
Consumer Insights to Help Sprout Success with Plant Based Frozen Desserts

GUIDELINES FOR FOOD & BEVERAGE MANUFACTURERS



Consumer Interest in Plant-Based Dairy and Frozen Desserts is Growing

Plant-based milks are a multi-billion-dollar category with a CAGR of 10-14% expected to produce more than \$23 billion globally by 2025. Consumer interest in alternatives to traditional dairy milk has quickly expanded to include plant-based cheese, yogurt, creamers, butter, and frozen desserts.

The demand for sweet frozen plant-based treats is leading producers to launch diverse options featuring soy, coconut, almond, oats, cashews, and pea protein, creating a \$2 billion global market. North America holds 38.4% of the frozen dessert market, and forecasts expect the \$786 million category to deliver a robust CAGR of 24% over the next few years. Although the segment is rapidly expanding, plant-based options generate less than 10% of the roughly \$10 billion frozen dessert market in North America, presenting significant upside.

To help you create plant-based frozen desserts that align with consumer needs and expectations, let’s review market dynamics and findings from a FlavorSum survey of North American consumers.

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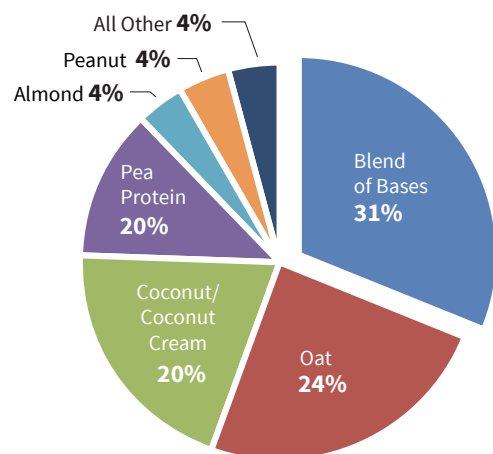
The Market for Plant-Based Frozen Desserts

As manufacturers recognized the appeal and value of plant-based frozen desserts, they stepped up new product development (NPD), which surged 27% pre-pandemic. 2020 NPD activity shows North American launches featuring various bases.

- Blends combining ingredients like almond milk, coconut oil, and pea protein dominated the 2020 landscape. The trend toward blended bases reflects producers' efforts to deliver the taste and mouthfeel consumers expect from ice cream and frozen desserts.

Oat-based frozen dessert launches picked up in 2020, aligning with the rapid growth in oat milk sales in North America. The familiar taste, nutrition profile, and sustainability associated with oat milk contribute to positive consumer perceptions and manufacturer interest.

Plant-Based Frozen Dessert Launches
North America – 2020

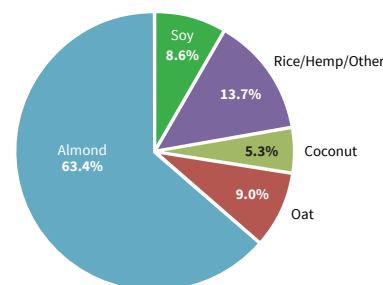


Which plant-bases are North American consumers buying for dairy alternatives?

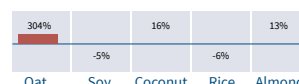
In the U.S., oat milk recently edged soy milk to claim the #2 spot after almond milk. And plant-based milks represent 15% of total milk sales, indicating a broadening acceptance of dairy alternatives.

Canadian interest in oat milk is also growing significantly, but the segment share trails soy and coconut milks. Sales growth in milk alternatives in Canada reflects a growing distaste for the hormone, lactose, and saturated fat contents of conventional dairy, in addition to mounting environmental concerns.

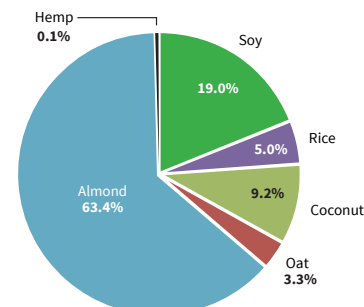
U.S. Plant-Based Milk Market by Base
2019



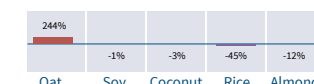
U.S. Plant-Based Milk Trends
2019



Canadian Plant-Based Milk Market by Base
2019

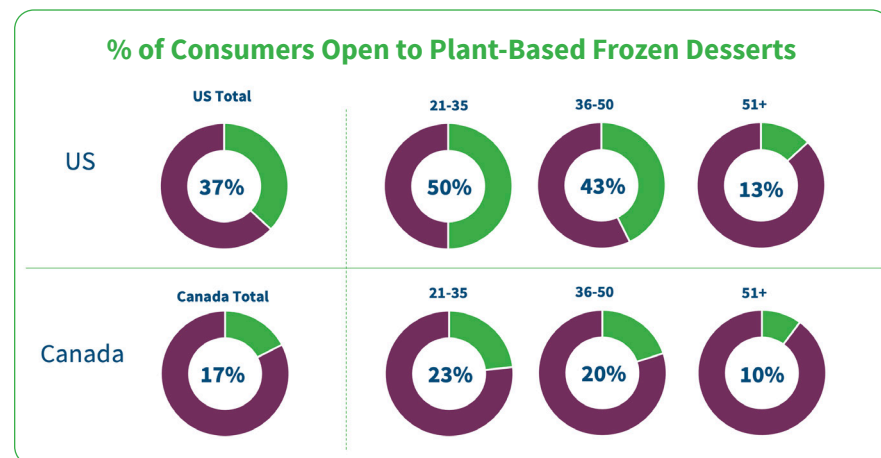


Canadian Plant-Based Milk Trends
2019



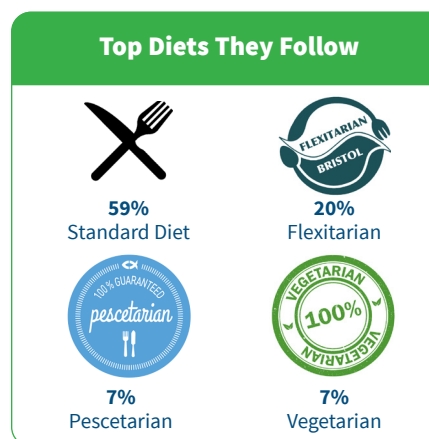
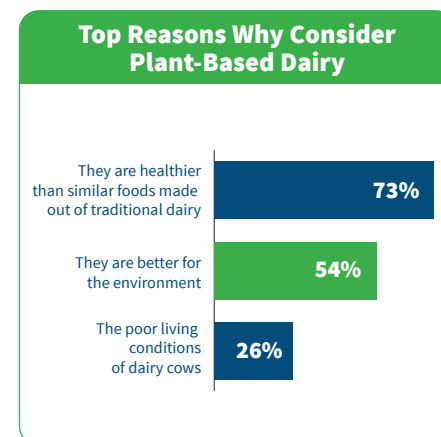
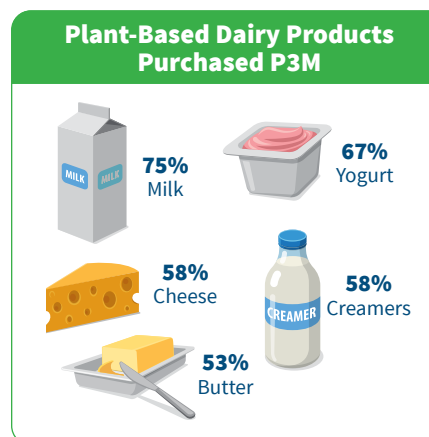
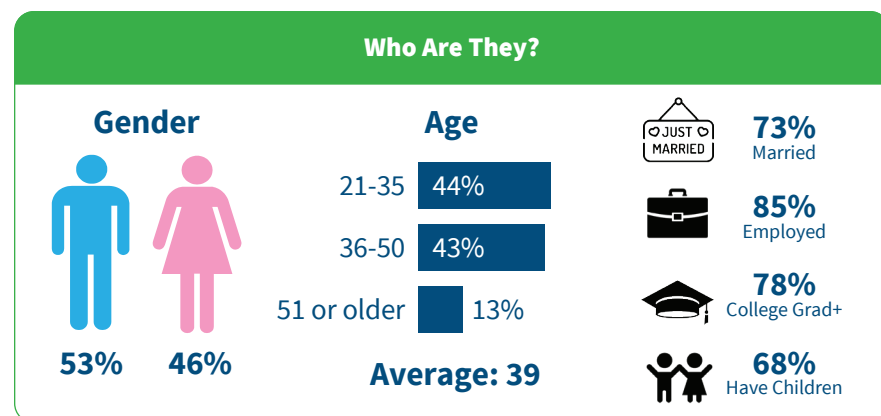
Who's Interested in Plant-Based Frozen Desserts?

More consumers in the U.S. than Canada express interest in plant-based ice creams, with engagement waning with age.



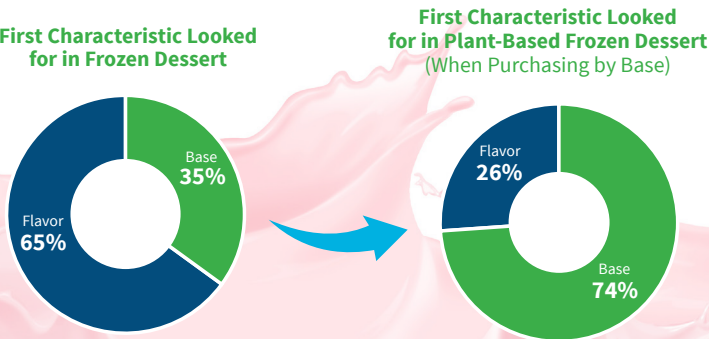
Who's Buying Plant-Based Frozen Desserts?

Across North America, people purchasing plant-based frozen desserts tend to be younger, well-educated, traditional households. They're buying multiple categories of plant-based dairy alternatives primarily because of health and environmental benefits. Buying plant-based products represents a conscious choice to improve a standard diet rather than a dietary requirement.

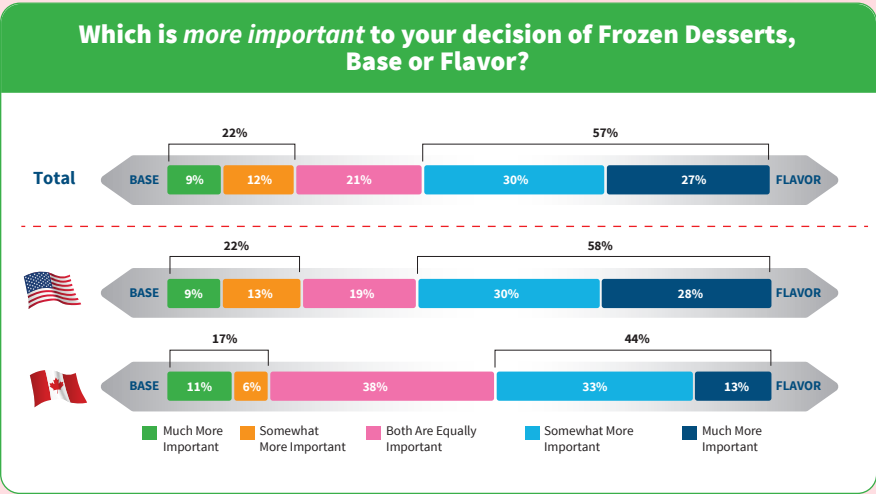


How Much Does the Base Influence Purchase of Frozen Desserts?

When asked what they look for first when buying any frozen dessert, two-thirds of consumers say the flavor is the primary driver of choice. The base becomes a more influential characteristic when buying plant-based alternatives.



While base is a compelling consideration for some purchases, most consumers agree that flavor is equal to or more important than the base when choosing ice cream or frozen dessert.

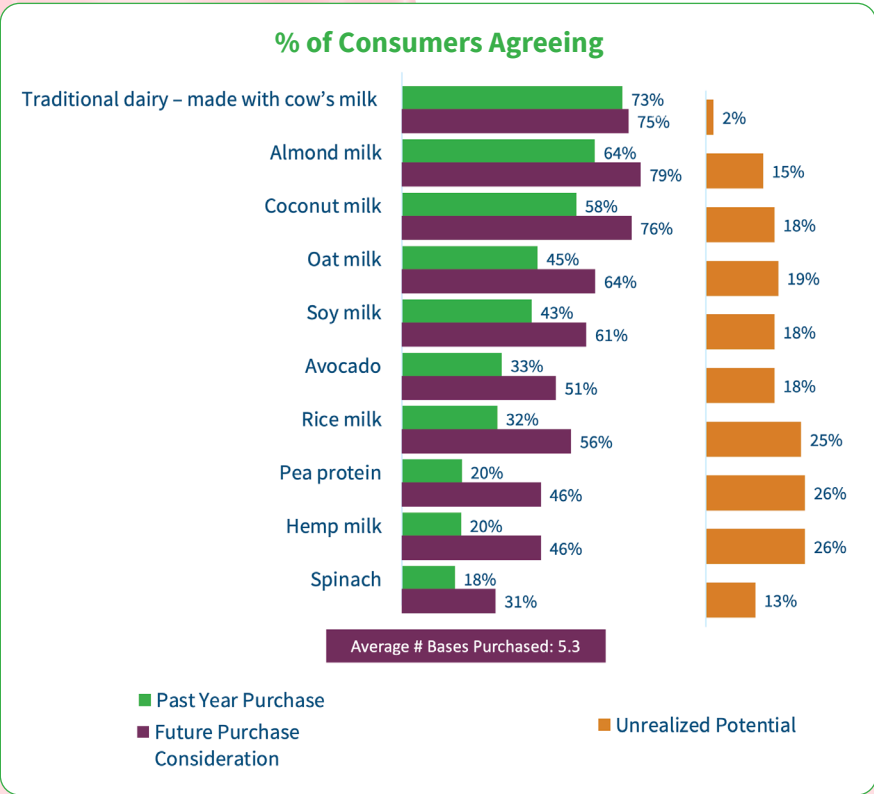


What Bases are North American Consumers Buying in Frozen Desserts?

Not surprisingly, most consumers are currently buying traditional dairy-based frozen desserts and intend to stay in the category.

Leading plant-based milks, including almond, coconut, oat, and soy, make up the rest of the Top 5 bases.

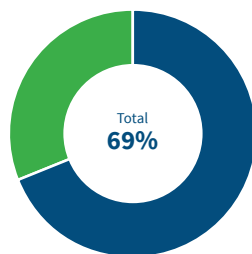
Although opportunity gaps for niche bases are substantial, most have lower overall current and future purchase intent, creating challenges for NPD.



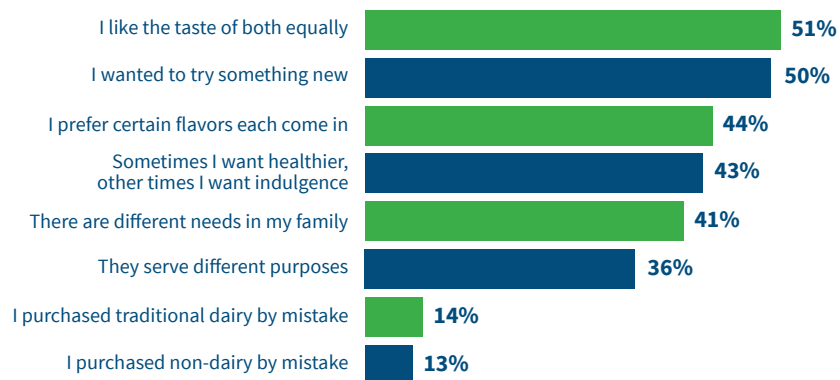
Why Consumers Buy Traditional and Plant-Based Frozen Desserts

About 70 percent of consumers buy both dairy and plant-based ice creams or frozen desserts because they like the taste of both or are exploring the category. Flavors can drive choice along with perceived health benefits or family needs.

Purchase Both Plant-Based and Traditional Dairy Frozen Desserts



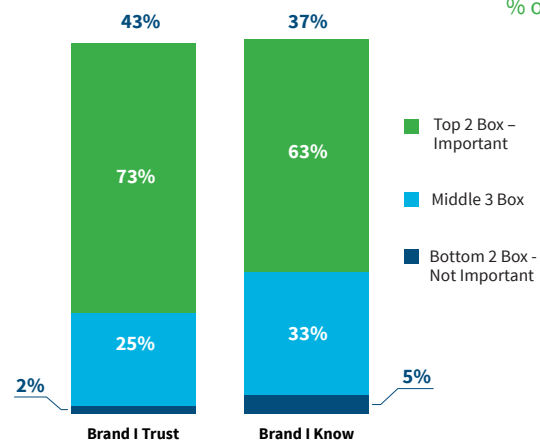
Why Buy Both? % of Consumers Agreeing



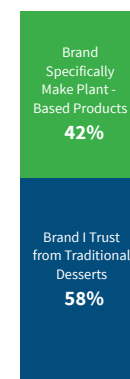
The Role of Brand in the Purchase Decision for Frozen Desserts

Consumers turn to brands of frozen desserts that they know and trust. Yet, they're more open to new brands when shopping for plant-based ice creams or frozen desserts, especially if the brand has credibility with plant-based products.

Importance of Brand When Purchasing Frozen Desserts

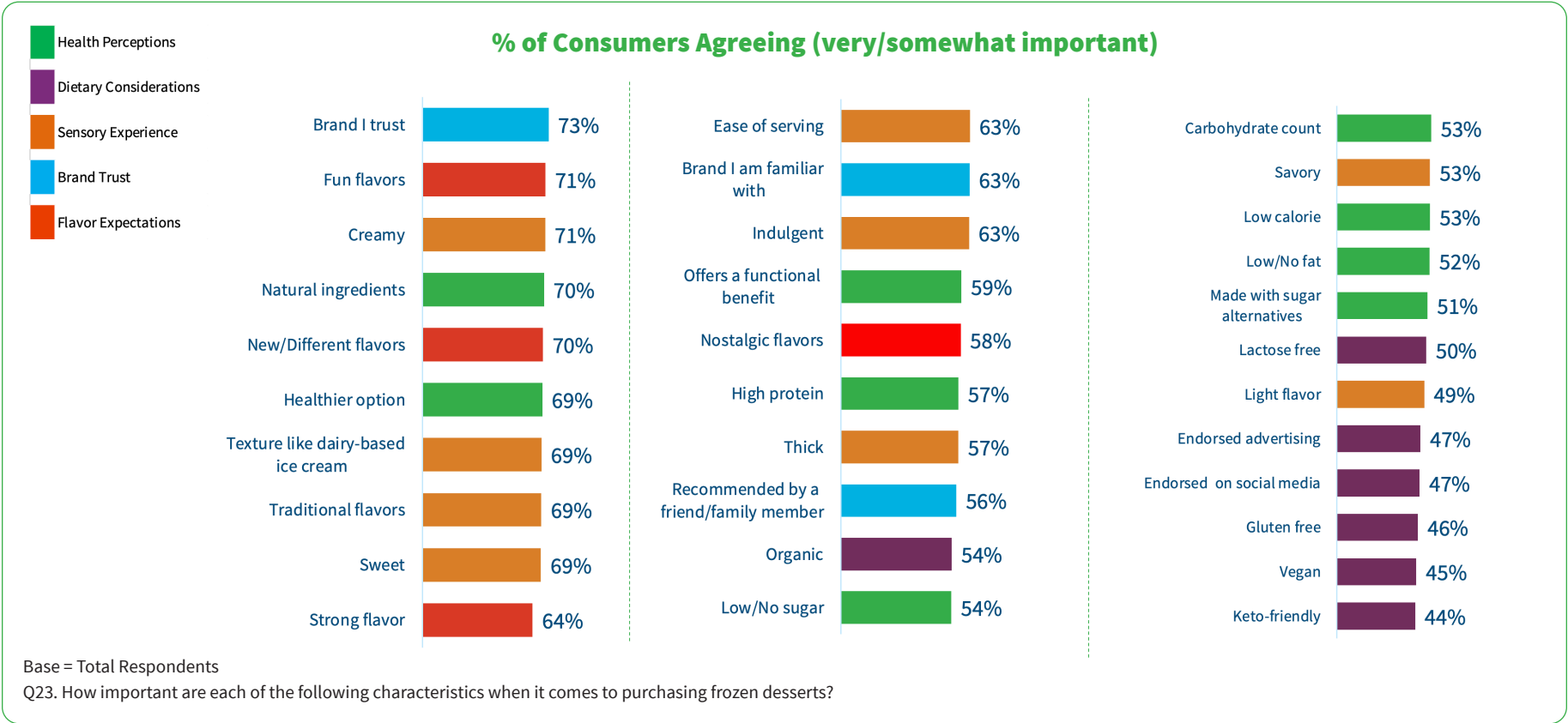


Role of Brand When Shopping for Plant-Based Frozen Desserts % of Consumer Agreeing



Factors Affecting the Purchase Decision for Frozen Desserts

Flavors and the sensory experience are leading characteristics consumers seek when choosing frozen desserts. While they value natural ingredients and healthier options, specific functional benefits or dietary considerations are less influential.

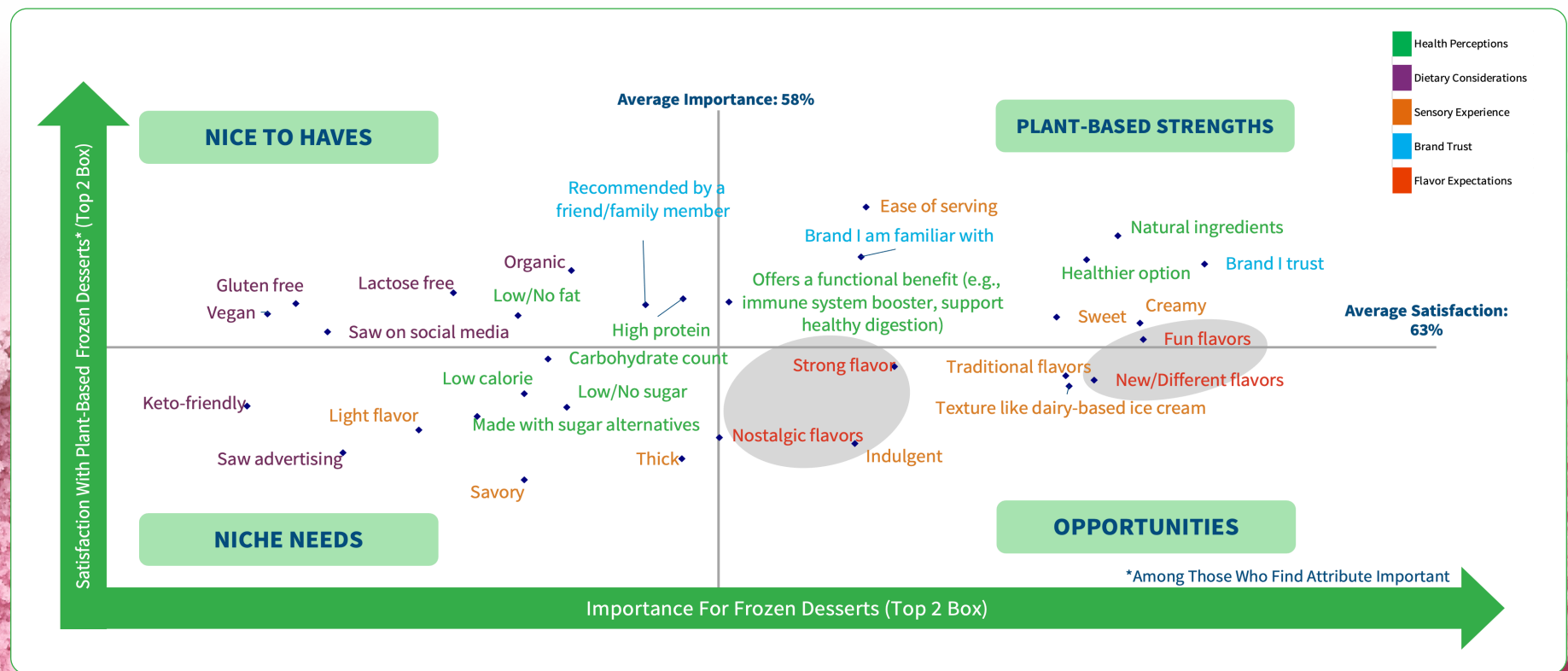


How Well Do Plant-Based Frozen Desserts Meet Expectations?

Flavor – whether strong, fun, innovative, traditional, or nostalgic – is the most encompassing opportunity for plant-based frozen dessert to tackle to meet consumer expectations better. Delivering a texture like dairy-based ice cream is also high on the priority list.

Current offerings deliver the natural, healthier options that consumers seek, with a sweet, creamy, easy-to-serve experience. People also recognize the availability of high protein, low/no fat, and organic options and acknowledge the dietary considerations plant-based frozen desserts address.

Less essential characteristics for the plant-based segment include low calorie and low/no sugar, which could reflect consumers' desire for permissible-to-full-on indulgence, even from plant-based alternatives.



Finding the Flavors that Align with Your Objectives

Because flavors evoke memories and emotions that create connections and expectations, getting the right flavor for your frozen dessert is essential for generating trial and acceptance. We gathered consumers' perspectives about the link between flavors and needs. After sharing several flavor families (with the specific examples shown below), we asked consumers about the associations they have with each.

Analysis of the consumer feedback helps identify the types of flavors that best 'fit' with audiences and brand positionings.



Berry – strawberry, raspberry, blackberry, blueberry



Fruit – pear, peach, apple, cherry



Citrus – lemon, orange, lime, grapefruit



Melon – watermelon, honeydew, cantaloupe



Simple Sweet – chocolate, vanilla, honey



Tropical – pineapple, mango, banana



Fun Flavors – cotton candy, tutti frutti



Indulgent – cheesecake, cookie, fudge, caramel, coffee



Spice – mint, cinnamon, ginger, cardamom



Botanical – lavender, hibiscus, matcha

Good for adults

Good for kids

Healthier

**Familiar/
Known**

Comforting

Exciting/New

Nostalgic

Indulgent

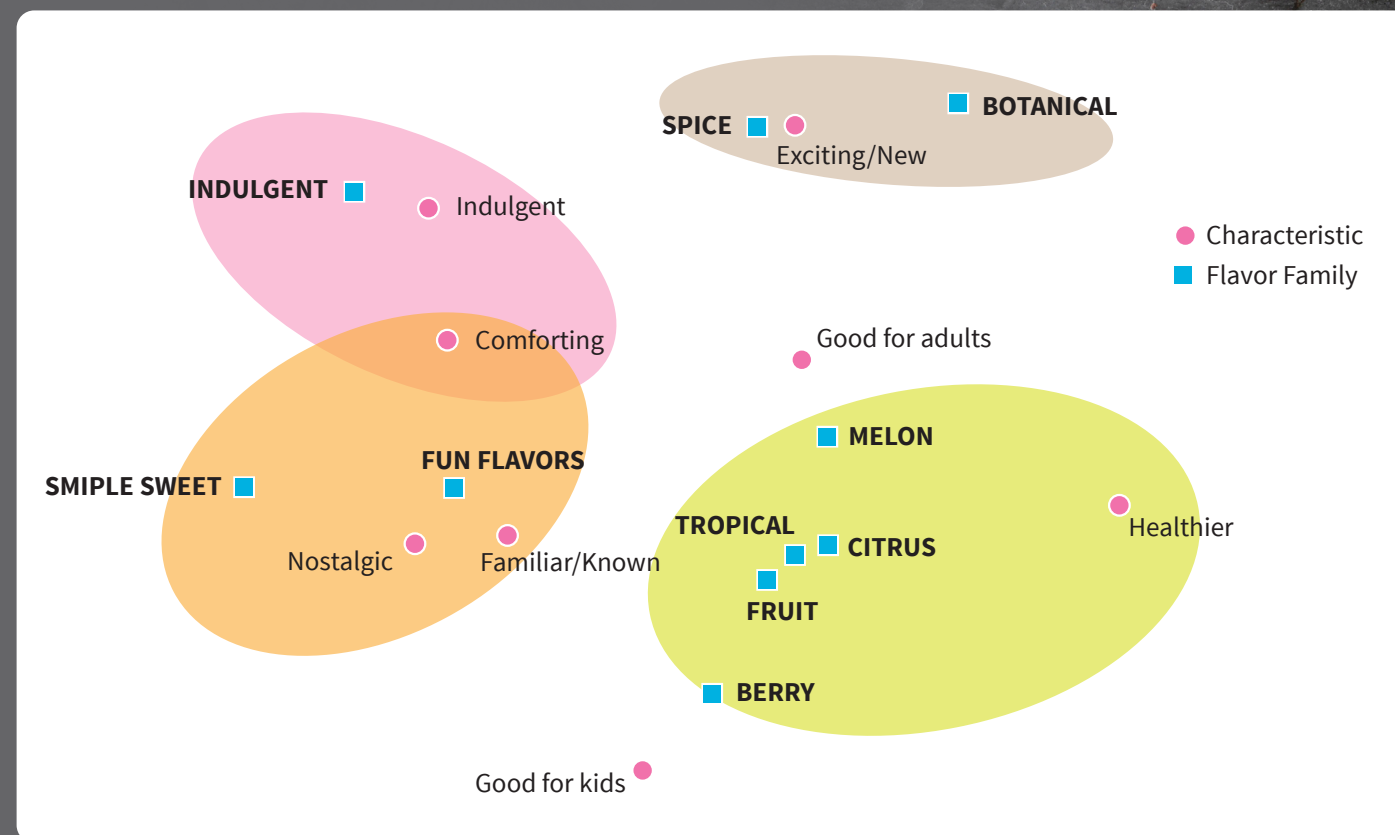


A perceptual map provides guidelines to use when creating frozen desserts for specific brands and target audiences.

A perceptual map uses distance to uncover associations. Flavor families closer to a characteristic have stronger links in consumers' minds.

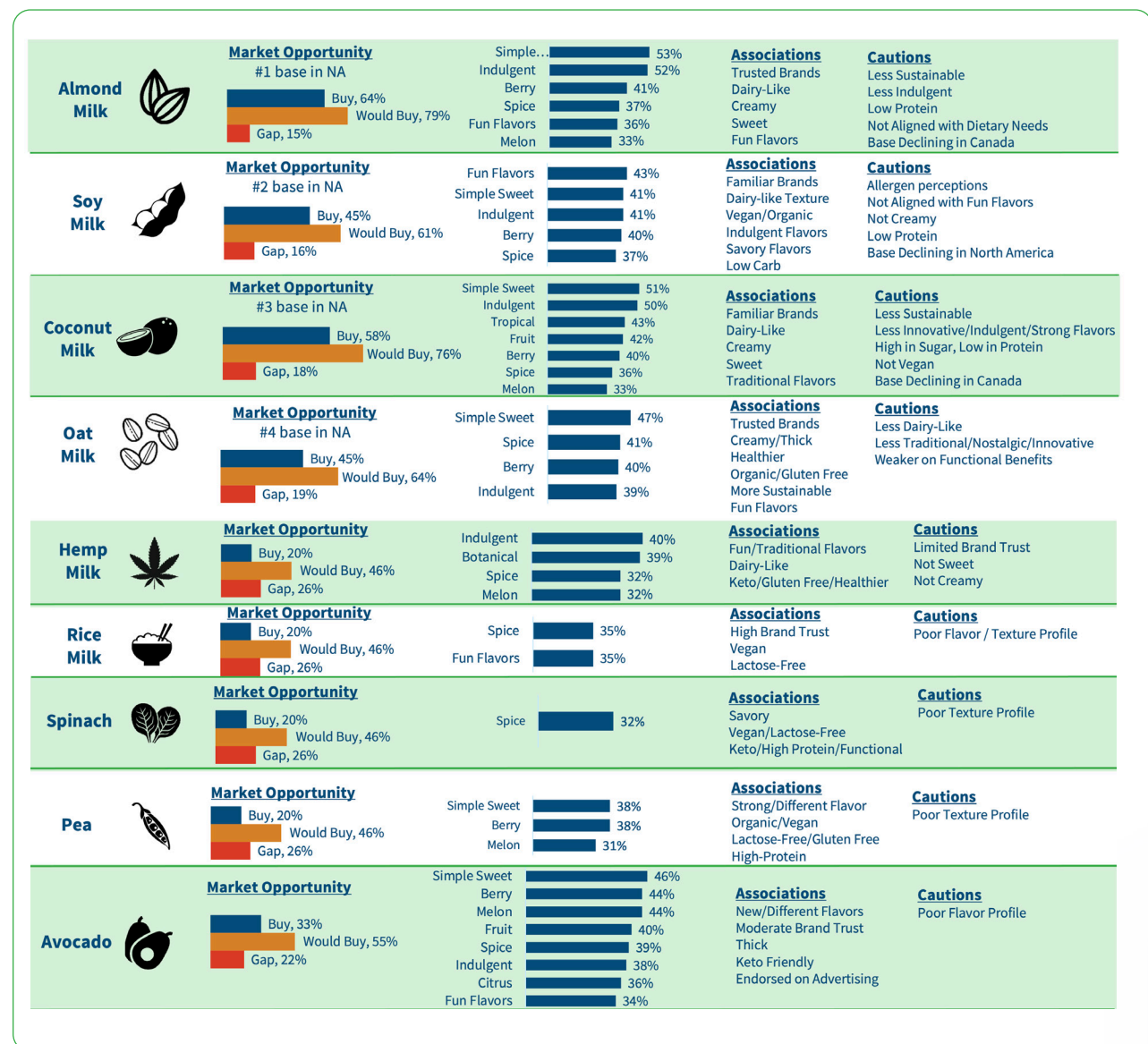
For example:

- Flavors 'good for kids' include berry, fruit, or fun flavors.
- If you're interested in tapping into the nostalgia trend, choose simple sweet, or fun flavors.
- Botanical and spicier flavor profiles meet consumer needs for innovative and exciting tastes that fit the adult palate.



What's Your Opportunity for a Plant-Based Frozen Dessert?

The chart below shows that each plant base carries strengths, cautions, and specific flavor associations. While single bases remain popular in frozen desserts, blends can bring the best characteristics of several bases together to create a taste experience that satisfies consumers.



Base = Interested In Flavor, Would Consider Purchasing Base In The Future, And Evaluated Q30. Of the flavors you would be interested in trying, which bases would you be interested in trying them with?

*Note: only showing flavors that have significant differences when compared to other bases

Let's Partner to Develop Your Delicious Plant-Based Frozen Dessert

At FlavorSum, our mission is to provide you with the solutions, expertise, responsiveness, and infrastructure that you need to accelerate your success. We're here to:



Speed Your Time-To-Market: From hundreds of trending flavor sample options that ship in 24-hours, to online, on-demand ordering capabilities and documentation, FlavorSum helps you keep your projects moving.



Extend Your In-House Capabilities: Our cross-functional teams have supported the development of more than 500 flavors in each of the last 3 years by using consumer insights, industry knowledge, and commercialization expertise.



Achieve Unmatched Reliability: When it's time to ramp up production, you can count on FlavorSum. We have maintained a 99.8% on-time-in-full delivery performance over the last 3 years.

Contact our team today to get started on your next launch!

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