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## TRADE RELEASE

### **IFF Trends Report: Added Value Key to Success in Inflation-hit Dairy Space**

*New research into dairy and alternative dairy trends highlights advantages of offering functional health benefits and connecting with consumers' values*

**HILVERSUM, The Netherlands – April 23, 2024** – Amidst a challenging economic climate, IFF (NYSE: IFF), a global leader in food and beverage, home and personal care and health, unveils a report that uncovers the evolving consumer trends in the dairy and alternative dairy categories.

The report, derived from a comprehensive quarterly global survey of 21,000 consumers and monthly market data\*, highlights how brands can win over budget-conscious consumers by offering health benefits and resonating with consumer values.

“In the face of a global cost-of-living crisis, dairy and alternative dairy brands have found a silver lining by focusing on quality and value,” said Richard Neish, head of global futures, Consumer Intelligence at IFF. “It is not about competitive pricing; it’s about delivering products that enhance wellness and align with consumer values – a strategy that is proving to be a game-changer.”

The report identifies five key trends that will drive market changes and product innovation with ‘Better-Being’ as a leading trend, reflecting a significant shift in consumers’ health preferences. Six in ten (60 percent) respondents said they were always or often influenced by health labelling in their product choices.

Dairy has been one of the categories worst hit by inflation, with value compound annual growth rate (CAGR) outstripping volume CAGR. Despite inflation’s impact on the dairy industry, the report highlights that since 2022, consumers have prioritized quality over cost, with many opting for premium brands that promise uncompromised quality.

Private label dairy products have emerged as a popular choice during the economic downturn, with 35 percent of consumers gravitating towards budget-friendly options without sacrificing quality. 63 percent of respondents said they started, or continued, to buy more expensive dairy brands in Q4 of 2023, and 52 percent said they preferred to pay more to ensure that quality is not compromised. The report emphasizes the strategic importance of integrating functional wellness ingredients such as probiotics, to add value beyond pricing.

The IFF insights also reveal a compelling narrative of brands “driving value with values,” resonating with consumers who seek to express their personal beliefs like sustainability and authenticity, through their food choices. This is reflected in 61 percent of respondents and particularly true for Gen Z, with 67 percent emphasizing the importance of aligning purchases with values. Additionally, the report highlights a shift towards indulgence and convenience, highlighting consumer desire for pleasurable experiences and consume on-the-go products like ice cream.



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For more information on IFF’s extensive portfolio of solutions for dairy and alternative dairy, visit: <https://www.iff.com/portfolio/markets/food-beverage/dairy>

Download the full report [here](#).

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\*Quarterly consumer surveys are conducted by leading research company, GlobalData, with 21,000 consumers across 42 countries. The latest data used here was collected in Q4 2023. GlobalData also track market trends with their data updated monthly. The results were combined with insights from the IFF Panoptic Framework, the company’s in-house trend intelligence tools to identify the key trends shaping dairy and alternative dairy in 2024 and beyond.

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#### **Welcome to IFF**

At IFF (NYSE: IFF), an industry leader in food, beverage, health, biosciences and scent, science and creativity meet to create essential solutions for a better world – from global icons to unexpected innovations and experiences. With the beauty of art and the precision of science, we are an international collective of thinkers who partners with customers to bring scents, tastes, experiences, ingredients and solutions for products the world craves. Together, we will do more good for people and planet. Learn more at [iff.com](http://iff.com), [X \(Twitter\)](#), [Facebook](#), [Instagram](#), and [LinkedIn](#).

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