“The plant protein drinks industry needs to reinforce its image as a tasty drink with nutritional benefits to compete with other beverages including dairy drinks. In addition, launching more flavoured variants and introducing new ingredients such as cashew could help to boost appeal and increase consumption.”

– Yihe Huang, Research Analyst

This report looks at the following areas:

- How could soy drinks continue the growth
- How to compete with milk?
- What are potential new opportunities regarding ingredients and flavours?

The plant protein drinks market had a difficult year in 2017, as only the soy and coconut segments achieved growth in their market value, and established leading players such as Yangyuan have been facing challenges from regional players.

The key selling points of plant protein drinks revolve around taste and nutrition, while health claims that go beyond promoting just the protein content could differentiate plant protein drinks from other non-alcoholic beverages, including dairy drinks.
Plant Protein Drinks - China - February 2018

Table of Contents

Overview

What you need to know
Covered in this report
Definition of household income:
Excluded

Executive Summary

The market
Sluggish growth for value, volume stays flat
Figure 1: Best- and worst-case forecast of plant protein drinks market value, China, 2012-22
Figure 2: Best- and Worst-case Forecast of Plant Protein Drink Market Volume, China, 2012-22
New product development picks up, while premiumisation has a long way to go
Soy segment has the strongest performance
Figure 3: Market value in RMB billions of plant protein drinks, China, 2013-17

Companies and brands
Yangyuan still leads in the market, though losing share
Expanding usage occasions and investing in branding
Flavour, taste and health claims are key focus areas for product development

The consumer
Beans are well recognised as good protein sources
Figure 4: Perception towards protein sources, November 2017
Coconut leads in penetration while soy has the highest frequency
Figure 5: Drinking frequency, November 2017
Marketing and advertising efforts of Six Walnut paid off
Figure 6: Brands used most often – word cloud, November 2017
Good taste and rich in nutrition are most important purchase criteria
Figure 7: Reason for brand preference – word cloud, November 2017
Red date is the most interested new ingredient
Figure 8: New ingredient interest, November 2017
Single ingredient, rich taste, flavoured and nutritional benefits make the ideal product
Figure 9: Attitudes towards plant protein drinks, November 2017

What we think

Issues and Insights

How could soy drinks continue the growth
The facts
The implications
How to compete with milk?
The facts

What are potential new opportunities regarding ingredients and flavours?

The implications

The market keeps slowing down
- New product launching and higher-end offering to fight against decrease
- The growth of soy makes up for the decrease of walnut and almond

Market Size and Forecast
- Sluggish market value growth
  - Figure 10: Best- and worst-case forecast of plant protein drink market value, China, 2012-22
  - Figure 11: Share of plant protein prinks as of all non-alcoholic drinks, 2013-17
- Production of plant protein drinks keeps slowing down
  - Figure 12: Best- and worst-case forecast of plant protein drink market volume, China, 2012-22

Market Factors
- Low frequency a key barrier
  - Re-activated new product launch activities since 2017
    - Figure 13: New product launch in China amongst all plant protein drinks launched globally, 2013-17
    - Figure 14: Plant protein drinks new launch type, China, 2013-2017
- Market offerings going premium
  - Figure 15: Average new product price in USD, China, 2013-17
  - Figure 16: Packaging percentage of all plant protein products, 2013-17

Market Segmentation
- The growth of soy makes up the fluctuating market
  - Figure 17: Market value in RMB billion of plant protein drinks, China, 2013-17
  - Figure 18: Plant protein drinks market volume in million litres, China, 2013-17
- Soy is the most dynamic segment
  - Figure 19: Share of new products launched in China, by segment, 2013-17

Key Players – What You Need to Know
- Regional players uprising
  - Offering tasty drinks as nutritional supplements

Market Share
- Yangyuan still leads the market
  - Figure 20: Company retail value share, China, 2014-17

Competitive Strategies
Plant Protein Drinks - China - February 2018

Taking advantage of seasonality
  Figure 21: Zhi Chang Xin Ren stored in thermal container, China, 2018

Special care for children
  Figure 22: Viee highlighting special care for baby, 2018

Nurturing meal time consumption
  Figure 23: Yinlu Peanut Milk as food ingredient, China, 2018

Justifying well-being benefits with TCM (Traditional Chinese Medicine) ingredients
  Figure 24: New launched plant protein drinks in China based featuring brown rice

Playing up brand heritage vs rejuvenating the brand
  Figure 25: Coconut Palm highlighting its history, China, 2018
  Figure 26: Weiwei creates a younger image to reach younger generation, China, 2018

Launching more indulgent flavours
  Figure 27: Top flavours of plant protein drinks, China, 2013-17
  Figure 28: New launched plant protein drinks in China with special taste or ingredients

Rise of healthy claims
  Figure 29: Top claims of plant protein drink, China, 2013-17
  Figure 30: New launched plant protein drinks in China with health claims
  Figure 31: Benefit Shakes highlighting vitamin supplement, UK, November 2017

Make it light vs make it rich
  Figure 32: Selected plant protein drinks highlighting light taste
  Figure 33: Selected plant protein drinks featuring rich taste

Nuts rising in the global market
  Figure 34: Selected plant protein drinks featuring nuts

Who's Innovating?

The Consumer – What You Need to Know

Plant protein is recognised as a good source of protein
Coconut is more popular but soybean is consumed more frequently
Established brands are used more often, though brand name is not the most critical purchase factor
Enriching flavours to achieve future growth

Perceptions towards Protein Sources

Nuts and beans are most popular plant protein sources
  Figure 35: Perception towards protein sources, November 2017

Potential opportunity to target females with the quality of plant protein
  Figure 36: Perception towards protein sources – high quality protein, by gender, November 2017

Drinking Frequency

Coconut enjoys highest penetration
  Figure 37: Usage penetration for plant protein drinks, November 2017

Male consumers are interested in peanut and coconut

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

BUY THIS REPORT NOW
Soy drinks’ consumption frequency nearly doubles that of almonds

Gender gap lies in grain, walnut and almond drinks

Six Walnuts is the leading brand, followed by Coconut Palm and Lolo

Soy based drinks fall behind owing to a lack of a dominant brand

Taste is more important than nutrition

Taste vs nutrition among different consumer groups

Brand differentiators go beyond taste and nutrition

Red dates and cashew are the most favourable new ingredients

Soy drink heavy users prefer red bean

Attitudes towards Plant Protein Drinks

Meet the Mintropolitans
Figure 57: Perception towards various protein sources – rich in protein, by consumer classification, November 2017
Figure 58: Perception towards various protein sources – high quality protein, by consumer classification, November 2017

Higher penetration
Figure 59: Plant protein drinks penetration, by consumer classification, November 2017

Pay more attention on nutrition
Figure 60: Reason for brand preference, by consumer classification, November 2017

More open to new ingredients
Figure 61: Interest in new ingredients, by consumer classification, November 2017

Regard plant protein drinks a beverage healthier than dairy
Figure 62: Attitudes towards plant protein drinks – use and health, by consumers classification, November 2017

Appendix – Market Size and Forecast
Figure 63: Market value for plant protein drinks, China, 2012-22
Figure 64: Market volume for plant protein drinks, China, 2012-22

Appendix – Market Segmentation
Figure 65: Market value for plant protein drinks, by segment, China, 2012-22
Figure 66: Market volume for plant protein drinks, by segment, China, 2012-22

Appendix – Methodology and Abbreviations
Methodology
Fan chart forecast
Abbreviations