CONSUMER INSIGHTS REPORT

PLANT POWER.

WHAT’S BEHIND THE MARKET GROWTH FOR PLANT-BASED FOODS?

BRIGHT SCIENCE. BRIGHTER LIVING.™
Within a single generation our eating habits have become almost unrecognizable. Mention words like ‘veganuary’ or ‘flexitarian’ even five short years ago and people may have thought you were speaking a foreign language. Today, these words, along with the drive to replace animal products with plant-based alternatives, are fast becoming part of the mainstream.

Take veganuary, the UK-based movement that encourages people to go vegan for January. When it started in 2014, the campaign signed up 14,000 people¹. In January 2019, an astonishing 250,000 people signed up. In fact, some 33.5% of Britons say they are now cutting down on meat, according to a study last year by OnePoll².
And that's just one country. In America, sales of plant-based foods rose 20% in the year to June 2018 according to the market research group, Nielsen3. Berlin has become the vegan capital of Europe4 with some 60 dedicated restaurants. Meanwhile, it’s estimated that 35% of French consumers have cut down on their meat and fish intake5. Globally between 2018 and 2023, milk alternatives are expected to have a CAGR of 6.2%, and meat substitutes a CAGR of 6.4%6.

The whole world hasn’t quite gone vegan. But one thing is very clear: consumers are changing their meat and dairy consumption habits by adding plant-based proteins to their diet more frequently—and they are doing so to improve their diets in terms of health and sustainability.

At DSM we wanted to know more about this trend. So late in 2018 we commissioned a consumer survey on people who are opting for an increasingly plant-based diet. We surveyed around 500 people who go meat- or dairy-free at least once a week in each of five countries: Germany, France, the Netherlands, the UK and USA. These are our findings...

**TAKEAWAYS ABOUT PLANT-BASED DIETS:**

1. The plant-based lifestyle is becoming increasingly ‘normal’: Half of our respondents are cutting animal protein from their diet without intentionally setting out to do so.
2. Plant-based diets will continue to grow in popularity. Around two-thirds will eat even less animal protein in future.
3. Health drives plant-based diets: More than ever, consumers are watching what they eat and choosing health above all.
4. Sustainability is surging as consumers wake up to the environmental impact of the food they eat (get ready for the climatarians!).
5. Taste and texture is what determines success for meat and dairy alternatives.

**CONCLUSIONS ON A CHANGING LANDSCAPE**

It seems that increased choice is the operative phrase in the world of plant-based diets. Yes, consumers are changing their eating habits by replacing animal products with plant-based proteins more frequently for health reasons; but they are also looking beyond health and seeking out animal products that are more sustainably and ethically produced. As an industry, perhaps it’s time for us to start thinking beyond the narrow parameters of ‘meatless Monday’, and recognizing that for many adventurous consumers it’s increasingly more about adding new foods than simply subtracting existing ones. In fact, 46% of survey respondents who consume dairy on a daily basis told us they also occasionally consume dairy alternatives. This in turn represents a huge opportunity for food manufacturers who can cater to this growing need for a greater quality and choice of healthy options that taste good while being kind to the planet.
THE PLANT-BASED TREND IS GROWING...

What exactly is a plant-based diet? In addition to vegan and vegetarian lifestyles, the definition of a ‘plant-based’ diet is becoming increasingly flexible to include for example, the flexitarian diet, where individuals consciously reduce their meat intake without giving it up completely.

It also includes the part-time vegan diet, which sees individuals giving up all animal products for a period of time—from seven to 30 days or more—or for particular meals of the day like breakfast and lunch, as with the ‘Vegan Before 6’ diet, described in the cookbook of the same name by Mark Bittman.

One of the most extraordinary findings of our research was that more than half of our participants who are reducing their dairy intake are not doing so intentionally; and the number is only slightly lower for those who are reducing meat.

58% of our respondents said that although they were reducing their dairy intake... this was not a conscious decision.

44% of those reducing their meat intake were similarly unaware that they were doing it.

THE OPPORTUNITY

“Our research shows that some people are reducing their meat and dairy intake unintentionally, and an abundance of choice might be part of the reason for this trend. When your local supermarket stocks everything from quinoa milk to ‘bleeding’ burgers, it’s understandable that consumers would be willing to give these exciting new options a try.”

Ben Rutten, Business Manager
Milk and Dairy Alternatives
...AND IT’S NOT SLOWING DOWN.

Our research indicates that once you start adopting a more plant-based diet—regularly replacing animal products and swapping different foods in and out of your diet—you’re unlikely to go back. In fact, most of the conscious meat reducers we surveyed intend to decrease their meat intake even further in the next three years, with dairy reducers not too far behind.

71% OF THE CONSCIOUS REDUCERS WE SURVEYED EXPECT TO FURTHER DECREASE THEIR MEAT INTAKE IN THE NEXT 3 YEARS.

60% OF THOSE CONSCIOUSLY REDUCING THEIR DAIRY EXPECT TO CONTINUE DOING SO IN THE NEXT 3 YEARS.

THE OPPORTUNITY

“Dairy companies today are smart to look to the future and incorporate plant-based alternatives into their ranges. Interestingly, we are starting to see the convergence of these two worlds—plant and dairy—into new combinations like vegetable spreads with a touch of butter, or dairy yogurts with plant-based inclusions. These blended products could make the plant-based diet even more appealing and accessible for a growing number of people.”

Ben Rutten, Business Manager Milk
IT’S TIME TO RETHINK OUR DIETS AND THEIR ROLE IN PERSONAL AND PLANETARY HEALTH.
MORE (VARIETY) IS MORE IN A HEALTHY DIET.

Without doubt, the biggest driver behind the adoption of plant-based diets is health. The science is clear: A varied diet that includes a wide selection of fruits, vegetables, grains, legumes, and lean meats is good for overall health. Swapping out meat or dairy a few times a week allows consumers to incorporate a greater variety of plant foods in their diets, which many people lack.

65% OF MEAT REDUCERS WE SURVEYED ARE DOING SO FOR HEALTH REASONS.

THE OPPORTUNITY

“The fact that health is such a major factor confirms what we’ve been seeing for some time now in the food industry: the continued trend for label-conscious and proactive consumers who feel good about what they eat. Our survey shows that when consumers choose meat or dairy alternatives, they are even more likely to be attuned to the health quotient of their foods. A challenge for producers of meat or dairy alternatives is to create a great taste without too much sugar, salt or fat in the recipe.”

Gerard Hardeman, Business Director Savory Ingredients

IN FACT,

THE MAJORITY OF CONSUMERS WE SURVEYED WOULD LIKE TO SEE RETAILERS AND MANUFACTURERS TAKE A STRONGER LEAD HERE.

61% OF OUR SURVEY PARTICIPANTS WOULD LIKE TO SEE IN-STORE FOOD LABELING THAT INDICATES WHETHER FOOD IS HEALTHY FOR THEM.

71% OF DAIRY-REDUCERS BELIEVE THAT DAIRY ALTERNATIVES ARE HEALTHY.
CONSUMERS TAKE A BITE OUT OF CLIMATE CHANGE.

Health is a major factor in the rise of veganism, vegetarianism and flexitarianism... but sustainability is not far behind. The next eating trend has already started in the form of ‘climitarians’—flexitarians who are well informed on environmental issues and very conscious of the negative impact of food production on our planet.

Furthermore, while many of the meat reducers we surveyed regularly cut meat and other animal products from their diets, more than half are happy to replace an animal product like meat...with another animal product (most likely an egg) at mealtime.

61% OF MEAT REDUCERS WE SURVEYED BELIEVE THAT PEOPLE SHOULD CUT DOWN ON THE AMOUNT OF ANIMAL PRODUCTS THEY CONSUME IN ORDER TO BE MORE SUSTAINABLE.

53% OF OUR SAMPLE WILL ADD EGGS (AN ANIMAL PRODUCT) TO A MEAT-FREE MEAL TO MAKE IT MORE COMPLETE.

THE OPPORTUNITY

“Consumers are waking up to the fact their food choices can contribute to climate change—and are pledging to make positive changes. The message for all of us is that it’s no longer simply an animal protein versus plant protein debate. To feed a planet with 10 billion people, we need to continue taking actions to create a more sustainable food system overall: whether it’s safeguarding farm animals; taking steps to reduce carbon (and in the case of cattle, methane) emissions; or reducing waste in dairy production.”

Fatima Zoundri, Sustainability Manager
WHAT CONSUMERS THINK OF MEAT ANALOGUES.

The entire food business is built around taste. But for those reducing meat in their diets, meat analogues—products created to have a similar taste or texture to meat, like meatless chicken nuggets—have a long way to go in terms of achieving a ‘wow’ flavor.

52% RATED THE TASTE AS BEING “OK” AND JUST 28% THINK THE TASTE IS “GOOD” OR “VERY GOOD.”

Vegetarians, by contrast, were more satisfied with the taste of meat analogues. Some 68% rated their taste as “good” or “very good.”

1 IN 4 MEAT REDUCERS WE SURVEYED EAT MEAT ANALOGUES REGULARLY.

1 IN 3 MEAT REDUCERS WOULD PAY MORE FOR MEAT ANALOGUES THAT HAVE A SIMILAR TASTE TO MEAT.

1 IN 3 MEAT REDUCERS WOULD PAY MORE FOR MEAT ANALOGUES THAT HAVE A SIMILAR NUTRITIONAL PROFILE TO MEAT.

In addition, nutrition is a growing priority for people who are cutting back on their meat intake. Fortification is emerging as a way to enhance the appeal of some meat analogue products.

THE OPPORTUNITY

“These facts may seem a little disappointing but they represent a huge opportunity. People who are reducing their meat intake clearly want meat analogues that taste better. As this group continues to consume animal products in their diet, they have a constant comparison point and will have higher standards for convincing taste. In this growing category, the brands that crack the flavor code will stand to capture consumer loyalty.”

Gerard Hardeman, Business Director Savory Ingredients
WHAT CONSUMERS THINK OF DAIRY ALTERNATIVES.

In comparison to meat analogues, dairy alternatives enjoy a much longer history and a wider appreciation by consumers. Soy, rice, nut, and coconut milks have been used in some cultures for centuries as a beverage or to flavor foods. Today, this range of diversity is available in many common supermarkets and is giving way to a whole new range of dairy alternatives derived from oats, quinoa, hemp and spelt, to name a few. In our survey, almond beverage is the global favorite among dairy alternatives, followed by coconut and soy.

THE OPPORTUNITY

“The key to great flavor in milk drink alternatives is more than taste, it’s also texture. Enzymes can help makers of grain-based beverages, like oat or spelt, to convert the starch to create a water soluble product with the desired mouthfeel and a natural sweetness—essential for health-conscious consumers who also want a great taste.”

Ben Rutten, Business Manager Milk

NEARLY HALF OF RESPONDENTS CONSUME DAIRY ALTERNATIVES MULTIPLE TIMES A WEEK.

42% OF DAIRY REDUCERS WHO CONSUME DAIRY ALTERNATIVES SAY THE TASTE IS “OK” WHILE 44% SAY IT’S “GOOD” OR “VERY GOOD”.

43% OF DAIRY REDUCERS WHO DO NOT CONSUME DAIRY ALTERNATIVES SAY THEY DON’T LIKE THE TASTE OR TEXTURE OF THESE PRODUCTS.
TO FEED A PLANET WITH 10 BILLION PEOPLE, WE NEED TO CREATE A MORE SUSTAINABLE FOOD SYSTEM OVERALL.
COUNTRY-SPECIFIC DIFFERENCES.

OUR RESEARCH REVEALED SOME INTERESTING VAGARIES AND DIFFERENCES BETWEEN COUNTRIES.

AMERICA: GO FOR FISH. Participants from this country were the only ones not to list eggs as their number one meat replacement. Instead, they like to replace meat with fish or legumes.

BRITAIN: SOLD ON THE HEALTH and sustainability benefits of meat analogues. Some 73% were (very) satisfied on this front, way above the other countries.

THE NETHERLANDS: TRUST THEIR SUPERMARKET way above the internet when it comes to flexitarian diet information. They were the only country to do so (their second option was to ask family or friends).

FRANCE: LEADING THE LABEL-CONSCIOUS REVOLUTION. Some 73% would like to see more grocery store labels indicating healthy food, by far the highest among our sample.

GERMANY: HARDEST TO INFLUENCE with in-store promotions. Some 48% said they don't let point-of-sale marketing affect their plans; far higher than other countries.
At DSM we offer an extensive toolbox of savory ingredients and solutions that pack flavor into meat and non-meat respectively; our heritage in dairy cultures and enzymes that deliver both taste and texture is unmatched; and our beverage enzymes can support in creating an appealing taste and texture in grain-based drinks like oat milk.

The one characteristic these innovations share is their contribution to healthy diets for all without straying outside our planetary boundaries, and thus not contributing to climate change, food waste and pollution—to name a few. This report confirms that progressive and adventurous consumers want an increased choice and quality of food that is nutritious & healthy; kinder to the planet and animals; and that preserves our natural resources.

We couldn’t agree more.

RESEARCH NOTES
This DSM Insights Report conducted by Totta Research surveyed 500 people from each of the featured 5 countries, split between 5 age groups: 18-30, 31-40, 41-50, 51-60 & 61-plus. These groups were split (fairly) evenly between those with higher and lower education, and the majority of participants (67%) were the primary household shopper. Research took the form of an online quantitative panel, conducted in late 2018.

4 2018 August 16. The Local. How Veganism is taking over the German capital. https://www.thelocal.de/20160816/how-veganism-is-taking-over-the-german-capital
6 Euromonitor
DSM Food Specialties - Enabling Better Food for Everyone
At DSM Food Specialties we are driven to enable better food for everyone. We provide ingredients and solutions that enable our customers to make healthier and more sustainable consumer food and beverage products. We are driven to partner with our customers to create food choices that people around the world can truly enjoy.

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