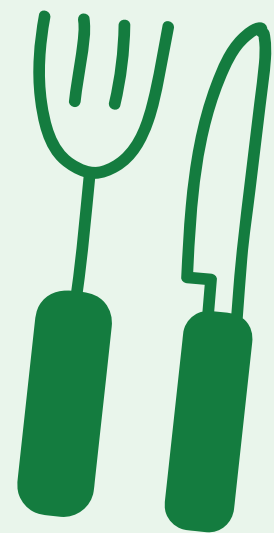


8 KEY STATISTICS FOR PLANT-BASED BUSINESSES

Understanding the market and consumers

If you're involved or interested in the burgeoning plant-based market, it's vital that you A) understand the market and B) understand consumers. This involves staying on top of the latest innovations, whitespaces, growth predictions, opportunities, and challenges of the plant-based marketplace, as well as getting to grips with ever-evolving consumer behaviours, preferences, and drivers.



Understanding the market and consumers

To help you maximise your plant-based product sales, we've compiled this handy infographic which brings together some of the most important statistics related to the plant-based market and its consumers. With these insights, you'll be able to:

- better understand your target audience(s)
- target consumers in the most effective ways
- better understand some of the challenges and opportunities of the plant-based market
- identify critical areas of the plant-based sector with which to get involved
- drive your plant-based product sales, and retain and gain customers.



Flexitarians are responsible for up to 90% of sales of plant-based alternatives¹

Interestingly, flexitarian consumers (those who eat and drink both plant-based and conventional products) make the bulk of plant-based purchases. So, when it comes to marketing plant-based goods, it is imperative to target flexitarians, not merely vegan and vegetarian consumers.

Vegans represent less than

<4%

of total addressable consumers

Around

30%



of EU consumers now identify as

flexitarian or reducetarian

Flexitarians are responsible for up to 90% of sales of plant-based alternatives¹



In practice, research shows that 70% of Beyond Meat's consumers are flexitarians and that nine out of 10 US consumers who purchase plant-based milk also purchase dairy milk.²

By shifting your marketing focus from vegans to flexitarians, you could unlock a total addressable market that is over 10 times larger!

Manufacturers and retailers should focus their marketing, product development, and merchandising efforts on this segment while ensuring their products are accessible to mainstream consumers' need for affordable and convenient foods.



Actions



ProVeg International recommends that retailers and producers:

- provide plant-based alternatives to traditional products in order to ensure broad appeal
- focus on indulgence – choose high-quality, plant-based brands
- prioritise veganising your ready meals, baked goods, snacks, and confectionery – these often only have one or two animal ingredients, and constitute a huge commercial white space
- prioritise taste and texture in your formulation – work with a tasting and feedback service (like ours) to ensure that your product will be a hit with consumers
- get V-label certifications – this will increase the health appeal of legacy products that are ‘accidentally vegan’ and drive reducetarian sales.



57% of consumers agree that stocking meat-free products in the animal-based meat aisle would help them to make more plant-based purchases³


The location of plant-based products in stores and online strongly affects customer pick-up and purchase rates. Where and how you position items on a shelf and in which aisle or online category matters.



Integrated merchandising increases sales because it puts plant-based products in front of flexitarians, the largest consumer audience. Flexitarians and omnivores are less likely to venture into separate plant-based aisles – by grouping plant-based products in a ‘vegan’ aisle, you group them as ‘only for vegan consumers’ and not for flexitarians and reductarians.

With animal-based foods still dominating supermarket shelves and e-commerce sites, grouping plant-based products next to their conventional counterparts on shelves and on websites can give a fair chance to plant-based items.





“Plant-based foods become normalised when consumers see them with animal-meat-based products and that gives a higher chance of them being trialled.”

LISA GAWTHORNE

Founder of Bravura Foods

Actions

ProVeg International recommends that retailers:

- Build a new way of working, where X number of product slots in an animal-based category are reserved for vegan products, and integrate placement.



A whopping 88% of people state taste as their primary reason for buying a product⁴

When consumers decide whether they like and, therefore, want to buy a product, taste is the most important factor. Every survey that the experts on taste, the International Food Information Council Foundation, has carried out has confirmed this.

How do you get a consumer to taste your product before they purchase it?

When it comes to plant-based food in particular, the importance of taste is emphasised; research has found that taste is the main driver for consumers making plant-based purchases.⁵ And, the good news is that the food produced by many plant-based brands is super tasty! But some consumers don't yet know this.⁶ So plant-based brands must win over consumers' taste buds before winning over their wallets.

In order to attract flexitarian consumers to your plant-based brand, taste-based marketing is essential.



Actions



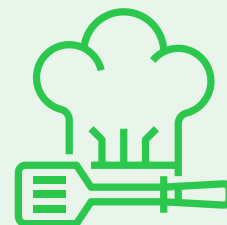
ProVeg recommends the following best-practice strategies:

WORK WITH INFLUENCERS:

- Build relationships with influencers who are aligned with your brand values and have a flexitarian following. Offer them free products to try, and if they like them, offer them free products to give away to their followers.

PARTNER WITH CHEFS AND FOOD SERVICES

- Start by partnering with independent chefs – learn how they prepare and serve your products, look at how consumers respond, and ensure that you're ready to scale production.
- If your product requires specific preparation, then offer free training sessions for teams of chefs to help them reinvigorate their menus with your plant-based alternatives.
- Approach restaurant chains and food-service companies in order to maximise the number of consumer touch points for your products – you want to be in cafés and restaurants, as well as in canteens at hospitals, universities, schools, and governments.



Actions



ProVeg recommends the following best-practice strategies:

USE FOOD TRUCKS AND POP-UP GIVEAWAYS

- Invest in touring with food trucks that you own or hire in order to raise awareness of your brand and give consumers a great taste experience. Be sure to choose high-footfall locations and clash-free dates.

OFFER DISCOUNTS AND FREEBIES

- If possible, offer regular and sustained discounts in order to entice new flexitarian consumers to try your products.
- Partner with retailers to ensure that your promotions are advertised to their customers prominently in-store and online.



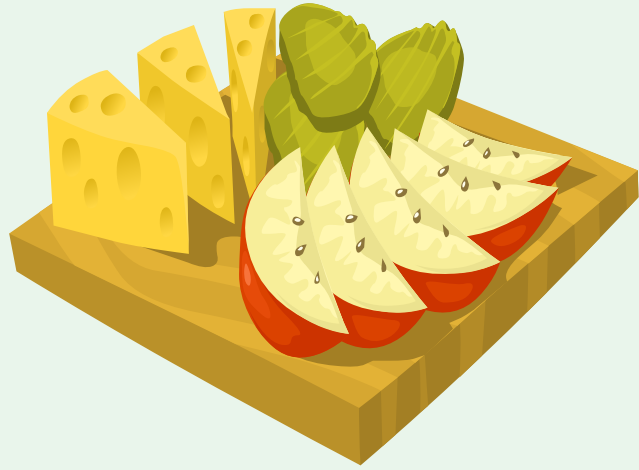
The plant-based snack market has a projected growth rate of 8.7%, outstripping the projected growth of the snack market as a whole (6.7%)⁷

Experts predict that by 2032, the growth of the plant-based snack market will be greater than that of the conventional snack market – a significant feat.

Plant-based snacks can come in many forms, including pastries, chocolate, cereal-based snacks, fruit and nuts, snack bars, and more. Innovative new products are growing the category's scope and further increasing its consumer base.

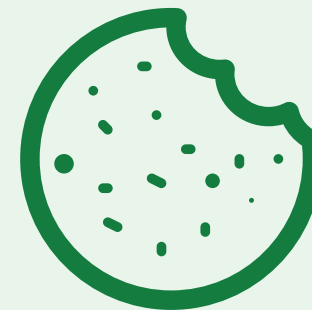


Snack consumption has risen greatly in Europe and North America in the last few years, and studies predict that this trend will continue to grow, since the demand for food is steadily rising. With this in mind, plant-based snack manufacturers are likely to witness immense potential for growth.⁸



The plant-based snack market has a projected growth rate of 8.7%, outstripping the projected growth of the snack market as a whole (6.7%)⁷

The growth and demand demonstrate the opportunities offered by the plant-based snack market; a key space for brands and retailers to get involved in. But within such a competitive landscape, how do we produce stand-out plant-based snacks that consumers really want, and how best to market them?



- rising per-capita income and disposable income among consumers
- increased consumer interest in premium products
- increased consumer attention to health and fitness
- changing preferences for more sustainable foods.

To ensure your products are what consumers want and to maximise sales, it's important to be aware of the reasons for the category's growth and the main factors which are driving consumers to make more plant-based snack purchases. Some of these include:

The plant-based snack market has a projected growth rate of 8.7%, outstripping the projected growth of the snack market as a whole (6.7%)⁷

Health is one of the most significant drivers. With many consumers associating vegan foods with both health and luxury, the plant-based snack industry is set to gain even greater momentum in the coming years, as more consumers start seeking out more products to fulfil these desires.

“Health-conscious consumers opt for private label goods which are high quality, healthy, and sustainable, which has rendered the plant-based snacks market a lucrative option for many foods and beverages businesses.”

FUTURE MARKET INSIGHTS⁹

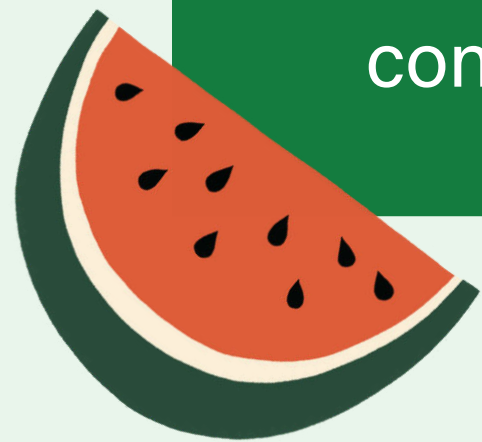
However, consumers looking for healthy vegan snacks also want them to be tasty, with both factors influencing purchasing decisions.

Actions

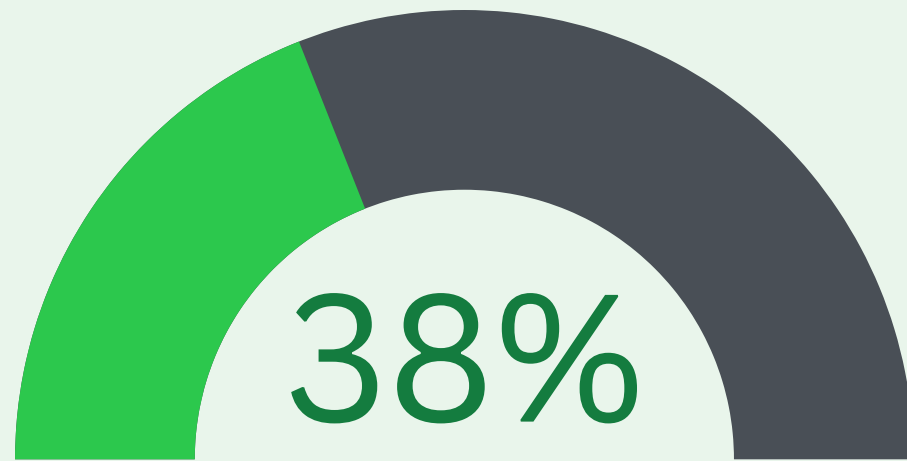


To maximise your plant-based snack sales, ProVeg recommends that you:

- prioritise the inclusion of healthy, natural ingredients in plant-based snacks, ensuring that your recipes are free from additives and stabilisers
- make sure marketing and packaging draw attention to the health benefits and natural ingredients of your products
- make taste a number one priority in the production, merchandising, and marketing of your plant-based snacks
- look to veganise existing snack products to ensure you gain and retain health-conscious consumers.



Only 38% of flexitarian consumers are very likely to eat plant-based cheese instead of conventional products, compared to 53% of flexitarians likely to eat vegan meat products¹⁰



This differential is likely due to the fact that the plant-based-meat sector is far more mature than the plant-based-cheese sector, which is still in its infancy. However, there is a strong demand for more and better plant-based cheese products, giving numerous whitespaces to fill.

While research shows a high level of demand for 'holy grail' cheese products such as cheddar and mozzarella, the market for these products is quickly becoming saturated.¹¹

Consider how you can either improve on the current offerings – for example, by investing in new ingredients and technologies – or develop a new cheese analogue for an equivalent that is currently not widely available to consumers, such as halloumi. When people say that they 'could never give up cheese', it is likely these luxury products to which they are referring.

Only 38% of flexitarian consumers are very likely to eat plant-based cheese instead of conventional products, compared to 53% of flexitarians likely to eat vegan meat products¹⁰

Plant-based mozzarella and plant-based sliced cheese are the top two cheese products that flexitarians wish they could buy in supermarkets.

However, there are many more plant-based cheese products that they would really like to see on supermarket shelves. For instance, more than 800 flexitarians who participated in the survey indicated that they wanted to have far more plant-based cream cheese, grated cheese, and hard cheese (e.g. parmesan, cheddar) options available in supermarkets. Development of innovative and improved tastes and textures will greatly expand the category and substantially boost consumer adoption.

“You need to be a little bit daring. You need to try something new and something exciting.”

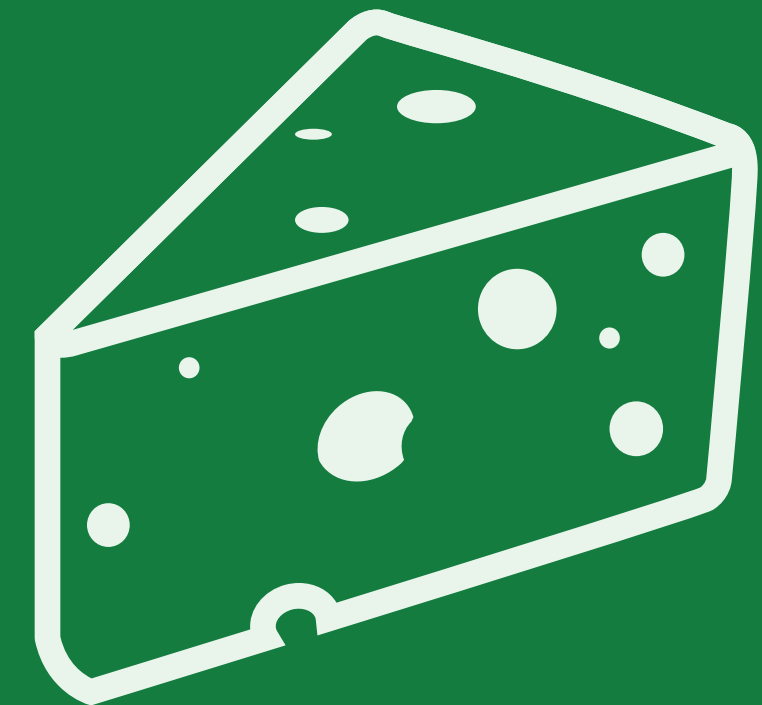
STEFANO ZANATTA

MozzaRisella

Actions

If your business is looking to develop a plant-based-cheese product, there are four key strategies you can employ to target flexitarians and enjoy higher profit margins:

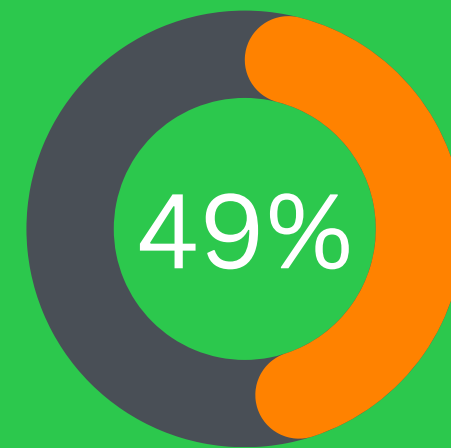
- focus on developing great tasting and textured products
- promote familiarity by highlighting utility
- get your product in front of the consumer
- be careful with labelling and regulations.



67% of people believe that plant-based products are too expensive when compared to animal-based food products.¹²

Price parity is a great point of contention between plant-based and animal-based food products, with the majority of plant-based items being priced much higher than their animal-based counterparts.

Certainly, price is a key barrier to widespread plant-based consumption, with a yet-to-be-published ProVeg survey finding that 67% of respondents believe that plant-based products are too expensive compared to animal-based food products.¹³ The survey also found that 67% of people would prioritise saving money over making ethical purchases when the cost of living increases.



would choose plant-based products if they were cheaper than their animal-based equivalent, while only 23% said they would not demonstrating that price is a major barrier.¹⁴

Notably, research has found that price parity between plant-based and animal-based products would increase the market share of plant-based retail packaged-meat sales in the US from 2.7% (its 2020 figure) to 20%.¹⁵

Reducing the costs of your plant-based products is essential for increasing consumer adoption and meeting your sustainability goals.

Actions



Retailers can take action to achieve price parity via three key steps:

FAIR MARGINS

- Bring your plant-based margins into line with those of your animal-based products. This will increase consumer adoption and thus drive higher overall revenue. ProVeg recommends a maximum retail margin of 15% for plant-based products. You can phase this in with long-term discount days, like Carrefour Belgium's 20% discount on 'Veggie Thursdays'. If you want to be a market leader, you can introduce permanent price parity across your plant-based and animal-based ranges, as Tesco and Co-op have done in the UK.

INNOVATE AND NEGOTIATE

- The best way to reduce supply costs in the long term is to continually innovate and invest in R&D, in terms of both food technologies and production equipment. Legacy technologies can't necessarily achieve the new functional ingredients you might need to produce plant-based alternatives at a cost-efficient scale. It's also essential to partner with farms to ensure a long-term supply of plant protein. A long-term deal reduces risk for both farmers and suppliers, which reduces costs for you.



Actions

Retailers can take action to achieve price parity via three key steps:

LOBBY FOR SUBSIDY AND TAX REFORM

- Animal-based products are artificially cheap, which prevents consumers from adopting healthier and more sustainable plant-based alternatives. Retailers can advocate for their consumers and combat climate change at the same time by campaigning for reform of the subsidy system. ProVeg is calling for a level playing field between animal-based and plant-based products, worldwide. We urgently need a fair transition for farmers and subsidy/tax systems that protect both consumers and the planet. You can help to spearhead this reform – email corporate@proveg.com to find out more.



The alternative protein market is set to grow to \$290 billion worldwide by 2035¹⁶

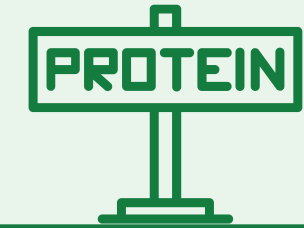
If you're looking for a sign to get involved in the alternative protein market, this is it. In just seven years, it's predicted to make up 7.7% of the \$2.1 trillion global protein market and by 2023, it's predicted to be worth \$290 billion worldwide.¹⁷

So, in this scene that is becoming increasingly competitive, how can you help your products stand out?

Looking even further ahead, plant-based and cultured meat are forecasted to reach a share of 60% of the global meat supply by 2040.¹⁸ This staggering prediction shows the potential of the alternative and cultured meat and dairy segments.



Actions



ProVeg recommends that you:

- constantly work to innovate your lines and invest in the development of new protein analogues that will excite consumers and provide them with indulgent experiences they are used to
- focus on indulgence first – meaning great taste and texture. Then make the price accessible. Other consumer considerations include health benefits (e.g. fibre, protein), followed by environmental factors (e.g. lower emissions, less deforestation, less water). This hierarchy of motivations should inform your broader marketing strategy, both in-store and online.^{19 20}
- keep one step ahead of the trends that are informing the alternative protein space, and use them to give your products and brand a competitive advantage
- prioritise stocking plant-based alternatives over traditional animal-based products – consumers want familiarity but with new benefits that fit their lifestyle.
- integrate placement of plant-based and animal-based proteins
- work with organisations like ProVeg to identify gaps in the sphere and produce stand-out products and marketing campaigns. Get in touch at corporate@proveg.com.

The global plant-based food market was valued at \$40.21 billion in 2021 and is expected to reach \$78.95 billion by 2028 with a CAGR of 11.9%²¹



In five short years, the worldwide plant-based food market will hit \$78.97 billion, up 11.9% from 2021. This double-digit growth shows that plant-based will continue to be a force to be reckoned with and one that all savvy businesses must take note of. Indeed, by 2035, the plant-based food market will account for $\frac{2}{3}$ of global consumption.²² That's a lot of lost sales if you don't adapt to changing consumer preferences.

There is no better time than now to get your plant-based strategy in hand for your business, and there is an easy way to do it.

Actions

ProVeg suggests:

- For expert advice on plant-based product development, retail strategy, merchandising and more, talk to us. ProVeg works across the whole value chain, supporting organisations to unlock the power of plant-based revenue. Get in touch at corporate@proveg.com.
- Check out our full catalogue of corporate services to find out more.



Key takeaways

To achieve high plant-based sales and customer retention, it is imperative that your business stays ahead of the curve, analysing trends and market opportunities that influence the plant-based space.

Throughout this infographic we learned some of the key statistics to pay attention to:

1. Flexitarians are responsible for up to 90% of sales of plant-based alternatives.²³
2. 57% of consumers agree that stocking meat-free products in the animal-based meat aisle would help them to make more plant-based purchases.²⁴
3. Taste is the primary motivator for plant-based food purchases.²⁵
4. The plant-based snack market has a projected growth rate of 8.7%, outstripping the projected growth of the snack market as a whole (6.7%).²⁶
5. Only 38% of flexitarian consumers are very likely to eat plant-based cheese instead of conventional products, compared to 53% of flexitarians likely to eat vegan meat products.²⁷
6. 67% of people believe that plant-based products are too expensive when compared to animal-based food products.²⁸
7. The alternative protein market is set to grow to \$290 billion worldwide by 2035.²⁹
8. The global plant-based food market was valued at \$40.21 billion in 2021 and is expected to reach \$78.95 billion by 2028 with a CAGR of 11.9%.³⁰

WANT TO DIVE DEEPER INTO ANY OF THE TOPICS RAISED BY THESE STATS?

Head back to our **New Food Hub** and check out our collection of whitepapers, webinars, infographics, and case studies which further explore the topics raised in this infographic.

If you're looking to develop your plant-based strategy, ProVeg can help. Get in touch by emailing us at corporate@proveg.com.

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