

History of Kashi

Phil and Gayle Tauber, a young married couple, started a variety of business ventures in the early 1970s that provided customers with the keys to healthy living. These keys to a healthy lifestyle revolved around balanced nutrition and exercise. Their dedication to nutrition and physical fitness led them to pursue food that was high in protein, low in sodium, low in fat and contained complex carbohydrates. As a result, the Kashi Company was founded in 1984. They first began to market cereals and cereal-based products. They promoted the Kashi Company at sporting events and gave away end-of-the-race snacks to athletes. After 16 years, Kashi was purchased by Kellogg in 2000. With the power and reach of a national cereal brand, Kashi was no longer a small company selling to a small audience, and Kellogg was able to sell a product in the natural and organic marketplace.¹

The Kellogg Company itself also started from humble beginnings. Kellogg founder, W.K. Kellogg and his brother created the first corn flake in 1898 as they searched for a better and healthier breakfast option. Eight years later, the brothers opened their first store. Kellogg has left its mark on many aspects of history. Kellogg was the first company to hire a dietitian, introduced the first high-fiber cereal, was first to display the recipe and nutrition information on the box, supplied rations to soldiers during World War II and provided breakfast to astronauts on the Apollo 11 trip in 1969. Since 1898, Kellogg has increased their fiber content and introduced new takes on the classic cereal concept, like their Special K bars. The company and its products are now present in 180 countries around the world.²

The biggest public relations issue for Kashi came in 2012 when the cereal was outed for using genetically modified soy. Consumers felt they were being lied to because Kashi branded itself as a “natural” product, although, the term “natural” has not been explicitly defined by the Food and Drug Administration.³ In response, Kellogg agreed to drop the phrases “all-natural” and “nothing artificial” from their packaging, until the company officially certified their non-GMO status in June 2016 on 11 of their food products.⁴

Industry Trends

The cereal industry is facing a period of transition in households, economic status and food trends. Cereal demand has been decreasing since the improvement of the economy. Consumers are more willing to spend their disposable income on going out to restaurants, something they had to postpone doing during the recession. With the rising levels of per capita income expected in the years leading up to 2021 and the amount of disposable income consumers are likely to have, people will be more inclined to purchase high-quality cereals. This means the healthier options that come at a higher price point will be the go-to cereal for these consumers.⁵

In regard to food trends, consumers are also opting for healthier breakfast and cereal options. Opinion on cereal is that it is overly processed and does not contain enough nutrients.

¹ <https://www.kashi.com/what-we-believe>

² https://www.kelloggs.com/en_US/who-we-are/our-history.html

³ <http://articles.mercola.com/sites/articles/archive/2012/05/19/kellogs-kashi-brand-with-ge-soy.aspx>

⁴ <https://www.kashi.com/natural-living/organic/kashi-and-the-nongmo-project>

⁵ IBISWorld: Cereal Production in the US

High sugar content and artificial ingredients are turning people off to cereal. Instead, consumers look for a high protein and fiber content cereal with all-natural ingredients.⁶ The demand for organic and whole grain cereals is going to increase based on these economic and food trends. Consumers also do not have time to sit down at the table and eat cereal. People want fast and portable foods. Consumers are choosing to purchase the on-the-go breakfast options from fast food restaurants, which creates another competitor for the cereal industry.⁷

Pressure to develop these new all-natural and organic products with no artificial flavors has led to an increase in prices of cereal. Production of cereal is highly dependent on commodity prices, these include corn, wheat and oats. For example, in 2011 wheat prices saw a sharp increase because of sanctions against Russian imports, as a result, the price of cereal and wheat based products increased. The cereal industry as a whole is expected to see a decrease in revenue at a rate of 2.1 percent each year, despite 2016 experiencing a revenue increase of 2.2 percent. In general, there are so many competitors in the cereal market that pressure to keep prices within a certain range will limit the amount of revenue growth the industry will experience.⁸

Competitive Analysis

With the surge in customer demand for healthy and natural cereal options Kashi has seen increased competition from cereals centered around being a nutritious option. Kashi's primary competitors include General Mills cereals, Cheerios and Fiber One, as well as, Post Holdings' Honey Bunches of Oats and the smaller brand Barbara's Original Puffins. All of these cereal choices are relatively similar. The key factors that will be looked at to separate each of them from one another is their price, nutritional content (sugar, dietary fiber and calories), whether they are Non-GMO certified and the type of store customers can find the brand in. All of the cereal brands being looked at will be available at local supermarkets as well as national stores like Target or Walmart.

General Mills' Original Cheerios is a strong competitor for Kashi because they brand themselves as a low cholesterol, heart healthy cereal. This cereal is not one of the cheapest options on the market being priced at \$3.98, but their cereal is one of the lowest in sugar with 1g of sugar, 7g less than Kashi's GoLean.⁹ Cheerios has been the number one cereal in America for almost 75 years because of their household name and classic branding as a cereal that is made with whole grain oats, is rich in iron and low in sugar.¹⁰ Kashi is marketing themselves in the same way, therefore, Cheerios is directly competing with Kashi as the healthy cereal choice.

Fiber One is another General Mills cereal competing against Kashi. The whole pull of Fiber One is their supposedly high fiber content, but Kashi is beating Fiber One in terms of grams per serving of cereal by 3g of fiber. Kashi also offers less sugar and is almost 25 cents less expensive. Consumers looking for a healthy breakfast option often wonder if their food is produced with artificial ingredients or pesticides and Fiber One is not a Non-GMO certified cereal, unlike Kashi's 11 certified cereal options.¹¹

⁶ Mintel: Hot and Cold Cereal

⁷ IBISWorld: Cereal Production in the US

⁸ IBISWorld: Cereal Production in the US

⁹ <http://www.cheerios.com/Products/Cheerios>

¹⁰ <http://www.adweek.com/brand-marketing/why-74-year-old-cheerios-still-america-s-no-1-cereal-166715/>

¹¹ <http://www.fiberone.com/product/fiber-one-original/>

The next cereal is Post Holdings' Honey Bunches of Oats. This is another brand that is not Non-GMO certified. Honey Bunches of Oats is by far the most expensive "healthy" cereal option, priced at \$4.48. It also has the most grams of sugar out of all the compared brands with 12g and has the most calories per serving at 220 calories. In the categories of what consumers are looking for in terms of sugar, calories, dietary fiber, price and GMO free ingredients, Kashi exceeds Honey Bunches of Oats.¹²

The last competitor is a smaller brand and often considered an "indie" cereal. Barbara's Original Puffins is available at all the usual supermarkets and big name stores. The cereal can also be found in stores considered to have more organic and natural products, these include Trader Joe's and Whole Foods. Barbara's Puffins are the most threatening cereal to Kashi. It has Kashi beat in all categories, except fiber. Barbara's offers less sugar and less calories at a cheaper price and is being displayed in Whole Foods-like stores, the perfect location to reach the health conscious customers that are perfect for Kashi.¹³

Cereal	Price (Standard Box)	Sugar (g)	Dietary Fiber (g)	Calories (per serving)	Type of Store Cereal is Found	Non-GMO Certified
Kashi GoLean (Kellogg)	\$3.28	8g	13g	180	Target, Walmart, local supermarkets, Costco	Yes
Cheerios (General Mills)	\$3.98	1g	3g	100	Local supermarkets, Target, Walmart, Costco	Yes
Honey Bunches of Oats (Post Holdings)	\$4.48	12g	4g	220	Local supermarkets, Target, Walmart, Costco	No
Barbara's Original Puffins	\$2.98	5g	5g	90	Whole Foods, Trader Joes, Local supermarkets, Target, Walmart	Yes
Fiber One (General Mills)	\$3.74	9g	10g	170	Local supermarkets, Target, Walmart, Costco	No

14

Consumer Analysis

Primary Consumer:

¹² <https://www.postconsumerbrands.com/brands/honey-bunches-of-oats/honey-roasted/>

¹³ <http://barbaras.com/products/puffins-family/original-puffins/>

¹⁴ <https://www.kashi.com/our-foods/cold-cereal/kashi-golean-original-cereal>, prices taken from Walmart

Kashi's primary consumer demographic, according to Simmons OneView's data from 2014, are generally white females between the ages of 45 and 65 with no children in their household. The divide between men and women was relatively close however, with 44 percent of Kashi eaters also being male. Kashi eaters are overwhelmingly white with 83 percent in that category. 70 percent of the consumers are employed either full or part time and the median household income is around \$87,000 a year, but the number of consumers making \$100,000 a year or more is almost 50 percent. This also speaks to the education level of Kashi eaters, 20 percent have graduated high school, 22 percent have graduated from a four year college and 14 percent have attended graduate school and received a degree. However, of Kashi eaters 74 percent do not have any children in the household, but 68 percent are married.¹⁵

Kashi's consumers are also defined by their attitudes towards health and how that motivates what they spend money on. Kashi consumers are 31 percent more likely to pay just about anything when it concerns their health. In regards to that, 51 percent of Kashi eaters are more likely to try and include plenty of fiber in their diets and 44 percent consider breakfast more important than lunch or dinner. Currently, 59 percent of Kashi consumers are more concerned with how many calories are in what they eat. Political leaning and geographic region of the US are pretty much all evenly split as well. There is also a slight leaning towards more conservative tendencies for Kashi eaters.¹⁶

All of these insights into the average Kashi eater create the profile of a middle-aged white woman that is focused on fiber, calories and what is best for her health and whose children are probably grown and out of the house. Being the primary consumer, these women hold power as an influencers of Kashi.

Secondary Consumer:

Kashi's secondary consumers are harder to pinpoint. The primary consumers are so apparent, but the data on any other demographics are not as clear. Other than white consumers, all races have a low percentage of eating Kashi regularly, so secondary consumers can be African American, Asian, Hispanic or another race or ethnicity. Age-wise Kashi is also eaten by a younger demographic between the ages of 25 and 34, so generally millennials. However, this data is also less concrete. The average income for these secondary consumers is between \$40,000 and \$70,000 and this includes consumers with only some high school experience, but who did not necessarily graduate.¹⁷

Brand Analysis

As a brand that has many missions, the mindset of Kashi is one of wholesomeness. From the cultivation process to consumption, Kashi begins with goodness and ends with goodness in the hands of consumers. Using the motto, "7 whole grains on mission," Kashi combines ingredients that one's body will thank he or she for, and ones the palate can appreciate. As a company, Kashi has continued to use products that are Non-GMO verified, and has begun work with farmers in order to expand its organic farming. Kashi's practices paired with the products further the image of a natural brand that is good for the earth and good for the soul.

¹⁵ Simmons OneView

¹⁶ Simmons OneView

¹⁷ Simmons OneView

In order to reach consumers with the mission of wholesome food Kashi has taken various measures to relay this message across different mediums. It starts with the packaging. Looking at the shelves of cereal in the grocery stores, there are loud colors, wild illustrations and advertised ingredients closer to dessert than breakfast. What sets Kashi apart to consumers in the simplicity of the packaging. The packaging is simple to match their mission. The cereal provides a breakfast, snack or topping that tastes good because of its simplicity; the “7 whole grains” speak for themselves, without the loud packaging to speak for it. For consumers, the Kashi brand sends the message of a food that provides nutrition. It reads to a population that is health conscious and one that believes in the overall good for the environment.¹⁸

Media Usage Analysis

Kashi Golean Brand is currently using a variety of media to convey its messages to its audience. According to the 2013 Food & Beverage media usage data, Kashi spent differently across 11 different types of traditional media, such as TV, magazines, radio and more. The majority of their advertising budget is designated to advertisements on network and cable TV stations. However, Kashi Golean Brand employs specific placements across a range of mediums in advertisements depending on their different product lines. For example, Golean Crisp and Golean Crunch Cereals utilized their entire \$7,401,100 budget towards magazine advertisement alone. In contrast, their Vanilla Graham clusters employs a wide range of TV placement on cable, network, and syndication. This can reveal the demographics of audiences Kashi is attempting to attract based on their individual media consumption habits, and also illuminate some alternate strategies Kashi can utilize to better appeal to its strongest target audiences.¹⁹

Kashi can play up its strengths of its successful native advertisements and media partnerships with outside companies. An example of a strong Kashi advertisement originated with the company recently paired up with the print and digital franchise “Eat This, Not That!” The franchise makes recommendations and comparisons of brands based on nutritional values with the aim of improving health. When Kashi collaborated with “Eat This, Not That!” to generate brand awareness, the company recognized that there was not a lot that Kashi fans did not know about their favorite healthy food company. The company produced an article about some must-know fun facts about the company's history, culture, and product nutrition that framed Kashi in a positive and healthy light. This is significant because people look to that franchise to compare brands to find the healthiest alternative, and Kashi was able to promote their low-sodium, low-sugar options in a discrete way that did not appear like an obvious advertisement.²⁰

Another strength of Kashi's media placement was its partnership of the 2014 Winter Olympics in Sochi, Russia. Kashi launched its first-ever U.S. Olympic campaign, featuring cross-country skier and World Champion Kikkan Randall in television ads that ran during the Olympic coverage. Kashi's partnership with Randall was supported by a fully integrated marketing program and spread the word that living a healthy, positive lifestyle begins with eating right. The collaboration with Randall received immense positive reaction from viewers and

¹⁸ <https://www.kashi.com/>

¹⁹ Simmons OneView

²⁰ <http://www.eatthis.com/kashi>

increased brand awareness with one of the highest publicized television events. This demonstrated a positive opportunity for Kashi to grow the spread of brand knowledge and receptiveness.²¹

A weakness of Kashi activity is its lack of opportunities for interactivity online, specifically on social media. While they have an active online presence, Kashi is missing an opportunity for reaching an extended audience based on its limited following on their various platforms. For example, Kashi's Instagram has a little over 3,000 followers, but has the chance to make a more prominent online presence with an increased development of their online advertisements.²² As a form of controlled promotion, Kashi has the opportunity to capitalize on online consumers by providing an interactive experience for users through their social media accounts. This would expand awareness of the brand's significant qualities.

Kashi's media usage differs from its direct competitors, specifically Cheerios, Fiber One, and Honey Bunches of Oats Product Lines. Cheerios and Honey Bunches of Oats possess some of the highest advertisement budgets in the cold cereal product category. While Cheerios distributes their budget relatively equally between network, spot, syndication, and cable TV, Honey Bunches of Oats concentrates their funds in only network and cable TV advertisements. They also implement radio advertisement as part of their overall marketing strategy, which is unlike most of their competitors. Fiber One has a comparable total spending amount to Kashi Golean. A large portion of Fiber One's spending is designated to promote their 80 Calories Chocolate Cereal, with its primary advertising medium being cable TV.²³

An analysis of Kashi consumers' media usage presents multiple opportunities for Kashi to increase brand awareness and convey messages utilizing different mediums. Kashi Golean consumers are mostly using a variety of sources, specifically print, TV, and online to obtain information. For example, 82.2 percent of people who consume Kashi Golean products are active on social media.²⁴ This could prove to be a new target audience for Kashi's advertisements if the company wants to reach a new group of consumers. Another medium that presents an opportunity for Kashi promotion is advertising placement in magazines. According to Simmons database, almost 40 percent of Kashi consumers often engage in this print medium. With this information, Kashi creators can initiate a redesign of print advertisements that would effectively convey its messages to its consumers.

Category Creative Analysis

Looking across Kashi's various advertisements and marketing platforms, the company's creative messages tend to promote natural nutrition, living life to the fullest and positive change. These elements are evident throughout Kashi's print and digital advertisements, social media outlets and their company website. Instead of merely promoting a brand through their creative strategy, Kashi is marketing an entire lifestyle of eating and living right.

These three key attributes of Kashi's creative strategy are most apparent in the "Stories" campaign featured on their website. "Stories" is a collection of Kashi-generated blog posts divided into one or more of the following categories: "Live Fully," "Food Inspiration" and

²¹ <http://newsroom.kelloggs.com/2014-01-08-Kashi-Debuts-First-U-S-Olympic-Campaign-Around-Sochi-2014-Olympic-Winter-Games>

²² <https://www.instagram.com/kashi/?hl=en>

²³ Simmons OneView

²⁴ Simmons OneView

“Insist on Change.” The “Live Fully” tab features “lifestyle” stories aimed to help consumers become their “best self.” For example, one article details Wanderlust festivals, which are gatherings rooted in yoga and mindfulness started by “friends of Kashi.” This theme of living life fully is evident in Kashi commercials as well, such as their #GOTOGETHER: Plant-Powered Music ad, which features a group of individuals enthusiastically engaging in a number of seaside activities, such as surfing, swimming, yoga and a picnic. The “Food Inspiration” section mostly features articles on Kashi ingredients, as well as how to incorporate Kashi products into new recipes. These articles focus heavily on nutrients and whole ingredients, which are a main element in Kashi’s creative strategy. In nearly every creative outlet, whether it is a Kashi Instagram post, commercial, or even the packaging of their products, whole, natural ingredients take the forefront. Finally, the “Insist on Change” segment of the blog highlights Kashi’s mission to instigate change in the food production industry. Articles here highlight topics such as sustainable food production and organic farming. Kashi’s move to support “Certified Transitional” crops, which are crops in the process of being officially organic, are a key part of their recent creative strategy. Kashi pushed their involvement with “Certified Transitional” crops on their Instagram and Facebook accounts in addition to their website, seemingly to encourage consumers to view Kashi as a company passionate about improving their customers’ lives, as well as the planet as a whole.²⁵

Kashi’s creative messages are successful to an extent. The fact that Kashi is trying to forward a full lifestyle through their marketing, opposed to merely a product, is an interesting approach. Consumers might be more attracted to a brand that promotes a way of life opposed to merely a product. However, there are some areas of improvement. For instance, the Kashi website is very dense. In order to understand Kashi’s mission and the kind of lifestyle they are attempting to promote, the consumer has to do some digging and read through a lot of information. Furthermore, their most recent commercial was produced over six months ago. In order to successfully advance their brand, Kashi could benefit from some simple, straightforward and easily accessible creative messages that are regularly distributed.

Kashi’s competitors focus on some similar themes in their creative messages, such as how their products are nutritious and can contribute to a “healthy” lifestyle. For instance, the Cheerios website, as well as various Cheerios advertising campaigns, feature messages highlighting Cheerios as heart healthy.²⁶ Similarly, the Barbara’s website focuses on how their products are heart healthy, have low sugar and are health professional-approved. Fiber One takes a very different approach, however.²⁷ Instead of embracing the image of a “health food,” Fiber One attempts to present fiber as indulgent, as seen through how they market their products as “cravings” and “sweet treats.”²⁸ Overall, while Kashi’s competitors focus heavily on their products in their creative messages, Kashi is more devoted to embodying an entire lifestyle through their marketing efforts.

Public Opinion and Stakeholder Analysis

²⁵ <https://www.kashi.com/>

²⁶ <http://www.cheerios.com/>

²⁷ <http://barbaras.com/products/puffins-family/>

²⁸ <https://www.fiberone.com/our-foods/>

General trends that affect Kashi's products are the increase in buying organic and gluten-free, both trends that Kashi has adapted to. According to the United States Department of Agriculture Economic Research Service the demand for organically produced goods is continually showing double digit growth.²⁹ Kashi is meeting this demand and filling this market by offering organic and non-GMO certified products. In addition to the perceived health benefits of eating organic, many people are more concerned about the environment and may believe that by eating organic and eating Kashi products they are helping the environment.

Kashi is under the Kellogg's Company brand of cereal, however, this is not directly obvious in Kashi's branding. Kellogg's company also owns some unhealthy brands such as Pop Tarts, Eggo, and other cereals like Fruit Looks and Cocoa Krispies. Some of these cereals could even be seen as Kashi's competitors such as Special K cereal. The head of Kashi, David Denholm, was the former president of Chobani Yogurt, and he works independently on the Kashi brand under the overarching Kellogg's brand.³⁰

In 2014, Kellogg's company agreed to stop using the terms "All Natural" and "Nothing Artificial" labels on Kashi products and pay \$5 million dollars in a settlement.³¹ This publicized case brought attention to Kashi products and the ingredients in the products, and is a possible source of mistrust for consumers. According to the FDA, the administration has "not developed a definition for use of the term natural or its derivatives." Adding, "However, the agency has not objected to the use of the term if the food does not contain added color, artificial flavors, or synthetic substances."³² Although this mistrust is a trend with Kashi, and they have tried to confirm to their customers that many of their products are in fact certified organic, many Kashi consumers are still concerned that Kashi is falsely labeling their food or adding GMOs to their food. There is a group of people that do not believe in Kashi and their values, however, there is a larger strong group of people who believe in Kashi, and believe that their products are the "healthy choice." Women were most active on social media with commenting on posts whether positive or negative.

After an in-depth look into social media accounts of Kashi, the conclusion is that the main concern for consumers is the use of GMOs and pesticides in Kashi's products as expressed in mostly the comments on their various forms of social media, not addressed directly with independent posts. With all forms of social media, except for their Pinterest account the hashtag #GoTogether is used. On Twitter, Kashi is extremely interactive with their customers by both retweeting and responding to their consumers. These tweets are either customers endorsing or expressing their love for Kashi products, especially endorsing from accounts who have "RD" or "Registered Dietician" in their bio or twitter name. In addition to this, they will post food videos featured recipes using Kashi products. One example is "nice cream" with their plant power protein powder shake.³³ On Instagram and Twitter, a large emphasis is put on gluten-free items. Also featured on Instagram is pictures of the Kashi team filming a commercial on an organic farm. There are some photos with criticisms in the comments section and no response to the criticisms. In response to these complaints, Kashi shared that all Kashi foods are Non-GMO

²⁹ <https://www.ers.usda.gov/topics/natural-resources-environment/organic-agriculture/organic-market-overview/>

³⁰ https://www.kelloggs.com/en_US/our-brands.html

³¹ <http://www.cbsnews.com/news/kashi-to-drop-all-natural-label-from-some-products-to-settle-lawsuit/>

³² <http://www.fda.gov/AboutFDA/Transparency/Basics/ucm214868.htm>

³³ <https://twitter.com/kashifoods?lang=en>

Project Verified, and that the butterfly logo on their food denotes that that product is Non-GMO. When responding to criticisms on social media Kashi will respond with a response such as:

“Please know that the USDA Certified Organic requirements for ingredients used in our Organic Promise line prohibit the use of glyphosate and requires physical barriers between organic and non-organic ingredients to prevent cross contamination.”³⁴

Within their Instagram photos, every photo features some sort of green smoothie, matcha protein powder, or vegetables. This automatically brands Kashi as a wholesome and natural brand. On Facebook, they also interact with their consumers on their posts in the comments section. Kashi will share positive articles written about them, including an article from “Eat This, Not That.” They also did a feature of themselves and their Lights On Initiative. In a Facebook post they state “Thanks to our Lights On Initiative, the Bolivian farmers who grow our quinoa now have lights in their homes for the very first time. We helped install 60 solar panels and spent time talking about how we can continue to help make things better.”³⁵ On Pinterest, similar recipes from Instagram and Facebook are posted in addition to recipes based on holidays, kid-friendliness and various types of meals.

SWOT Analysis

Strengths:

- Kashi is branding and marketing itself as a lifestyle and not just a product.
- Kashi has a strong motto and self-identity (“7 whole grains on a mission”).
- The company is trying to make a positive change through philanthropic ventures. They are connecting with farmers and helping them produce organic foods.
- On social media they are engaging and interact with their followers by respectfully replying to positive and negative comments.
- Kashi is reaching a demographic that is well-educated and making high salaries.

Weaknesses:

- Kashi has not had any new advertisements in almost seven months.
- The website is too dense and cluttered. It is hard to navigate and has too many words.
- Kashi is not the “healthiest” cereal option on the market.
- Kashi is currently only reaching a wealthy, white demographic.

Opportunities:

- Kashi can profit from the health trends, organic products and non-GMO craze.
- With American diversifying Kashi can reach a new audience other than the current white demographic.
- Kashi can partner with other healthy living brands (Justin’s, REI).

³⁴ <https://www.instagram.com/kashi/?hl=en>

³⁵ <https://www.facebook.com/kashi/>

- With higher per capita income of consumers coming in the next years, people are willing to pay for a pricier, healthier cereal.

Threats:

- No definition for what is “natural” or “healthy.”
- GMO/organic standard regulations changing can be trouble for Kashi.
- Trendier and “organic” stores that will not sell Kashi is a problem for reaching that audience.
- Health trends come and go, Kashi can fall out of favor.
- Local farmers that Kashi works with could be unreliable.

Key Issues and Implications

Currently, Kashi is essentially only reaching white people, therefore, Kashi is only getting a small number of people to eat their cereal. With the changing demographic landscape of America today, Kashi is missing out on an entire audience they could be marketing to. This untapped market for the cereal brand can provide ample opportunities for Kashi. Targeting the African American, Asian and Hispanic demographic could lead to a bigger profit in the long-run, this means it would be in Kashi’s interest to start expanding their advertising and making moves towards becoming more inclusive with their representation.

Consumers do not want to and do not have time to sit down at a table and eat breakfast, so they are turning to fast food restaurants as an alternative. Coupled with the fact that the average per capita income has increased since the 2008 recession, cereal is not what consumers are spending money on. Kashi needs to rebrand cereal as more than just milk and a bowl. Cereal is portable and long lasting. Kashi has to either convince consumers that taking the time out of the day to eat breakfast is important or that Kashi cereal can seamlessly fit into their busy lives. Selling Kashi as a luxury cereal might attract these consumers.

Another key issue for Kashi is the fact that the terms “natural” and “healthy” are not explicitly defined by the United State Food and Drug Administration. This caused a lot of trouble for Kashi in 2012 when they were outed for using pesticides on their soy. Being a large name-brand cereal, Kashi has to pay close attention to consumers’ opinions on what they consider “natural” or else Kashi could face backlash from customers and retailers again. It is up to Kashi to be transparent in their ingredient list and pesticide use, but since the summer of 2016 Kashi has had 11 of their products certified as non-GMO. This “natural” definition debate allows Kashi to be upfront with their consumers. By defining “healthy” and “natural” for itself, Kashi can let customers know the standards Kashi expects of itself and can set the standards for similar competing cereals. It will give consumers a reference point on what Kashi means when it says it uses all natural ingredients and promotes a healthy lifestyle because “health” in this industry is a relative term. The standards for being pesticide free and non-GMO are also subject to change and Kashi should be able to adapt to those changes in expectations and regulations.