

The Grocer

Focus On: Dairy Drinks by Nick Hughes (nickjhughes@hotmail.co.uk)

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The Story

The milkshake is bringing all the boys to the yard. As the likes of Shakeaway and Shake Shack have successfully made the milkshake an out-of-home experience, flavoured milk has emerged as a particularly strong area of growth in dairy drinks. So what kinds of products are consumers buying into? And is there anything supermarkets can learn from milkshake bars?

Flavoured milk: This subcategory is up in value and volume. Last year, this was mainly driven by the breakfast on the go and protein offers. But as growth has ramped up this year, is there anything else behind this success story? What types of product are proving particularly popular and why? Quick service restaurants are also seeing sales of milkshakes increase – can the mults learn anything from them?

On the go: Convenience is a strong driver of this category. The Co-op has launched smaller 330ml packs to suit consumers plus M&S is up hugely, albeit from a small base – what have they done? Who is capitalising on the convenience element?

No added sugar: Healthier NPD has become all the rage in the dairy drinks category, and there is a clear incentive for brands: no added sugar variants have grown at 158.6% collectively this year. However, it doesn't seem to have worked for everyone so is no added sugar not the silver bullet suppliers were hoping for?

Dairy alternatives: A particularly fast-growing area for brands is dairy alternatives with new brands beginning to launch into this area. What products are proving particularly popular?

Kefir: This fermented drink is tipped to be a big thing in 2018. What are the benefits and who does it appeal to? Which brands have brought out their own kefir and what growth are they seeing?

Innovations: We identify four new products or product ranges that have ideally not appeared in The Grocer before including image, launch date and RSP.

Key questions the feature is likely to address:

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers' strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What's next for the category?