

Oats are making waves at the breakfast table

By: Dolly Jha, Executive Director, Nielsen India



- Oats constitute 26% of the Rs. 720 crore breakfast cereals market.
- One-third of India's consumer base is not even aware of oats.
- Word-of-mouth is the biggest factor influencing consumers to try oats.
- Innovate and create new recipes and mixes to help fight the poor taste perception.

There's no denying the benefits of a good breakfast, and it's often referred to as the most important meal of the day. It's also becoming one of the healthiest.

Each part of India has its own unique breakfast habits, but communities across the country have universally steered toward healthy options over the last decade—and oats have been one of the most popular choices. Not only has the adoption of oats outpaced other healthy options in the last three years in the urban market, it has immense potential on a national scale.

In view of the growing interest for marketers in this category, Nielsen conducted a study in 11 markets (10 lakhs+ population) to understand oat consumption and to comprehend the full scope of the category. For context, oats constitute 26 percent of the Rs. 720 crore breakfast cereal market in India, which has grown at a staggering 38 percent over the last year. The bulk of this growth has been organic and has come from consumers who don't eat breakfast cereals.

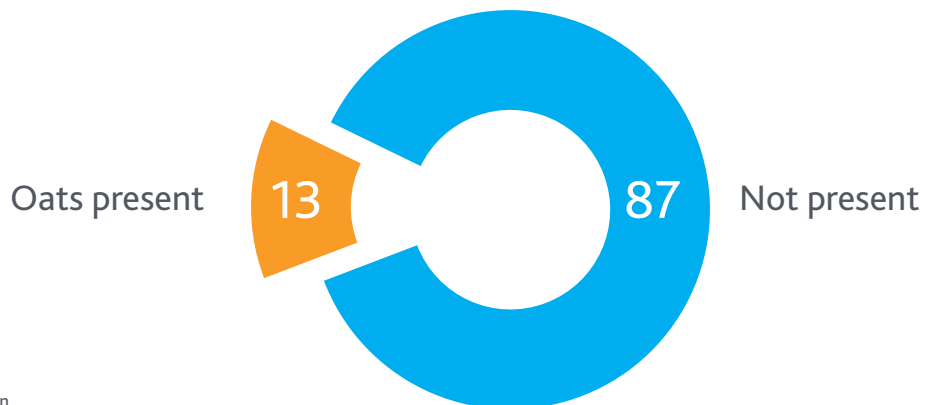
“ Nearly half of the households that consume oats in India purchase oats once a month ”

The oats opportunity

Oat consumption across India is relatively low at 13 percent, but some areas boast much higher penetration rates, particularly those in the South. Several markets in South India were early adopters of oats, such as Chennai and Cochin, which have penetration rates of 37 percent and 34 percent, respectively. The acceptance in these cities highlights tremendous opportunity for further penetration in the southern region.

Oats penetration in the Indian household

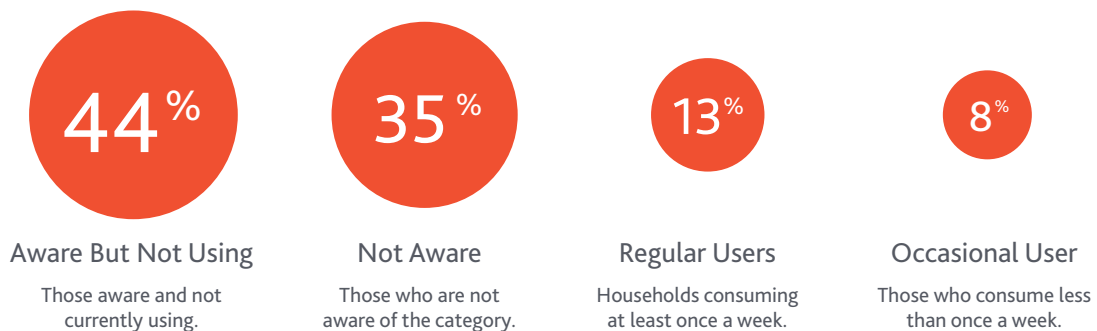
The other regions represent a notable opportunity as well, but research indicates that a large portion of the consumer base in the North, East and West remains oblivious of oats as a breakfast option. So in that respect, the lack of knowledge is the biggest barrier.



Source: Nielsen
(% consuming oats at least once a week at home)

Consumer segments in oats

Before we delve deeper into the market for winning insights, a closer look at the consumer segments gives us a clearer idea of how nascent the market is.



Source: Nielsen

Examining the appeal of oats

While most consumers know that eating oats is good for health and weight management—aspects that marketing efforts always highlight—the study revealed that approximately 54 percent of households that consume oat cereal don't face health problems.

“Consumers are aware of the health benefits, and there is a preventive perception toward oats.”

nielsen

So what sparks consumer interest in oats? The biggest influencer is word-of-mouth, at 57 percent. Other key triggers include doctor recommendations, advertisements and in-store shelf displays.

Reasons for Initiation	
Recommended by friends/ relatives / neighbours	57%
Saw advertisements	43%
Saw it in the supermarket	29%
Recommended by doctors / nutritionists/ experts	25%
Recommended by the shopkeeper	21%
My children wanted to have it	19%
My parents / parents-in-law were having it	10%

Source: Nielsen

Category Drivers

Our study shows that health benefits followed by convenience and taste are some of the most important factors that drive the oats category.



Source: Nielsen

Oats as cuisine

We found the most popular form of oats consumption being porridge with milk; housewives have also tried including oats with upma, idli, roti and dosa. Though consumers primarily eat oats for breakfast, some areas have brought the cereal into other meals as well. In Kerala, for example, nearly 49 percent of families consume it for dinner.



“There is a need to educate consumers about using oats for different recipes”

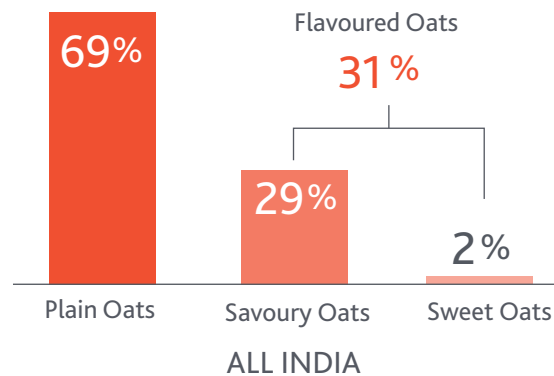


A matter of taste

Taste is a big factor for oats, as it's a strong deterrent for many non-users. That's why the introduction of flavoured oats was a massive game changer. Our study indicates that a third of the consumer base bought flavoured (savory/sweet) oats on their last purchase. There is also a heavy skew toward savoury (i.e., salty) oats.

Taste is clearly a window of opportunity for marketers to introduce new recipes, interesting mixes and different flavours. Given the inherent health benefits of oats, tastier options will surely be a winning mix.

Type of oats last purchased – plain vs. flavoured



Source: Nielsen

Oats: The way forward

Given the low penetration in India, the oats industry presents marketers with incredible opportunity. The first and simplest strategy should be to build awareness, as one-third of the population is not even familiar with the product.

Marketers need to innovate and educate consumers about using oats for different recipes that can cater to a wider base. Continuing to amplify the health benefits will also propel the category forward. As marketers meet the challenges and set strategies, oats are sure to fill our spoons at breakfast time—and around the clock as well.

Building awareness should be the key strategy since a third of the population is not even aware of oats.

Ravikumar Jayaprakash, S Suresh Kumar and Sunil George Mukkath from the Nielsen CR FMCG team were instrumental in the creation of this issue of Featured Insights.

About Nielsen

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.

