



Opportunity

# Spreadable cheese report.

Discover new opportunities in ambient  
spreadable cheese in the Middle East and Africa

# Introduction.



## **Expand into spreadable cheese**

The global cheese market is growing, driven by increased awareness of its nutritional value, urbanisation and rising disposable incomes. Spreadable cheese is a key category, with consumption expected to reach 471 million kilograms by 2021, an expected growth rate of 2.9% CAGR in Middle East and Africa between 2020-23<sup>1</sup>.

Ambient spreadable cheese can be a key opportunity for producers in the cheese category, offering enhanced shelf-life combined with a good taste profile and an affordable price point. This report looks at how food manufacturers can take advantage of increasing demand for spreadable cheese, exploring the key consumer trends driving growth and identifying categories that offer opportunity for new product development (NPD).

***The spreadable cheese category is expected to reach 471 million kg in Middle East & Africa***

## **Partner with Tetra Pak for product success**

Tetra Pak's unique end-to-end service helps you maximise your opportunities for success in the ambient spreadable cheese category. Access market insights to accurately identify new product opportunities, and then take advantage of unique processing, packaging and filling capabilities to create a high-quality, safe and stable spreadable cheese product. Our unique 360° printable carton packaging is mostly made from renewable sources and combines functionality with eye-catching design.

1. Tetra Pak market data

# A growing opportunity.



## An overview of the key macro trends in the ambient spreadable cheese category in the Middle East and Africa.

### Strong consumer demand

Cheese is a robust category and accounts for 34%<sup>2</sup> of edible dairy consumption across the Middle East and Africa. Demand is strong, and while there are regional variations in terms of product preference and market share, cheese is a popular and established product and is second only to yoghurt in terms of category size. Consumption of spreadable processed cheese is steadily increasing with a growth rate of 2.9% CAGR over 2020-23<sup>1</sup> across the region. Cheese is associated with nutrition, health and taste, while packed cheese is perceived as a convenient and safe choice among consumers.<sup>3</sup>

There is a widespread acceptance in the region for industrially-produced, processed cheese. For instance, Egypt is a large and mature

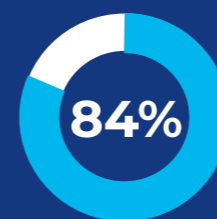
market where processed cheese has 100% penetration and emerged as the preferred cheese-type in recent research.<sup>4</sup>

Eating processed cheese is a strong habit for consumers, as it is full of nutrition, easily digestible and convenient. It is not consumed only at home, but also as a part of kids' lunchboxes and at work. An ideal spreadable cheese product should taste good, be creamy and smooth with an easily spreadable consistency and be light. Affordability is key for regular purchase.<sup>4</sup> In the United Arab Emirates, 84% of consumers surveyed recently said that they preferred spreadable cheese,<sup>5</sup> among all cheese types. The main triggers for consuming spreadable cheese are good taste, convenience and health aspects.

1. Tetra Pak market data  
2. Tetra Pak data 2018, Proteus Study, 2018  
3. Toluna Research 2018, U&A  
4. Source TBC  
5. Toluna Research, Online survey, 2020  
6. Toluna Research, 2018

### Multiple consumption occasions

An ideal spreadable cheese should have a pleasant appearance as well as a perfect taste, mouthfeel and spreadability. It is perceived as a versatile product, eaten at breakfast, lunch and dinner, as well as for snacking and as a cooking ingredient. Spreadable cheese can be used as a dip, in home cooking, or be spiced and spread on a sandwich. Wide-ranging consumption and acceptability of processed cheese – as an existing integral part of the daily diet – creates a good platform from which to launch new products and indicates a willingness towards trying new consumption occasions for spreadable cheese.



of consumers in the United Arab Emirates eat spreadable cheese.

### Infrastructure considerations

The demanding climates and limited modern retail in the region are key factors in consumer product preferences and a key consideration for product development. With refrigeration infrastructure for both distribution and retail limited, ambient cheese products are widely accepted – 51% of consumers globally indicated a willingness to buy ambient cheese.<sup>6</sup> This type of cheese offers both ease of distribution and storage.

# 51%

of consumers would buy ambient cheese.



# Consumer trends driving category growth.



Read about the consumer trends that are creating new opportunities in ambient spreadable cheese, and explore how to develop on-trend products that meet changing lifestyle needs.

## On-the-go lifestyles

Lifestyle changes are creating new consumption occasions for spreadable cheese products. As markets in the Middle East and Africa mature and develop, more women are going out to work and the type and place of work is changing, too. This means fewer people at home during the day and less time spent on food preparation, but more disposable income. This, in turn, impacts food choices and is driving a preference for convenience-style and pre-prepared products.

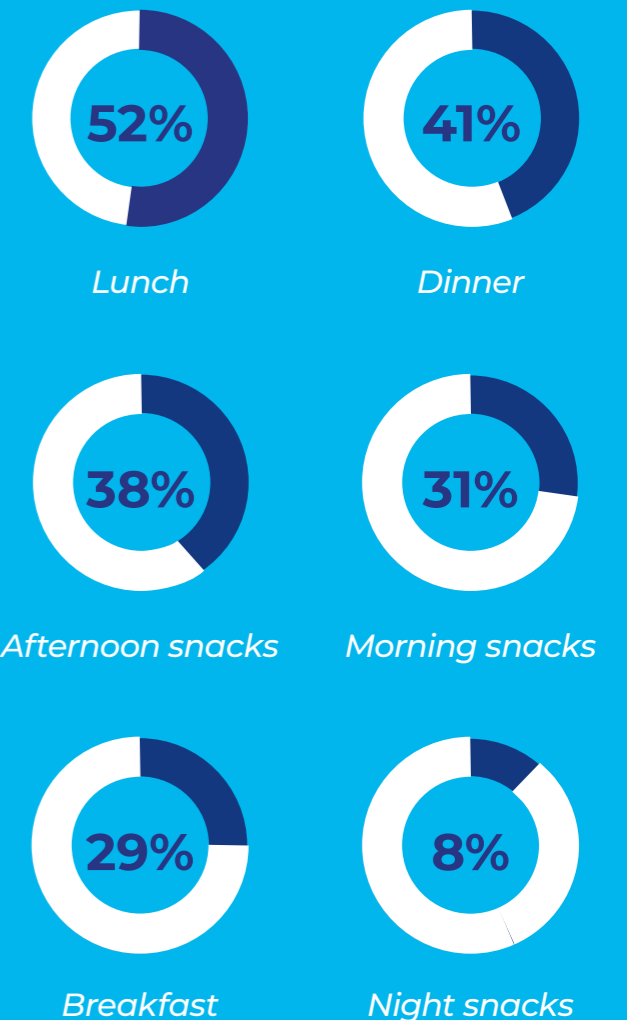
## Rising out-of-home consumption

Whether it's for children's mid-morning snack and lunchboxes, or an adult's lunch at their place of work, consumption of cheese both out-of-home and on-the-go are increasing. In a global study carried out for Tetra Pak into changing eating habits, lunchtime was the preferred time to eat ambient cheese, according to 52% of respondents,<sup>6</sup> and it was also a popular snacking option.

## Single-use portions

Meeting the changing needs of consumers in the Middle East and Africa is about developing new spreadable cheese products that are single-serve, easy to open and suitable for on-the-go consumption. Products that are leak-proof, portable, and fit in a lunchbox, backpack or handbag will reflect current lifestyle trends. Spreadable cheese is a popular product and there is a market opportunity for individual-use, portion packs to complement existing larger at-home ones.

Global preference for out-of-home occasions of packed cheese consumption:



6. Toluna Research, 2018



# Product quality and convenience.

Consumers are looking for spreadable cheese products that they can easily store and eat anytime/anywhere, and that are also easily available to buy. This is where ambient is crucial – products that maintain their taste and quality without the need for refrigeration are practical. Infrastructure is developing but retail is often through small, local outlets where refrigeration is limited.

## Good taste and quality in extreme temperatures

Taste and quality consistently emerge as drivers of brand choice for cheese products. Food manufacturers face the challenge of formulating and producing ambient spreadable cheese that must retain stability of texture in high temperatures and tough storage conditions if it is to successfully appeal to consumers as a quality product, and convince them to buy. In a 2019 survey

of Egyptian consumers, taste and quality were ranked above expiration date and price when it came to choosing a brand of ambient cheese,<sup>7</sup> while in the United Arab Emirates, great taste, soft texture, quality and easy to spread were important purchasing factors.<sup>5</sup> Creating the right sensory appeal is critical – creamy, smooth, visually appealing and with no lumps are essential texture attributes for success.

## Key considerations when purchasing ambient cheese:



Convenience is also about the ease-of-use of the product, and packaging is fundamental to this. Packaging needs to be fit-for-purpose and functional. The increasing demand for single-serve spreadable cheese packs for on-the-go and out-of-home consumption means exploring new types of packaging. Convenience was the top ranked characteristic of packed cheese, chosen by 52% of consumers which was well ahead of price at 20%.<sup>6</sup> The same survey indicated that 38% of consumers would like to see innovation in packaging. Convenience introduces new packaging considerations such as functionality, reliability, portability, ease of opening and accessing the cheese, as well as issues around product safety, freshness, flavour retention and stability of colour and texture.

## Spreadable cheese consumed out-of-home needs functional, single-serve packaging

Together, processing, production and packaging options that lower the risk of contamination while maintaining stability over shelf-life are suited to markets where ambient products are required to reflect infrastructure challenges.

7. Phi: Mini U&A & Pack evaluation 2019  
5. Toluna Research, Online survey, 2020  
6. Toluna Research, 2018

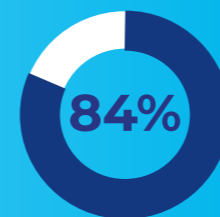


# Affordability and nutrition.

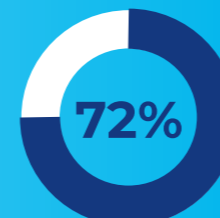
Spreadable processed cheese is consumed across the Middle East and parts of Africa, and is generally perceived as a nutritious product and as a healthy snack.

## Healthy label claims

There is an opportunity for food manufacturers to build on this health association and to develop products with positive label claims while maintaining overall taste and texture. These could include 'lower fat' and 'lighter' versions to appeal to adults and growing awareness of the health and wellness trend. As a kids' lunchbox snack, 'fortified with calcium' claims add appeal. In a recent survey of consumers in the United Arab Emirates, 84% of respondents said they would buy cheese fortified with calcium for their children and 76%<sup>8</sup> would do so for cheese with added vitamins.



*of respondents said they would buy cheese fortified with calcium.*



*of respondents would do so for cheese with added vitamins.*

It is also important to consider how cheese is formulated, processed and packaged. Developing and manufacturing preservative-free products that are clean and safe, and require fewer ingredients, automatically lend themselves to better-for-you and natural-type claims. This can be readily achieved by taking advantage of aseptic production technology.

## ***Aseptic technology produces safe, natural and shelf-stable spreadable cheese.***

### Developing affordable products

Healthy snacking is important, but it must also be affordable so any new products need to be available at the right price point. Alongside using market insights to identify where the market opportunity is, such as on-the-go and single use, food manufacturers can improve affordability, and reduce their risk profile, by exploring how to generate cost-efficiencies at every stage of the new product development (NPD) process. This includes taking advantage of production technologies that optimise processes to support more cost-effective NPD by reducing waste, improving yields, using less energy and requiring less exposure to heat.

# Differentiation and novelty.

Food manufacturers can help their product to stand out by incorporating different flavour combinations, sensory attributes and packaging options.

## Creating variety

Cheese is an important part of the diet in the Middle East and Africa, and this is reflected in its consumption at all times throughout the day. It's seen as a versatile product with consumers happy to experiment with how they use it and when – adopting it for different meal occasions and in different ways as an ingredient from savoury through to sweet desserts.

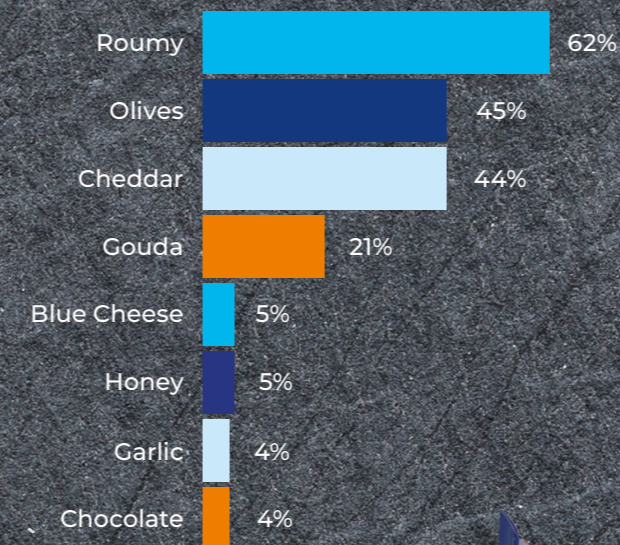
Food manufacturers could appeal to this versatility by introducing new flavours such as olives, roumy, thyme and mint to enhance taste. These could be introduced as extensions to already established ranges and brands or work as short runs and seasonal variations to create novelty and impact.

Spreadable cheese is used as a dip and consumed with bread sticks and on crackers, so adding herbs and different flavour notes appeals to the association of cheese with enjoyment and social occasions.

## Eye-catching packaging

Spreadable cheese packaging must always be functional, but it can also be used to create differentiation and to help a product stand out on the shelf. In developing new concepts for out-of-home and on-the-go consumption, choice of packaging is likely to be based on different criteria. As well as functionality, exploring new materials, such as carton packaging, offers additional marketing opportunities by being fully printable, as well as supporting sustainability goals that may increasingly gain traction. Packaging design can also be varied to encourage new consumption occasions, such as healthy snacking or as a dip at home with family and friends.

## Preferred flavours of new launches in Egypt<sup>9</sup>:



9. Mini U&A & Pack evaluation 2019



# Tetra Pak: your complete solution partner.

Take advantage of the ambient spreadable cheese opportunity by partnering with Tetra Pak. Whether you are extending an existing range, creating a new brand for single-serve to grow market share, or creating spreadable cheese concepts that complement wider dairy category applications, we are here to help.

Use our end-to-end expertise in aseptic processing to capture the growing popularity of ambient spreadable cheese as consumers embrace healthy snacks offering on-the-go convenience. Tetra Pak can support you at every stage of your journey to create on-trend, ambient spreadable cheese products that are high quality and offer improved taste, freshness and colour stability. From ideation to creation to consumption.





