
# Free-from Foods - UK - February 2021

**Report Price: £2195 | $2995 | €2600**

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## This report looks at the following areas:

- **The impact of COVID-19 on the free-from foods market.**
- **The outlook for the market in the re-emergence from the COVID-19 pandemic and recovery up to 2025.**
- **The latest new product development (NPD) trends.**
- **Consumers' habits around food/ingredients avoidance and buying free-from products.**
- **Consumer behaviour surrounding and attitudes towards free-from food/drink.**
- **The qualities consumers associate with different types of free-from products.**

Surprisingly, given that the terms 'vegan' and 'plant-based' are used largely interchangeably, consumers' perceptions of the two differ markedly, the latter seen as much more appealing. Food/drink labelled as plant-based sparks more positive associations across a variety of sought-after factors than products labelled as vegan, including nutrition, flavour, sustainability and naturalness. This illustrates the importance of terminology when marketing these products to shoppers.

Following a slowdown in 2019, sales growth in the free-from foods market accelerated again in 2020, with value sales rising by 16.9% year on year to break through the £1 billion ceiling. The market benefitted from the influx of new buyers amid the grocery stock shortages at the start of the COVID-19 outbreak, as well as from the dramatic shift from foodservice to retail driven by the pandemic.

Worsening financial wellbeing and more cautious spending habits arising from the economic disruption brought about by the pandemic will make the free-from market's poor associations with good value for money an even greater barrier. This is likely to see 'lifestyle' users in particular reduce their spending or drop out of the category altogether. This points to an urgent need for brands

"There is a pressing need for free-from products to justify their prices and improve their value for money image amid more cautious spending habits. In the longer term, the pandemic's acceleration of sustainability and health trends will support the market's continued growth."
**- Emma Clifford, Associate Director – Food and Drink Research**

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and retailers to try to overturn these perceptions to keep their place on consumers' shopping lists.

With the pandemic set to add more fuel to the nation's sustainability drive, the environmental benefits of consuming less dairy will become an even more persuasive selling point for the dairy-free segment. However, for products to stand out on this front in this increasingly crowded space, they must go the extra mile in sustainability, extending this to the product's all-important lifecycle impact.

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- **Sustainability factors hold sway**
- **Free-from ranges can be an important differentiator**

- **Concerns around impact of Brexit need to be assuaged**
- **Nutritional credentials are key**
- **Blends of cow's milks and plant milk appeal to a third**
- **'Plant-based' seen in a more positive light than 'vegan'**

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## APPENDIX – LAUNCH ACTIVITY AND INNOVATION

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