

Team: NRAM SOLUTIONS

In general, the critical issues Post holdings faces are in two aspects: 1. the pressure from innovative competitors who take control of the organic market and seizing market through putting forward nostalgia cereal products. 2. the on-going shrink of the whole cold cereal market.

Accordingly, we have three main recommendations: first, focusing on the customizable cold cereal products like granola, high-fiber and muesli; second, taking the advantages of the organic farm of Michael Food combined with the low-price products manufactured by MOM; third, putting more money on booming markets like yogurt and bars. We expect that through the first and second advices, posting holdings can seize more shares in this 11 billion cereal market. Besides, through the third recommendation, Post Holdings can offset the shrink of the whole cereal market by developing the businesses of its subsidiaries.

We give these recommendations based on the following findings: First, customers tend to play a role in customization (<http://academic.mintel.com.ezproxy.lib.purdue.edu/display/745932/>); customer still remember the food they ate as a child(<http://academic.mintel.com.ezproxy.lib.purdue.edu/display/745936/>) which indicates some both traditional and customizable products should be our first choice. Second, people of lower income tend to purchase more organic cereal compared with those of high incomes

(<http://academic.mintel.com.ezproxy.lib.purdue.edu/display/732494/?highlight>) which means price plays an important role in the organic cold cereal market. Third, Michael Food and MOM, the subsidiaries of Post holdings all have products that are similar and they are the two sub-companies within Post with the most capital to engage a big share in the booming markets of yogurts and bars, respectively. This means we can shift some of our money on these two markets. Besides, dividing the two products into two companies can also share the risk.

