

# The Grocer

**Focus On: Dairy drinks**

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Dairy drinks are continuing to climb. The category is up 48.6% last year, according to Kantar data, growing to £306.5m. While flavoured milk is responsible for much of those gains, yoghurt drinks have more than doubled in size. An absence of lockdowns, the need for convenient breakfasts, and growing interest in kefir seems to be boosting the category. So what's the potential? With more of us considering our diets, will functional yoghurt drinks prove a winner? Can they capitalise on more than just breakfast as our working patterns change? What innovative ideas can spur it on? And how can plant-based alternatives contribute?

**Flavoured milk:** Milkshakes remain the dominant force in dairy drinks, with sales in foodservice driving the segment. While the return of hospitality throughout 2021 has boosted its value, brands have also been experimenting with interesting flavours and plant-based varieties. What's likely to keep shoppers glugging?

**Inflation:** Rising input costs and inflationary pressures are set to push dairy drink prices higher. Could this prompt consumers to trade down? Or will premium brands have to work harder for those sales?

**New occasions:** The collapse of on the go sales greatly damaged dairy drinks. A reduction in lockdown restrictions will have helped the category recapture these sales, but suppliers also believe they have spotted opportunities in new working patterns. Can they cater to the new normal?

**Iced coffee:** An insurgent force in soft drinks, iced coffee sales have grown throughout the pandemic, with foodservice brands like Costa Coffee and Starbucks jostling with grocery brands. How much further can cold coffee go?

**HFSS:** Like other categories, dairy drinks are having to address concerns about their sugar content. How can they do this while maintaining the taste and flavour than shoppers are seeking?

**Channels:** Dairy drinks have grown at a slightly faster rate in stores than foodservice. Between supermarkets, coffee shops and restaurants, how has this broken down?

**Innovations:** Profile of four new products or ranges that have not appeared in The Grocer before. We need launch date, rsp, and a hi-res picture of each.