

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Dairy food and drinks have a unique distinction: they are perceived to be inherently healthy yet still come with a sense of indulgence. This among other things contributes to the natural versatility consumers find in the category, and one that perhaps stifles flavor exploration."

> Alyssa Hangartner, Flavor and Ingredient Trends Analyst

# This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and the dairy market
- Flavor innovation opportunities
- Attitudes about dairy and non-dairy flavors
- Current and future flavor trends within dairy and dairy alternatives

The dichotomy and depth of combined dairy categories have impacted consumer interest in flavor exploration in the dairy space, especially compared to other categories. Half of consumers are steadfast in sticking to flavors they are familiar with, while the remainder are open to innovation in a variety of forms. This Report explores experience and interest in flavor and ingredients on all sides of the dairy (and non-dairy) industry – the sweet and the savory, the food or drink enhancer and the standalone products and those that lean into both territories.

# BUY THIS REPORT NOW

**VISIT:** store.mintel.com

**CALL:**EMEA
+44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com

**DID YOU KNOW?** 

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



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### **Table of Contents**

#### **Overview**

What you need to know

Key issues covered in this report

Definition

COVID-19: Market context

#### **Executive Summary**

Top takeaways

Market overview

A tale of two "dairies"

Figure 1: Total US retail sales of dairy products, 2017-

#### **Impact of COVID-19 on Dairy**

Figure 2: Short-, medium- and long-term impact of COVID-19 on dairy, July 2020

Opportunities and Challenges

Re-emergence

Staying close to home may mean sticking with flavor favorites...

Repertoires at risk for recessional scaling back

Figure 3: Repertoire of types of dairy consumed, by age group, April 2020

Reinforce the healthy, indulgent virtues of dairy and non-dairy alternatives

Recovery

Targeted flavor innovation can help consumers manage a recession

Figure 4: Consumer spending on food at home, monthly, 2006-10

## Market Landscape - What You Need to Know

Flavor innovation should be targeted at adventurous consumers

Health should be highlighted by taste is still priority

Cross-variety flavor movement can create new experience

## State of the Market

### Dairy alternatives are shaking up the super-category

Figure 5: Total US retail sales of dairy products, 2017-19

## Top varieties reach consumers through versatility

Figure 6: Dairy varieties, April 2020

## Adventurous consumers should be targeted through less mainstream categories

Figure 7: Dairy varieties by new flavor trial, April 2020

## Sweet dairy flavors lean into the indulgent side

Figure 8: TURF analysis - go-to flavors - sweet, April 2020

## Savory dairy flavor go-tos are traditional

Figure 9: TURF analysis – go-to flavors – savory, April 2020

BUY THIS REPORT NOW VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## **Market Perspective**

#### Consumers are balancing taste with nutrition

Figure 10: Dairy attitudes, April 2020

## Dairy products' answer to consumer health priorities

Figure 11: Health benefits priorities, December 2019

#### **Market Factors**

#### Recession may disrupt product choice, repertoire

Figure 12: Repertoire of types of dairy consumed, April 2020

### COVID cautious shoppers may stick with favorites

Figure 13: Coronavirus behaviors, April-July 2020

#### The role for health and wellbeing is a natural fit for dairy

Figure 14: COVID-19-related changes in priorities, higher priority, July, 2020

#### Young consumers are adopting dairy alternatives as product offerings increase

Figure 15: Dairy alternatives - household usage, March 2020

#### Foodservice flavors stay in the realm of the familiar

Figure 16: Dairy flavors on US menus Q4 2016-19

### Top flavors can shift across varieties to create a new experience

Figure 17: Savory flavors, by dairy varieties, April 2020

Figure 18: Sweet flavors, by dairy varieties, April 2020

# **Key Players – What You Need to Know**

### Super sweet and simple flavors have resonated

Brands continue to added health benefits in upcoming innovation

Future flavor is still based in the familiar

## **Product Development - Now - Current Flavor Trends**

#### Brands play up the fun side of dessert-inspired flavors

Figure 19: Purchase intent of dessert-flavored dairy products, August 2020

Figure 20: Perception of dessert-flavored dairy products, August 2020

# Coconut trends among traditional and alternative products

Figure 21: Experience and future interest in coconut flavor by age group, April 2020

## Brands keep it sweet and simple

Figure 22: Interest in maple as a dairy flavor, by generation, April 2020

# Reinventing cottage cheese through unexpected flavor innovation

Figure 23: Current savory flavor consumption, by generation, April 2020

# **Product Development - Near - What to Watch For**

## Anti-inflammatory, turmeric gaining steam with all ages

Figure 24: Interest in turmeric as a dairy flavor, by generation April 2020

# Protein + antioxidants bring collagen mainstream

Herbal and vegetable flavors hold familiarity and future interest

BUY THIS REPORT NOW VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 25: Trial and interest in herbal and vegetable dairy flavors, April 2020

#### **Product Development - Next - What's in the Pipeline**

#### Superfood spectrum offers opportunity for both mainstream and emerging brands

Figure 26: Interest and experience with dairy flavors, April 2020

#### Warm, spiced flavors build on a current go-to

Figure 27: Future interest in cardamom as a dairy flavor, April 2020

## The Consumer - What You Need to Know

## Consumers are hesitant in the dairy category

Women over 35 years old are most active in the dairy aisle

Younger consumers seek flavor, yet require more engagement with traditional dairy

#### Flavor Exploration with Dairy

#### Most dairy consumers aren't active flavor seekers

Figure 28: New flavor trial, April 2020

#### Age and income are factors for flavor exploration

Figure 29: New flavor trial, by age and income, April 2020

#### **Dairy Varieties Consumed**

## Stand-alone varieties are fit for flavor

Figure 30: Dairy varieties, April 2020

## Consumers over 35 are most active in the dairy aisle

Figure 31: Repertoire of types of dairy consumed, by age group, April 2020

## Dairy consumption patterns strongest among women

Figure 32: Varieties, by gender, April 2020

## **Dairy Flavor Attitudes**

## Consumers are split on exploring new dairy flavors

Figure 33: Dairy attitudes, April 2020

## Protein aligns the ages

Figure 34: Dairy attitudes, by generation, April 2020

# Dessert inspired flavors channel indulgence for female consumers

Figure 35: Dairy attitudes, by gender, April 2020

# **Now - Primary Dairy Flavors**

# Super sweet flavors rise to the top of the go-to list

Figure 36: Current sweet dairy flavors, April 2020

## Top savory favors are niche, and sometimes just plain and simple

Figure 37: Current savory dairy flavors, April 2020

# Highly engaged consumers lead flavor consumption

Figure 38: Savory dairy flavor consumption, by repertoire of varieties, April 2020

Figure 39: Sweet dairy flavor consumption, by repertoire of varieties, April 2020

BUY THIS REPORT NOW

VISIT: store.mintel.con

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### Next - Dairy Flavor Experience and Interest

The Sweet side

Figure 40: Correspondence analysis - symmetrical map - flavor innovation - sweet, April 2020

Fruit and function can balance something known, something new

Figure 41: Interest and experience with sweet dairy flavors, April 2020

Asian and Hispanic consumers most interested in emerging flavors

Figure 42: Interest in sweet dairy flavors, by race and Hispanic origin, April 2020

The savory side

Consumers' interest in savory dairy flavors

Figure 43: Correspondence analysis - symmetrical map - flavor innovation - savory, April 2020

Consumer awareness of savory flavors high, trial low

Figure 44: Interest and experience with savory dairy flavors, April 2020

Gen Z, Millennials express interest in flavor innovation

Figure 45: Interest in emerging flavors, by generation, April 2020

## **Appendix - Data Sources and Abbreviations**

Data sources

Sales data

Consumer survey data

Abbreviations and terms

Abbreviations

APAC +61 (0) 2 8284 8100 **EMAIL:** reports@mintel.com