OATLY—Promote Changes in the Plant-Based Industry

Oatly was established in the 1990s as a plant milk manufacturer in Sweden. After Lund University discovered the prevalence of lactose intolerance, Oatly’s founders decided to develop substitutes for animal-sourced dairy products for lactose-intolerant consumers.

Oatly chose oats as the raw material to develop a series of plant-based dairy products. Oatly’s patented enzyme technology can imitate natural fermentation processes to transform high-fiber oats into liquid nutrients that the human body needs, while efficiently retaining soluble dietary fiber-β-glucan. This is how Oatly’s distinctive plant-based milk was created. Studies have shown that regularly consuming oats can reduce total cholesterol and low-density lipoprotein cholesterol in the blood. The β-glucan abundant in oats is a typical soluble dietary fiber, which is beneficial to people with high blood sugar and cholesterol.

Since Oatly’s founders began building their brand, they have been aware of the huge environmental burdens and human health threats that the current food production system brings. Speaking to this, Oatly’s marketing emphasizes sustainable plant-based diets, motivating people to focus more on their health, love animals, and protect the environment.

Oatly first introduced its classic oat milk to the Chinese market in 2018, and over the next three years the brand established partnerships with tens of thousands of cafes.

Partnering with industry leaders to create a new age of sustainable food

In July 2020, Tmall released the Plant-based Protein Beverage White Paper. According to the data, China’s domestic plant-based protein beverage market grew by 800% in 2020 over the previous year and was the third greatest contributor to the development of the engine for the growth of the beverage market. In this context, Oatly signed a contract to join Tmall’s Plant-based Protein Beverage Alliance. Side by side with other peer brands, Oatly promises to drive the development of plant-based products in China through collaborative education, knowledge popularization, channel development, lifestyle sharing, and more. Oatly wishes to create an ecosystem of healthy development and promote the vigorous growth of plant-based products in China.
In September 2020, Oatly joined the Third China Plant-based Products Expo and Future Food Forum. As one of the first brands to obtain international plant-based food certification, Oatly, together with the organizers of the forum, took an active part in establishing China’s first set of plant-based food certification standards. By promoting the creation of a standardized system and platform, Oatly hopes to help Chinese consumers have a better understanding of the category of plant-based protein products, and boost the development and innovation of the entire industry.

In December 2020, Oatly attended Alibaba’s Tmall Plant-based Protein Alliance Summit in Shanghai. The event attracted many leading domestic plant-based brands and experts who focus on industry innovations, trends, and standards to share insights on the future development of China’s plant-based protein consumption.

In the 2020 Plant-based Protein Beverage Innovation Trend presented by Tmall New Product Innovation Center, we can see that the market for plant-based protein beverages was booming in 2020. Consumers in first- and second-tier cities show higher preference for oat-based products, and Oatly has become their most preferred brand.

**Initiating the plant-based trend**

Since 2018, Oatly has entered specialty coffee brands such as Seesaw, Doe, Manner and Blue Bottle. It upgraded traditional lattes with oat milk lattes, setting off a new wave of plant-based milk trends. Oatly has also successively entered Asia-Pacific regions such as South Korea and Singapore, partnering with local well-known coffee brands to launch a series of pop-up shops and co-branded gift boxes to expand its influence in the coffee market.

Oatly has also cooperated with Hey Tea, Peet’s Coffee, Tim Horton’s and other coffee and tea chains to boost the popularity of oat milk as a milk substitute, making our favorite daily beverages healthier and more delicious.

On April 22, 2020, Starbucks launched the ‘Starbucks GOOD GOOD’ movement to invite consumers to explore an environmentally friendly lifestyle that’s all about being “good to yourself, good to the planet, and making good better”. During the movement, Starbucks sold 62 million cups of oat milk latte within a year, reducing approximately 21,457 tons of greenhouse gas emissions compared to traditional milk latte.

**Expanding the usage of oat milk**

In recent years, Oatly has been expanding the usage of oat milk. The following are some examples:

- Oatly cooperated with IKEA, Huadao Yushan Vegetarian Restaurant, and other food and beverage retailers to promote oat milk as a culinary ingredient and boost plant-based diet education;

- Oatly entered Shangri-La, W Hotel, The Puli Hotel and many other five-star hotels, coffee shops, breakfast bars, guest rooms and bars to display oat milk in multiple settings, providing guests with upgraded and diverse experiences;
Oatly cooperated with Tous les Jours, Paris Baguette and other bakery brands to provide baking products to lactose intolerant consumers. It also cooperated with popular bars in Shanghai to use oat milk in specialty cocktails, exemplifying a new sustainable lifestyle and teamed up with Huawei, Deloitte, UBS, and many other Fortune 500 companies to promote the new plant-based diet trend among affluent urban consumers.

Oatly reaches consumers through multiple channels like coffee and tea, bakeries, restaurant dining, and portable foods, increasing consumers’ frequency of plant-based product consumption. At the same time, Oatly uses trendy and interesting communication methods to brings the plant-based concept to consumers, inspiring more people to establish a healthy lifestyle by improving their food choices and contributing to sustainable development.