

Research on Plant-Based Food Market Implications and Opportunities

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Abstract: Believing that PBMA (Plant-Based Meat Alternatives) can bring benefits to both the quality of life and subject well-being, people resort to veganism/ vegetarianism for sociological and economic reasons. The trending of veganism/ vegetarianism brings huge potentials to the US market. Plant-based product market has been increased annually since 2018 and reached \$7.4 billions in 2021. Vegetarianism/ veganism takes up a big share of the food market and it has numerous market opportunities since there's a great need for meat alternatives. In this research paper, the market value of PBMA market, market opportunities and competitive marketing strategies will be investigated, and market opportunities and competitive marketing strategies. First, the demographics of vegans and what markets need will be presented and the analysis will focus on both the demographics and psychographics of vegans/vegetarians to further look into their motivations, needs, and values. Furthermore, the articles will look at the effects of veganism and vegetarianism in the US market and how plant-based alternatives have changed the game, allowing companies to deal with the rising trend of veganism and vegetarianism in the US and profit from it. Finally, the fact that PBMA market is lack of diversified and tasty PBMA food will be an alluring reason for entrepreneurs to initiate competitive marketing strategies for food service industries. This research will be useful in understanding the PBMA market and the potential market opportunities it offers.

Keywords: Vegan, vegetarian, plant-based food market

1. Introduction

Sales of plant-based meat alternatives sales have experienced phenomenal growth since 2018. This trend has brought and will continue to bring substantial market opportunities, but it also implies that there are several crucial challenges brands must overcome. The vegan and vegetarian markets have been overlooked for a long time. The PBMA market needs not only product development by introducing new products to the existing market but also diversification through expanding the market with new products. This research paper will conduct deep yet comprehensive consumer behavior analysis, market opportunity investigation and competitive marketing strategy for PBMA market to better understand the value of veganism/ vegetarianism in a commercial perspective.

Vegetarianism/ veganism is a philosophy in which a person refrains oneself from animal products due to the cruelty and suffering an animal may face for a product like food. Vegans keep a plant-based diet, while vegetarians exclude meat, fish, poultry, and seafood. For many, being vegan

is healthier for oneself, the environment, and the animals. It is rather important for marketers to understand why a particular group of people with the same interest functions the way they do to enact suitable yet effective marketing strategies for these subcultures. The most alluring reason behind it is the great offering that vegetarianism/ veganism brings to the US market. Starting from 2018 to 2021, the value of plant-based products in the US market has increased annually, from 2018 being valued at \$4.8 billion to \$7.4 billion in 2021 [1]. There is an increasing demand for vegan products, and markets can meet this demand and benefit from it by offering various options or products. This year, big food companies like McDonald's and Chipotle have introduced plant-based options to cater to this huge market. McDonald's in February developed the McPlant, a plant-based patty, while Chipotle in January launched a vegan bowl [2].

People adopt plant-based diets in greater numbers due to the possible health benefits. For effective pro-vegetarian marketing and to sway public opinion regarding the consumption of plant-based foods, it is crucial to comprehend vegetarians' dietary habits concerning their socioeconomic status. Henceforth, the objective of this research is to understand the consumer profiles of vegans to understand both the demographics and psychographics of vegans/ vegetarians and further look into their motivations, needs, and values.

2. Environmental Analysis: Economic Influence of Plant-based Market, Plant-based Food Market Size

To begin with, vegetarianism/ veganism takes up a relatively big share of the food market and it has numerous market opportunities since there's a great need for meat alternatives. Due to the trend of vegetarianism/ veganism, the sales of plant-based foods are enduring an exponential increase. According to the statistics, the value of the plant-based foods market in the United States reached 6.021 billion dollars [3].

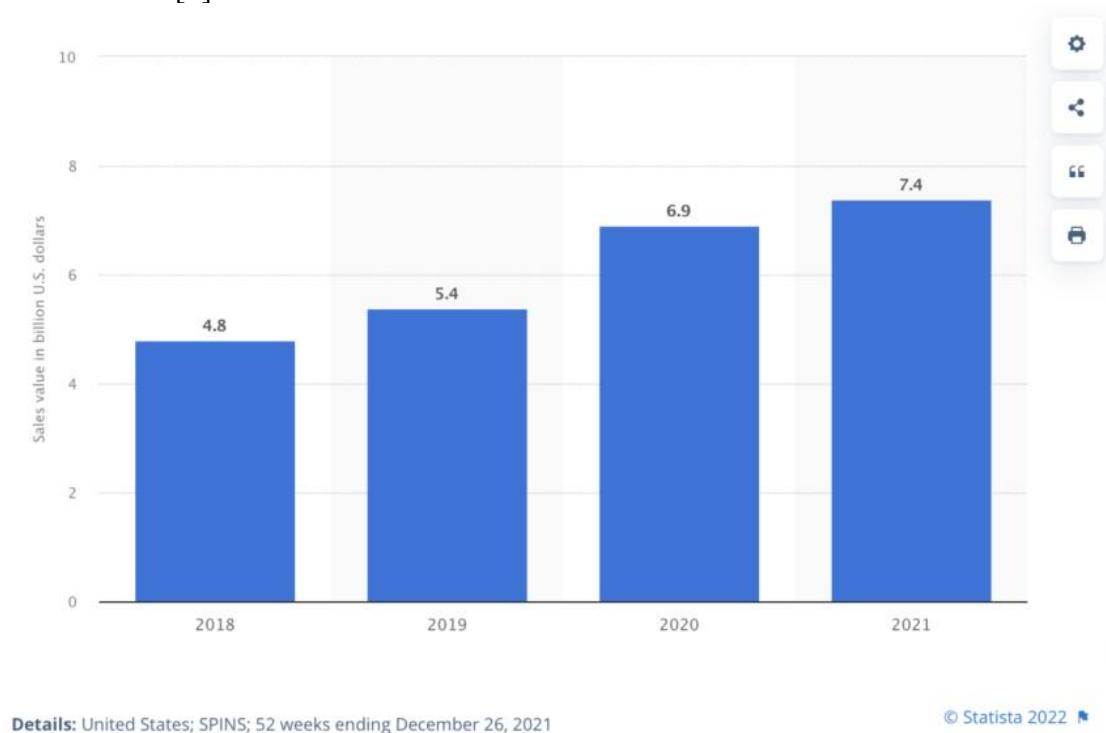


Figure 1: Value of the plant-based foods market in the United States from 2018 to 2021 (in billion U.S. dollars).

Moreover, vegan and vegetarian products are not exclusively for those who follow these diets. For instance, meat substitutes are targeting meat consumers with products that imitate the original taste and texture of meat products. The United States is one of the most developed markets for vegan and vegetarian meat substitutes. While the global per-capita consumption is only just beginning to take off, the U.S. consumption of meat substitutes is far ahead of the global average. On the vegan foods market, meat substitutes, despite the attention given to them in the press, are only the second biggest item. The U.S. market for milk substitutes is over 1.6 billion U.S. dollars larger than the one for meat substitutes [1]. Given that the trends promoting interest in the vegetarian diet seem likely to persist, astute businessmen can not only profit by meeting this need but also drive demand by providing tasty, convenient, and inexpensive plant-based food. To identify the finest prospects for success, both entrepreneurs and professionals can profit from understanding the industry and the competitors. One thing they can do is through offering tasty PBMA (Plant-Based Meat Alternatives) with a variety of choices. Although Mintel's Purchase Intelligence analysis reveals that consumers largely view meat and seafood products as better tasting, more filling, and higher quality than meat alternatives, consumers purchase PBPs (Plant-Based Proteins) because PBPs are healthier than meat. In other words, consumer interest in health and wellness drives much of the PBMA market. To better cater to the PBMA market, companies are expanding past burgers and chicken nuggets and developing new meat alternative formats. Format expansion will help drive future market growth, will bring PBMA into new consumption occasions and will help demonstrate the versatility of meat alternative products. Steak and whole muscle: Advancements in processing technologies such as biomass fermentation (which is used to create mycelium proteins) will unlock the potential for plant-based steak and whole muscle (e.g. chicken breast) alternatives. For example, Meati Foods is launching a line of mycelium-based steaks and chicken cutlets. Meati raised \$50 million in its Series B in July 2021 [4].

3. Consumer Analysis

Veganism has become a popular trend in diet culture over the past few years and has only continued to grow. The vegan diet and lifestyle may be adopted for a number of reasons, all of which branch under ethics, and health. Concerns for the environment or animal cruelty, health benefits, and social or religious expectations for instance. One study investigating the major motives leading to a vegan diet and lifestyle change for consumers in the U.S. found that health concerns were the biggest reason for adopting veganism at 47%, and animal welfare beliefs at 40%. 9% of the respondents reported religious beliefs accounted for their diet and lifestyle, and only 4% of respondents collectively claimed family values and environmental concerns were the main factors in their choice [5]. What hasn't been accounted for in this particular study is the prevalence of social media, and how much it can influence consumer behavior. Diet culture is often something promoted through social media, and the vegan diet is no exception. Motives that may have been adopted through social media can be used to analyze consumer behavior toward diets. Influencers, food bloggers, and celebrities alike are publicly displaying their vegan diets and lifestyles, using their social media platforms to reach millions. With this in mind, social media could be considered another major factor in convincing consumers to adopt the vegan lifestyle, creating trends within the subculture. One study that gives insight into the influence of vegans on social media, found that vegans who regularly use social media are also typically motivated by health benefits more so than any other factor [6].

As with any sort of alternative subculture, vegans tend to gravitate towards specific types of trends from both a demographic and psychographic level that result from some of the factors that lead someone to choose veganism. A 2012 National Health Interview Survey found that

approximately 4% of people have ever used a vegan or vegetarian diet in their lifetime. These respondents were all considered to be less likely to “be in a relationship, overweight or obese, or smoking, or to have public or private health insurance” [7]. These trends highlight an emphasis on health consciousness from the standpoint of the majority of vegans, which reinforces the common trope that vegans tend to be more health conscious. As a result, from a marketing standpoint, it would be important for companies to illustrate and examine the healthy nature of the products that are being sold. Besides, vegetarian and vegan plant-based diets have been associated with a myriad of health benefits, including improved body weight and postprandial metabolism, lower blood pressure levels, and protective effects vs. the incidence of ischemic heart disease and cancer. In light of these benefits, more and more individuals have reduced their meat consumption and adopted a plant-based diet. In a 2017 study, eating home-cooked meals more frequently was associated with better dietary quality and lower adiposity levels. In general, individuals consuming a (vegetarian or vegan) plant-based diet often exhibit a healthier lifestyle (as compared to omnivores) [8]. For example, vegetarians are more likely to be non-smokers and are more physically active compared to non-vegetarians [9]. Our findings are somewhat surprising and yet expected at the same time. Henceforth, vegan psychology stems from their desire to live healthier lifestyles while also saving as many animals as possible. In other words, vegetarianism and veganism not only improve the quality of life but also the subject well-being of U.S. plant-based consumers.

Because of the huge demand of PBMA products, PBMA market has great potential has has enough space for fast market growth. According to Mintel Purchase Intelligence, only 37% of consumers believe PBMA products are tasty and the market’s slowdown may be attributed to consumers who purchased a PBMA product but did not enjoy the product. Messages around taste/texture must underscore all PBMA brand marketing campaigns; 53% of consumers agree that PBMA products should taste indistinguishable from meat. In a study published in October, UCLA psychologists determined taste and health concerns are major barriers to meat eaters when becoming vegetarian or vegan [10]. To find out what prevented them from becoming vegetarians, the researchers surveyed 579 meat eaters. According to the report, meat eaters believed a vegetarian diet would be less enjoyable than one that included meat. However, the inconvenience of cooking and finding vegetarian meals as the expected stigma associated with switching to a plant-based diet were not obstacles to becoming vegetarian. Thus, we marketers should come with solutions of diversified and tasty PBMA products to quickly capture the market opportunity.

4. PBMA Market Lack of Diverse Plant-based Food

Compared to 26% for legumes and 36% for meat, consumers only regard PBMA products as versatile in only 14% of cases. The use of PBMA products must be promoted by brands in various dishes and applications. By emphasizing the ways in which customers might include PBMA products in their favoured recipes, we can increase the frequency of PBMA consumption. For instance, the PBMA brand Omnifoods advertises a number of dishes that use its OmniPork products, which are pork alternatives. Even though customers intuitively perceive that PBMA products are better for the environment than animal meat, customers' purchases of PBMA products are primarily driven by other factors other than environmental claims. A large portion of the PBMA market is driven by customers' desire in health and well-being. 36% of consumers buy PBMA products because they are healthier than meat. Although this link to health is generally advantageous, consumers are yearning for comfort foods as a result of rising economic anxiety. Create messaging that combine comfort and health, and promote PBMA products as a delicious BFY (Better For You) substitute for conventional meat products (eg beef burgers). For instance, comfort-food burgers are served in plant-based chain restaurants like Standup Burger and Monty's Good Burger that are healthier and more environmentally friendly than

conventional burgers. In order to promote new and versatile PBMA effectively, marketers can wisely link the idea of PBMA with healthy comfort food.

5. Conclusion

Despite the fact that the PBMA market has great potential due to the trend of veganism and vegetarianism, competitive marketing strategies are needed if entrepreneurs decide to catch this market opportunity. As studies and research are eliminating the preconception of a vegan or vegetarian diet as expensive and unhealthy, more and more people are choosing PBMA, not only because they believe that PBMA are environmentally friendly but also for their personal well-being. Technological advancement is thus crucial to increasing the diversity and taste of PBMA, as marketers can link the idea of healthy comfort food to PBMA menus to better promote the products in the food-service industry. Nevertheless, more research and experiments are needed if future product development is introduced as PBMA comfort food. Future research directions should still be targeted at the health effects of new PBMA foods and vegan/vegetarian diets to put human health first.

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