

MILK AND DAIRY ALTERNATIVES – THAI CONSUMER – 2022

Drive frequency of consumption by targeting new wellness spaces such as ingestible beauty and healthy ageing while still delivering novelty via flavour innovation.



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Milk And Dairy Alternatives - Thai Consumer - 2022

This report looks at the following areas:

- Consumption of cow milk and plant-based milk
- Impact of COVID-19 on the consumption of milk and dairy alternatives
- Consumers' associations of different types of milk and dairy alternatives
- Consumers' interest in functional benefits in milk products
- Consumers' flavour interest for the category
- Consumers' attitudes towards dairy and dairy alternative milk
- Market opportunities for brands innovating with dairy and dairy alternative milk



Drive frequency of consumption by targeting new wellness spaces such as ingestible beauty and healthy ageing while still delivering novelty via flavour innovation.

Overview

In Thailand, cow milk and soy milk have the highest penetration. One of the primary reasons for this is that Thai consumers strongly associate cow and soy milk with being nutritious.

However, regardless of high penetration, the frequency of daily consumption of cow and soy milk remains low. This makes it important for milk brands to focus on increasing frequency among users to facilitate category growth.

Digestibility concerns hinder consumption of cow's milk among consumers aged 45+, thereby creating opportunities for plant-based milk. However, plant-based milk (soy milk and almond milk) lacks versatility as compared to cow's milk.

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Moving forward, brands have the opportunity to create value for dairy and dairy alternative milk products by exploring a range of functional benefits, such as immunity and beauty, that consumers expect milk products to deliver while also focusing on more flavoured innovations.

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Report Content

EXECUTIVE SUMMARY

- What you need to know
- Mintel's perspective

Key issues covered in this Report

Market context

- Overview
- Impact of COVID-19 on milk and milk alternatives
- Cow milk and soy milk are staples in Thailand
 - Graph 1: any consumption of milk types in the past six months, 2022

What consumers want and why

- Consumers want: high nutrition from milk products
 - Graph 2: association of dairy and dairy alternative milk types with 'nutritious', 2022
- Consumers want: a range of functional health benefits in milk
 - Graph 3: health benefits of interest when trying milk products, 2022
- Older consumers want: healthy-ageing benefits in milk
 - Graph 4: interest in select benefits when trying milk products, by age groups, 2022
- Bangkokians want: novel flavour innovations
 - Graph 5: select flavours of interest in milk innovations, by region, 2022

Opportunities

- Explore functional claims beyond bone and brain health benefit claims
- Build versatility: develop the functionality of plant-based milk for use in occasions such as coffee and tea
- Offer novelty by dialing up flavour and textural innovations in milk

Competitive landscape

- Thailand's dairy milk market is being disrupted by the growth of plant-based milk launches

Mintel predicts

- The outlook for dairy and dairy alternative milk in Thailand
- The marketing mix – the four Ps

KEY TRENDS

- What you need to know

Consumer's desire for holistic wellbeing drives demand for functional food and drinks

- Increased mindfulness towards consumption of food and drinks
- Consumers' wellbeing priorities have evolved over time
- Mood To Order: consumers are giving importance to emotional wellbeing
- Ingestible beauty: Thai beverages move beyond to incorporate beauty and skincare benefits
- Ageing population calls for senior-centric functional benefits in food and drinks

The rise of the plant-based diet

- Desire to eat healthy is driving merit for 'plant-based diets' and 'all-natural' food and drinks
- Plant-based milk grows in popularity globally as the plant-based diet comes into play

Eco-wakening: the rise in sustainable consumer behaviour

- Global vegan campaigns shed light on dairy farming practices
- Growing sentiments for animal welfare among Thai consumers
- Mintel Trend: Rethink Plastic
- Thailand food and drink market giants are embracing the sustainability movement

The desire for novel indulgent experiences

- Desire for novel experiences drives expectations for enhanced flavour and texture innovations
- Novel flavours with a health halo are becoming popular in milk innovations globally

CONSUMER INSIGHTS

- What you need to know

Consumption of milk and dairy alternatives

- Cow milk and soy milk dominate the Thai market
 - Graph 6: any consumed types of dairy milk and dairy alternatives milk in the past six months, 2022
- High penetration of dairy milk is a reflection of consumers' acceptance of its health value
- Potential exists to drive daily consumption of milk among Thais
 - Graph 7: daily and 2-6 times per week consumption of dairy and dairy alternative milk types, 2022
- Cow milk is likely to lose relevance among older consumers due to digestibility issues
 - Graph 8: any consumption of select milk types in the past six months, total sample vs consumers aged 45+, 2022
- Drive trials of other milk types
 - Graph 9: have not consumed dairy and dairy alternative milk types in the past six months, 2022
- Drive consumption frequency of various plant-based milk types among Millennials
 - Graph 10: any consumption of select milk types in the past six months, by generation, 2022
- Price is a barrier towards higher consumption of almond milk
 - Graph 11: any consumed almond milk in the past six months, by monthly household income, 2022

Consumer's perceptions towards milk and dairy alternative milk

- Cow milk and soy milk trump on nutritional value
 - Graph 12: association of types of milk and dairy alternative milk with 'nutritious', 2022
- Fortifying plant-based milk with calcium can improve its nutritional image
- Lactose-free cow milk requires consumer awareness and reframing
 - Graph 13: association of dairy and dairy alternative milk types with select attributes, 2022
- Soy milk trumps on taste, but potential exists to improve palatability among younger consumers
 - Graph 14: association of soy milk with 'tasty', by age groups, 2022
- Driving indulgence with texture innovations is a white space opportunity
 - Graph 15: association of dairy and dairy alternative milk types with 'good texture', 2022
- Cow milk trumps plant-based milk types in terms of versatile usage applications
 - Graph 16: association of dairy and dairy alternative milk types with select attributes, 2022
- Tailor milk products for specific usage application
- Provide a makeover for coconut milk: move beyond the cooking purpose
 - Graph 17: association of coconut milk with attributes, 2022
- Develop a premium positioning for cow and dairy alternative milk types
 - Graph 18: association of dairy and dairy alternative milk types with 'premium', 2022
- Opportunity for milk to deliver on consumers' ethical priorities
 - Graph 19: association of dairy and dairy alternative milk types with 'sustainable', 2022
- Belief in the sustainability of plant-based milk exists, but it is not an innate perception yet

Drive consumption of dairy and dairy alternative milk with added health and functional value

- Drive a premium positioning of milk products with healthier choice logo
 - Graph 20: agreement with attitude statement 'milk product with the Healthier Choice logo on the packaging will motivate me to buy it', by financial situation, 2022
- Bone health is the most sought-after benefit, but consumers want more
 - Graph 21: interest in trying health benefits in milk products, 2022
- Maintain relevance in the ageing population with milk products that provide bone, immune and brain health benefits
 - Graph 22: interest in trying milk products with select health benefits, by age groups, 2022
- Milk brands can tap into the ingestible beauty space to drive appeal among female consumers
 - Graph 23: interest in trying milk products with select health benefits, by gender, 2022
- Milk for mood: communicate milk as food for the mind to drive appeal among Millennials
 - Graph 24: interest in trying milk products with mood enhancement benefits, by generation, 2022
- Maximise appeal with bone, energy and immunity benefits in milk products

Drive consumption of dairy and dairy alternative milk with flavour innovations

- Traditional sweet flavours are of highest interest among Thais
 - Graph 25: flavours of interest when trying milk products, 2022

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- Sweet flavoured milk innovations will appeal to younger consumers
 - Graph 26: interest in trying sweet flavours in milk products, by age group, 2022
- Drive appeal among the older consumer cohort with coffee-flavoured milk innovations
 - Graph 27: interest for coffee flavour in milk products, by age group, 2022
- Bangkokians are a promising cohort for novel milk flavours: dessert, florals, bakery
 - Graph 28: interest in select flavours in milk products, by region, 2022

MARKET APPLICATIONS

- Opportunities: key areas of focus

Opportunity one: develop the health and functional value of dairy and dairy alternative milk products

- Dial up usage of functional claims in launches of milk products
 - Graph 29: share of launches in the dairy and dairy alternative milk category, by top 10 claim categories, 2019 -22
- Opportunity to drive milk product launches with more claims besides bone and brain health benefits
 - Graph 30: share of launches in the dairy and dairy alternative milk category, by top 10 functional claims, 2019-22
- Communicate on multiple functional benefits in milk products
- Include collagen and hyaluronic acid in milk to enter the ingestible beauty market space
- Milk for mood: milk brands can enter the mental wellness space
- Functional ingredients in milk targets sleep issues
- NZMP Milk Phospholipids: innovative dairy solution that taps into consumers' need for mental wellness products
- A2 milk: dairy without digestibility issues
- Reframe lactose-free cow's milk: highlight complete nutrition for the whole family
- Reframe lactose-free cow's milk: shift from digestibility to digestive health with added fibres

Opportunity two: strengthen the association of plant-based milk products with being nutritious and versatile

- Communicate the nutritional value of plant-based milk on packaging
- Personalise plant-based milk to consumers' dietary needs for enhanced nutritional value
- Blend a range of plant proteins for optimal nutrition and taste in plant-based milk
- Build versatility: develop the functionality of plant-based milk for use in occasions such as coffee and tea
- Blur plant-based milk by using it in mixed drinks
- Drive a perception shift regarding coconut milk: not only for cooking anymore
- Drive a perception shift of coconut milk: showcase versatility and nutritional benefits

Opportunity three: enhance indulgence of dairy and dairy alternative milk products with flavour and texture innovations

- The Thai milk market is dominated by unflavoured/plain launches
 - Graph 31: share of launches in the dairy and dairy alternative milk categories, by flavours, 2019-22
- Explore a range of sweet flavours beyond chocolate
- Move beyond strawberry to stand out among fruit flavoured milk

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- Explore a range of novel flavour groups
- Dial up texture descriptions of milk and adventure beyond 'smooth'
 - Graph 32: share of launches in the dairy and dairy alternative milk categories, by top 10 textures, 2019-22
- Cross-category textural innovations: Amul launches carbonated dairy drink to target the younger generation
- Flavoured milk beverages with 'fun' textures

Opportunity four: build on sustainability associations for dairy and dairy alternative milk products

- Milk launches draw attention to animal welfare and pastures
- Dairy brands are reacting by making 'climate-friendly' an on-pack claim
- Reduce plastic usage and replace it with more eco-friendly packaging

APPENDIX

- Consumer research methodology

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