

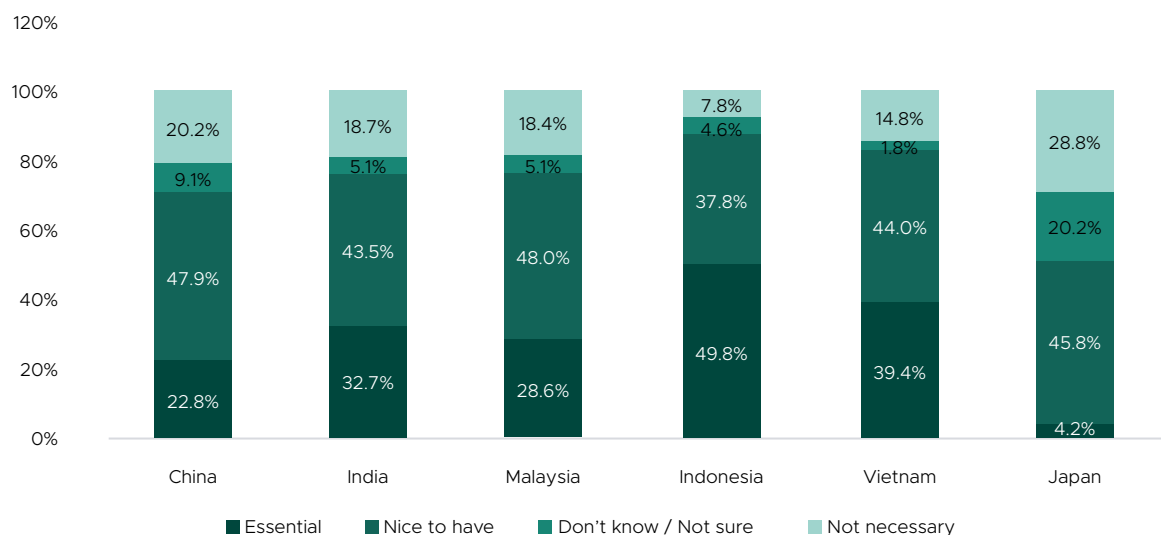
Tremendous potential of the plant-based sector in Asia-Pacific

The plant-based movement is here to stay, and brands can maximize growth in the space through product and category innovation and consumer education, says Parthasaradhi Reddy, Lead Analyst, Consumer at GlobalData



In the COVID-19 pandemic's wake, a heightened awareness around health and wellness spawned the plant-based food trend, characterized by a growing consumer interest in products that are derived from plant sources rather than animal products. The plant-based food movement is a significant trend in the foodservice industry, driven by health, sustainability, ethics, and mere curiosity. It is characterized by a growing consumer demand for various plant-based ingredients, including beans, lentils, nuts, and mushrooms, which are becoming more mainstream. It encompasses a wide range of food categories, including pre-made veggie burgers and vegetable-based ready meals, which are gaining popularity as consumers seek alternatives to traditional meat products.

Asia & Australasia: % of respondents seeking plant-based choices during food/drink purchases^



Additionally, the rise of flexitarianism—where consumers adopt a mostly plant-based diet while occasionally consuming animal products—further reflects the trend's flexibility and broad appeal. The trend has seen significant growth and diversification, impacting various sectors beyond just food and beverages. Consumers' increasing preference for natural and organic ingredients spans a range of consumer products, including health and beauty products.

Health and Sustainability: Key motivators for the plant-based trend

A primary motivator for consumers adopting plant-based diets is health, with 62% of consumers in Asia-Pacific citing that the impact on health and wellbeing always or often affects their purchases[^]. This trend aligns with the rising awareness of lifestyle-related illnesses such as obesity and heart disease, driving consumers towards healthier dietary options. Consumers are increasingly moderating or avoiding certain ingredients for health reasons. This includes a shift towards plant-based diets to manage weight and improve overall health. Plant-based products are often perceived as healthier, cleaner, and more authentic. This perception is driving consumer interest and adoption of plant-based diets.

Environmental concerns and animal welfare are also significant factors influencing consumer choices. Over 30% of consumers globally indicate that sustainability and animal welfare are important reasons for their shift towards plant-based diets. Azuma Foods, a Japanese food company, introduced Future Fish, a plant-based seafood assortment to attract consumers seeking vegan alternatives to fish. The move is well-timed, considering that a drop in fishing harvest in Japan (7.5% reduction from 2021 to 2022) is pushing the food industry towards plant-based alternatives.



The growing consumer demand for plant-based products that are both health-benefiting and environmentally sustainable is driving the innovation of new formulations. In a GlobalData survey, 17% of global consumers responded that the provision of plant-based menu choices was the most influential factor when choosing between cuisines*. This percentage was slightly higher (20%) among 25–34-year-olds. Though a nascent trend for now, the sector holds tremendous potential. As the movement continues to evolve, it presents opportunities for growth and innovation in the foodservice sector. Ingredients like pea protein, mung bean protein, potato protein, avocado oil, and carob powder are at the forefront of this evolution, catering to a market that increasingly values transparency and simplicity in ingredient lists.

Cost concerns and unsubstantiated claims present challenges

Despite the initial enthusiasm for plant-based solutions, the post-pandemic landscape has seen challenges, particularly concerning pricing and product transparency. The rising cost of plant-based products has deterred most consumers from purchasing these items, due to inflationary pressures on household budgets. Furthermore, amid greenwashing by companies, many consumers are becoming skeptical about the health and environmental claims made by plant-based brands, prompting a re-evaluation of their choices.

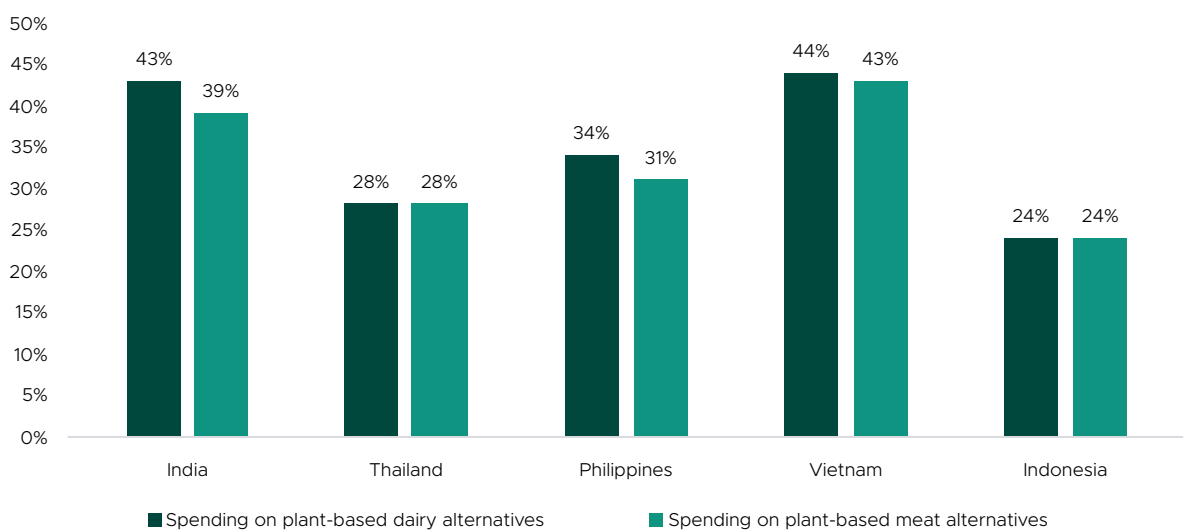
More notably, there is a noticeable trend where consumers are gravitating towards whole, minimally processed plant foods such as fruits, vegetables, legumes, and whole grains, rather than heavily processed plant-based meat and dairy substitutes. This shift is partly due to concerns about the health benefits of processed plant-based products, which some consumers perceive as being comparable to or even less healthy than animal-derived products.

How can brands maximise the plant-based sector's potential

As the trend continues to evolve, it is essential for brands to adapt to regional preferences and consumer demands. The success of plant-based products may depend on their ability to resonate with local cuisines and consumer behaviors, particularly in different sales channels such as foodservice and online platforms. The ongoing innovation in product formulations and flavors will also play a crucial role in maintaining momentum in the market.

Brands are innovating to create plant-based products that are not only healthier but also more delicious and affordable. This innovation is crucial for appealing to a broader consumer base, including those who may not fully commit to a plant-based lifestyle but are open to incorporating such products into their diets. Governments and companies should collaborate to educate consumers to prevent misgivings and promote positive dialogue about the myriad benefits of plant-based offerings. Brands need to identify new categories altogether, for instance, plant-based offerings targeted to the elderly, to address specific requirements. With growing premiumization trends, consumers may be more accepting of higher prices if plant-based solutions are authentic and deliver improved health outcomes. In addition, brands can leverage survey findings to identify expenditure patterns that vary according to the category and region, to optimize their offerings.

Asia & Australasia: % of respondents describing "very high" and "quite high" expenditure on plant-based categories*



In summary, the plant-based food trend is not just a passing fad but a significant shift in consumer behavior driven by health awareness, sustainability concerns, and product innovation. Consumer behavior towards plant-based diets post-pandemic reflects a complex interplay of health motivations, economic pressures, and a shift towards whole foods. While there is a sustained interest in plant-based diets, brands must navigate challenges related to pricing, transparency, and consumer cynicism to maintain and grow their market share. Brands that effectively cater to these demands are likely to thrive in this evolving market landscape.



Source:

GlobalData Consumer Insights

**GlobalData 2024 Q4 Consumer Survey – Global – 22,261 respondents*

^GlobalData 2024 Q3 Consumer Survey – Asia and Australasia – 6,471 respondents



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