

Free-from Foods - UK - December 2017

Report Price: £1995.00 | \$2648.76 | €2273.70

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“The free-from category’s strong sales growth in recent years now stands vulnerable to the squeeze on household incomes, as 47% of free-from buyers spend less on these products when money is tight. However, opportunities remain for premium and ‘shortcut’ products to do well as people cut down on going out.”

– **Alice Baker, Research Analyst**

This report looks at the following areas:

- Need for companies to demonstrate good health credentials
- Premium products can succeed even as incomes come under pressure
- Brands must find ways to appeal beyond their free-from status

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market
Media buzz and increased availability boost free-from sales 2012-17
Inflation to continue over 2017-22
Figure 1: UK retail value sales of free-from food and drink, 2012-22
Health credentials of exclusion diets called into question
Companies and brands
Alpro continues to lead the free-from category in 2017
Retailers lead on gluten-free bakery NPD in 2016/17
Plant-based milks remain the main focus of dairy-free and L/N/R lactose NPD in 2016/17
Tesco leads on dairy-free and L/N/R lactose launches in 2016/17
Advertising spend rises, but at a slower rate than in previous years
Alpro remains the top advertiser, with a focus on permissibility
The consumer
Half of UK adults report avoidance in their household
Figure 2: Avoidance of foods/ingredients, by reason, September 2017
Rise in reported usage of free-from products
Health is a key factor for free-from food and drink
Few non-users have actively negative views
Consumer concerns about sugar affect free-from category
Figure 3: Behaviours relating to free-from food and drink, September 2017
Shoppers are divided on in-store positioning
Figure 4: Free-from food and drink buyers' behaviours, September 2017
'Shortcut' and premium products appeal widely
Figure 5: Users' attitudes towards free-from food and drink, September 2017
What we think

Issues and Insights

Need for companies to demonstrate good health credentials
The facts
The implications
Premium products can succeed even as incomes come under pressure
The facts
The implications

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Brands must find ways to appeal beyond their free-from status

The facts

The implications

The Market – What You Need to Know

Media buzz and increased availability boost free-from sales 2012-17

Inflation to continue over 2017-22

Health credentials of exclusion diets called into question

Market Size, Segmentation and Forecast

Media buzz and increased availability boost free-from sales 2012-17

Stronger growth in dairy-/lactose-free 2015-17

Figure 6: UK retail value sales of free-from food and drink, by segment, 2015-17

Inflation to continue over 2017-22

Income squeeze to hinder sales

Limited ability to find new users

Slowing growth predicted going forward

Figure 7: UK retail value sales of free-from food and drink, 2012-22

Figure 8: UK retail value sales of free-from food and drink, 2012-22

Forecast methodology

Market Drivers

Inflation hits the market

Income squeeze threatens category growth

Government considers withdrawing gluten-free prescriptions

Media buzz and celebrity endorsement buoy up free-from products

Media backlash against clean eating in 2017

Health credentials of free-from food and drink called into question

Osteoporosis Society warns young people that they risk future bone fractures

Scientific group advises against gluten-free diets without a medical need

University medical department warns of risk of iodine deficiency from dairy avoidance

European Court rules that dairy substitute products cannot use dairy-style names

Serving suggestions and in-store positioning can help to address consumer uncertainties

Vegan advertising campaigns attack the dairy industry

Dairy industry mobilises its forces

Companies and Brands – What You Need to Know

Alpro continues to lead the free-from category in 2017

Retailers lead on gluten-free bakery NPD in 2016/17

Plant-based milks remain the main focus of dairy-free and L/N/R lactose NPD in 2016/17

Tesco leads on dairy-free and L/N/R lactose launches in 2016/17

Advertising spend rises, but at a slower rate than in previous years

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Alpro remains the top advertiser, with a focus on permissibility

Market Share

Alpro continues to lead the free-from category

In-store positioning gives a further boost to Alpro

Figure 9: Leading brands' sales and shares in the UK free-from market, by value, 2015/16-2016/17

Genius sees values rise on flat volumes

Improved in-store visibility and NPD help Schär to grow

Bfree gains distribution

Own-label raises the competition for brands as retailers expand their free-from ranges

Launch Activity and Innovation

Free-from claims rise over 2013-16

Gluten-free remains the primary free-from claim in 2016

Figure 10: New product launches in the UK retail food and drink market with selected free-from claims, by claim, 2013-17

Non-dairy claims rise sharply, though from a low base

Gluten-free

Retailers lead on NPD in 2016/17

Figure 11: Gluten-free product launches in the UK bakery market^, by top 10 companies, 2013-17

Tesco adds premium free-from products

Morrisons promotes its new launches as a good value choice

Sainsbury's debuts freshly-baked gluten-free breads

Leading players launch on-the-go gluten-free items

Genius unveils new look and half loaves

More artisan-style products in gluten-free

Warburtons removes Newburn name in rebrand

Baking mixes/ingredients lead in gluten-free bakery in 2016

Figure 12: Gluten-free product launches in the UK bakery market^, by sub-category, 2013-17

Companies promote health benefits to add permissible element

Delicious Alchemy targets special occasions with new cake kit

Sweet biscuits retake the lead in NPD in 2017

Mr Kipling extends into gluten-free

Dairy-free and L/N/R Lactose

Plant-based milks remain the main focus of NPD in 2016/17

Organic brands innovate with ingredients and types

Figure 13: Dairy-free and L/N/R lactose launches in the UK dairy market, by sub-category (sorted by 2016), 2013-17

Nut milk yogurts make their UK debut

Ben & Jerry's almond milk ice creams arrive in the UK

Unilever expands its dairy-free spreads range

Tesco leads on NPD in 2016/17

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Figure 14: Dairy-free and L/N/R lactose launches in the UK dairy market, by top ten companies (sorted by 2016), 2013-17

Alpro unveils no-added-sugar yogurts

Organic brand Rachel's makes its debut in the free-from category

Advertising and Marketing Activity

Advertising spend rises in 2016, though rate of growth slows

Figure 15: Total above-the line, online display and direct mail advertising expenditure by companies operating in the free-from food/drink market (sorted by 2016), 2013-17

Alpro retains its advertising lead

Go On yogurts reference health credentials to add permissibility

Breakfast campaign aims to appeal to variety seekers

Ice cream advert calls out the product's reduced-sugar proposition

Continued emphasis on environmental credentials

Unilever continues to support Flora Freedom

Adverts for flavoured variants emphasise health and versatility

Online advertising continues to focus on the environment

Genius appeals to the senses in new online campaign

Tesco puts emotional focus on fish fingers advert

Sainsbury's credits social media buzz as key to success of its cheese alternatives

The Coconut Collaborative makes its outdoor advertising debut

Nielsen Ad Intel coverage

The Consumer – What You Need to Know

Half of UK adults report avoidance in their household

Rise in reported usage of free-from products

Health is a key factor for free-from food and drink

Few non-users have actively negative views

Consumer concerns about sugar affect free-from category

Shoppers are divided on in-store positioning

'Shortcut' and premium products appeal widely

Avoidance of Foods/Ingredients

Half of UK adults report food/ingredient avoidance in their household

Figure 16: Avoidance of foods/ingredients, by reason, September 2017

Under-35s are particularly likely to report avoidance

Figure 17: Repertoire of foods/ingredients avoided in the household, September 2017

Dairy avoidance unchanged despite pro-vegan advertising campaigns

Red meat avoidance slips as media spotlight fades

Figure 18: Avoidance of foods/ingredients, by type, September 2017*

Types of Free-from Food and Drink Used and Bought

Labelling helps to drive increase in reported usage

...but some products enjoy notable usage outside of exclusion diets

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In-store positioning boosts visibility of free-from products

Figure 19: Usage and buying of free from food and drink, September 2017

Families are key users of free-from food and drink

...as are under-35s

Avoidance diets do not always help free-from products

Ethical labels and meal deals are promising means to appeal to non-user avoiders

Figure 20: Types of Free-from Food and Drink Used and Bought, September 2017

Media and advertising buzz fuels rise in dairy substitutes

Concerns around animal welfare and the environment are key motivations for dairy substitutes users

Reasons for Eating/Drinking Free-from Food and Drink

Media buzz strengthens free-from products' health halo

Companies must ensure their nutritional credentials are sound

Figure 21: Reasons for eating/drinking free-from food and drink, September 2017

Desire for variety is a key reason for using free-from food/drink

Meal deals and discount vouchers should allow companies to tap into consumer interest in variety

Barriers to Eating/Drinking Free-from Food and Drink

'Functional' image lingers around free-from food and drink

Various options for companies looking to grow usage of free-from food and drink

Figure 22: Barriers to eating/drinking free-from food and drink, September 2017

Few non-users have actively negative views of free-from products

Weakened household incomes likely to hinder free-from products' ability to find new users

Promotions could allow companies to overcome the price barrier

Behaviours relating to Free-from Food and Drink

Consumer concerns around sugar affect free-from products

Figure 23: Behaviours relating to free-from food and drink, September 2017

Opportunities for expansion in L/N/R sugar versions

Premium products can capitalise on consumer interest in meal deals

Meal deals can allow companies to attract 'missing' potential users

Ethical labels have wide appeal

Free-from Food and Drink Buyers' Behaviours

Opinions are divided on in-store positioning

Dedicated aisles can help supermarkets to showcase their free-from ranges

Figure 24: Free-from food and drink buyers' behaviours, September 2017

Weakened household incomes are a threat to category growth

Opportunities remain for 'shortcut' and premium products

Users' Attitudes towards Free-from Food and Drink

Short ingredients lists are favoured

Opportunities for clean label products

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Explaining unfamiliar ingredients should give extra reassurance to consumers

Figure 25: Users' attitudes towards free-from food and drink, September 2017

'Shortcut' products for cooking/baking appeal to many

Products seen as close to homemade should especially benefit

Premium prepared meals can step in where restaurants are seen to fail

...and can do well even where incomes are squeezed

Premium products are rare within free-from

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Figure 26: Forecast of UK retail value sales of free-from food and drink, best- and worst-case, 2017-22

Forecast methodology

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