product platforms that are truly transformational."

She cited, for instance, Quaker Real Medleys, a high-quality oatmeal with real fruits and nuts that was just named breakfast product of the year for 2012...Fourth-quarter earnings rose 17 percent as sales growth indicate that Nooyi has PepsiCo clicking on turnaround plans that she launched in earnest last year. They involved boosting advertising spending by \$500 million to \$600 million in 2012, putting more attention on the core Pepsi brand, using local tastes and preferences to gain market share in emerging countries and generally investing more in what Nooyi called "fun-for-you" brands such as Pepsi and Doritos as well as PepsiCo's "good-for-you" brands that include Quaker and the new Muller Yogurt venture.

"We're seeing positive results already from our increased investments," Nooyi said on the call, *"both in higher brand-equity scores and in market share results that are beginning to improve nicely."*

PepsiCo

What are companies saying about their new product activity?

Management is pleased with the *Honey Nut Cheerios Medley Crunch* launch and sees stronger launches for 2014

"We launched a strong slate of new products in F2013, including new varieties of Cheerios, Cascadian Farm Granola, and Fiber One. Our F2014 new product lineup has just started to hit store shelves, including two varieties of new Nature Valley Granola cereal with 10 grams of protein per serving..."

...And that, combined with some strong new products that we have hitting the shelves now – I mentioned Nature Valley Protein variety. Protein clearly is a health benefit that consumers are looking for today so if you can offer it in a great tasting convenient cereal I think that's a winner. So you combine some of the marketing ideas, some of the product innovation ideas and a really solid new product lineup coming into next year and a more even merchandising calendar. I think that not only bodes well for our business but it bodes well for the category as well." – Don Mulligan, EVP & CFO, Citi 2013 Global Consumer Conference Transcript, May 30, 2013

"Across all of U.S. Retail, we have launched over 100 new products in 2013. And a few weeks ago, I had the opportunity to review our 2014 new products. We have an even stronger slate of innovation lined up for 2014. I look forward to giving you more details on this at our Investor Day in July." – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 19, 2013

General Mills

"We've also launched a strong slate of new cereal products. Honey Nut Cheerios is the single largest brand in the U.S. cereal aisle. Our latest addition to the franchise is Honey Nut Cheerios Medley Crunch, it started shipping in January and advertising began 8 weeks ago. Early consumer response has been terrific. We're adding new varieties of other popular cereal brands, too." – Kendall J. Powell, CEO. Q3 2013 Results, Earnings Call Transcript, March 20, 2013.

"In total, products introduced in just the last 20 months have generated well over \$1 billion in U.S. sales. This includes some real standouts such as Fiber One 90-calorie brownies and peanut butter multi-grain Cheerios" – Kendall J. Powell, CEO. CAGNY Conference Transcript, February 19, 2013.

"The latest variations have added another point of market share. Our newest variety is Honey Nut Cheerios Medley Crunch. This cereal has the heart health benefits and great taste consumers expect from Honey Nut Cheerios. It also has a great texture with Os, clusters and flakes. We're supporting this launch with in-store merchandising and advertising, and retailer response has been terrific." – Ian R. Friendly, EVP and COO of US Retail, CAGNY Conference Transcript, February 19, 2013

... continued/ What are companies saying about their new product activity?

Kellogg has various cereal launches planned for H2 2013 with some products overseas that could be introduced

"We have a lot of activity planned for the middle of the year that will address this further and which will be supported with brand building. The new products include Raisin Bran with Omega-3, Multi-Grain Special K, Kashi GOLEAN Vanilla and Kashi Cheer Heart to Heart..." – John A. Bryant, CEO. Q1 2013 Results - Earnings Call Transcript, May 2, 2013

"We've had good innovation on the brand [Special K], including Chocolatey Strawberry and a restage of Special K Protein. All of this led to a very successful resolution program. And in fact, during Q1, Special K saw increased share, consumption and household penetration." – John A. Bryant, CEO. Q1 2013 Results - Earnings Call Transcript, May 2, 2013

"...the Kellogg to Go Breakfast Beverage that we launched in one major retailer last year that we're taking nationally in 2013. This product has 10 grams of protein, 5 grams of fiber, essentially all the benefits of cereal and a bowl of milk in a portable format. We're seeing a very good response to this, still early days, but we see it as an opportunity to bring consumers in who otherwise would be skipping breakfast or skipping cereal and eating something else. So, an opportunity for us to participate more in dashboard dining when it comes to a product that's actually hard to do that with traditional cereal."

Kellogg

I don't know how big this could be, but there is one market out there, Australia, where there has been a Breakfast Beverage business for over a decade. That Breakfast Beverage business is equal to about 20% the size of the Australian cereal category. If it got to be 20% of the size of the U.S. cereal category, this would be a \$2 billion subcategory. So, a definite growth opportunity for us as we look to the future."

As we think about cereal, consumption of milk is often a barrier to consumption of cereal. And so, we're looking at products like Nutri-Grain Breakfast Biscuits in the UK to provide the benefits of cereal, first thing in the morning without having to force milk consumption with it. We've been doing this for many years around the world with Cereal Bars and Granola Bars. But in some parts of the world, particularly Continental Europe, a lot of cookies are actually consumed at the breakfast occasion. So here's an opportunity for us again to leverage a food form that doesn't require milk consumption and they provide the benefits of cereal first thing in the morning."

And then there are other markets in the world where hot breakfast is more of a traditional habit. So if you're in South Africa, if you're in Soweto, the consumer there would take about 30 minutes to boil corn, make a product called millet, which is essentially a porridge-type product. We've come out with Kellogg's Corn Flakes Porridge in South Africa to provide a more convenient great tasting alternative and this business is doing very well. We're actually struggling to maintain supply to keep up with demand. So we believe we can grow the cereal category and we can continue to challenge ourselves how can we provide the benefits of cereal in different food formats to better meet the needs of our consumers." – John A. Bryant, CAGNY Presentation Transcript, February 20, 2013

... continued/ What are companies saying about their new product activity?

Post plans additions to the HBO Greek line and three granolas to replace the *Just Bunches!* extension

"We're adding to the HBO Greek line up in June with the addition of an extremely tasty Mixed Berry Greek line extension. Additionally, in June, HBO is introducing a line of 3 granolas, replacing the Just Bunches! line extension, seeking to improve HBO's performance in this faster growing sub segment of the cereal category." – Terence E. Block, CEO. Post Holdings Q2 2013 Results, Earnings Call Transcript, May 13 2013.

Post Foods

"We've stated that we're actively executing against our strategy to better address the economically-stressed consumers with quality Post cereal alternatives. The ongoing Post Good Mornings test has provided learnings with regard to product, size, mix and marketing. We'll be deploying some of this learning into new items for introduction later this calendar year." – Terence E. Block, CEO. Post Holdings Q2 2013 Results, Earnings Call Transcript, May 13 2013.

"We channeled the innovation that made Honey Bunches of Oats great – combining favorites – to create two unique granolas that unite both the sweet taste of honey and slightly tangy taste of Greek yogurt. It is sure to make every family member smile." – Dr. Mark Izzo, Vice President of Research, Development and Innovations. Post Foods, LLC, Announces New Honey Bunches of Oats® Greek Honey Crunch Cereal, Press Release, January 25, 2013

Management lauds its 2012 launch of Quaker Real Medleys but gives no details of new cereal products

Quaker Real Medleys was a convenient high-quality oatmeal with real fruit and real nuts which was just named the breakfast product of the year for 2012." – Hugh Johnston, PepsiCo EVP & CFO, CAGNY Presentation Transcript, February 21, 2013

PepsiCo

"In fact, new products, new innovation over the past three years has accounted for approximately 8% of our 2012 revenue and will continue to deliver breakthrough innovation across our portfolio and good-for-you, better-for-you and fun-for-your products." – Indra Nooyi, CEO. PepsiCo Annual Shareholders Meeting Transcript, May 1, 2013.

"Our goal is to increase the contribution of new products to our total net revenue. And, in 2012, we achieved the same, and we're on track to continue to increase the contribution of new products to our overall revenue." – Indra Nooyi, CEO. PepsiCo Annual Shareholders Meeting Transcript, May 1, 2013.

What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Honey Nut Cheerios Medley Crunch, Chocolate Cheerios new format sizes

Honey Nut Cheerios Medley Crunch (available from January 2013)

Tag: Bee Happy. Bee Healthy.®

"Great texture with Os, clusters and flakes"

"Households that love Honey Nut Cheerios are getting a variation on the No. 1 cereal in the category with Honey Nut Cheerios Medley Crunch, a mix of Honey Nut O's, crunchy clusters and crispy wheat flakes.

The combination of flakes and clusters that delivers 16 grams of whole grains per serving will be in stores after the first of the year.

You already know that Honey Nut Cheerios® has the irresistible taste of golden honey, making it a family favorite. But did you know that each little "o" also contains soluble fiber from whole grain oats? As part of a heart-healthy eating plan, eating Honey Nut Cheerios each day can help lower your cholesterol.* Made with whole grains and low in fat, Cheerios also provides 12 essential vitamins and minerals. That's something that everyone can smile about

* 12 vitamins & minerals * Low fat * Good source of calcium * Made with whole grain* Helps reduce the risk of heart disease* Can help lower cholesterol* Excellent source of iron* Certified by the American Heart Association, heartcheckmark.org"

Big G is introducing Chocolate Cheerios in larger sizes. Offering cereal in various box sizes is becoming a trend.



Nutrition Facts

Amount Per Serving	Honey Nut Cheerios	with 1/2 cup skim milk
Serving Size 3/4 cup (28g)		
Servings Per Container about 12		
Calories	110	150
Calories from Fat	15	15
	% Daily Value**	
Total Fat 1.5g*	2%	2%
Saturated Fat 0g	0%	0%
Trans Fat 0g		
Polyunsaturated Fat 0.5g		
Monounsaturated Fat 0.5g		
Cholesterol 0mg	0%	1%
Sodium 160mg	7%	9%
Potassium 115mg	3%	9%
Total Carbohydrate 22g	7%	9%
Dietary Fiber 2g	8%	8%
Soluble Fiber less than 1g		
Sugars 9g		
Other Carbohydrate 11g		
Protein 2g		

Ingredients: Whole Grain Oats (includes oat bran), Sugar, Modified Corn Starch, Honey, Brown Sugar Syrup, Salt, Tripotassium Phosphate, Canola and/or Rice Bran Oil, Natural Almond Flavor, Vitamin E (mixed tocopherols) Added to Preserve Freshness.
 Vitamins and Minerals: Calcium Carbonate, Zinc and Iron (mineral nutrients), Vitamin C (sodium ascorbate), A B Vitamin (niacinamide), Vitamin B₁ (pyridoxine hydrochloride), Vitamin B₂ (riboflavin), Vitamin B₃ (thiamin mononitrate), Vitamin A (palmitate), A B Vitamin (folic acid), Vitamin B₅, Vitamin D₃.
 CONTAINS ALMOND; MAY CONTAIN WHEAT INGREDIENTS.

What new products have come onto the market?

Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Kellogg's Raisin Bran® Omega-3 from Flaxseed cereal

- Delicious Raisins Blended with Crisp Bran Flakes, Flaxseeds and a Touch of Sweetness
- 14.3 oz
- **Ingredients:** Whole grain wheat, rice, sugar, raisins, wheat bran, brown sugar syrup, whole flaxseeds, glycerin, contains 2% or less of salt, malt flavor, soluble corn fiber, BHT for freshness.
- **Vitamins and Minerals:** Niacinamide, reduced iron, vitamin C (ascorbic acid), zinc oxide, vitamin B6 (pyridoxine hydrochloride), vitamin B2 (riboflavin), vitamin A palmitate, vitamin B1 (thiamin hydrochloride), folic acid, vitamin D, vitamin B12.
- **Nutrition Facts**
 - Serving Size 1 Cup
 - Calories 180
 - Total Fat 1.5g
 - Sodium 190mg
 - Sugar 17g
 - Dietary Fiber 5g



What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Kellogg's® Disney Pixar Monsters University Limited Edition cereal

- Vanilla flavored multi-grain cereal with Mike and Sully shaped marshmallows
- 8.8 oz
- **Ingredients:** Whole grain yellow corn flour, sugar, whole wheat flour, whole grain oat flour, oat fiber, contains 2% or less of natural and artificial flavor, modified corn starch, corn syrup, dextrose, salt, gelatin, sodium hexametaphosphate, caramel color, yellow 5, red 40, blue 1, yellow 6, BHT for freshness.
- **Vitamins and Minerals:** Vitamin C (ascorbic acid), niacinamide, reduced iron, zinc oxide, vitamin B6 (pyridoxine hydrochloride), vitamin B1 (thiamin hydrochloride), vitamin B2 (riboflavin), vitamin A palmitate, vitamin B12, folic acid, vitamin D.
- **Nutrition Facts**
 - Serving Size 1 Cup
 - Calories 110
 - Total Fat 0.5g
 - Sodium 100mg
 - Sugar 10g
 - Dietary Fiber 3g



What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Kellogg's® Froot Loops Treasures™ cereal

- Sweetened multi-grain cereal with strawberry-flavored filled, crunchy treasure pieces
- 10.5 oz
- **Ingredients:** Sugar, whole grain yellow corn flour, wheat flour, whole grain oat flour, degerminated yellow corn flour, oat fiber, soluble corn fiber, contains 2% or less of vegetable oil (partially hydrogenated coconut, soybean and/or cottonseed, palm), salt, invert sugar, glycerin, dextrose, apple flakes, strawberry puree concentrate, natural flavor, modified corn starch, sodium citrate, cornstarch, citric acid, cellulose gel, cellulose gum, tricalcium phosphate, xanthan gum, mono- and diglycerides, DATEM, sodium alginate, red 40, blue 2, turmeric color, yellow 6, annatto color, blue 1, BHT for freshness, caramel color.
- **Vitamins and Minerals:** Vitamin C (ascorbic acid and sodium ascorbate), niacinamide, reduced iron, zinc oxide, vitamin B6 (pyridoxine hydrochloride), vitamin B1 (thiamin hydrochloride), vitamin B2 (riboflavin), vitamin A palmitate, folic acid, vitamin D, vitamin B12.
- **Nutrition Facts**
 - Serving Size 1 Cup
 - Calories 110
 - Total Fat 1g
 - Sodium 140mg
 - Sugar 12g
 - Dietary Fiber 3g



What new products have come onto the market?

Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Kellogg's® Special K® cereal Multi-Grain

- Lightly sweetened flakes made from a hearty blend of wheat, rice, and corn
- 12.0 oz
- **Ingredients:** Whole grain wheat, rice, sugar, milled corn, wheat bran, soluble wheat fiber, contains 2% or less of salt, brown rice syrup, malt flavor, natural flavor, BHT for freshness.
- **Vitamins and Minerals:** Vitamin C (ascorbic acid), reduced iron, niacinamide, vitamin B6 (pyridoxine hydrochloride), vitamin B2 (riboflavin), vitamin B1 (thiamin hydrochloride), vitamin A palmitate, folic acid, vitamin D, vitamin B12.

• Nutrition Facts

• Calories	110	Sodium	190 mg
• Total Fat	0 g	Potassium	80 mg
• Saturated	0 g	Total Carbs	27 g
• Polyunsaturated	0 g	Dietary Fiber	3 g
• Monounsaturated	0 g	Sugars	6 g
• Trans	0 g	Protein	2 g
• Cholesterol	0 mg		



What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Honey Bunch of Oats Greek Yogurt Crunch (available from January 2013)

- Unlike any other cereal out there, Honey Bunches of Oats Greek Honey Crunch features 2 unique granolas made with real Greek yogurt, crispy whole grain flakes and a touch of honey
- Size: 15.50oz
- Honey Bunches of Oats Greek Honey Crunch has:
 - * Four nutritious grains: rice, wheat, oats and corn
 - * 33g of whole grain per serving†
 - * 5g of protein per serving
 - * 4g of fiber per serving
 - * 80% of the recommended daily value of iron per serving

Ingredients: Whole Grain Flakes (Whole Grain Wheat, Sugar, Rice, Corn Syrup, Wheat Flour, Yellow Corn Meal, Whole Grain Rolled Oats, Malted Barley Flour, Salt, Canola And/Or Sunflower Oil, Honey, Natural Flavor), Greek Yogurt Granola [Whole Grain Rolled Oats, Brown Sugar, Whole Grain Wheat, Rice Flour, Canola And/Or Sunflower Oil, Milk Protein Concentrate, Corn Syrup, Sugar, Greek Yogurt Powder (Heat Treated After Culturing), Honey, Natural Flavor, Lactic Acid, Malic Acid, Citric Acid], Greek Yogurt Style Coated Granola [Whole Grain Rolled Oats, Brown Sugar, Whole Grain Wheat, Rice Flour, Canola And/Or Sunflower Oil, Corn Syrup, Whey, Sugar, Honey, Greek Yogurt Style Coating (Sugar, Palm Kernel And Palm Oil, Reduced Mineral Whey Powder, Nonfat Dry Milk Solids, Greek Yogurt Powder (Heat Treated After Culturing), Lactic Acid, Soy Lecithin, Salt, Natural Flavor)]. Bht Added To Packaging Material To Preserve Product Freshness.

Vitamins and Minerals: Reduced Iron, Niacinamide, Zinc Oxide (Source Of Zinc), Vitamin A Palmitate, Vitamin B6, Riboflavin (Vitamin B2), Thiamin Mononitrate (Vitamin B1), Folic Acid, Vitamin D, Vitamin B12.



What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

Honey Bunches of Oats Greek: Mixed Berry (available from June 2013)

- Two 2 unique granolas made with real Greek yogurt, crispy whole grain flakes and a touch of wildflower honey
- Size: 15.50oz
- Post Honey Bunches of Oats Greek Mixed Berry Cereal:
 - 5g of protein
 - 33g whole grain
 - Made with real fruit
 - Greek yogurt + whole grain--a smile waiting to happen
 - Post promise: no high fructose corn syrup

Ingredients: Whole Grain Flakes (Whole Grain Wheat, Sugar, Rice, Corn Syrup, Wheat Flour, Yellow Corn Meal, Whole Grain Rolled Oats, Malted Barley Flour, Salt, Canola And/Or Sunflower Oil, Wildflower Honey, Natural Flavor), Berry Flavored Greek Yogurt Granola [Whole Grain Rolled Oats, Brown Sugar, Rice Flour, Canola And/Or Sunflower Oil, Milk Protein Concentrate, Corn Syrup, Sugar, Greek Yogurt Powder (Heat Treated After Culturing), Wildflower Honey, Color (Red Beet And Elderberry Juice Concentrate, Raspberry Powder), Natural Flavor, Citric Acid, Lactic Acid, Malic Acid, Strawberry Juice Concentrate], Berry Flavored Greek Yogurt Style Coated Granola [Whole Grain Rolled Oats, Brown Sugar, Whole Grain Wheat, Rice Flour, Canola And/Or Sunflower Oil, Corn Syrup, Whey, Sugar, Wildflower Honey, Berry Flavored Greek Yogurt Style Coating (Sugar, Palm Kernel And Palm Oil, Reduced Mineral Whey Powder, Berry Powder Blend (Dried: Strawberries, Blueberries, Raspberries, Cranberries), Nonfat Dry Milk Solids, Greek Yogurt Powder (Heat Treated After Culturing), Natural Flavor, Lactic Acid, Soy Lecithin, Color (Red Beet Juice Concentrate), Salt)]. Bht Added To Packaging Material To Preserve Product Freshness.

Vitamins and Minerals: Reduced Iron, Niacinamide, Zinc Oxide (Source Of Zinc), Vitamin A Palmitate, Vitamin B6, Riboflavin (Vitamin B2), Thiamin Mononitrate (Vitamin B1), Folic Acid, Vitamin D, Vitamin B12.



What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online but should you wish, we can use Mintel's GNPD

Honey Bunch of Oats Tropical Blends: Mango Coconut (available from February/March 2013)

- Take your taste buds to the tropics! Real coconut shavings and coconut flavored granola clusters combine with mango flavored flakes in Honey Bunches of Oats Tropical Blends: Mango Coconut
- Size: 14.50oz and 18oz
- Honey Bunches of Oats Fruit Blends: Mango Coconut has:
 - Four nutritious grains: rice, wheat, oats and corn
 - Heart healthy** (0g trans fat, 0g saturated fat, 0mg cholesterol per serving)
 - 10g of whole grain per serving†
 - 9 essential vitamins and minerals
- **Ingredients:** Corn, Whole Grain Wheat, Whole Grain Rolled Oats, Sugar, Brown Sugar, Rice, Vegetable Oil (Canola Or Sunflower Oil), Coconut, Wheat Flour, Malted Barley Flour, Corn Syrup, Salt, Whey (From Milk), Malted Corn And Barley Syrup, Wildflower Honey, Natural Flavor, Annatto Extract (Color). Bht Added To Packaging Material To Preserve Product Freshness.
- **Vitamins and Minerals:** Reduced Iron, Niacinamide, Vitamin B6, Vitamin A Palmitate, Riboflavin (Vitamin B2), Thiamin Mononitrate (Vitamin B1), Zinc Oxide (Source Of Zinc), Folic Acid, Vitamin B12, Vitamin D.



What new products have come onto the market?



Recent products launched in the US

Note: we have prepared the new products section using information available online, but should you wish, we can use Mintel's GNDP

No New Products launched for Quaker Life in Q1

Recent competitor trademark and domain registration activity

Trademarks can give early insight into planned new product launches as companies prepare the groundwork by securing rights to names.

Trademark applications go through a series of steps as they move from initial filing through to registration. In our review we capture new filings since January 1, 2013, screening by trademark owner (e.g. “General Mills”) and for food products that included “cereal”. This gives a broad view on recent applications filed by the company and does not include activity on previously filed applications

In addition to trademarks, competitors often seek to secure domain names and other brandable assets before launching a product and we have reviewed the status of domain filings for identified trademark applications.

Often companies register domain names at the same time or soon after they have applied for trademarks and this can give some confirmation that the name will be used for promotional purposes.

In this review we noticed that:

- Kellogg has filed for the trademark SPECIAL K MOMENTS, but the domain specialkmoments.com is still available
- Quaker has applied for ten trademarks since January 1, 2013 but does not own the domain names for three of these trademarks and the other seven are still available for registration (namely, fueledbyquaker.com, officialsnackofafterschool.com, starteverydayfulloflife.com, ensusmarcaslistosquaker.com, keepyourmorningmoving.com, crunchmayhem.com, fuelyourfamilysadventures.com)

By failing to register these domains names Kellogg and Quaker run the risk that someone else will take them and complicate their marketing plans.

... continued/ Recent competitor trademark and domain registration activity

General Mills

- **Trademarks:** three applications relating to possible use for cereals (HONEY KIX, PEANUT BUTTER TOAST CRUNCH and APPLE CINNAMON CHEERIOS)
- **Domains:** honeykix.com registered Oct 27, 2010 by a privacy protected owner, apparently in Japan; peanutbuttertoastcrunch.com was registered by General Mills Jan 7, 2005; applecinnamoncheerios.com was registered by General Mills May 15, 1996

Kellogg

- **Trademarks:** three applications relating to possible use for cereals (KRAVE, GREAT STARTS GREAT STORIES, SPECIAL K MOMENTS)
- **Domains:** krave.com was registered by Kellogg March 1, 1997, greatstartsgreatstories.com was registered by Kellogg Nov 30, 2012 but SPECIALKMOMENTS.COM is available for registration

Post Foods

- **Trademarks:** one application relating to possible use for cereals (MORNING ENERGY)
- **Domains:** morningenergy.com was registered Sept 8, 2007 by a privacy protected owner and is for sale

Quaker

- **Trademarks:** ten applications relating to possible use for cereals (OFFICIAL SNACK OF AFTER SCHOOL, FUELED BY QUAKER, START EVERYDAY FULL OF LIFE, EN SUS MARCAS LISTOS QUAKER, TAKE HEART, CRUNCH NATION, KEEP YOUR MORNING MOVING, CRUNCH MAYHEM, FUEL YOUR DAY, FUEL YOUR FAMILY'S ADVENTURES)
- **Domains:** Remarkably, seven of Quaker's recently applied for trademarks are available as domain names (FUELEDBYQUAKER.COM, OFFICIALSNACKOFAFTERSCHOOL.COM, STARTEVERYDAYFULLOFLIFE.COM, ENSUSMARCASLISTOSQUAKER.COM, KEEPYOURMORNINGMOVING.COM, CRUNCHMAYHEM.COM, FUELYOURFAMILYSADVENTURES.COM)

Also, Quaker does not look to own the other three domain names for which it filed trademarks:

- takeheart.com was registered March 26, 1998 by a privacy protected owner
- fuelyourday.com was registered October 3, 2008 and is for sale
- crunchnation.com was registered April 24, 2013 by Rose Photo Studio in Illinois

Recent competitor trademark activity

Summary of 2013 trademark activity

General Mills

Filed three applications relating to possible use for cereals. Active names:

- HONEY KIX
- PEANUT BUTTER TOAST CRUNCH
- APPLE CINNAMON CHEERIOS

General Mills also filed to register a HONEY BEE MARK design

Kellogg

Filed three applications relating to possible use for cereals. Active names:

- KRAVE
- GREAT STARTS GREAT STORIES
- SPECIAL K MOMENTS

Kellogg also filed to register two designs, for KRAVE and GREAT STARTS GREAT STORIES

Post Foods

Filed one application relating to possible use for cereals. Active name:

- MORNING ENERGY

Quaker

Filed ten applications relating to possible use for cereals. Active names:

- | | |
|----------------------------------|---------------------------------|
| • OFFICIAL SNACK OF AFTER SCHOOL | • CRUNCH NATION |
| • FUELED BY QUAKER | • KEEP YOUR MORNING MOVING |
| • START EVERYDAY FULL OF LIFE | • CRUNCH MAYHEM |
| • EN SUS MARCAS LISTOS QUAKER | • FUEL YOUR DAY |
| • TAKE HEART | • FUEL YOUR FAMILY'S ADVENTURES |

Note: for this work we looked at new filings since January 1, 2013, screening by trademark owner (e.g. "General Mills") and for food products that included "cereal". It gives a broad view on recent applications filed by the company and does not include activity on previously filed applications.



Recent competitor trademark activity



Trademark	Serial Number	Categories	Current status	Date of status	Filing date	Registered	Notes
HONEY KIX	85883680	Processed cereal-based food to be used as a breakfast food, snack food or ingredient for making other foods	Application has been published for opposition. The opposition period begins on the date of publication.	Jun. 11, 2013	Mar. 22, 2013	No	
PEANUT BUTTER TOAST CRUNCH	85839629	Processed cereal-based food to be used as a breakfast food, snack food or ingredient for making other foods	Application has been published for opposition. The opposition period begins on the date of publication.	Jun. 11, 2013	Feb. 04, 2013	No	
APPLE CINNAMON CHEERIOS	85820824	Ready to eat, cereal derived food bars	Application has been published for opposition. The opposition period begins on the date of publication.	Jun. 11, 2013	Jan. 11, 2013	No	
HONEY BEE MARK (The mark consists of a stylized bee wearing a shirt and shoes, holding a dripping honey-dipper - see image right)	85722551	Processed cereal-based food to be used as a breakfast food, snack food or ingredient for making other foods	Application has been published for opposition. The opposition period begins on the date of publication.	Jun. 04, 2013	Jan. 11, 2013	No	

Recent competitor trademark activity



Trademark	Serial Number	Categories	Current status	Date of status	Filing date	Registered	Notes
KRAVE	85962977	Breakfast cereals; processed-cereal based food to be used as a breakfast food, snack food or ingredient for making other foods	New application will be assigned to an examining attorney approximately 3 months after filing date.	Jun. 21, 2013	Jun. 18, 2013	No	
KRAVE (design)	85962998	Breakfast cereals; processed-cereal based food to be used as a breakfast food, snack food or ingredient for making other foods	New application will be assigned to an examining attorney approximately 3 months after filing date.	Jun. 21, 2013	Jun. 18, 2013	No	
GREAT STARTS GREAT STORIES	85874150	Breakfast cereals; processed-cereal based food to be used as a breakfast food, snack food or ingredient for making other foods	Review prior to publication completed	Jun. 24, 2013	Mar. 12, 2013	No	
GREAT STARTS GREAT STORIES (design)	85874161	Breakfast cereals; processed-cereal based food to be used as a breakfast food, snack food or ingredient for making other foods	A non-final Office action has been sent (issued) to the applicant. This is a letter from the examining attorney requiring additional information and/or making an initial refusal. The applicant must respond to this Office action. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.	Jun. 21, 2013	Mar. 12, 2013	No	
SPECIAL K MOMENTS	85820997	Ready to eat, cereal derived food bars	Notice of Allowance (NOA) sent (issued) to the applicant. Applicant must file a Statement of Use or Extension Request within six months of the NOA issuance date.	Jun. 25, 2013	Jan. 11, 2013	No	

Recent competitor trademark activity



Trademark	Serial Number	Categories	Current status	Date of status	Filing date	Registered	Notes
MORNING ENERGY	85951613	Breakfast cereal; and cereal derived food bars	New application will be assigned to an examining attorney approximately 3 months after filing date.	Jun. 14, 2013	Jun. 05, 2013	No	



Recent competitor trademark activity

Trademark	Serial Number	Categories	Current status	Date of status	Filing date	Registered	Notes
OFFICIAL SNACK OF AFTER SCHOOL	85941086	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	Approved by the examining attorney for publication but has not yet published for opposition. Although rare, withdrawal of approval prior to publication may occur after final review. The opposition period begins on the date of publication.	Jun. 24, 2013	23-May-13	No	
FUELED BY QUAKER	85845114	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	Application has been published for opposition. The opposition period begins on the date of publication.	May 7, 2013	Feb. 08, 2013	No	
START EVERYDAY FULL OF LIFE	85844609	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	Application has been published for opposition. The opposition period begins on the date of publication.	May 7, 2013	Feb. 08, 2013	No	
EN SUS MARCAS LISTOS QUAKER	85814173	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	Application has been published for opposition. The opposition period begins on the date of publication.	May 7, 2013	Jan. 02, 2013	No	

Recent competitor trademark activity



Trademark	Serial Number	Categories	Current status	Date of status	Filing date	Registered	Notes
TAKE HEART	85914608	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	New application assigned to an examining attorney for examination.	Jun. 24, 2013	Apr. 25, 2013	No	
CRUNCH NATION	85891491	Cereal-based snack foods; Ready to eat, cereal derived food bars; Ready-to-eat cereals	Approved by the examining attorney for publication but has not yet published for opposition. Although rare, withdrawal of approval prior to publication may occur after final review. The opposition period begins on the date of publication.	Jun. 25, 2013	Apr. 01, 2013	No	
KEEP YOUR MORNING MOVING	85891479	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	Approved by the examining attorney for publication but has not yet published for opposition. Although rare, withdrawal of approval prior to publication may occur after final review. The opposition period begins on the date of publication.	Jun. 24, 2013	Apr. 01, 2013		
CRUNCH MAYHEM	85888716	Cereal-based snack foods; Ready to eat, cereal derived food bars; Ready-to-eat cereals	Approved by the examining attorney for publication but has not yet published for opposition. Although rare, withdrawal of approval prior to publication may occur after final review. The opposition period begins on the date of publication.	Jun. 25, 2013	Mar. 28, 2013		

Recent competitor trademark activity



Trademark	Serial Number	Categories	Current status	Date of status	Filing date	Registered	Notes
FUEL YOUR DAY	85877831	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	New application assigned to an examining attorney for examination.	Jun. 24, 2013	Mar. 15, 2013		
FUEL YOUR FAMILY'S ADVENTURES	85825722	Cereal-based snack foods; Cookies; Grain-based snack foods; Granola; Granola snacks; Oatmeal; Ready to eat, cereal derived food bars; Ready-to-eat cereals; Rice-based snack foods	A non-final Office action has been sent (issued) to the applicant. This is a letter from the examining attorney requiring additional information and/or making an initial refusal. The applicant must respond to this Office action. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.	Mar. 28, 2013	Jan. 17, 2013		

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