

To: Parrish Case
From: The Attractive Group
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Subject: Post Holdings Executive Summary

Post Holdings is a packaged foods company particularly in the breakfast realm of which they comprise about 10% of the \$11 billion dollar cereal market. However, despite growth in their sweeter brands, Post experienced declines in healthier brands such as Grape Nuts. To compete with the success of smaller manufacturers of “Better For You” brands, Post should emphasize their acquisition and shift of cereals to MOM brands for a fresh start. Post should also extend their *Goodness To-Go* brand by developing a savory nutrition/cereal bar. Both initiatives will be linked to MOM brands, giving a grassroots feel to compete with smaller manufacturers while having the support from a larger overall company such as Post. As a result, Post should be able to recover their recent declines in healthy brands and extend into the cereal bar market to defend its position.

Cereal Strategy

Since cereal is the core of Post products, needed catch up in terms of natural, organic, and health oriented segments is crucial. Shifting all the cereal products to the MOM brands facilitate the ability to reinvigorate their faltering healthy brands. Given MOM’s success in their own healthy products, such as Three Sisters, the future management of Post cereal under MOM brands will focus on the improvement of lines such as the declining sales of Grape Nuts. This includes the trend of cereal products with more protein and fiber and less sugar, thus making the cereal more energy sustaining. One major advantage is the competitive pricing of MOM brands products, which range around \$2. Hence, these cereal products will provide consumers with healthier options at a more reasonable price than its competitors.

Bar Strategy

While cereal will be in MOM’s jurisdiction, Post will focus on brand extension of their existing *Goodness To-Go* products with the addition of a nutrition bar under the *Goodness To-Go* brand name. This nutrition bar will enable Post to expand into a growing market that is catering to growing market trends such as convenience, sustenance, multi-meal options, and health conscientiousness. Overall, convenience is becoming an increasingly important factor since more and more people are not eating the traditional three meals per day, but rather shifting towards snacking on smaller portions throughout the day. In addition, snacking throughout the day looks beyond breakfast, offering the opportunity to provide an option with more flavor variety to fit afternoon tastes. A savory bar also keeps consumers fuller for longer compared to the sweeter bars, which are comprised of lots of sugar.

Alternatives

Acquiring more brands in the way Post had recently done with MOM could be a viable option. This would increase market share and better defend their large manufacturing against small brands, although a look at Post’s financial report showed that this is not feasible, as they do not currently have the resources to do so. Secondly, Post’s primary focus of sweet cereals was considered. Post is experiencing increases in this segment and could make efforts to further improve on their successes. However, the major issue with the healthy brands takes priority especially due to the increasingly influential trends in healthy eating in the adult market. Lastly, although hot cereal was an option, due to its small size in comparison to the \$9.5 billion cold cereal market and torridly growing bar market, it was not the best option to act upon.