

SCALING UP?

How to Prepare Your Plant-Based Business for a Successful Retail Rollout

TAKING ON A RETAILER ROLLOUT IN THE PLANT-BASED SPACE WITH CONFIDENCE

Consumers and businesses alike have been forced to navigate tumultuous economic conditions, inflation and adverse supply chain issues. These key hurdles have quickly led to declining retail sales in a number of diverse markets, but the plant-based industry has remained resilient.¹

In fact, **2020 saw a record year of growth with U.S. retail sales of plant-based foods growing by 6.2% at the start of 2021.** This brought the total plant-based market value to an all-time high of \$7.4 billion U.S. dollars.² Overall, the retail sales in the plant-based industry grew three times faster than total food sales, which saw a majority of plant-based categories outpacing their more traditional counterparts.

Although the plant-based industry can take solace in this growth, this is creating challenges for brands as more competition enters the retail space and they work towards scaling their operations. With this in mind, we're exploring the preparation and strategies plant-based companies are employing for a successful retail rollout.

PLANT-BASED: FUELED BY PASSION

Before getting into the most successful approaches of a product launch, it's critical to understand what encourages a majority of brands to enter the plant-based space in the first place — passion.

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Passion is a driving force! Very rarely is it the insight that it's a great market opportunity to enter the space. Brands are mission-based and established on the viability of how someone feels about the product.

DAMOY ROBERTSON, PRODUCT MANAGER AT PLANT BASED WORLD PULSE

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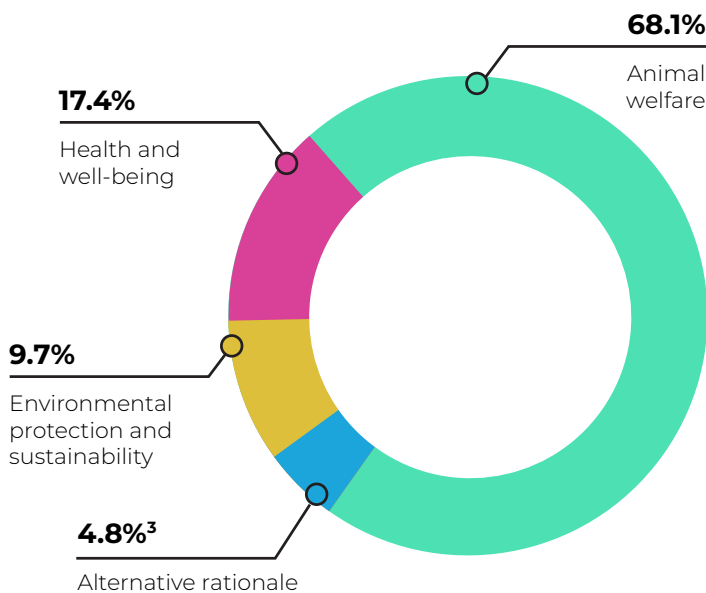


PLANT BASED
WORLD PULSE

What does this mean exactly? Unlike some other verticals, which may recognise a gap and strategically conceptualize ways to fill it, plant-based producers often discover the idea behind a product founded on a personal dedication to sustainability or creating new meat or dairy alternatives.

This genuine enthusiasm and devotion from emerging brands inevitably goes a long way toward establishing a unique value proposition in the plant-based retail space while creating lasting relationships with consumers who have corresponding values.

As an illustration, studies have found that individuals who opt for plant-based products are motivated by:



With 42% of global consumers believing plant-based food will replace meat within a decade,⁴ the time for new plant-based products and meat alternatives to enter the market is now! Let's take a closer look at how to get there efficiently and effectively.

FROM 'GREAT IDEA' TO 'VIABLE PRODUCT:' THE IMPORTANCE OF BUILDING A BRAND IDENTITY

An innovative idea for the plant-based space is a great start. But, establishing a brand identity and making that brand attractive to your target audience is key to:



Create buzz and spread the word.



Foster a foundation for success in the long run.



Stand out among increasing competition.



Drive the relevancy of your brand in the eyes of the consumer.

A strong brand identity, one with trust and an authentic mission, will attract consumers that see eye to eye with the brand's core values. In this case, it will ensure individuals feel good about purchasing from a company that aligns with and reaffirms their beliefs — whether the business was born out of advocacy for health, sustainability or animal welfare.

This brand identity inevitably gives consumers a sense of belonging, which eventually helps generate brand advocates. These advocates are essential considering 56% of global survey respondents cite friends and family recommendations as a source of new product awareness.⁵



REMEMBER!

It takes approximately 0.05 seconds for individuals to form an opinion about a brand and its related website, which impacts buying decisions.⁶ This means brand identity matters, especially in an increasingly competitive plant-based industry, and the ability to draw in and retain consumers can make a significant difference in long-term success.

PLANNING AND PROMOTING YOUR PRODUCT ROLLOUT

Leading plant-based brands, like Impossible Foods and Beyond Meat, are quickly expanding their retail footprint. In fact, consumers can find Beyond Meat's products in about 122,000 retail and food service outlets in over 80 countries worldwide.⁷

But, how can other emerging plant-based brands, particularly challenger brands, boost product launches and promote long-term retail success?



Retail rollouts definitely don't have any 'one size fits all' strategies. And for us smaller challenger brands, we have to work some magic and become masters of making our limited budgets and resources go as far as physically possible — to cut through the competition and stand out amongst the crowds.

JOE HILL, CO-FOUNDER OF ONE PLANET PIZZA



1. LEVERAGE FAST AND COST-EFFECTIVE TOOLS FOR VALUABLE INSIGHTS

Consumer insights not only help analyze the competition but also recognize how individuals are talking about products in the industry. The use of these tools is considerably revealing, giving plant-based brands the opportunity to gather as much information as humanly possible about future customers. With this data in hand, the brand is better equipped to start planning an effective rollout campaign based on genuine insights.

Some of the most common consumer insight tools used today include:

- Google Analytics.
- Google Trends.
- Mixpanel.
- Zendesk.
- Kissmetrics.

2. STAY TRUE TO WHAT MAKES YOUR BRAND DIFFERENT

It's critical to recognise that the industry is poised for impressive growth this decade: **The global plant-based food market is expected to reach \$93 billion by 2028, with a compound annual growth rate (CAGR) of 12.27% over the forecast period.**⁸

To maintain a competitive edge in a rapidly growing market, it's imperative to hone in on the differentiating factors of your plant-based product. This requires a deep understanding of the unique value your business can offer and using this insight and awareness to guide your launch. For example, plant-based brands can distinguish themselves in the market today by:

- Ensuring products have a clean label.
- Incorporating more captivating packaging designs.
- Rolling out products that are gluten-free or allergy-free.
- Donating a portion of sales to appropriate charities.
- Lowering the cost of products where applicable.
- Producing commodities locally (stimulating the regional economy and strengthening the community).
- Elevating new alternative formats for plant-based proteins.



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Stay true to what it really is that makes you different. Double down on your USPs and laser focus your rollout campaign on just one or two key points of difference.

JOE HILL, CO-FOUNDER OF ONE PLANET PIZZA

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3. TEST AND MEASURE PROMOTIONS: LEARN AS MUCH AS POSSIBLE

Not only do consumers tend to avoid risks when it comes to new products, but they can also delist quickly if they don't feel like their needs and expectations are met. This is especially true for emerging brands and less developed categories in the plant-based space.

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With a national retailer like Ocado, there's the requirement to invest in media and it's necessary to run promotions in order to gain visibility.

GRETA DESFORGES-HODGSON, FOUNDER AND CEO OF SEABLOOM FOOD

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Accordingly, it's necessary to test and measure various promotions and marketing tactics — as much as possible and as quickly as you can. This is an effective strategy for discovering the promotions that will raise brand awareness, drive new trials and, eventually, secure repeat customers. Amid frequently changing markets, the impact of customer loyalty can't be overstated: **Almost 65% of a company's business comes from repeat consumers.**⁹

TIPS FOR RUNNING PROMOTIONS SUCCESSFULLY:



Focus on first-time consumers: Concentrate promotions on encouraging consumers to try your plant-based product for the first time. Lowering your price point is an effective way to drive customers to take the added 'risk' of trying something new.



Strategically align promotions with key calendar dates: It's best practice to run promotions during special dates or periods throughout the year that appeal to your target audience. In the plant-based space, Veganuary — an annual challenge encouraging people to follow a plant-based lifestyle for the month of January — is an opportune time for heavy-up advertising.¹⁰



Support your promotions with marketing tools: It's recommended to plan promotions ahead of time, scheduling new and engaging content along the way. This gives your promotions more substance and opportunities to be seen by your target audience.

Overall, the five common components of a successful retail rollout will include:

1. Meticulous and thorough planning.
2. Clear and proactive communication across the supply chain.
3. Application of well-executed processes based on previous experiences.
4. An experienced and well-connected team.
5. Documentation of the initiative — from start to finish.



DETERMINING WHERE TO LAUNCH AND FINDING THE RIGHT PARTNERS TO KICK OFF YOUR RETAIL ROLLOUT

WHERE CHALLENGER BRANDS ARE LAUNCHING PLANT-BASED PRODUCTS

When it comes time to launch a plant-based product, it's necessary to designate where the retail rollout will take place. The product might be best suited for a launch in-store, 100% online or maybe a combination of both. But, for brands in the plant-based industry, the right path forward can vary depending on:

- The brand's goals.
- Whether the product is chilled, frozen or ambient.
- If the retailer is solely for plant-based products or a larger player (such as Amazon or Ocado).

Leading players in the market have the recognition and awareness to perform well in a physical retail

space, but this often isn't the best option for plant-based challenger brands. Alternatively, these businesses are increasingly opting to launch with a 100% online retailer. Why? This is a great place to start: helping emerging plant-based businesses gain brand recognition, test the product and receive valuable feedback.



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Online retailers provide a platform for breaking into retail and evaluating rate of sale, it also allows organizations to monitor performance. For us it was necessary to partner with an online retailer because of the logistical challenges of D2C.

GRETA DESFORGES-HODGSON, FOUNDER AND CEO OF SEABLOOM FOOD

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THE PURSUIT OF A DEPENDABLE DISTRIBUTOR

Finding and selecting the right distributor for plant-based products is a linchpin in securing a place in these markets and growing your business. This will also be important to keep satisfied customers coming back.

A high-quality distributor that can adequately support a growing plant-based business should have the following characteristics:



Responsiveness.



Flexibility.



Reliability.



A sharp focus on quality control.

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When looking for a dependable distributor, lean into your network and your community. Some of our best partnerships have come through word-of-mouth, often a recommendation from another founder over LinkedIn. Let your community know you're looking and make it very clear what it is you hope to achieve and what type of partner would help you do this.

JOE HILL, CO-FOUNDER OF ONE PLANET PIZZA



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CREATING BUY-IN FROM BUYERS IN THE PLANT-BASED SPACE

Innovation and expansion are ultimately key strategies adopted by leading players in the plant-based market to promote growth and sustain successful results. Some of the most prominent players in the plant-based space today include:

- Beyond Meat.
- Impossible Foods.
- Maple Leaf Foods (Field Roast & Maple Leaf).
- Vegetarian Butcher.
- Conagra, Inc. (Gardein Protein International).
- Kellogg NA Co. (MorningStar Farms).
- Quorn.¹¹



With leading plant-based organizations taking up a good share of the market, what can smaller brands do to stand out from the competition? To establish a competitive product in the vegan industry, there are a few aspects to prioritize that can help businesses create buy-in and carve an individual path in the market:

- **Taste, texture and appearance:** With taste, texture and appearance being an important

factor to 83% of consumers,¹² they remain a barrier to getting more individuals to adopt a plant-based diet. Competitive emerging brands will be able to break out of this mold and elevate the user experience with vegan products.

- **A strong brand identity:** In the long run, a product isn't the only ingredient for success. A persistent brand identity is essential to communicate core values and distinguish a plant-based business from others. Remember: When all is said and done, 89% of shoppers will remain dedicated to brands that share their beliefs, while 43% of customers will spend more money when they feel loyalty towards a brand.¹³
- **Affordability:** With a more complex production process and insufficient government subsidies, plant-based products are generally more costly. Makers of plant-based meat alternatives are cutting prices in an attempt to keep up with food-industry giants. Even the large plant-based organization, Impossible Foods Inc., announced they were reducing wholesale prices of their products by 15% to stay competitive in the retail space.¹⁴
- **A wide portfolio of products:** Commonplace meat alternatives like veggie burgers are still highly popular, but introducing a broader plant-based portfolio — using vegan protein to make multiple dishes such as sausages, nuggets, mince and filets — can better attract and retain customers.
- **Prepared meals:** Today, there's an increasing consumer demand and surging popularity of prepared meals, which is typically attributed to the ease of accessibility and accompanying demand for products that are rich in nutrients and promote a healthy lifestyle.¹⁵ As a result, emerging and challenger brands in the plant-based industry have a valuable opportunity to stay competitive and differentiate themselves from both each other and the traditional protein market with plant-based ready meals.

YOU'VE MADE IT TO THE STORE SHELVES: NOW THE BATTLE FOR RECOGNITION BEGINS

At the end of the day, helping customers diversify their diet with plant-based meat, dairy and eggs provides a valuable opportunity to promote sustainable food system security and animal welfare. This means, amid ongoing supply chain disruptions and inflation, plant-based products will continue to have a critical place in the retail space today and in the long run.

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We believe it's now harder than it has been to get in front of a retailer and convince them to list a new brand or product. For this reason, it's essential now to have a clear and thorough understanding of the 'size of the prize' you're going for, relevant research that supports your case and an understanding of your numbers.

JOE HILL, CO-FOUNDER OF ONE PLANET PIZZA

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With plant-based products and lifestyles here to stay, it's inevitable to expect heavy competition, especially with major players continuing to dominate the market. In light of this, makers of plant-based products are prioritizing their retail rollouts, ongoing product promotions and opportunities to set their offerings apart from the competition long-term.



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