Got Coconut Milk?

Exploring Plant-based Food Trends with Vita Coco

FEBRUARY 2024

BACKGROUND

The plant-based alternatives industry is at a crossroads. The popularity of **solely plant-based diets** (i.e., veganism, vegetarianism) has been in steady decline since their peak in 2019, prompting some brands to consider "putting meat back on the menu."

At the same time, meat and dairy consumption have also seen steady decline over this same period.

Clearly, not just vegans and vegetarians consume meat-free and dairy-free products.

Study Details

Objective:

Understand market sentiments around plant-based food and uncover ways to maximize the appeal of plant-based products beyond the traditional vegan and vegetarian demographics.

Methodology:

12-minute survey on the aytm platform fielded from February 8–12, 2024

Target Audience:

- Are involved with HH grocery shopping
- Follow a Vegan, Vegetarian, Pescatarian, or Flexitarian diet *OR* place high importance on plant-based food options for meals and snacks.

What We'll Cover

Consumer Food Attitudes, Diet, and Motivations for prioritizing plant-based foods

Plant-based Brand Awareness and Purchase

Plant-based Opportunity: Barriers, Demand by Category, Innovation

Plant-based Market Segmentation

Learnings & Key Takeaways

Implications for Innovation and Brand Communications

Food attitudes, reasons for prioritizing plants

FOOD AND NUTRITION ATTITUDES*

Consumers who prioritize plant-based foods believe that **nutrition plays a key role in their overall health** – with many tracking their nutrient intake and paying attention to what they eat.

89%
Believe food and nutrition play an important role in one's overall health

Gen Zers are less likely to believe in the connection between food and overall health than their older counterparts

83%
Enjoy trying new and different foods

70%
Connect with others through food

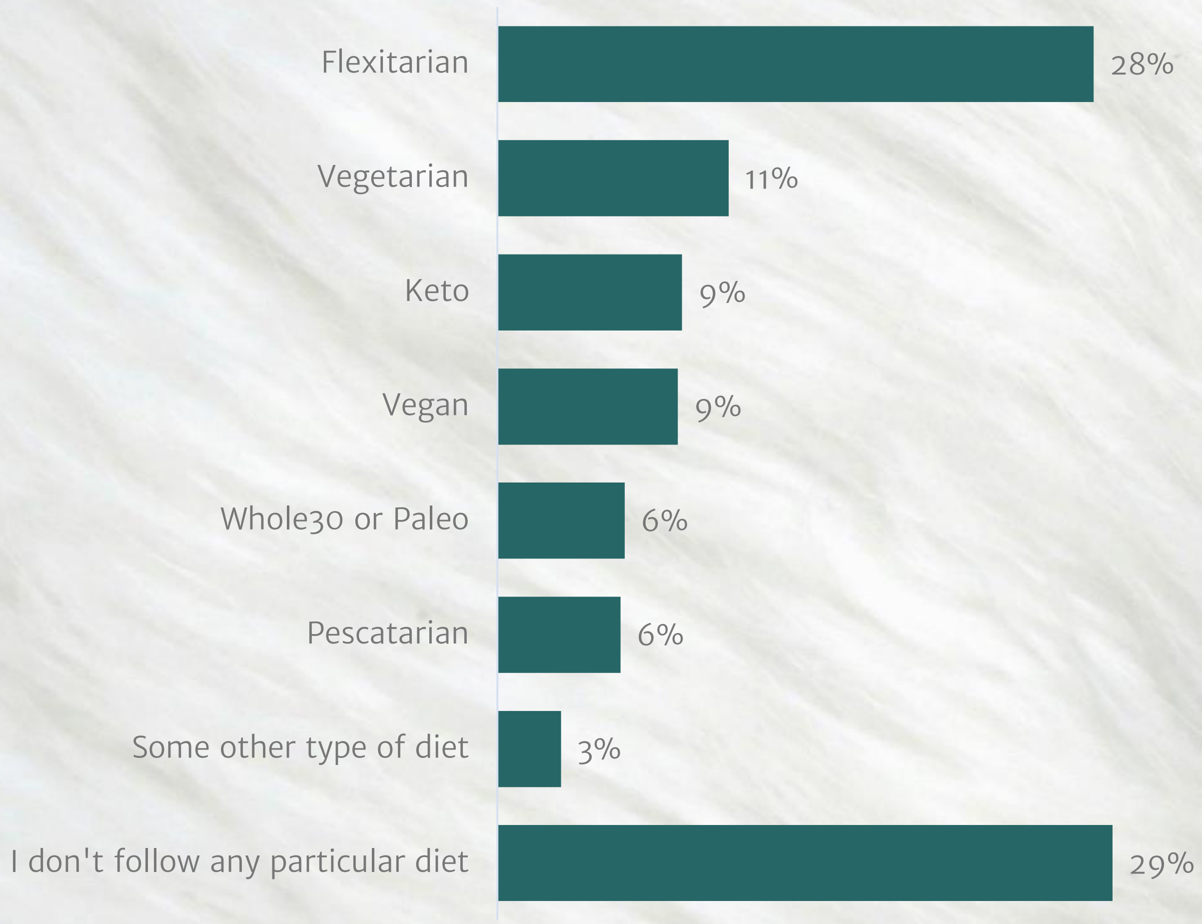
65%
Typically track or measure their nutritional intake

51%
Are mindful of what they eat

**Food attitudes that index high among consumers who prioritize plant-based foods*

However, these consumers do **not necessarily follow a strict vegetarian or vegan diet** – with most either describing themselves as flexitarians or saying they don’t follow a particular diet.

PRIMARY DIET FOLLOWED



CONSUMER MOTIVATIONS IN THEIR OWN WORDS

At the heart of a consumer's decision to eat plant-based is a desire to **improve their health, the health of the planet, and end suffering on factory farms**.

I eat plant-based for me....for the planet... and for animals...

*"**Plant-based foods are healthier** and can be just as flavorful with a variety of seasonings and preparations."*

*"It **helps my health** and I enjoy **taking care of the environment**."*

*"It is **healthier for personal reasons** and **environmental reasons**. There are fewer trans fats in plant-based foods. There are also animal health reasons that have a **significant impact on climate change that plant-based foods reduce or eliminate**."*

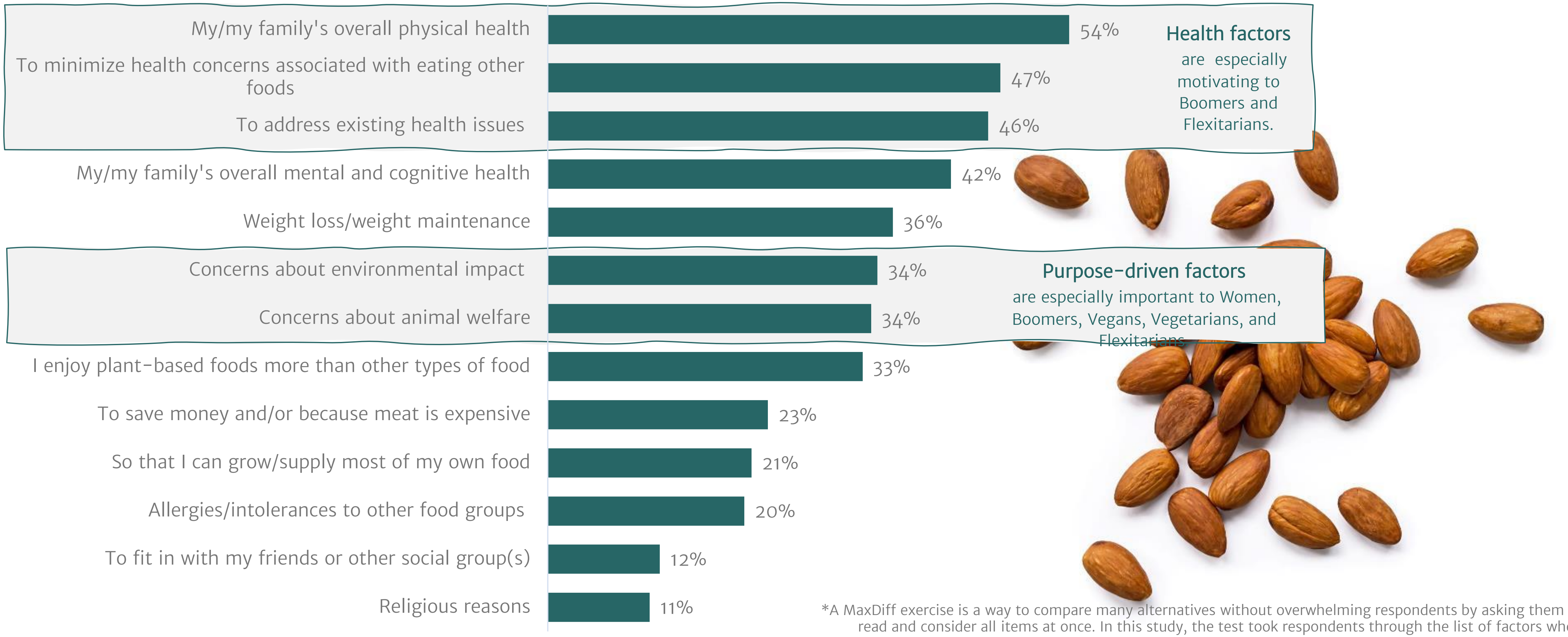
*"**Plants have a lot of nutrients** that animal products don't, and it's more ethical to eat plant-based foods because **animals are suffering on factory farms**."*

*"It's easier to have a **diet based on lightly processed or unprocessed foods**."*

While these three factors play a significant role in prioritizing plant-based foods, **consumers are most motivated by improving their health and the health of their family**.

IMPORTANCE FOR PRIORITIZING PLANT-BASED FOODS

(Preference Likelihood Based on Maxdiff Results)*



*A MaxDiff exercise is a way to compare many alternatives without overwhelming respondents by asking them to read and consider all items at once. In this study, the test took respondents through the list of factors when grocery shopping and showed them in a balanced order to each respondent 4 at a time.

Plant-based brand awareness and purchase

When asked which brands come to mind when they think of plant-based foods and/or beverages, **most consumers mention meat alternatives**, like Beyond, Impossible, Morningstar, and Gardein.

TOP OF MIND BRANDS (UNAIDED AWARENESS)

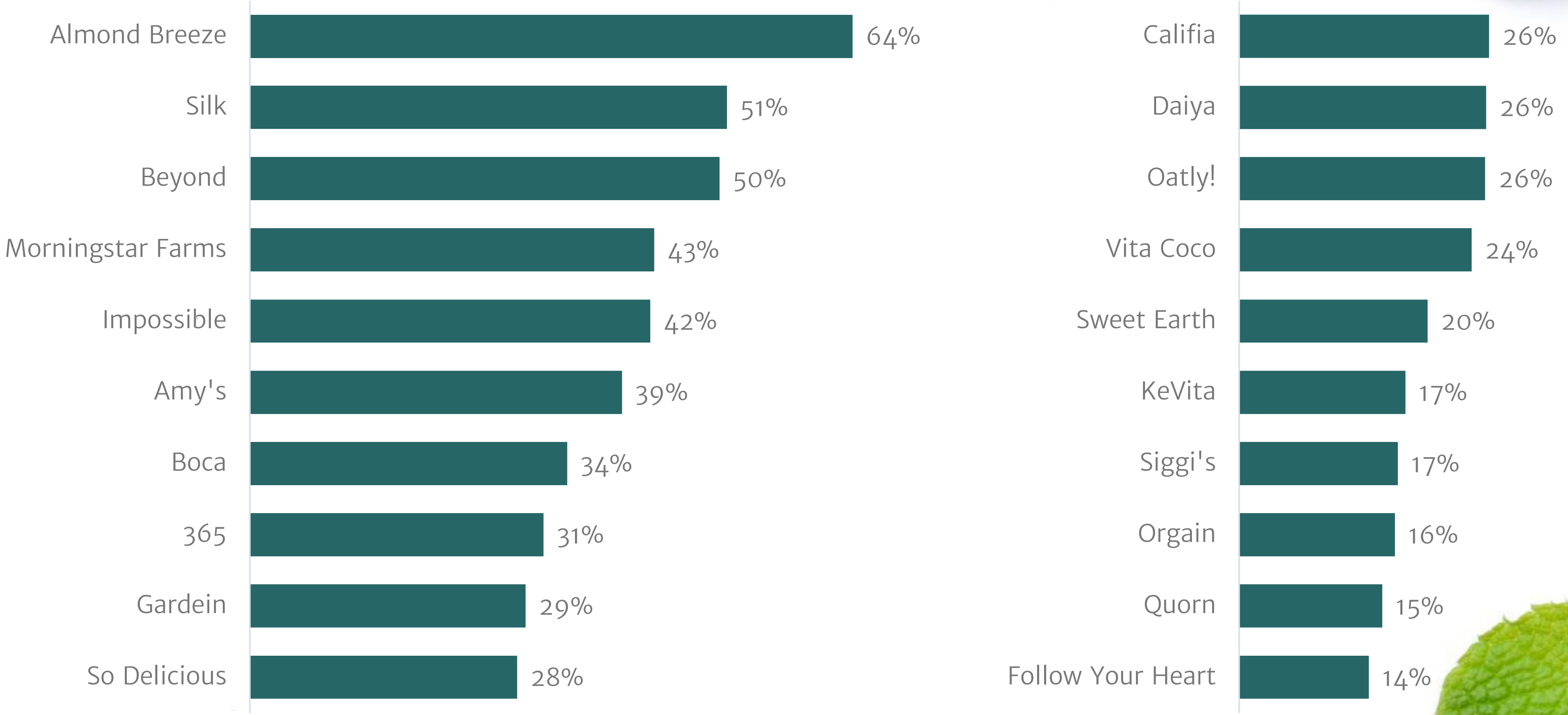
BEYOND MEAT · IMPOSSIBLE · MorningStar Farms · gardein

Amy's · daiya · BOCA · Silk

Only 28% of consumers could think of a plant-based brand off the top of their head.

Plant-based brands that **generate the strongest awareness** include Almond Breeze and Silk, followed by meat-based alternatives.

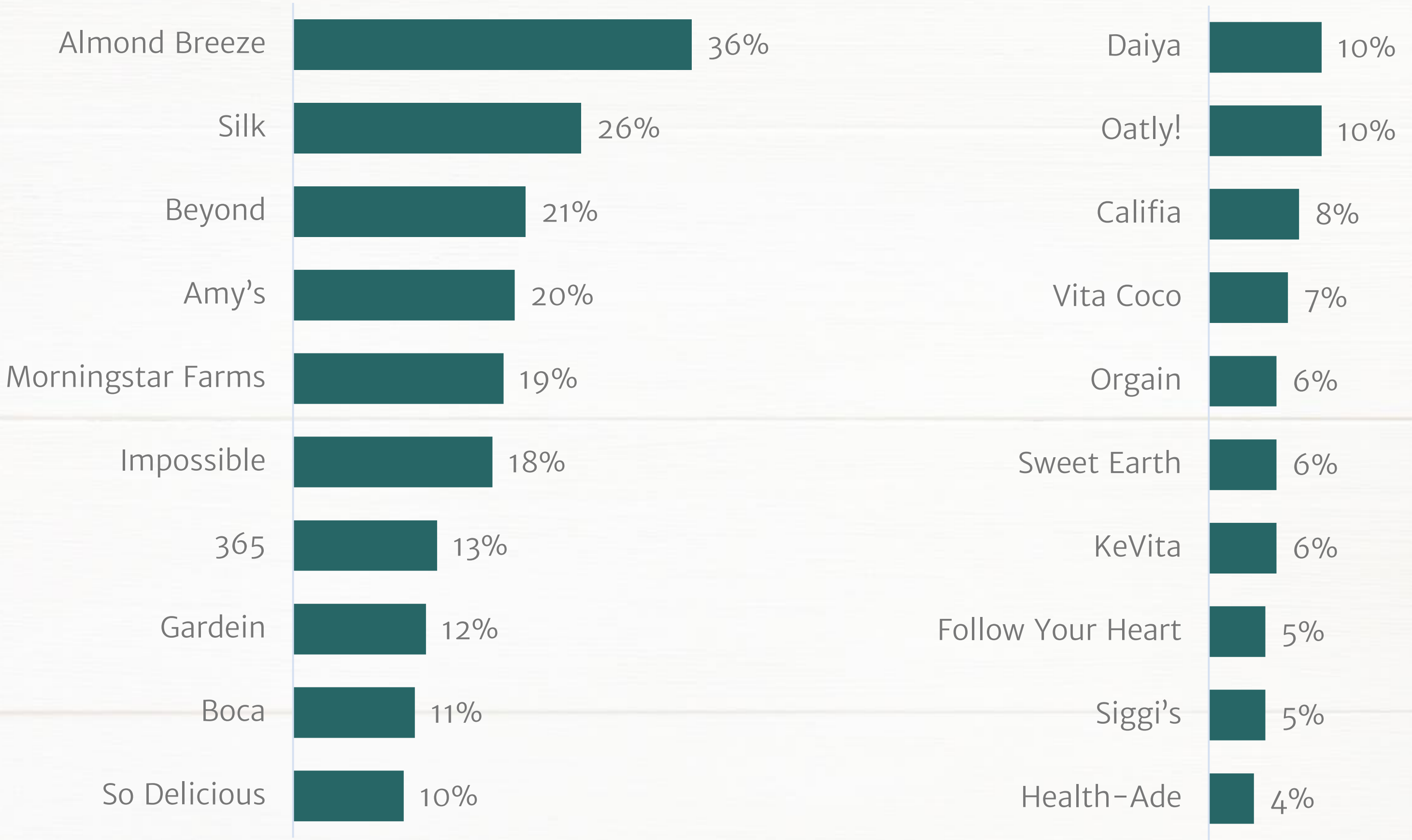
TOP 20 of 34 BRANDS: AIDED AWARENESS



NOTE: Top 20 brands shown out of 34 included in survey.

Almond Breeze, Silk, and Beyond also capture the most purchases.

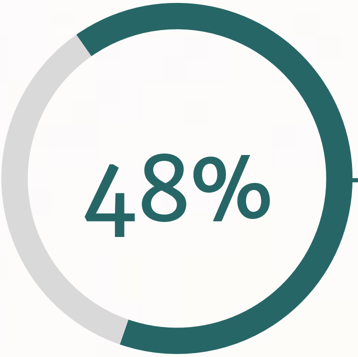
TOP 20 of 34 BRANDS: PURCHASES (P3M)



NOTE: Top 20 brands shown out of 34 included in survey.

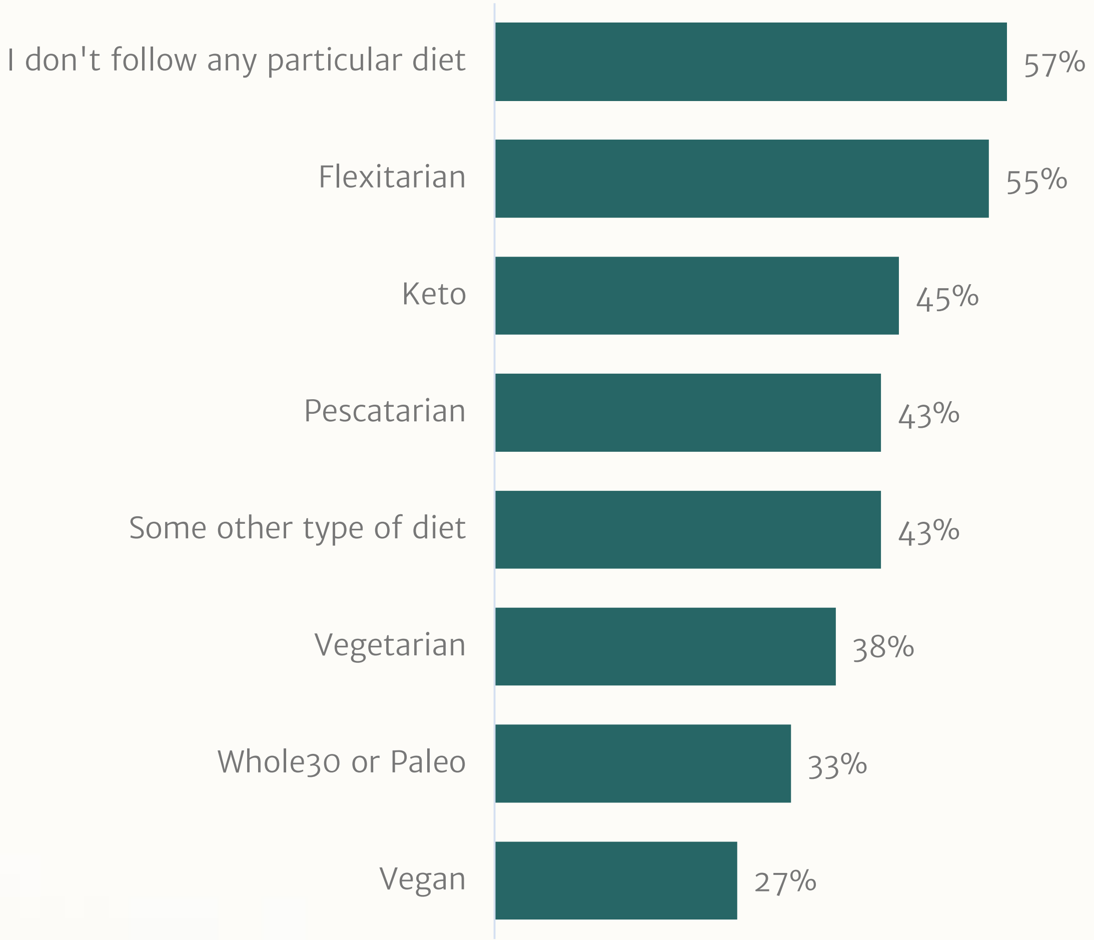
Plant-based opportunity: Barriers, demand, innovation

In a “perfect world”, **nearly 1 in 2 would eat more plant-based foods than they do now** – particularly those who follow no diet or are Flexitarian, Keto, or Pescatarian.



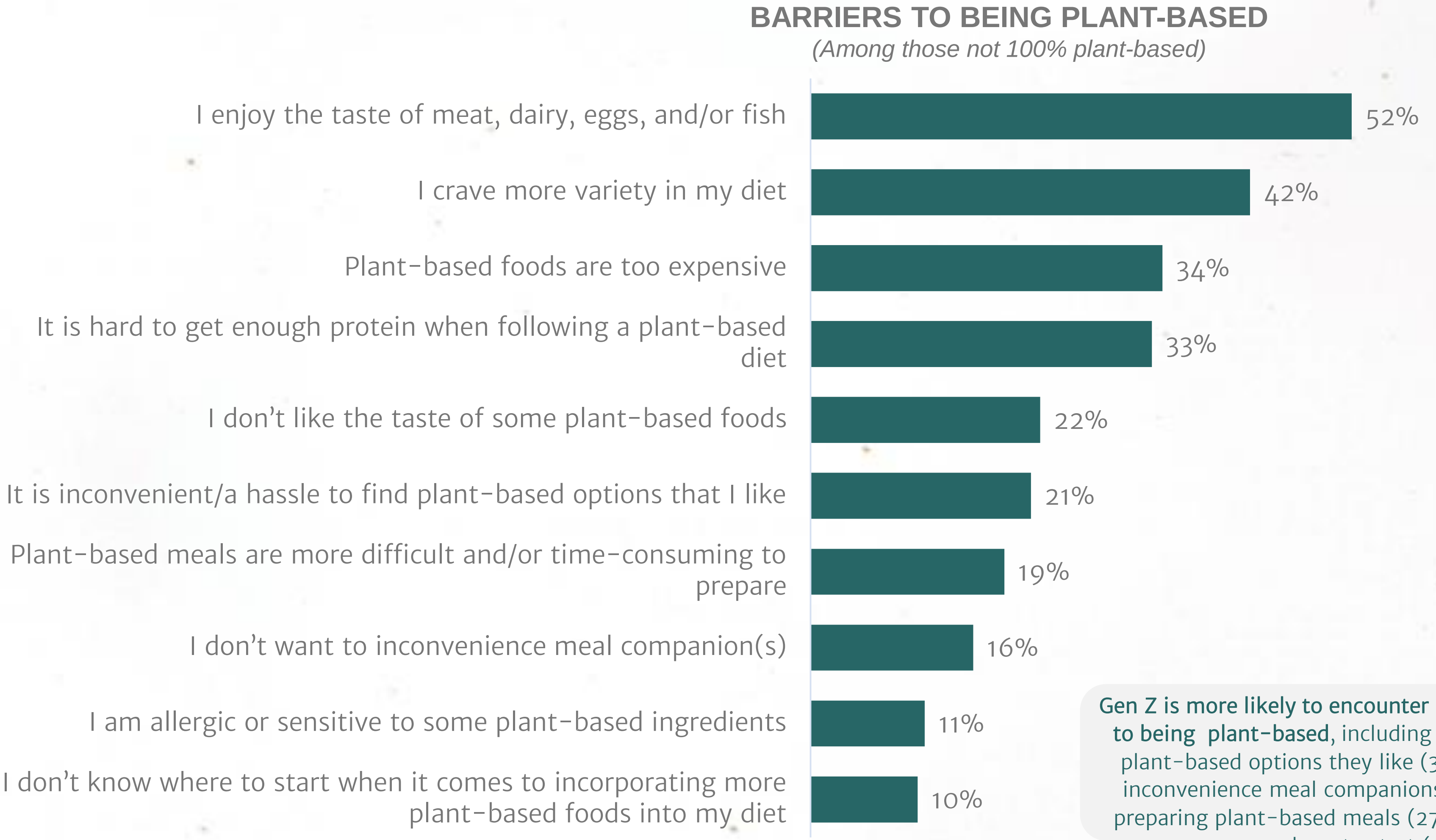
Don’t eat as much plant-based as they would like

BY DIET: WOULD EAT MORE PLANT-BASED IN PERFECT WORLD



BARRIERS TO BEING PLANT-BASED

While many simply enjoy the variety of both plant and animal-based foods, some are deterred from becoming fully-plant based due to the **cost and the difficulty of getting enough protein.**

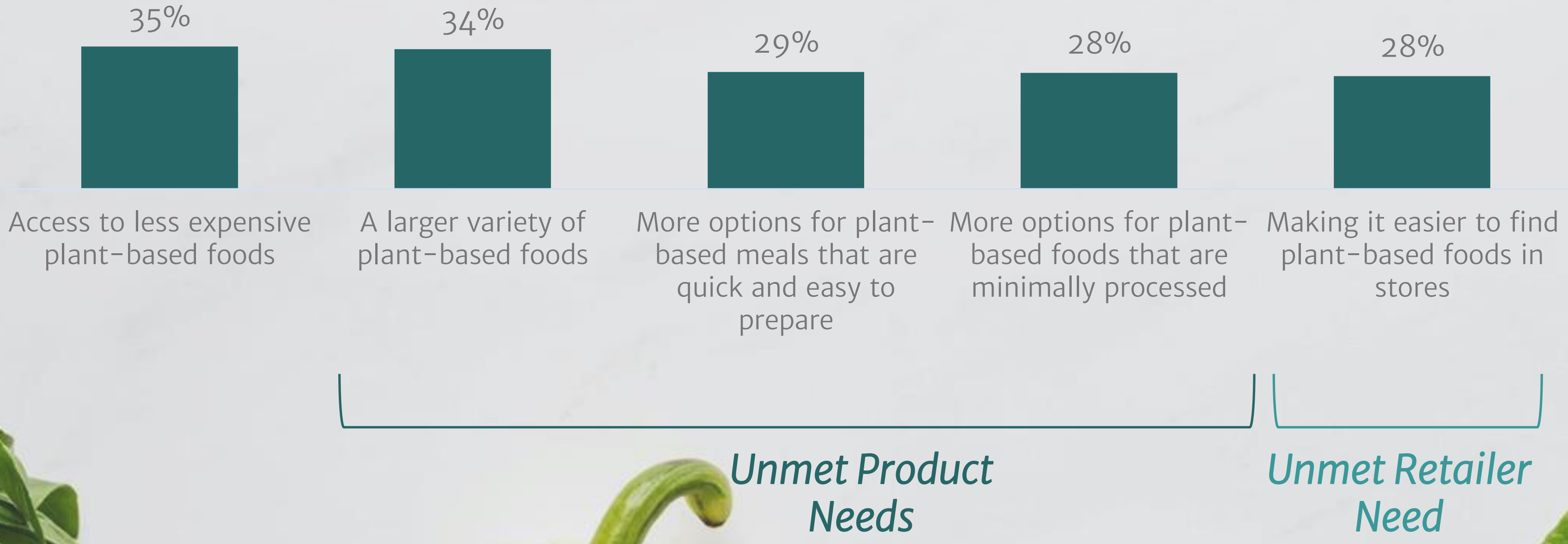


Gen Z is more likely to encounter barriers when it comes to being plant-based, including the hassle of finding plant-based options they like (30%), not wanting to inconvenience meal companions (28%), difficulty of preparing plant-based meals (27%), and not knowing where to start (17%).

To help consumers overcome these barriers, they need **access to a wide-variety** of plant-based options that are **affordable and minimally processed, yet still easy to prepare**.

TOP FACTORS THAT COULD INCREASE PLANT-BASED FOOD CONSUMPTION

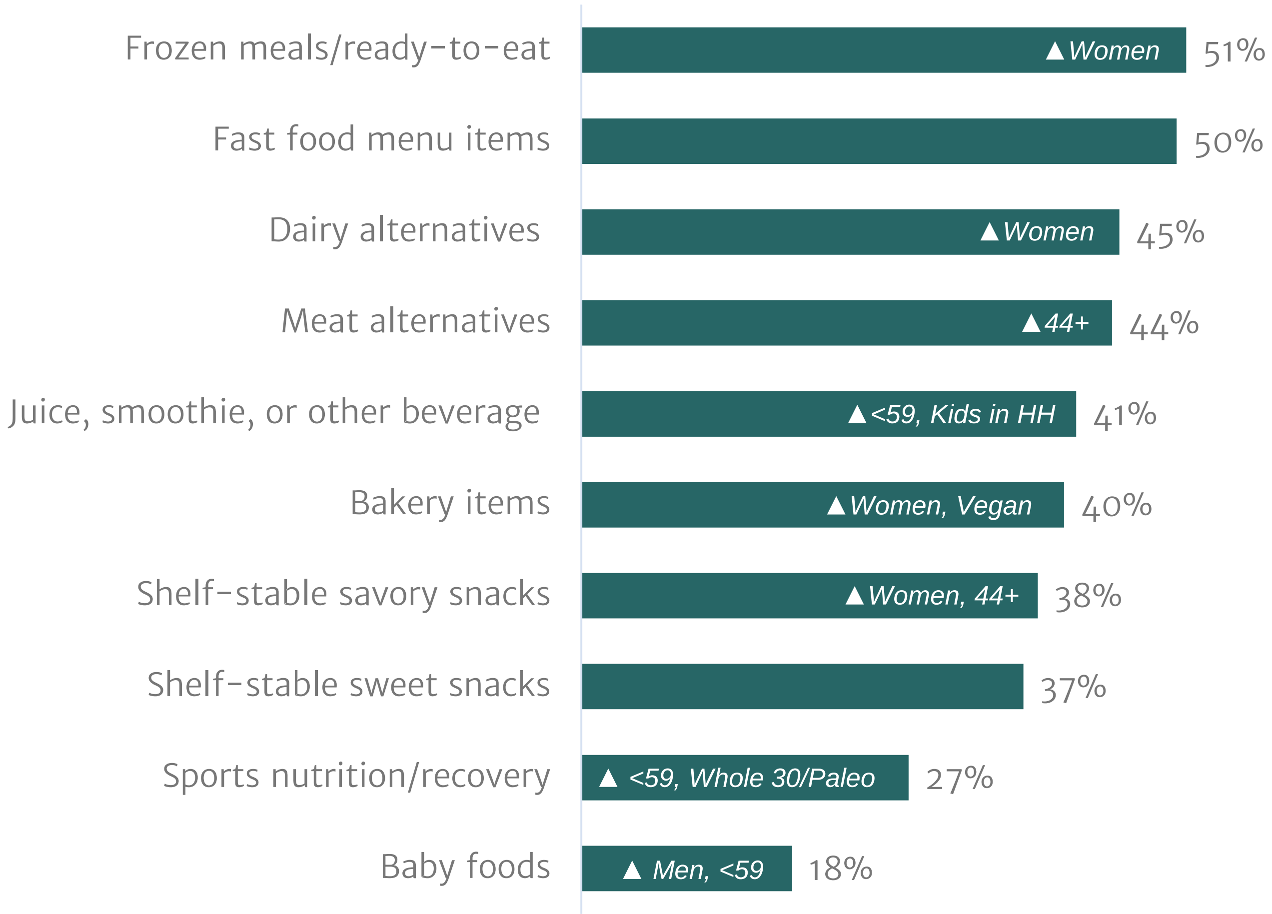
(Select Top 3; Among those not 100% plant-based)



Lower-ranking items important to key subgroups include:
Plant-based options offered at more vendors (Gen Z, Vegetarians)
More kid-friendly plant-based options (Gen Z, Millennials, Gen X, kids in HH)

Given consumers interest in a variety of plant-based options, there is **strong demand across categories**, most notably *frozen meals/ready-to-eat* and *fast food*.

INTEREST IN PLANT-BASED OPTIONS BY CATEGORY

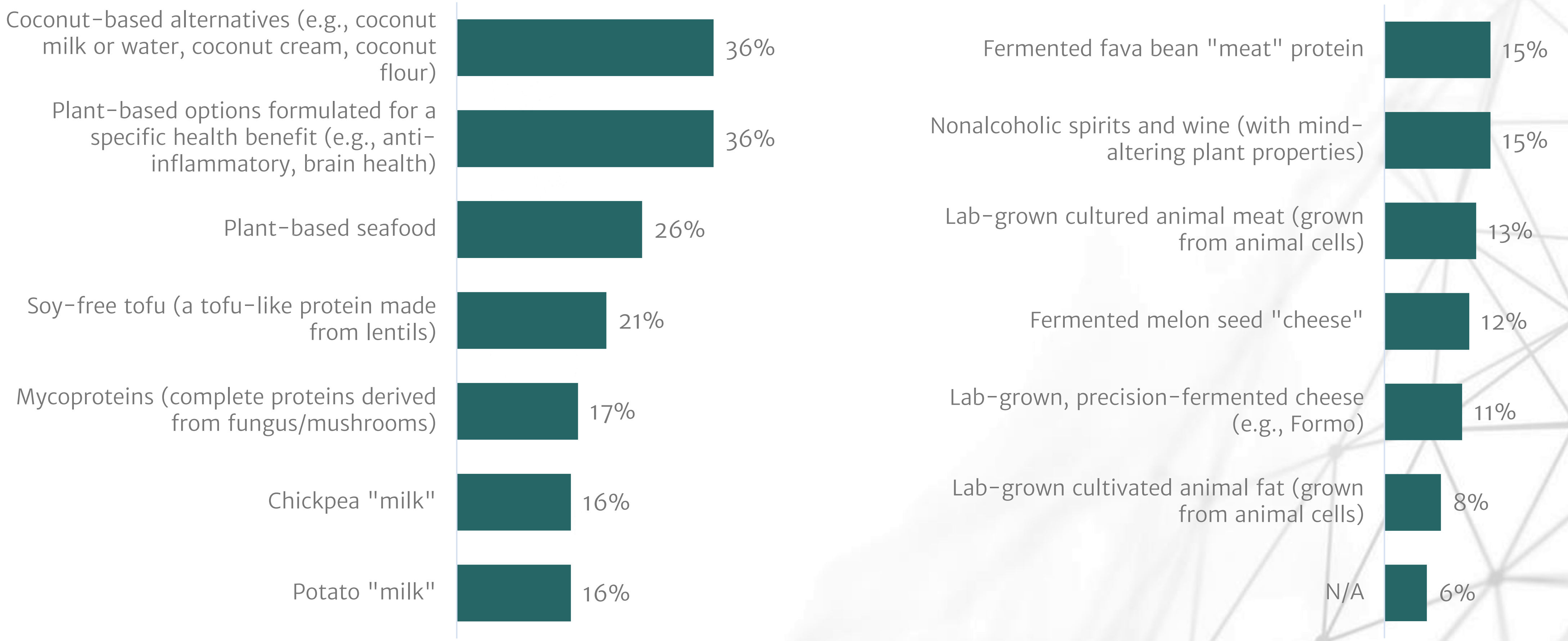


When asked which brands they wish offered plant-based **options**, most mention **frozen meal/ready-to-eat brands** like Tyson (34%) and Kraft (20%) and/or **fast food** such as McDonald's (22%), Wendy's (8%), and Taco Bell (7%).

Coconut-based alternatives and products formulated for a targeted benefit are the most appealing plant-based innovations.

MOST APPEALING PLANT-BASED INNOVATION

(Select Top 3)



Plant-based market segmentation

DIET-BASED SEGMENTATION

VEGAN / VEGETARIAN

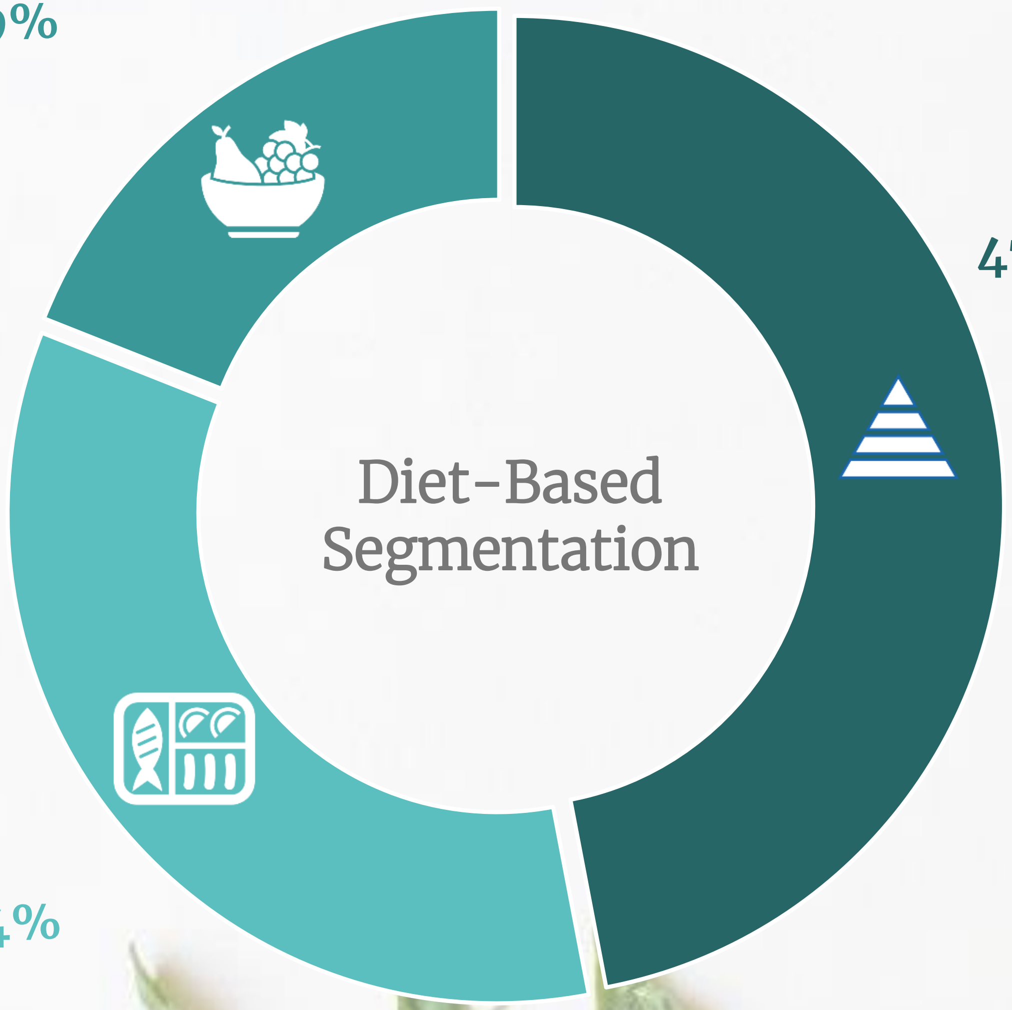
19%

- Less experimental
- Less daily meal variety, less adventurous
- Plant-based eating more likely to be driven by animal/ environmental concerns, enjoyment
- Younger (40% age 18-34), single

FLEXITARIAN / PESCATARIAN

34%

- More daily meal variety
- Food for fuel
- More adventurous with food
- Plant-based eating more likely to be driven by health, animal/ environmental concerns
- Skew older (31% age 55+), lower-income, female



ALL OTHER

47%

- Connect with others through food
- “Foodies”: More adventurous, more experimental, more variation, food for pleasure
- Plant-based eating driven by health – to an extent, fitting in, weight-loss
- Most physically-active
- Children under 18 in HH; higher-income

HEALTH OPTIMIZERS

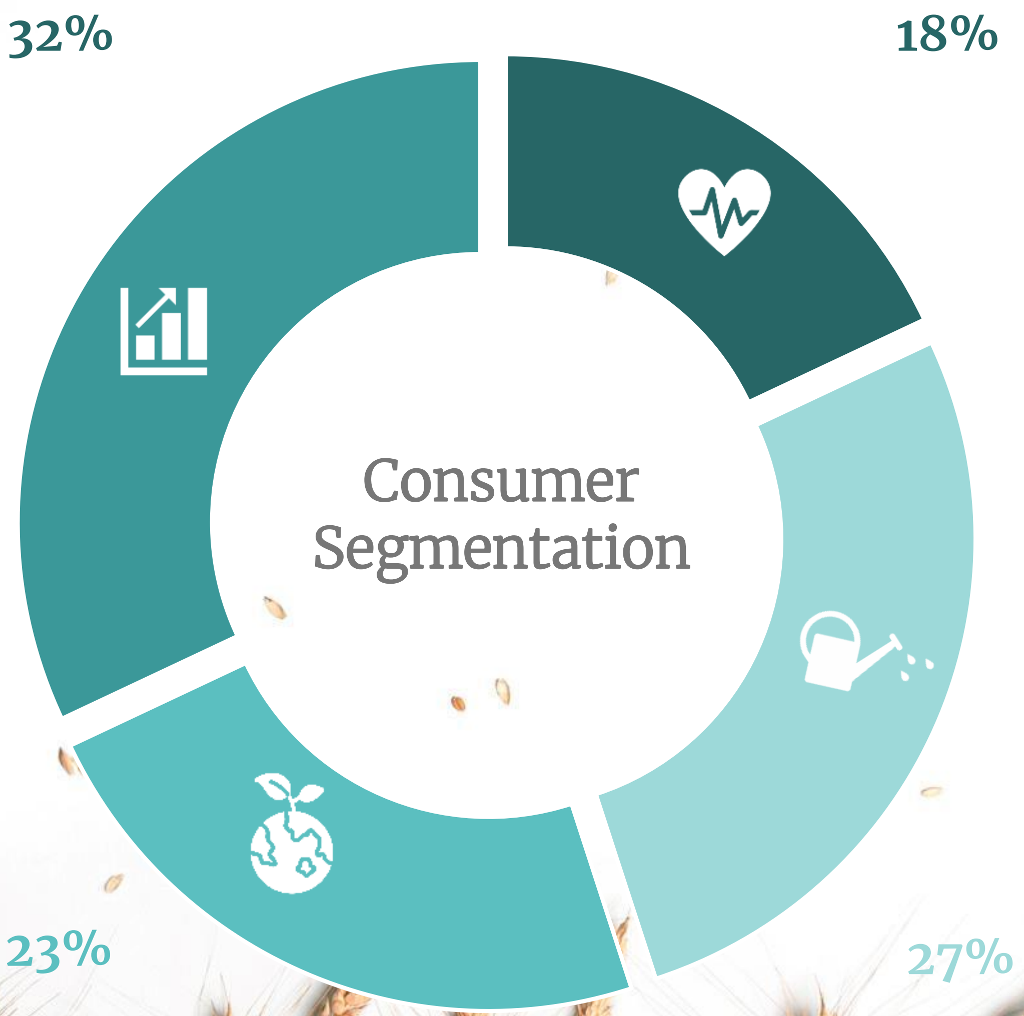
Food is for health, connection, and enjoyment; I'm specifically increasing plant-based foods for my health.

- Plant-based brand experience: **High**
- Diet: **Skew Keto, no particular diet**
- Adventurous and influential
- Most physically active
- High-income, married, kids <18 in HH
- Skew male
- Millennial, older Gen Z

ETHICAL FOODIES

I have a balanced and knowledgeable view of food and nutrition; plant-based foods are healthy, ethical, and taste good.

- Plant-based brand experience: **Moderate**
- Diet: **Skew no particular diet**
- Adventurous and pleasure-driven
- Most sedentary
- Married or divorced, kids <18 in HH
- Skew female
- Older Millennial, younger Gen X
- Skew white



PRAGMATICALLY PLANT BASED

Food is fuel. I know a lot about nutrition and I'm picky about what I eat ; nutrition is more important than enjoyment.

- Plant-based brand experience: **Moderate**
- Diet: **Skew vegetarian, vegan, flex**
- Utilitarian view of food
- Knowledgeable and mindful; watch what they eat with little variety
- Lowest income, single or divorced, no kids <18 in HH; skew highly female
- Oldest segment (48% age 55+)

INFLUENCED NEWCOMERS

I don't know a lot about food and nutrition, but I want to learn. Focusing on plant-based foods is popular in my social circle.

- Plant-based brand experience: **Low**
- Diet: **Skew pescatarian**
- Not very food-focused
- Not very knowledgeable or adventurous; picky with little variety
- Single, living with roommates; skews male
- Youngest segment (50% under age 35)
- Skews Black, Hispanic

Key takeaways and implications for brands

The target market extends beyond Vegans and Vegetarians: Interest in plant-based foods has entered the mainstream and is on the rise among meat and dairy consumers.

Health concerns drive plant-based adoption: Most consumers reach for plant-based alternatives as a way to improve their health, while ethical and environmental concerns for meat and dairy production also play a role for some.

Opportunity exists to increase consumption: Even among vegans and vegetarians, consumers are looking for opportunities to incorporate more plant-based options into their diet.

There is room for growth at the top of the funnel: While the plant-based market is home to several established brands, few consumers can name a plant-based brand off the top of their head.

Consumers are looking for convenient plant-based options: By category, consumers show the most interest in frozen/RTE meals and fast food menu options.

Increase trial by addressing tactical product-related barriers: Focus on taste equivalence (particularly for meat and dairy substitutes), variety, and specific nutrition benefits (protein, specifically).

Address the <u>cost</u> barrier to plant-based adoption: A refined cost structure could open the door to increased consumption of plant-based foods – innovate via pack sizes and formulations that can help consumers realize value for price.

Address the <u>access</u> barrier to plant-based adoption: Retail presents an additional opportunity for improved access if barriers here –namely findability and distribution – can be addressed.

Support your brand's innovation pipeline: *Explore coconut* - based products and formulations with specific health benefits. Mindfully innovate to be as "natural" as possible, as consumers want options that aren't highly processed.

Target consumers based on broader food attitudes & motivations: Our segmentation suggests that this is a more useful way than diet to understand, effectively innovate for, and communicate to this market.

Don't make it an "all or nothing" issue: Consumers are motivated to eat plant-based foods by health reasons, and are looking to *incorporate* more plant-based, not necessarily completely *replace* animal-based products.

Q & A