

Free-from Foods - UK - January 2016

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"The 'health halo' of free-from foods is a key driver of uptake, opening up a pool of opportunity beyond actual or suspected allergy or intolerance sufferers. However, it also leaves the market exposed to the vagaries of consumer opinion."

– Kiti Soininen, Head of UK Food, Drink and Foodservice Research

This report looks at the following areas:

- Importance of health credentials
- Price remains a key barrier
- Scope to encourage free-from users to trade up

In 2015 the free-from market continued its remarkable growth, to reach an estimated £470 million. The number of people buying gluten-free foods rose against 2014, suggesting new users are in part fuelling the growth. However, existing users are also spending more, facilitated by the growing availability of products at mainstream supermarkets.

Operators' ongoing investment in the market, the predicted rise in disposable incomes and growth of the child population should support growth going forward. However, the market remains reliant on a 'health halo', leaving it vulnerable to changes in public opinion, and needing to improve the nutritional profiles of products.

Longer term, the scope for volume growth among existing users will be limited. The interest in premium free-from products, however, suggests potential to maintain value growth.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The implications

Scope to encourage free-from users to trade up

The facts

The implications

The Market – What You Need to Know

New users support growth in the free-from market

Further investment on the cards

Gluten-free market enjoys a virtuous circle

Free-from diets continue to attract media attention

NHS limits gluten-free prescriptions

Lack of growth of 16-34s limits support to sales

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NHS limits gluten-free prescriptions

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Lack of growth of 16-34s limits support to sales

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Recent entrants enjoy rapid growth

Adspend continues to rise

L/N/R allergen claims leapt ahead in 2014

Health claims remain rare

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Alpro retains an unassailable lead

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Figure 10: Leading brands' sales and shares in the UK retail free-from foods market, by value, 2013/14 and 2014/15

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- ...and recent entrants have enjoyed strong growth
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- Many on an exclusion diet don't buy free-from
- Feelgood image drives free-from uptake
- Price remains a key barrier
- Evidence of cynicism among non-users
- Scope to encourage free-from users to trade up
- Product recalls are a turn-off
- The importance of health credentials

Avoidance of Foods/Ingredients

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Price remains a key barrier

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