

# Brain Freeze

How approaching dairy-free  
Ice Cream is proving difficult

September 2023



Dairy alternatives are becoming increasingly popular, especially among Millennials and Gen Z...

**20%**

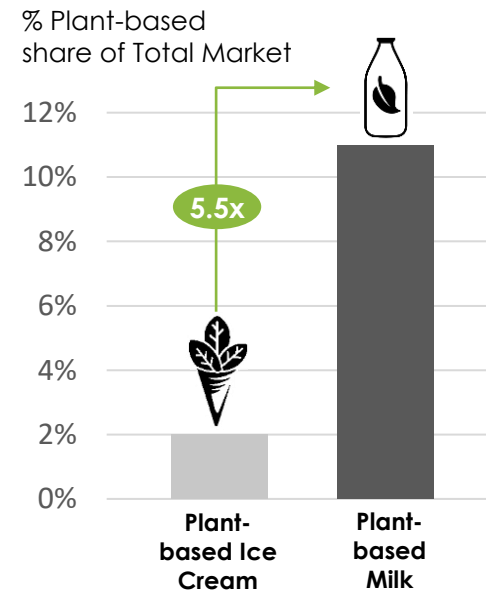
of Millennials consider "dairy-free" as very important while buying food and beverages

**#2**

consideration amongst Gen Z consumers when buying food and beverages, after "Low-Calories"

...but non-dairy Ice Cream represents only ~2% of total category share, presenting a significant opportunity

**VOLUME**



**VALUE**

**+20%**

Average price difference between PB and normal Ice Cream options

Consumers are willing to pay **higher prices for Plant-based Ice Cream**, seeing it as "vegan premium"

“Increasingly, consumers expect to be to be offered **dairy and non-dairy options as a given**”

Fatma Tek  
Ice Cream Innovation Lead  
Unilever, 2023



# But there is no consensus on how best to unlock this Non-Dairy Ice Cream opportunity, with most major players adopting 1 of 3 strategic approaches

## 1 | HOLD AND SEE



MARS

**Double down on dairy**, as alternatives currently fail to deliver the required functional benefits

### PROS

- Protect core business
- Focus
- “Last mover” advantage

### CONS

- Market share
- Lack of real-time learnings
- Challenger vs. incumbent



**Jose Alves**  
UK Head,  
Haagen Dazs  
[2023]

**“We still don’t feel it’s right to compromise [on taste / texture]”**

- When is the ‘right’ time to enter?
- What are the main competitor threats?

## 2 | PLANT BASED



**Substitute dairy with plant-based alternatives**, most commonly coconut, almond, cashew and / or oat milks

### PROS

- Incremental volume / value
- “First mover” advantage
- “New news”

### CONS

- Functional experience
- Raw material availability
- Public scrutiny



**Simon Middleton**  
CMO,  
Booja Booja  
[2021]

**“We know it’s possible to re-create the most sublime ice-cream delights”**

- Who is delivering the best product exp.?
- How to manage cross-contamination risks?

## 3 | LAB GROWN



**Use technology to create lab-grown protein bases** replicating dairy characteristics without animal harm

### PROS

- Functional benefits
- Animal free
- Total market opportunity

### CONS

- R&D costs
- Cannibalisation
- Regulation
- “Unnatural”



**Jennifer Dyne**  
Head of Ice Cream,  
Unilever  
[2023]

**“The aim is to capture the creaminess that you get from dairy”**

- Who has the ‘best-in-class’ technology?
- Will this drive or cannibalise profit?

# Kaiser's core capabilities can help accelerate sustainability and Plant-based Ice Cream initiatives across multiple business functions



- What is the **volume and value** of the opportunity for PB Ice Creams?
- What **pricing** maximizes customers' willingness to buy PB Ice Creams?

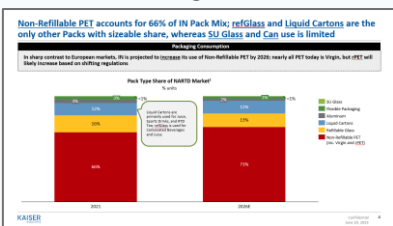
- How are companies managing **Plant-based ingredient sourcing**?
- Who are the key **suppliers to build relationships** with?

- Who is "best-in-class" in PB production practices and **technologies**?
- How successful are other companies at **expanding their portfolio** with PB Ice Creams?

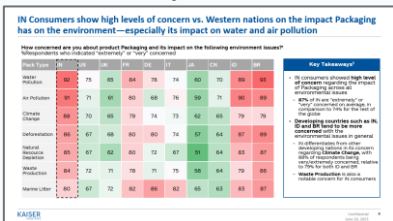
- How successful are other companies at managing **cross-contamination risks**?

- How will pack type mix change based on **future regulations**?
- What are the key **pack innovations**?

## Market Sizing and Growth

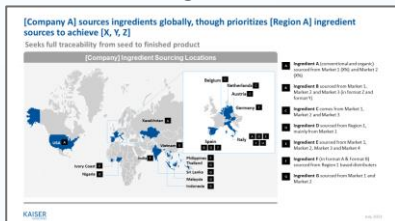


## Voice of Consumer

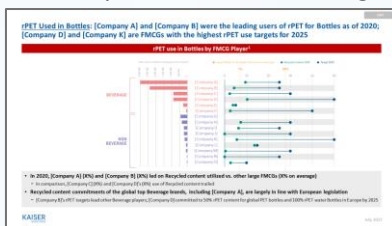


## Supplier Criteria

## Sourcing Practices



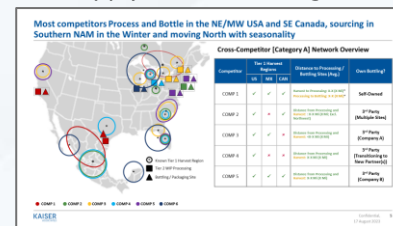
## Competitive Benchmarking



## Best-in-Class Case Studies

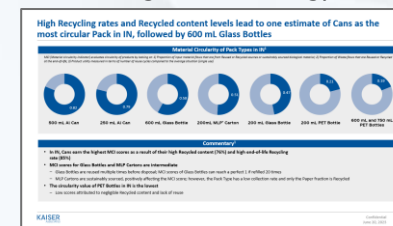


## Supply Network Design



## Vendor / Partner Landscape

## Long-Term Strategy



## Regulatory Assessment

# Thank you for reading

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