

PLANT-BASED & DAIRY-FREE SERVES UP SIX YEARS OF DOUBLE-DIGIT GROWTH¹. READY FOR MORE?



Plant-based eating has undeniably been the defining consumer trend of the past 12 months. Sales of plant-based & dairy-free – the single biggest part of the fast-growing plant-based universe – have hit £454 million², with a whopping £57 million added last year alone². But this hasn't happened overnight. This category has grown by a phenomenal 140% in the last six years¹, and it is one that is here to stay. The great news is that we've still only just scratched the surface, with even more explosive double-digit growth predicted in the years to come.

PLANT-BASED & DAIRY-FREE AT A GLANCE:

PLANT-BASED (R)EVOLUTION

Amidst an explosion of innovation that's seen the introduction of 'bleeding' burgers, plant-based ready meals, and even alcohol alternatives – to name just a few – it's fair to say there is more choice than ever before for the rising number of 'flexitarian' shoppers wanting great-tasting, healthy and sustainable alternatives.

But, amidst this changing plant-based scene, there is one constant.

'Plant-based & Dairy-Free' has recorded remarkable and consistent double-digit growth – exploding by 140% in value in the last six years alone¹. How? By giving this fast-growing group of shoppers exactly what they want – products that are better for them, better for the environment, delicious, and easy to use every day.

Now, as the category racks up yet another year of impressive growth, with value sales up +15% year on year² – and two in five households¹ making plant-based drinks, alternatives to yogurt, cream, desserts and ice cream a regular feature in their shopping baskets – it's clear that this success story still has a long way to run.

Indeed, with forecasts showing that this double-digit growth trajectory is only set to continue, this category leads from the front as the single biggest sector in plant-based – and the growth engine of the future.

ALPRO AHEAD OF THE CURVE

At the forefront of this growth is Alpro. The brand has catapulted plant-based & dairy-free into the mainstream to now account for 56% of all value sales².

"As the clear and consistent category leader¹, there's no question that we sparked the plant-based boom – and we will be the brand to accelerate this even further," says David Jiscoat, Marketing Director at Alpro UK & Ireland.

"We're responsible for driving 66% of all new plant-based shoppers into the category¹ and continuing to drive spend¹," continues Jiscoat, "because we offer on-trend products that are good for people and good for the planet – with absolutely no compromise on taste – and deliver ground-breaking innovation that makes people take notice.

"At the same time, we've positioned our products as the ideal simple swap for anyone to take that first step towards a balanced lifestyle, irrespective of their dietary persuasion," adds Jiscoat.

"Now, with a population that is increasingly engaged in issues around healthy eating,



sustainability and choice – and more than half of the UK striving to make 'small changes' to their diets³ – there's also no question that there's a huge opportunity to propel further growth, and that Alpro will be the brand to lead it."

MAKE THE MOST OF PLANT-BASED & DAIRY-FREE WITH ALPRO

WHY ALPRO? THE NUMBERS

VALUE SALES =
£223.4M

↑ +5%¹

ALPRO =
56%
OF ALL VALUE SALES²

NO. OF HOUSEHOLDS BUYING =

1 IN 3

↑ +5%¹

ALPRO = DRIVING
66%
OF NEW SHOPPERS INTO THE CATEGORY¹

THE PLANT-BASED & DAIRY-FREE HOTSPOTS

Here's your ultimate guide to the category's hotspots.

KEY GROWTH DRIVERS²

Here are the three fastest areas of growth:

OAT DRINKS



UHT DRINKS



PLANT-BASED ALTERNATIVES TO YOGURT



KEY INSIGHTS

- 1 OAT IS ON TRACK TO BE THE #1 INGREDIENT IN PLANT-BASED DRINKS BY THE END OF 2020²
- 2 ALPRO'S UHT OAT DRINK LINE-UP - INCLUDING UNSWEETENED, ORIGINAL AND BARISTA VARIANTS - IS THE FASTEST-GROWING IN THE CATEGORY, WITH TRIPLE-DIGIT GROWTH OF +128%²
- 3 ALPRO CAFFÈ IS A STAR-PERFORMER - UP +9% YEAR³ AS MORE AND MORE SHOPPERS SEEK OUT PLANT-BASED OPTIONS TO ENJOY ON-THE-GO

WHY ALPRO? THE USPS. DAVID JISCOOT EXPLAINS.

40 YEARS OF KNOW-HOW

"We made our first soya drink back in **1980**, which means we've got **40 YEARS OF EXPERTISE**. We've spent this time adding almonds, oats, coconuts, hazelnuts and rice to our ingredients list, and drinks, alternatives to yogurt, cream, custard, desserts and ice cream to our line-up – carving out the **£454 MILLION²** plant-based & dairy-free category as we know it today."

HEALTHY & NUTRITIOUS

"All of our products have a **CREDIBLE NUTRITIONAL PROFILE**, and offer a real 'value add' – whether that's being high in fibre or low in saturated fat – but what really puts us a cut above the rest is the fact we fortify our range with **CALCIUM AND VITAMINS D, B2 AND B12**. We also have a whole line-up of 'Unsweetened' products that are **100% SUGARS-FREE** which, for us, is one of the best examples of what can be achieved using the power of plants."

A SUSTAINABLE CHOICE

"We've blazed a trail in **SUSTAINABLE PRODUCTION** from day dot. From pioneering the sourcing of soya beans closer to home in European countries such as France, Italy and Austria, to sourcing all of our almonds from the Mediterranean, where production is **90% RAIN-FED**. Better still, in 2020 we'll be making some big changes to our packaging to move us even closer to our ambition of switching to **100% PLANT-BASED PACKS** by 2025."

"Great taste is a given when it comes to food and drink, and this is as true of plant-based products as any other category. That's exactly why offering **DELICIOUS PRODUCTS** is always top of the list at Alpro, and we make sure to offer a huge range of ingredients so people have the freedom to pick and choose their favourites to enjoy in all sorts of ways throughout the day, with absolutely no compromise."

TASTE TOPS THE AGENDA

WHO'S BUYING, WHY & HOW DO THEY CHOOSE?

Let's be clear. The plant-based & dairy-free category has evolved hugely over the past 12 months, and this means an increasingly interesting picture is emerging of today's plant-based shopper. From who they are, to why they're buying these products – and how – let's take a look at what you need to know to maximise growth³:

THE WHO

Needs-based shoppers remain key, but it is mainstream shoppers driving sales³. That's right, plant-based & dairy-free is catching the eye of 'flexitarian' shoppers⁶ – a diet now followed by circa. **25.2 million people across the UK**⁷.

THE WHY

Here are the four key macro trends driving today's shoppers towards plant-based food and drink⁸:



HOW DO THEY CHOOSE³?

- ✓ **STORE FIRST** – they pick a store where they know they'll find the products they want
- ✓ **THINK AHEAD** – the choice of which brands and which products is made pre-store
- ✓ **HELP AT FIXTURE** – they want you to make it easy when they get there. Inspire them. Differentiate flavours and ingredients and showcase innovation

WHAT THIS MEANS FOR YOU

ACCORDING TO TOM KERR, HEAD OF CATEGORY MANAGEMENT AT ALPRO UK & IRELAND, THE KEY TO SUCCESS IN THIS SECTOR IS SIMPLE:

Ultimately, it's all about making plant-based & dairy-free products a hero in-store. Steer clear of 'Free From' and site them next to their dairy counterparts with clear, compelling category signage that groups the best-selling products from the best-selling brands together. Make it easy for shoppers when they get to the fixture, and find ways to excite them when they do. Think inspiration with usage occasions, and refreshing NPD that genuinely gives shoppers something they haven't seen before.



NPD SPOTLIGHT – TWO NEW LAUNCHES FROM ALPRO

ALPRO DAILY NUTRITION

Alpro is offering retailers the chance to catch the eye of a whole new base of plant-based shoppers with this two-strong range of premium plant-based drinks with 'added' benefits. Alpro Daily Immunity is made with the goodness of oat and strengthened with echinacea, plus fortified with vitamin C and zinc; while Alpro Daily Vitality has the great taste of almond combined with extracts of guarana, and is fortified with vitamins B6, B9 and 12. Both contain no added sugars and are available in 100% recyclable and 50% rPET bottles. Available now at an MRSP of £2.29 [750ml].



ALPRO ABSOLUTELY OAT

Absolutely Oat recently joined Alpro's popular Big Pot line-up to offer shoppers a 100% oat-based option in the yogurt aisle, and capitalise on fast-growing demand for plant-based & dairy-free Oat drinks [+103%²]. Naturally low in sugars and fat, Absolutely Oat has the highest oat and fibre content on the market⁴, as well as the added benefit of natural cultures. Available now at an MRSP of £1.99 [350g pot].





CRACKING THE CONVENIENCE OPPORTUNITY

It's time to really push plant-based & dairy-free beyond grocery and give the people what they want – which is plant-based products readily available from everywhere that they buy other food and groceries³.

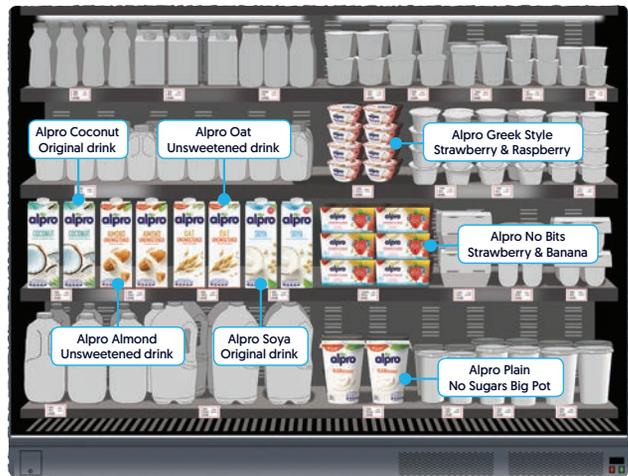
That means cracking the convenience channel, where sales are already storming +35% in value⁵ and plant-based shoppers will typically spend 40% more in-store⁵.

At the same time, while only 9% of regular plant-based shoppers currently buy from a convenience store³, a huge 85% agree that they would if the right products were available³.

This points to a huge opportunity for smaller stores if they can get their offer right.

“The convenience channel is still massively under-trading on plant-based,” explains Tom Kerr. “Yet it really is easy to start getting it right, just by following some simple rules to ensure that plant-based shoppers are catered for whenever they need to top up throughout the week.”

THE 'TOP UP' SHOPPER'S PLANT-BASED HOT-LIST



PLANT-BASED & DAIRY-FREE: THE PERFECT SERVE FOR YOUR MENU

“It's no secret that demand for plant-based coffees out of home has exploded over the past 12 months,” says David Jiscoot, Marketing Director for Alpro UK & Ireland, “but the great news for operators is that this is really only just the beginning⁹.”



OF COFFEE DRINKERS ARE PLANNING TO DRINK MORE PLANT-BASED COFFEES THIS YEAR



WILL ONLY VISIT A COFFEE SHOP THAT OFFERS A PLANT-BASED OPTION



ARE MORE LIKELY TO VISIT A COFFEE SHOP IF PLANT-BASED IS ON THE MENU



WILL VISIT THAT COFFEE SHOP MORE OFTEN

“The key to success is serving up a range of plant-based drinks specially formulated for use in coffee, such as our four-strong ‘For Professionals’ line-up of Oat, Coconut, Almond and Soya drinks,” continues Jiscoot.

“It's almost important to start thinking beyond coffee by using plant-based options in popular breakfast dishes such as porridge and smoothies, especially when you consider the fact that 25% of people are more likely to visit a coffee shop that offers plant-based options on its menu.”



CRAIG READ, MANAGING DIRECTOR, ALPRO UK & IRELAND

Plant-based & dairy-free is in exceptional growth. £57 million of sales² have been added in the past 12 months alone, and one in three households¹ are now regularly buying our products, which puts both Alpro and the wider category now firmly in the mainstream.

But let's be clear, there is still so much room for growth – in grocery, convenience and out of home.

If we work together to deliver more plant-based options to more people, more frequently – whenever and wherever they want them – then growth will accelerate even further.

As you've hopefully seen from the previous pages, we can achieve this together by getting some basic fundamentals right, as well as now signalling the category's rightful place in the mainstream.

With sales and penetration on track for even more explosive growth over the coming years, make sure you're ready to make the most of plant-based & dairy-free – or risk missing out on one of the biggest trends and opportunities available anywhere in food and drink.

1. Nielsen Homescan 52 w/e 25.01.20 2. Nielsen Scantrack 52 w/e 25.01.20 3. Alpro Shopper Study, 2020 4. 15.5% oat content per 350g; 2.7g fibre content per 100g – both versus competitive set 5. Nielsen, MAT TY w/e 25.01.20 6. IGD 2019 7. Based on 38% of UK population (66.44m – ONS, Jan 2020) 8. IGD ShopperVista 2019, Mintel Food & Drink Trends 2030 9. Censuswide survey of 2,007 UK adult coffee drinkers – study conducted between 13th – 16th March 2020