DAIRY AND DAIRY ALTERNATIVE DRINKS, MILK AND CREAM – UK – 2024

Rising incomes will see switching to foodservice and growing green interest put pressure on the market. Dairy's natural nutrition stand out as a point of strength.

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Dairy And Dairy Alternative Drinks, Milk And Cream – UK – 2024

This report looks at the following areas:

- The impact of the income squeeze and improving confidence on milk and cream.
- Trends in launch activity in the market, and opportunities for further innovation.
- Usage of different types of cow's milk and plant-based alternatives, as well as cream.
- Consumer behaviours related to the market, including the opportunities and threats related to consumer perceptions of the importance of naturalness.
- Consumer attitudes related to the market, including related to the image of cream in elevating a dish.

> Rising incomes will see switching to foodservice and growing green interest put pressure on the market. Dairy's natural nutrition stand out as a point of strength.

Overview

While the income squeeze has benefited cream and flavoured milk as consumers limited dining out, the dominant white milk segment has faced cutbacks, likely linked to people reducing food waste. Rising confidence should stem further cuts in the short term, however, easing inflation will see value growth ebb.

Longer term, rising household incomes will see foodservice occasions regain momentum, taking its toll on the market. Improving finances are also expected to see sustainability become more front of mind for consumers, dialing up the pressure on the dominant cow's milk segment to improve its credentials.

Consumers attach high importance to naturalness in milk. This points to cow's milk's natural nutritional content as a powerful selling point that warrants more spotlighting, including by leaning into its image as a nutritious drink choice for supporting active lifestyles.

Report Content

EXECUTIVE SUMMARY

Opportunities for the dairy and dairy alternatives, milk and cream retail market

- Celebrate dairy milk's natural nutrition to support usage
- Reaffirm cream's role as making a difference to a dish
- Convincing shoppers of meaningful impact is key hurdle for greener products

Market dynamics and outlook

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- Market predictions
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MARKET DYNAMICS

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WHAT CONSUMERS WANT AND WHY

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- Milk being natural is of high importance to most milk users
  - Graph 40: behaviours related to milk, 2024
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- …dialing up the importance of 'clean label'
- Celebrate dairy milk's natural nutrition to support usage
- Nearly two in three rate naturalness over nutrition
- Promote dairy milk's natural nutritional benefits to users…
- …and non-users
- Blood sugar gains attention, also in milk
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- Three in 10 of those concerned about blood glucose impact drink oat milk
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- Target under-45s with flavoured milk designed for adults
  - Graph 42: agreement with the statement 'Flavoured milk that comes in flavours designed for adults would appeal to me', by age group, 2024
- RTD coffees offer inspiration and competition
- …as do international launches
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Attitudes towards dairy and dairy alternative drinks, milk and cream

- Cream is seen widely to elevate the taste and make a dish feel special
  - Graph 43: attitudes towards dairy and dairy alternative drinks, milk and cream, 2024
- Reaffirm cream's role as making a difference to a dish
- Cream benefits from image as making a dish feel special
- Tie-ups with cream can support other categories
- Promote cream's ability to enhance taste
- Butter and stocks offer inspiration
- Target home cooks looking for convenience with savoury cooking cream
- International examples offer cues for savoury flavours in cream
- Convincing shoppers of meaningful impact is key hurdle for greener products
- Three in five think farming practices make a difference to environmental impact of cow's milk/cream
- M&S invests in reducing dairy cows' carbon footprint
- Minority think their milk choices make a difference
- The onus is on greener products to cut through confusion
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INNOVATION AND MARKETING TRENDS

Launch activity and innovation

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  - Graph 44: product launches in the dairy and dairy alternatives drinks, milk and cream market, 2020-23
- Deliciously Ella and Valio launch plant-based milks
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  - Graph 50: total ATL, online display and direct mail advertising expenditure on dairy and dairy alternatives drinks, milk and cream, by top advertisers, 2020-24
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- Müller launches masterbrand campaign with the tagline 'Love every bit'
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- Market size and forecast: volume
- Market forecast and prediction intervals (value)
- Market forecast and prediction intervals (volume)
- Forecast methodology

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- Value sales of white milk, by fresh and longlife
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- Brand value sales of cow's milk (white)
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- Brand volume sales of white milk other than cow's
- Manufacturer value sales of white milk other than cow's
- Manufacturer volume sales of white milk other than cow's
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- Brand volume sales of cream
- Manufacturer value sales of cream
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- Brand value sales of flavoured milk
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