Lumina Intelligence

Category Spotlight

How Market Trends Reflect the Shift Towards Plant-based Choices

September 2023

Overview

The rise of the ‘Health and Wellness’ trend

Who is the plant-based consumer?

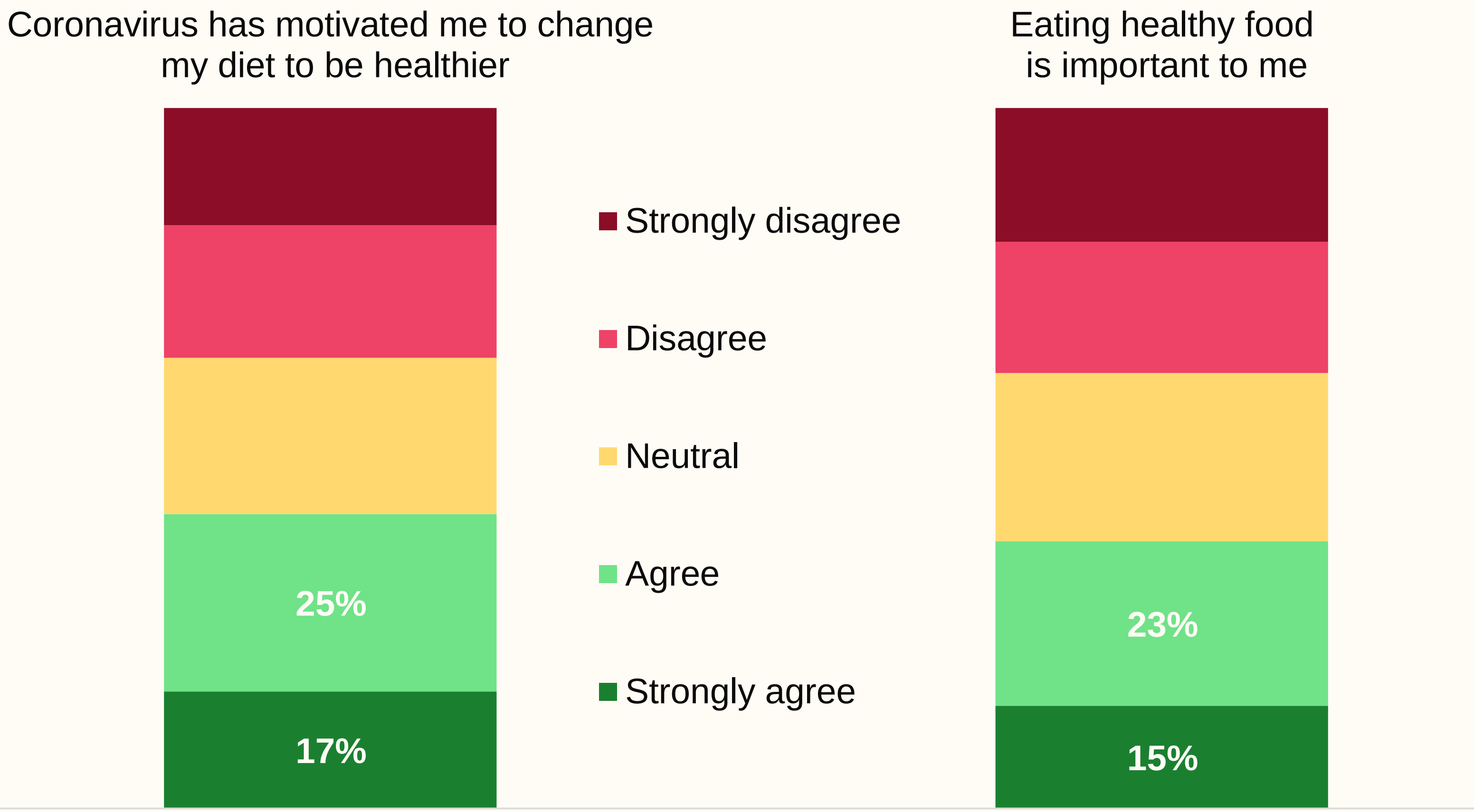
How operators have responded and adapted to plant-based agendas

Healthier Eating Trend

This trend has been growing, alongside the general health and wellness trend, since the 2010s. It was further boosted by the pandemic and the ramp-up in anti-obesity legislation by the government.

Two in five consumers agreed that the pandemic motivated them to change their diet to be healthier and that eating healthy food is important to them.

More recently, 42% of consumers stated that they are health-conscious; those who exercise regularly and are more interested in a plant-based diet.



Source: Lumina Intelligence Channel Pulse, 2020

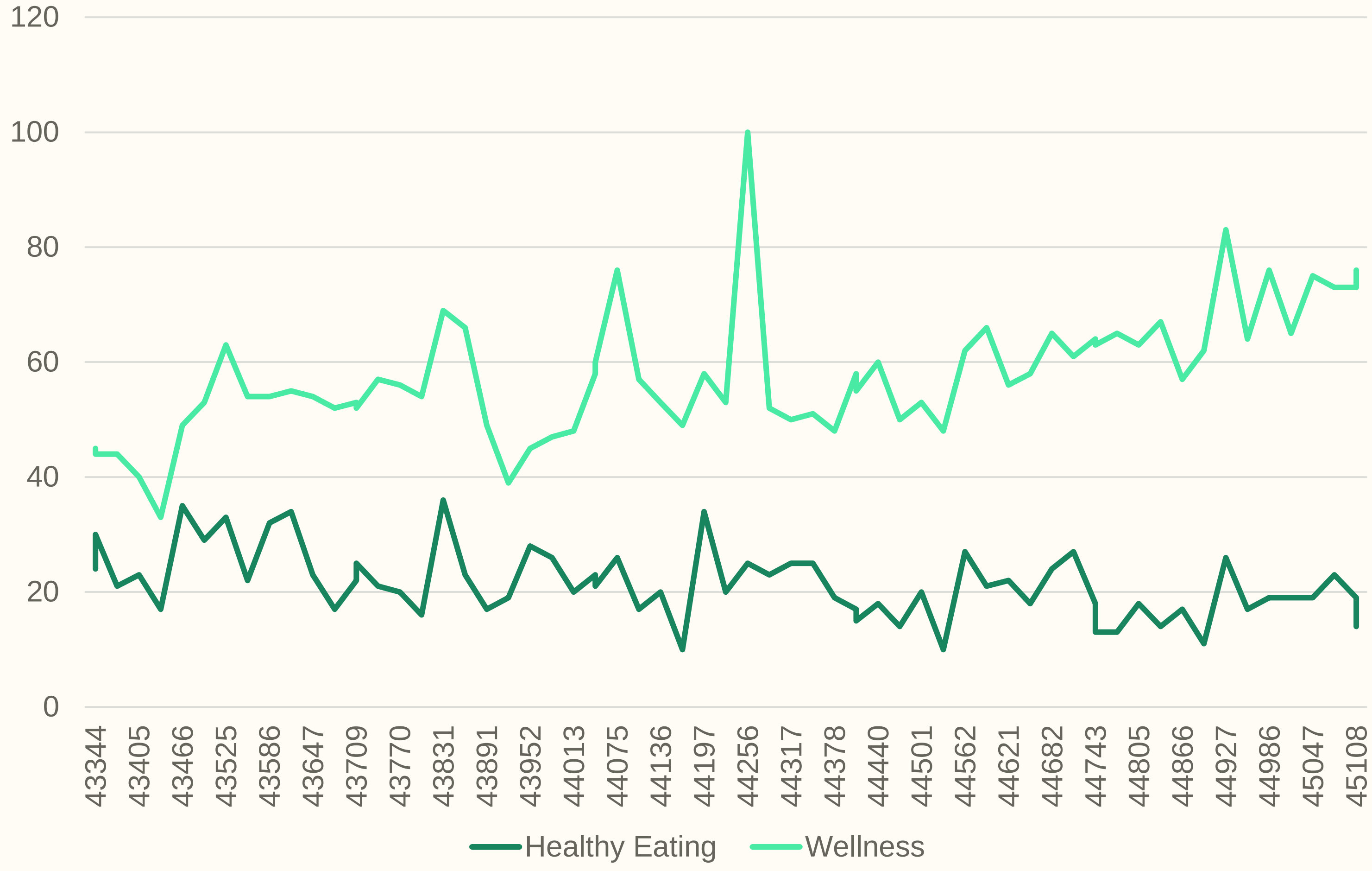
Healthy eating interest is stabilising while wellness grows

Interest in healthy eating appears to be cyclical, particularly prior to the pandemic, with peaks in January.

Interest is now more stable than in previous years – likely due to the pandemic cementing healthy eating into consumers' minds.

Wellness is a more recent trend to grow in popularity, particularly over the past year, indicating an increasing holistic focus on health.

Healthy eating/wellness Google trends search: past five years



Source: Google trends

Nearly one-third of consumers follow a flexitarian diet

Flexitarian diets are followed by 30.1% of consumers, with this figure stabilising after peaking in 2022. This reflects consumers who are consciously reducing meat consumption, but not adhering to a vegan/vegetarian diet.

Flexitarian allows for greater variety; good news for meat alternative operators as it widens their target consumer base.

Operators need to offer a broad menu that caters to a range of dietary requirements and meets consumer need for choice.

Declines in vegans and vegetarians within the eating out market have been driven by younger consumers dropping out of the market as it realigns post pandemic, and older demographics return.

Dietary requirements

	Flexitarian	Vegetarian	Vegan
12WE 09/07/2023	30.1%	5.9%	0.9%
12WE 10/07/2022	↓	↓	↓
12WE 11/07/2021	↑	↓	↓

Source: Lumina Intelligence Eating and Drinking Out Panel, 12WE 10/07/2022 vs 12WE 09/07/2023

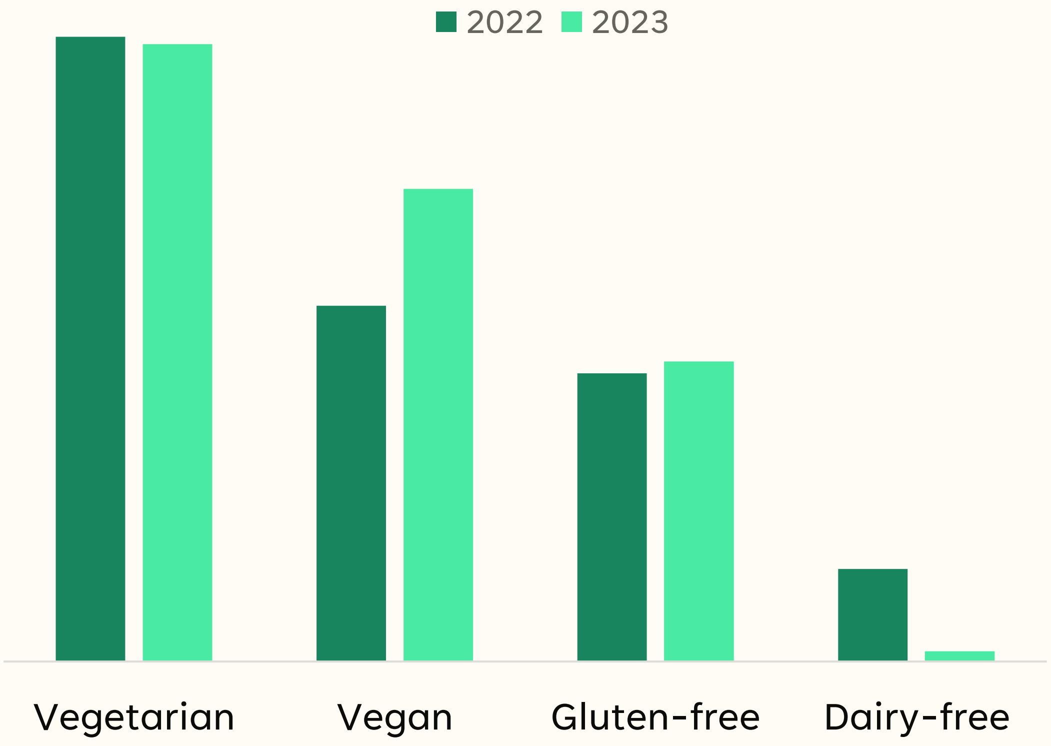
Operators are expanding vegan dishes on menus

Vegetarian dishes make up the highest number of mains that cater for dietary requirements, accounting for the larger proportion of vegetarians and flexitarians who are not necessarily looking for dishes that contain zero animal products.

Operators have focused on expanding vegan dish counts: an efficient, cost-effective move as vegan dishes also cater for vegetarians and flexitarians.

The total plant-based market has remained largely stable throughout the year, with an average of 1% of total occasions.

Meat occasions, however, have been more varied, with meat dishes often more expensive. This means that demand is slightly more volatile as consumers are affected by the cost-of-living crisis.



Source: Lumina Intelligence Menu Tracker Tool, April-June 2022 and 2023

Who are plant-based consumers?

Looking at the demographics of each plant-based segment by examining the largest over indexes within each group, starting with age, flexitarian consumers are more likely to be aged 65+, as this demographic has more time and money to focus on accessing healthier, plant-based diets.

Vegetarians and vegans over index for ages 45-54 and 35-44 respectively. These consumers are having more eating and drinking out occasions: younger vegetarians and vegans are staying at home because of the cost of living.

This doesn't necessarily mean that fewer young people are choosing vegan and vegetarian lifestyles, but it does indicate that those eating out are typically older.

Vegan consumers are more likely to be younger

(Age, biggest over indexes vs total market)

Flexitarian	Vegetarian	Vegan
Age 65+	45-54	35-44

Source: Lumina Intelligence Eating and Drinking Out Panel; data collected 12WE 09/07/2023

Plant-based consumer: Age, social grade and psychographics

Plant-based consumers are more affluent

Flexitarians, vegetarians and vegans are all more likely to belong to the ABC1 segment than in the average eating and drinking out market. This indicates an opportunity for more premium plant-based dishes and products that will appeal to this segment.

Vegetarians and vegans are the most socially conscious

These groups over index the most in being socially conscious versus the total market, as these consumers are often motivated by ethical and environmental factors.

Flexitarians are more motivated by health

This reiterates flexitarians' alignment with health-led agendas and indicates an opportunity for operators to provide plant-based dishes to meet their needs, which make up nearly a third of the market.

Source: Lumina Intelligence Eating and Drinking Out Panel; data collected 12WE 09/07/2023

Market shifts

Flexitarians:

There has been year on year growth in flexitarians belonging to the 65+ demographic, while ages 25-34 are dropping out.

With growth in the more affluent ABC1 demographic following a flexitarian diet, this explains the shifts in age, as older consumers are likely to be more affluent.

This reveals a shift away from being quality led towards being value led due to the rises in the cost of living.

Vegetarians:

There is growth in older consumers following a vegetarian diet.

Also, there has been an increase in less affluent consumers of vegetarian food, likely as a result of choosing to purchase less meat to reduce cost.

Value is really key to these consumers, particularly as a result of the increase in CDE2 consumers.

Vegans:

Within the vegan market, there have been shifts that echo those seen within the flexitarian and vegetarian market.

Growth has been seen among less affluent consumers, with an increased focus on value and a decrease in the importance of price.

Consumers are increasingly choosing value products

Many brands are suffering at the moment: Beyond Meat suffered a year-on-year sales decline of £35.4m as consumers cut back on more expensive plant-based alternatives.

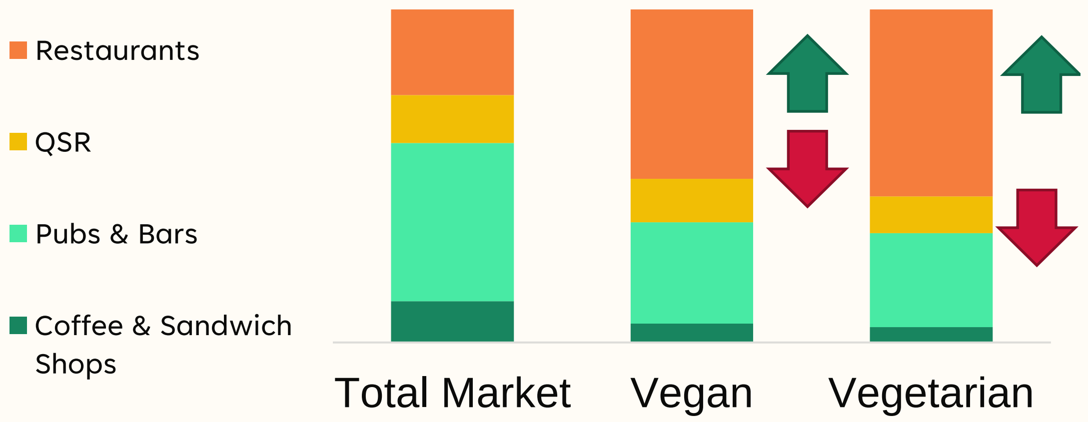
There has been a shift towards cheaper and own-brand alternatives, as lower cost meat alternatives become increasingly available.

Operator adaptations to plant-based agendas

Restaurants have the largest plant-based menus. Operators with Italian offerings have more vegetarian dishes, as pizza and pasta dishes lend themselves to easy adaptations.

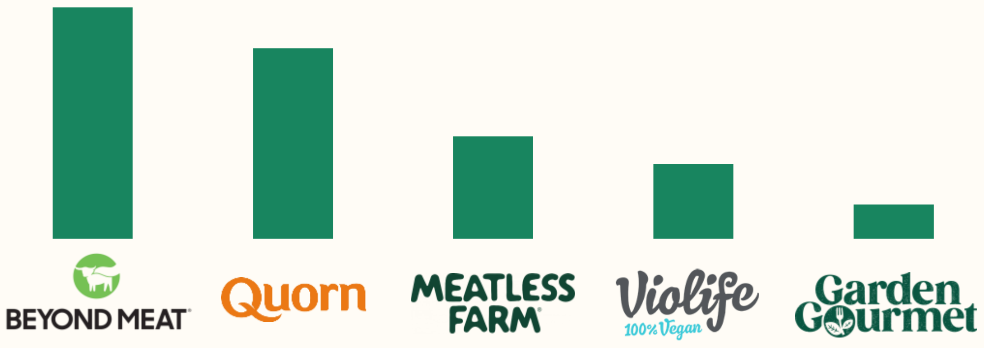
Vegan and vegetarian dishes on pub and bar menus are declining, as the proportion of consumers following these diets has dropped.

Channel breakdown of vegetarian and vegan dishes



One in 10 plant-based menus name a meat alternative brand: one-third name Beyond Meat and 27% name Quorn. These two are market leaders, brands that resonate with consumers looking for familiarity.

Share of plant-based alternative brands found across vegan and vegetarian main dishes



Sources: Lumina Intelligence Eating and Drinking Out Panel, 12WE 10/07/2022 vs 12WE 09/07/2023 & Menu Tracker Tool April-June 2023

Meat alternatives and mimics

QSR is the market leader for meat alternatives, followed by coffee and sandwich shops, indicating a high demand for plant-based classics such as burgers.

Greggs has the largest share of meat alternative purchases, with its extensive vegan range and low prices appealing to consumers in the current economic climate.

McDonald's has seen considerable rise in plant-based occasion share year on year. The launch of McPlant burger last year – a collaboration with Beyond Meat – extended range and demand.

Plant-based burgers on menus are predominantly meat mimics such as Byron's Truffler (right), which has a Beyond Meat patty.

Mimics are more expensive than the average burger and therefore more lucrative for operators than vegetable-based burgers such as bean burgers, which command a lower spend.

Source: Lumina Intelligence Eating and Drinking Out Panel 12WE 09/07/2023

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Learn more about how Lumina Intelligence can support you in the Plant-based category by getting in touch below.

Get in touch

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