MEAT SUBSTITUTES – GERMANY – 2023

While meat substitutes may see a steadying of sales, they're set for growth as the meat reduction trend prevails – with a focus on personal and planetary health.

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MINTEL

Meat Substitutes - Germany - 2023

This report looks at the following areas:

- The post-COVID-19 bounce-back and impact of the cost of living crisis on the meat substitutes market
- Continuing reduction of meat usage over the past few years
- Benefits associated with eating less meat, such as better for the environment and a way to save money
- Usage of meat substitutes, frequency of use and the most widely used formats, including convenient part-prepared and deli meats
- Influencing choice factors among shoppers of meat substitutes, including taste/ texture and natural ingredients
- Consumer behaviours towards meat substitutes, such as willingness to pay more to support ingredient suppliers, and features that resonate amidst the income squeeze
- How launch activity reflects consumer expectation for health-led, ethical, convenient and environmentally friendly plant-based products

> While meat substitutes may see a steadying of sales, they're set for growth as the meat reduction trend prevails – with a focus on personal and planetary health.

Overview

Reducing reliance on meat is high on the agenda. Those aged 16-24 (76%) and adults with children aged under 18 at home (55%) eat meat substitutes – **championing the category for future generations**.

The market is showcasing interesting flavours, **convenience** formats and **unctuous textures**, with faux meats tasting just like 'the real deal' without the compromise. More novel, premiumtier and tech advances (eg 3D printed) are improving the organoleptics of meat substitutes and being spotted on high-end menus.

Interest in satiation (63% of category consumers agree meat substitutes are just as filling as meat-containing equivalents), alongside frozen products being seen as good quality as chilled (57%) and own-label as good as branded (56%), aligns to the notion of savvy consumption. Offering **value through satiating eats, own-label and frozen offerings** will resonate with price-sensitive consumers.

German companies are increasingly following a hybrid working model, creating **more eating occasions**, eg snacking on the go, brunch/lunch in-home. **Plant-based (health-led) deli/ snacks can fit into traditional set-mealtimes and everything in-between.**

While value offerings are of importance, future **product innovation that supports the farmer/producer** and the environment (farmland) will align to consumer values and the sentiment of giving back.

Report Content

EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview
- The five year outlook for meat substitutes

Market context

- Younger generations, who are often time-poor, are the biggest audience for meat substitutes
- Consumers are keen to reduce – but will they give up meat altogether?
- Savvier spending affecting the meat substitutes category
- Continuing focus on the environment supports meat substitutes

Mintel predicts

- Steadying of sales in 2022-23 due to the income squeeze
- Market size & forecast
- Both value and volume retail sales of meat substitutes will increase over the forecast period 2022-27
- Meat substitutes retail value sales will nearly double from 2022-27
- Meat substitute volume sales forecast for 39% growth from 2022-27

Opportunities

- Position meat substitutes as a way to save money – and the planet
- Taste and texture are key
- Aid time-poor cooks with part-prepared convenience options
- Mealtime blurring sees innovation moving beyond traditional meal occasions…
- …boosting snackable and deli-ready convenience
- Low price is important, but not at a detriment to farmers

The competitive landscape

- Brands make-up the majority share of meat substitutes sales
  - Graph 1: company retail market share of meat substitutes, by value, 2021
- Spot check: on shelf meat substitutes product positionings
- Quick download resources

MARKET DRIVERS

The German economy

- The cost-of-living crisis is holding back the post-COVID-19 recovery

- Graph 2: key economic data, in real terms, 2019-24

- Inflation continues to be the key concern in 2023 for consumers, brands and the economy…
- …impacting financial wellbeing and consumer expenditure
- Savvier spending affecting the meat substitutes category

Meat reduction trend continues

- Plant-based progress in Germany
- Continued meat reduction trend to fuel interest in meat substitutes
- Retailers are taking on a moral role in securing higher animal welfare
- Regenuary vs Veganuary

Interest in health and wellness remains apparent

- Plant-based offerings are supporting wellness
- Processed and red meats are seen in a negative light

Increasing awareness of planetary health alongside personal health

- Holistic health appeal – good for me and good for the planet
- Eating less meat is seen as key measure to reduce personal emissions

WHAT CONSUMERS WANT AND WHY

Meat consumption and reduction

- Encouraging meat reduction is key
- Around half of Germans carry out their meat reduction intentions

  - Graph 3: have limited/reduced the amount of red meat/poultry eaten in the last six months, by gender, 2021 and 2022

  - Graph 4: interested in limiting/reducing the amount of red meat/poultry eaten in future, by gender, 2021 and 2022
- Move over red meat and poultry, faux meats are coming through

Benefits associated with eating less meat

- Environmental reasons are a top benefit of eating less meat
- Ethics and 'feeling good' align with Gen Z/younger Millennial age groups
- Cost is being factored into the plant-based equation
- The 'feel-good factor' supports planetary and personal health aspirations

Usage of meat substitutes

- Younger generations, including couples & families are the biggest audience for meat substitutes
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  - Graph 5: consumption of meat substitutes in the last six months, by age and presence of children in household, 2022
- Half of meat substitute eaters consume products at least once a week

  - Graph 6: frequency of eating meat substitutes in the last six months, 2021 and 2022

- Young families are important for volume sales too
  - Graph 7: select demographics with high frequency of eating meat substitutes in the last six months, 2022
- Convenient part-prepared are top meat-free items eaten
  - Graph 8: formats of meat substitutes eaten in the last six months, 2022
- Part-prepared convenience as winning formats
- Familiar sliced 'meats' – a gateway into the deli category
- 'Catch' on to the fishless trend

Influencing choice factors among shoppers of meat substitutes

- Similarity in taste/texture as the meat equivalent is important
  - Graph 9: factors impacting choice of one meat substitute over another, 2022
- Offer meat-like alternatives with the 'same taste/texture' as their meatier counterparts
- Elevate natural ingredients through 'green' messaging and pack design
- Versatility through 'minced meat' mixes helps plant-based consumers create familiar favourites at home
- High-veggie/pulse-packed propositions could help drive the category
- Meat brands diversifying their innovation pipeline with meat-substitutes to align to growing consumer needs
- Carbon footprint comparisons are made between meat-containing and meat-free products

Consumer behaviours towards meat substitutes

- Sustainable farming practices/fair pay messaging could encourage brand switching
  - Graph 10: behaviours related to meat substitutes, 2022
- Sustainability through locality, being made in Germany resonates with consumers
- New technologies appeal most highly to young males
  - Graph 11: interest in trying meat substitutes that use new technologies to more closely resemble meat, by age within gender, 2022
- Like-for-like textural developments has helped the category enter the high-end food service channel
- Convenience through part-prepared will aid time-poor cooks

Attitudes towards meat substitutes

- Meat substitutes offering satiety resonate with consumers
  - Graph 12: consumer perspectives on meat substitutes, 2022
- Appeal to female shoppers with satiety messages
- Interest in snackable plant-based solutions
- Snacking inspiration; sausage and salami-style meat substitutes
- Advancements in textural developments in meat-free beef alternatives aren't going unnoticed
- 'Fakeaway' and creation of restaurant classics in-home as an avenue for new product development
- 'Fakeaway' ready made meals

LAUNCH ACTIVITY AND INNOVATION

- Private labels are pursuing the branded players with launch innovation
  - Graph 13: meat substitutes launches by brands vs private labels, 2018 and 2022
- Vegan private-label launches continue to climb
- REWE launches 100% vegan meat counter
- ALDI claims to be the "vegan-friendliest discounter"
- Ethical & environmental claims continue to gain traction
  - Graph 14: meat substitutes launches with ethical & environmental claims, 2018-22
- Paper-based packaging supports eco packaging claims
- Carbon labels are a growing trend
- Plant-based messaging overtakes vegan and vegetarian
  - Graph 15: meat substitutes launches with vegan, vegetarian or plant-based claims, 2018-22
- 'Plant-based' messaging is being boldly called out front-of-pack
- Billie Green targets 'solo-vegans' within households
- Consumers prioritise natural ingredients
- Clean appeal through veg, pulse and legume inclusions
- 'Source of protein' claims are apparent
- Vegetable proteins remain as the most prevalent protein-base in meat substitute launches
  - Graph 16: meat substitutes launches by top protein base types, 2018-22
- Meat substitutes combine TVP with vegetables for added texture and nutrition
- Jackfruit as an ingredient remains apparent
- ALDI Nord goes beyond soy for seafood alternatives
- Plant-based fish/seafood substitutes to play catch-up with 'meaty' flavours in launch innovation
  - Graph 17: meat substitutes launches with 'meat', 'fish' or 'poultry' flavour, 2018-22
- The fishless trend – a retail snapshot of 'fish' fingers
- Tinned tuna; "plants on the plate, fish in the water"
- Vegan smoked 'salmon' from 'lox' to 'laxx'

Advertising and marketing activity

- LikeMeat bacon launches in Germany
- Rügenwalder Mühle's campaign centred around togetherness and inclusivity
- Rügenwalder Mühle launches its bratwurst into football stadiums
- GREENFORCE partners with footballer Thomas Müller
- Oatly's research continues the football theme outside of the meat substitutes category
- Just peas – no animals harmed in endori's plant-based portfolio
- REWE's 'protect the climate with vegan food' messaging
- Vegan cookery with Timo on 'Your Lidl TV'

- The Vegetarian Butcher goes on tour…
- Digital discounts with QR voucher code downloads

MARKET SHARE

- Brands maintain the majority market share of meat substitutes

Retail market share of meat substitutes, by value, 2020-21

- Rügenwalder Mühle paves the way for plant-based innovation

Retail market share of meat substitutes, by volume, 2020-21

- Strongest increase for Rügenwalder Mühle meat alternatives

MARKET SIZE, SEGMENTATION AND FORECAST

- Increasing cost of living & market saturation could hamper volume growth
- Meat substitutes retail value sales will nearly double from 2022-27
- Meat substitute volume sales forecast for 39% growth from 2022-27

Market segmentation

- Both value and volume recorded growth across chilled and frozen formats

APPENDIX

Appendix – products covered, abbreviations, consumer research methodology and language usage

- Products covered in this Report
- Abbreviations
- A note on language
- Consumer research methodology

Appendix – market size and central forecast methodology

- Forecast methodology
- Forecast methodology – fan chart
- Market size and forecast – meat substitute – value
- Market size and forecast – meat substitute – volume
- Market forecast and prediction intervals – value
- Market forecast and prediction intervals – volume

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