CONSUMER ENVIRONMENTAL TRENDS REPORT 2019

How growing environmental consciousness drives consumer purchasing decisions around the world.

Global report on consumer insights

About this research

Carried out over several months in 2019, this research follows a similar study from 2017. It examines consumer trends and attitudes around the environment and sustainability within the food and beverage industry, with a particular focus on the environmental performance of food and beverage packaging.

Topics explored in relation to consumers' views of packaging and sustainability:

- Attitudes and behaviours in relation to the environment
- Expectations for sustainable packaging
- Attractive product and packaging attributes in relation to sustainability
- Understanding and perceptions about key sustainability terms and expressions associated with the area
- The most efficient media and messages to engage consumers on environmental topics

Geography and audience

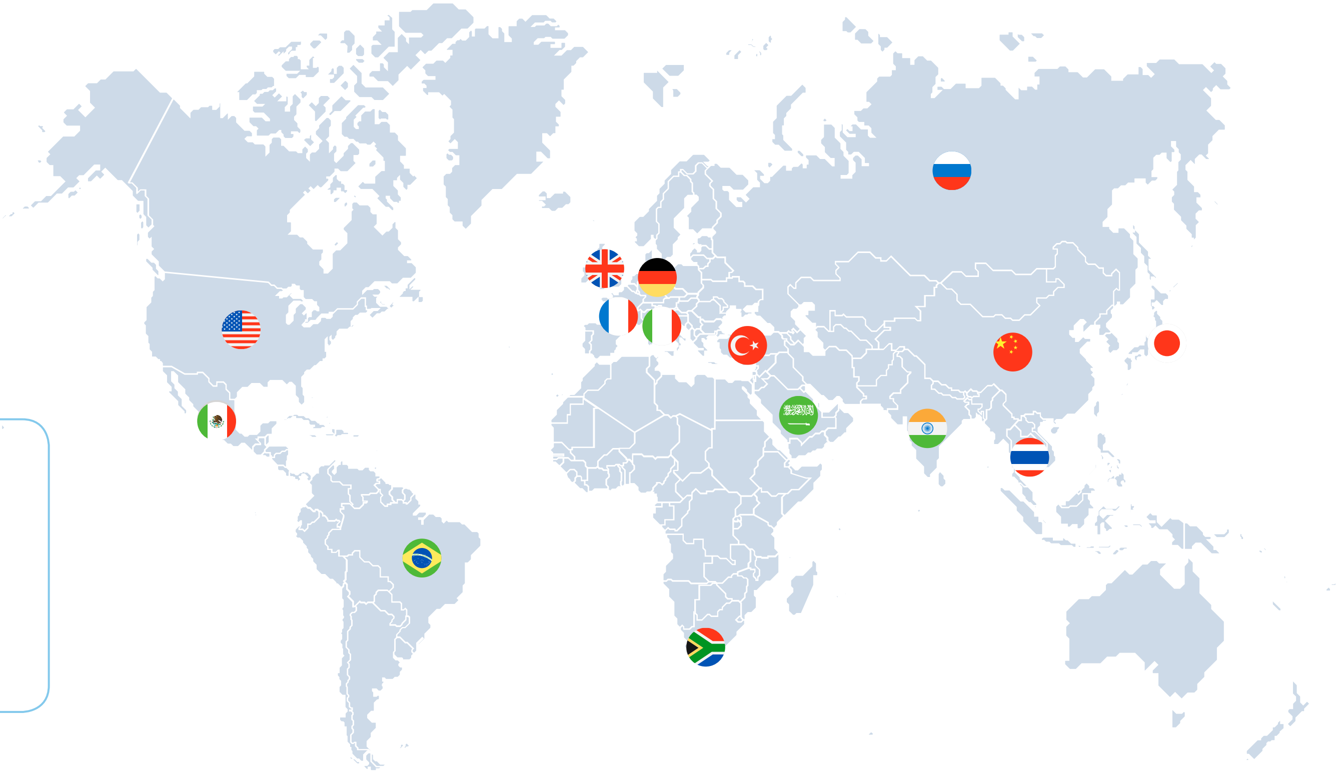
The test group included 7,500 consumers aged 18–65 from 15 markets (approximately 500 per market) to create a global picture of consumer attitudes to packaging and sustainability. Respondents completed an online quantitative survey.

7,500 CONSUMERS

Age 18–65
500 interviews per country
Online (quantitative)

15 MARKETS

France	Saudi Arabia	Brazil
Germany	South Africa	Japan
UK	Turkey	India
Italy	USA	Thailand
Russia	Mexico	China



Executive summary

Five clear themes emerged from this research. They confirm that consumer concern and expectations around environmental issues are on the rise – and show further evidence of the commercial opportunity for brands that act on sustainability.

Consumers are more concerned about environmental issues and more demanding about environmentally sound products.

They are more proactive and more conscious in the decisions they take – and prepared to pay more for environmentally sound choices. But their expectations are high. Today, almost half of consumers are *concerned* (caring strongly about the environment when buying products) or *conscious* (responsible when buying products).

Consumers expect information and action from the packaging industry.

There's growing interest in environmental information, with social media the principal medium alongside TV/radio and on-pack communication. Consumers increasingly look for and trust environmental logos (e.g. recycling symbols or the FSC logo) and want government and industry to act.

'Doing something good' is an important motivation.

Responsibility for future generations and the feeling of doing the right thing for the community are key drivers behind consumers' environmental choices.

Packaging with environmental features conveys 'premium-ness'.

This has a positive impact on brand consideration and is a trend that has been growing over time. Price is seen as less of a barrier to environmental features than it once was, with 43% of consumers now willing to pay more for them.

Recyclability is important and impact to climate change is attracting more interest.

Increasingly taken for granted, recyclability is a key association with environmentally sound products. Consumers are beginning to become annoyed if it's not an option. Reducing climate impact is growing in appeal and is strongly associated with carton packaging.

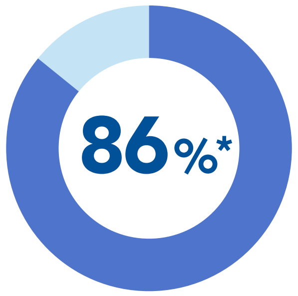
RESEARCH FINDINGS

Consumers are increasingly concerned about the environment

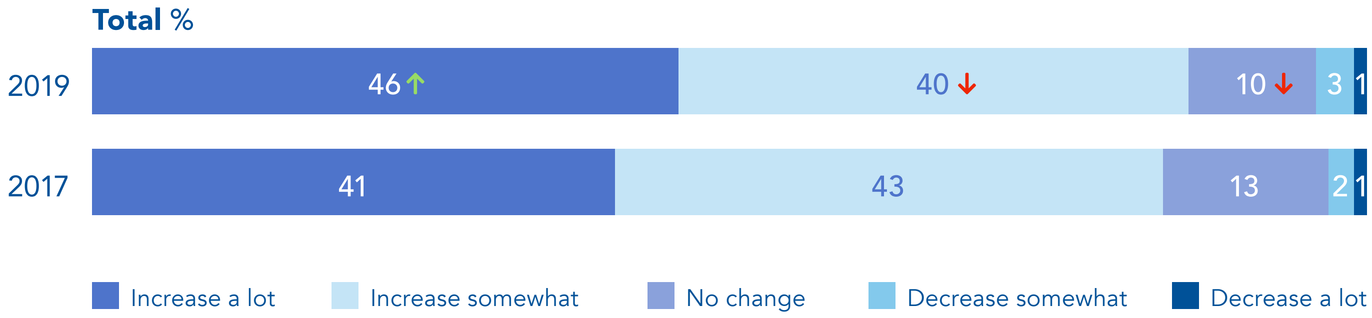
We asked consumers to what extent they felt the focus on environmental issues such as climate change and pollution would increase over the coming five years.

A total of 86% of respondents saw environmental issues growing in prominence either ‘a lot’ or ‘somewhat’, with the biggest rise (5 percentage points) in those seeing a major increase. Today, consumers who think the focus on environment will not change in the future, or will decline, are in the minority.

How much do you think the focus on environmental issues (e.g. climate change, environmental pollution) will increase/decrease in the coming five years?



Of consumers believe that the **focus on environmental issues will increase** in the coming five years



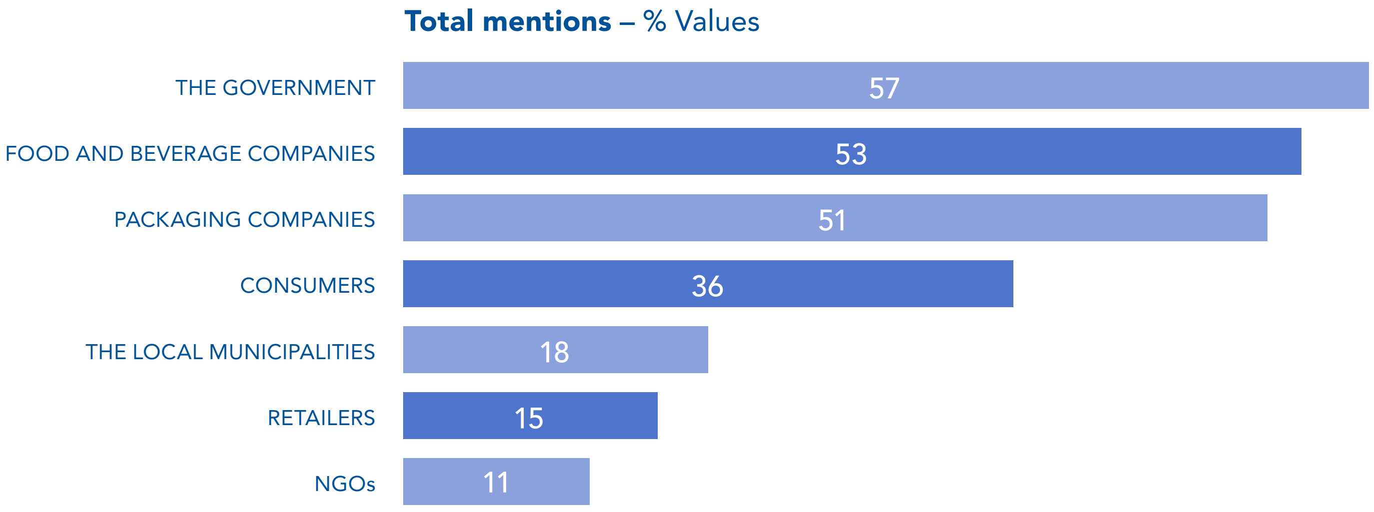
Consumers 2019 (n=7529); Consumers 2017 (n=6543) *Top 2 boxes (Increase a lot + Increase somewhat) ↑↓ 95% Significance towards 2017

Governments and companies are expected to take the lead

Who is responsible for solving our environmental problems? We wanted to know who consumers felt should take action to provide improvements and solutions.

Consumers sent a clear message about who should lead the action in relation to environmental issues. Governments, food and beverage companies and packaging companies came top, cited by 57%, 53% and 51% of consumers respectively. Only 36% of respondents felt it was up to them to lead the initiative themselves, while municipalities, retailers and NGOs elicited relatively few mentions.

Thinking about environmental issues, who should take the lead in finding improvements or solutions?



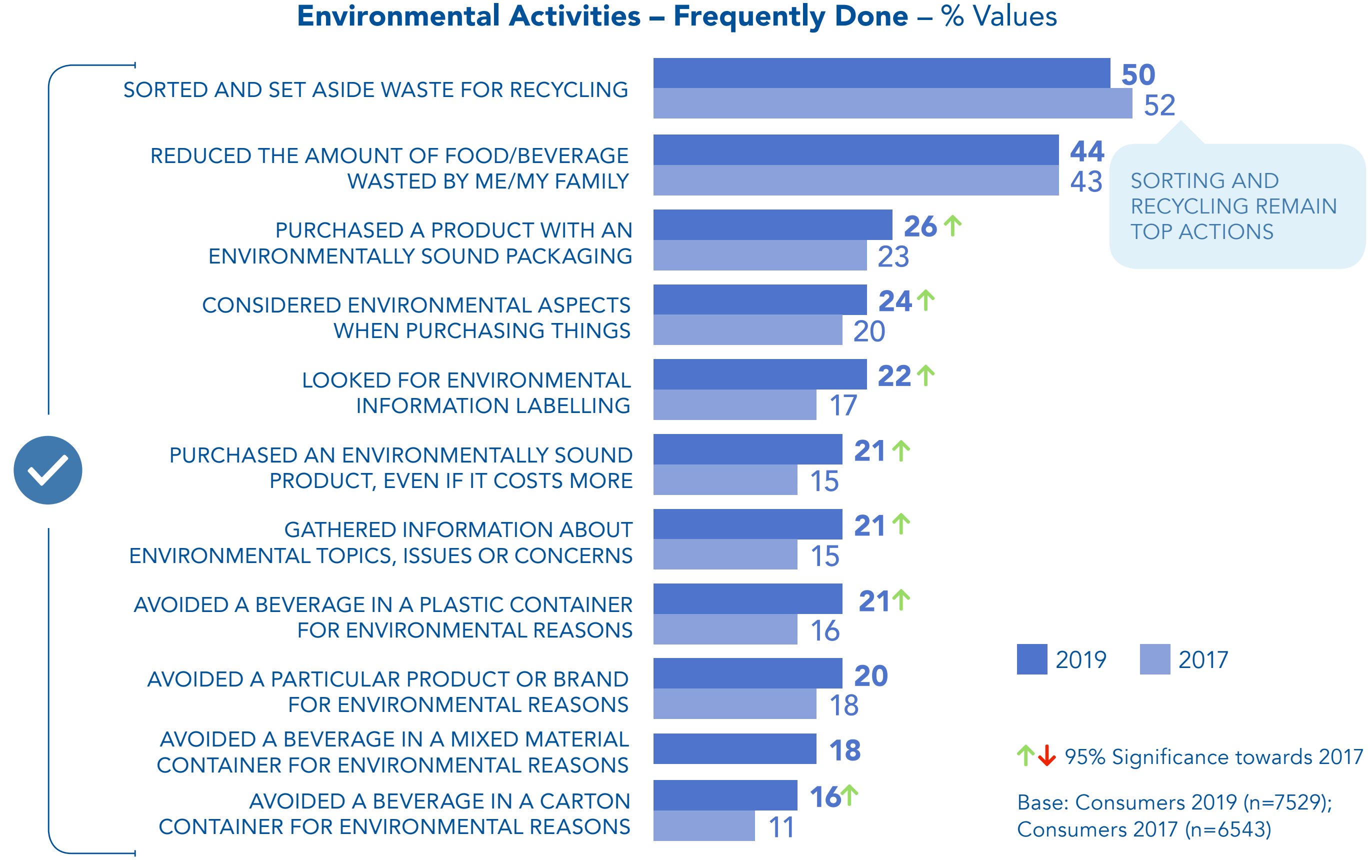
Base: Consumers (n=7529)

Environmental actions are changing how people buy

They may be concerned about the environment but does this translate into action when consumers are making purchasing choices? Our survey asked them which environmental actions they had taken over the past year.

Our research revealed a significant increase in the percentage of consumers who actively make purchasing choices that are driven by environmental concerns. More respondents are looking for environmentally sound packaging and products and more are looking for environmental information. Sorting and recycling remain the top actions that people take, followed by reducing food and beverage waste.

Below is a list of activities. Thinking about the past year, please indicate which of the following actions you have actually done or considered doing, or have not considered doing



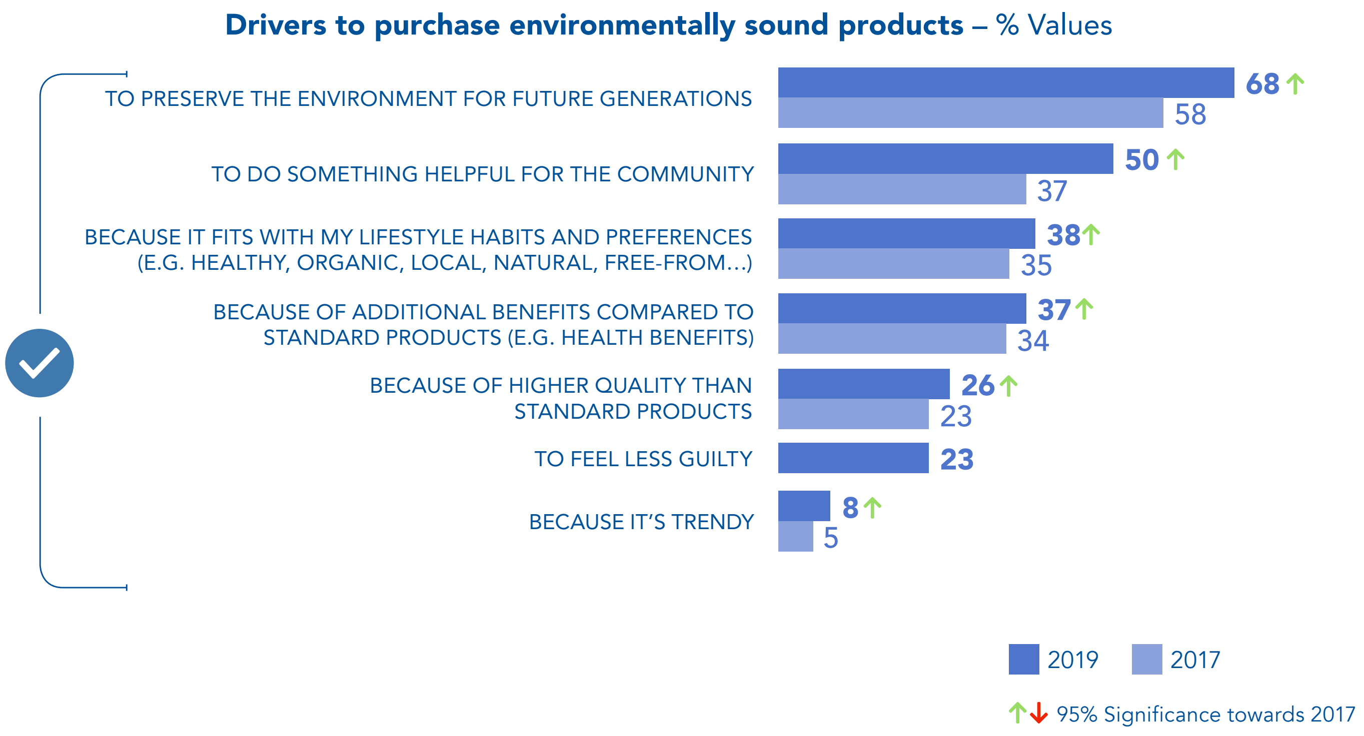
Base: Consumers 2019 (n=7529); Consumers 2017 (n=6543)

Concern for future generations and communities are driving environmental purchase decisions

Seeking to understand what was behind consumers' environmental concerns and buying behaviour, we asked which motivations inspired them to purchase environmentally sound products.

The results show that consumers are increasingly future-focused. Over the past two years there has been a significant increase, to 68%, in the percentage of consumers who buy environmentally sound products because they want to preserve the environment for future generations. Concern for community has risen even faster, with 50% of consumers now citing this as a reason for their decisions, up 13 percentage points on 2017. We saw significant increases in environmental motivations across the board, suggesting that overall awareness is rising.

Why do you buy/would you buy environmentally sound products?



Base: Consumers 2019 (n=7529); Consumers 2017 (n=6543)

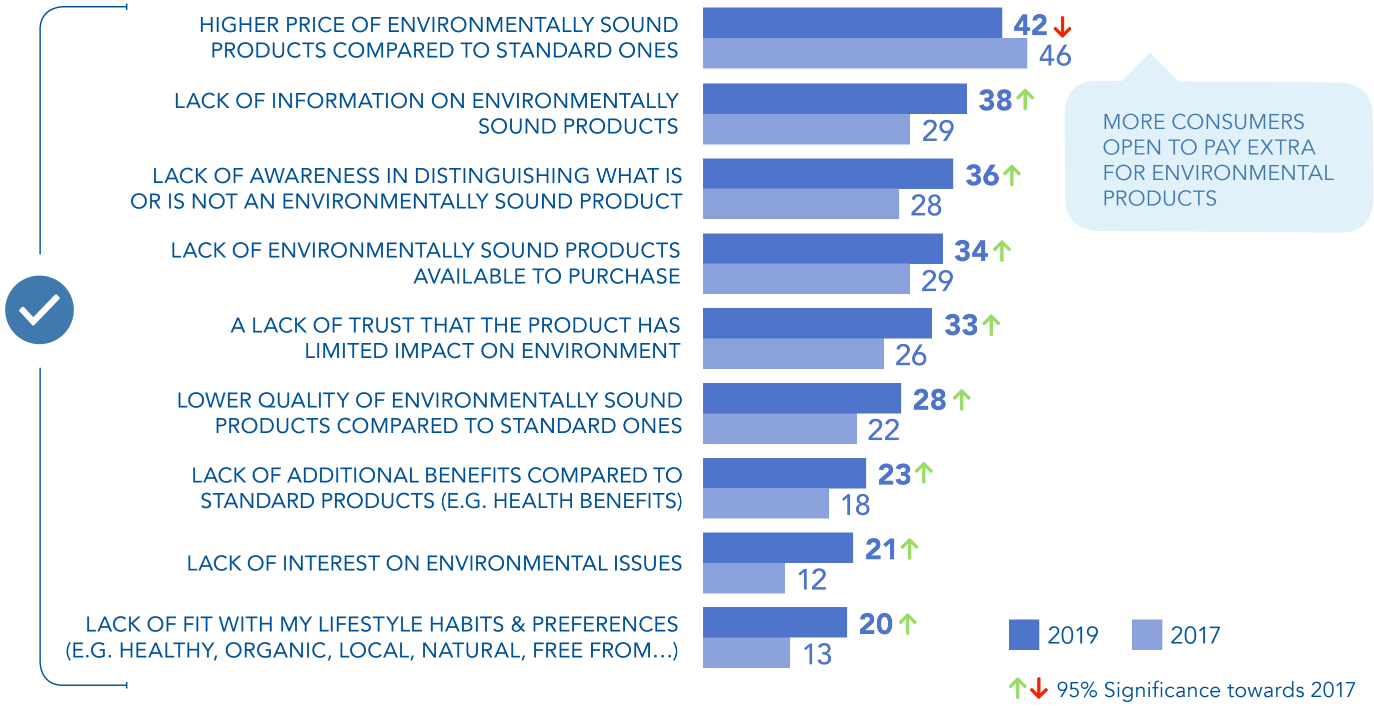
More consumers are willing to pay more – but the information gap is growing

What stops people buying environmentally sound products? We asked consumers about the barriers to action that got between them and their purchase decisions.

In 2019, we saw the percentage of consumers who were deterred by the higher price of environmentally sound products decrease significantly to 42%, suggesting that for well over half of people today, cost is not an issue. On the other hand, information – or the lack of it – is a growing barrier. We saw significant rises over two years in the percentage of consumers who were put off by a lack of information on products, an inability to distinguish whether a product is environmentally sound and also by a lack of trust in a product's environmental credentials.

Which of the following aspects would not make you buy/make you not buy an environmentally sound product?

Barriers to purchase environmentally sound products – % Values



Base: Consumers 2019 (n=7529); Consumers 2017 (n=6543)

There's a thirst for knowledge – and social media is the medium of choice

Where do people like to get their information today and what are they interested in? We asked consumers about their media preferences and the topics they had seen or had been following in relation to the environment.

Social networks have risen sharply in popularity since 2017 to become the most favoured channel for information about food and beverage packaging, cited by 21% of consumers. At the same time, on-pack information saw a decline from 26% to 20% – a noteworthy shift for businesses planning communication strategies.

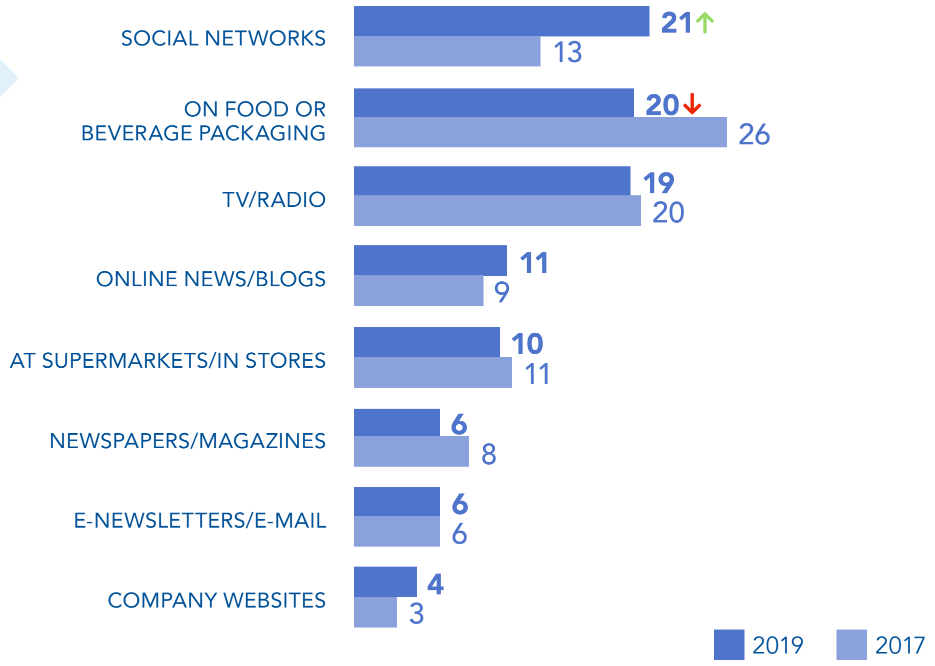
As for environmental topics, our research uncovered fast-growing interest in reduced carbon and water footprints, renewability and responsible forestry, while recyclability and biodegradable materials remained the topics of greatest interest. When we asked about plant-based materials for the first time in this survey, it almost equalled recyclability as a topic that consumers wanted to learn more about.

There's a thirst for knowledge – and social media is the medium of choice (cont)

Q **Through which of the following communication channels would you prefer to get environmental information about food/beverage packaging?**

Preferred channel to get Environmental info about packaging

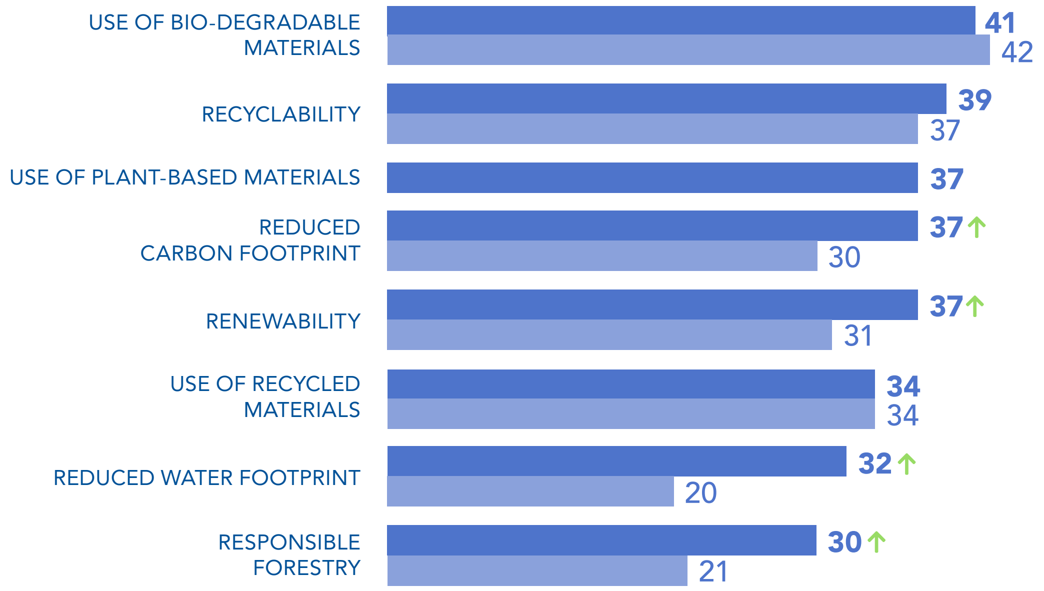
SOCIAL NETWORKS, ON-PACK AND TV/RADIO ARE THE IDEAL CHANNELS FOR ENVIRONMENTAL INFO



Base: Consumers 2019 (n=7529); Consumers 2017 (n=6543)

Q **With reference to food and beverage packaging, which of the following topics have you recently seen, read or followed something about?**

Topics to read/learn more about



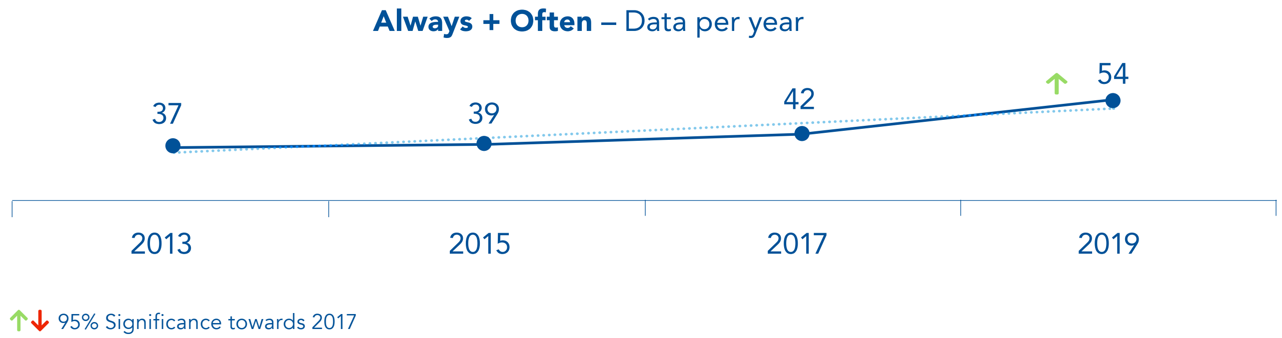
↑↓ 95% Significance towards 2017

Nearly all consumers look for environmental logos

We asked respondents whether they typically looked for environmental logos on the beverage products they buy.

For a clear majority of consumers, environmental logos are important, with 91% of respondents looking for them. In the last six years we've seen a steady rise in the percentage of consumers who look for logos 'always' and 'often', with 54% doing so today. This presents an opportunity for manufacturers who can demonstrate responsible sourcing and production.

When you shop for beverages, do you typically look for environmental logos on the products you buy?



BASE: Consumers 2019 (n=7529); Consumers 2017 (n=6543); Consumers 2015 (n=6044);Consumers 2013 (n=7028)

Almost 50% of people are now 'concerned' or 'conscious'

As part of this research, we classified consumers into four segments that describe their attitude towards environmental issues.

'Concerned' is now the second largest segment, comprising of the consumers who care most about environmental issues – and it has high representation in India, China, Brazil, Mexico and Italy. Together with 'Conscious', the next-most environmentally aware group, this means 46% of consumers are now notably mindful about environmental purchase decisions. Although 'Careless' is the largest segment (38%), these consumers still have some awareness of environmental issues and do take actions, such as recycling. Only 16% of consumers are 'Detached', or lacking interest in the environment and therefore not engaging in activities like recycling.

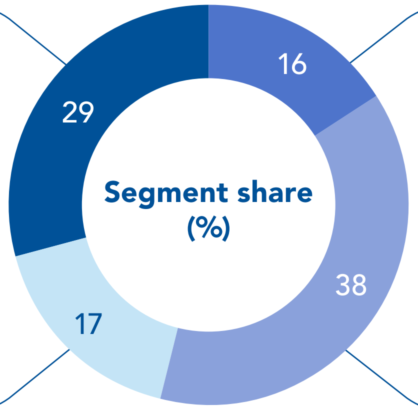
CONCERNED SEGMENT IS OVER-INDEXED IN INDIA, CHINA, MEXICO, BRAZIL AND ITALY

CONCERNED 29%

Strongly caring about environment when buying products. The most active segment across environmental activities

DETACHED 16%

Less interested in environment when buying products than other groups. Do not perform simple activities, like recycling and reducing amount of food/beverages



CONSCIOUS 17%

Responsible when buying products. Recognise the advantage of environmentally sound products

CARELESS 38%

Not completely aware of environmental issues nor of useful actions to pursue. Frequently recycle and reduce the amount of food waste

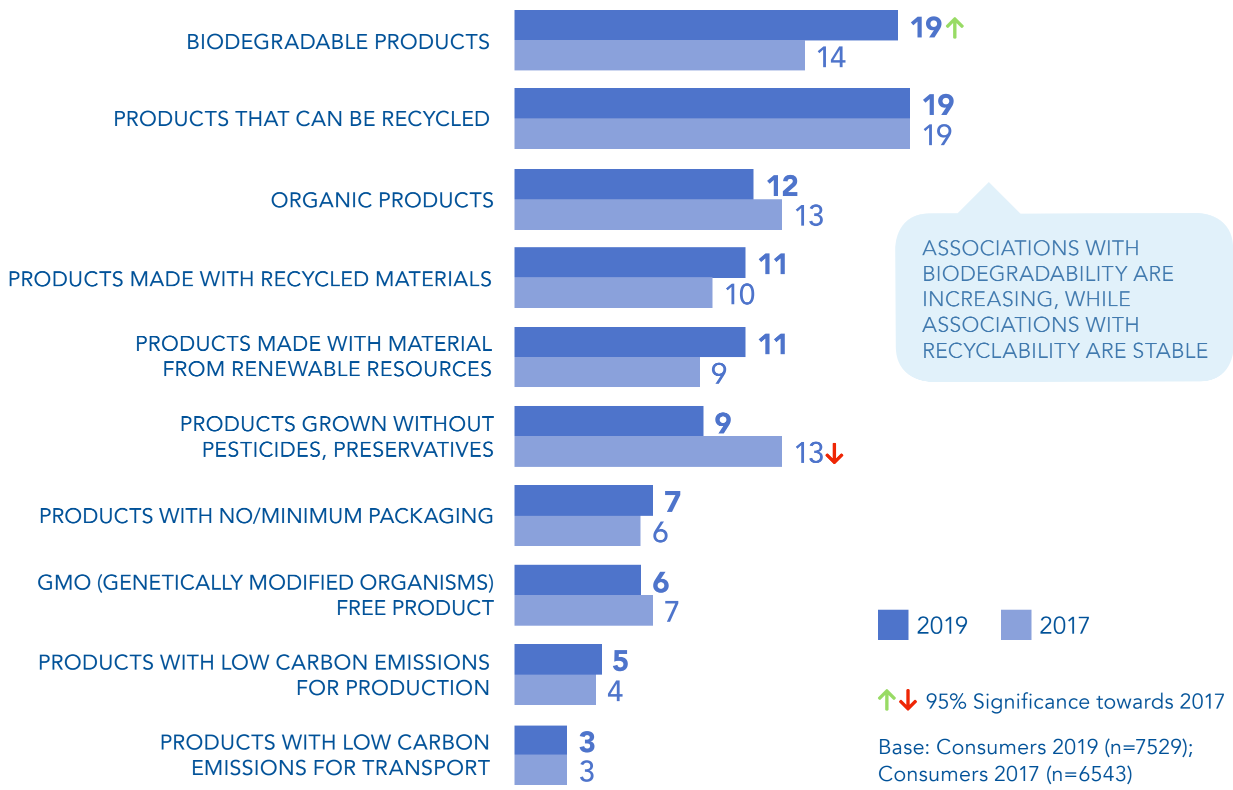
Biodegradable and recyclable are front of mind

We asked consumers what first comes to mind when they think about the definition of of environmentally sound packaging products.

Top of the list was biodegradable products, awareness of which has risen 5 percentage points since 2017. Recyclability was the next most-cited attribute, consistently front of mind for 19% of consumers over the last two years.

When you think about an environmentally sound product, which is the first thing that comes to your mind?

Definition of environmentally sound products – % Values



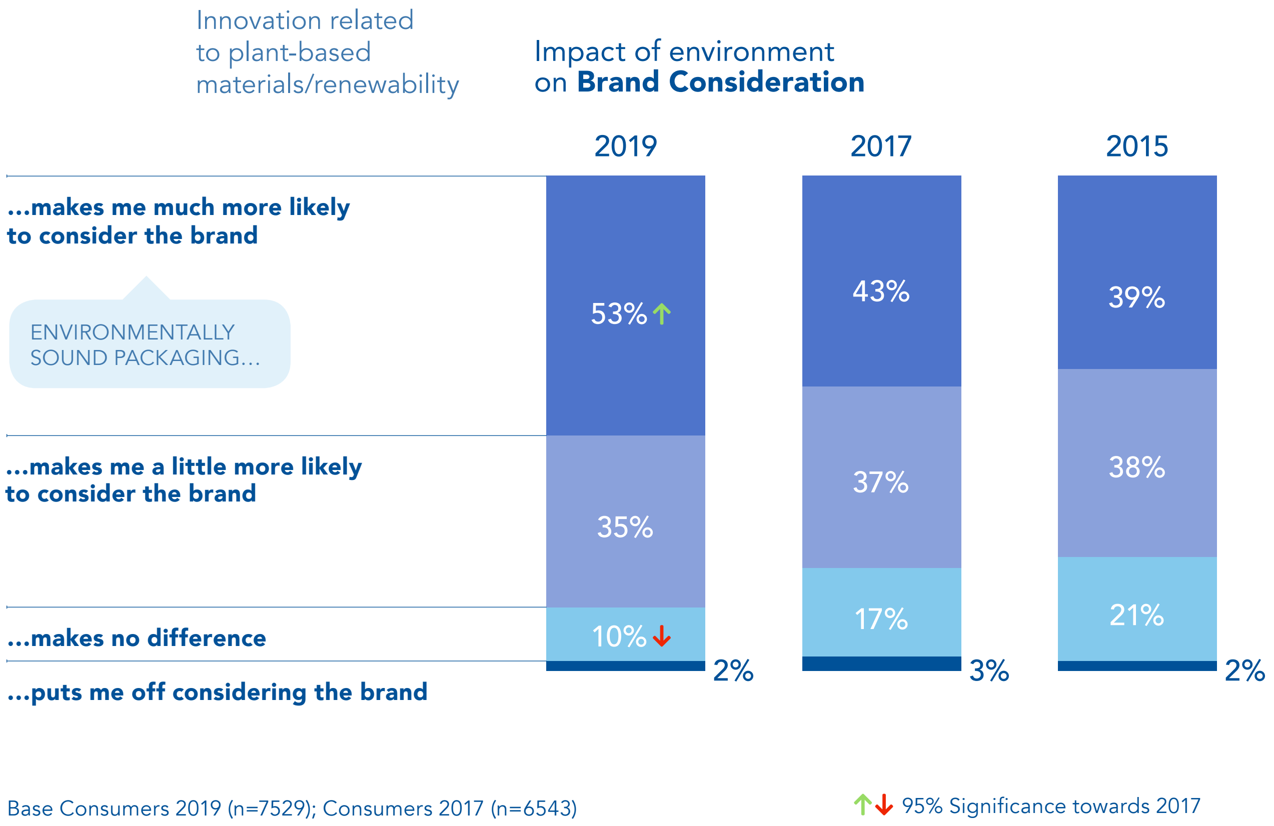
Base: Consumers 2019 (n=7529); Consumers 2017 (n=6543)

Environmentally sound packaging makes brands more attractive

How does environmentally sound packaging affect brand consideration? Since we asked this question in 2015, we have seen a significant shift.

In 2019, 53% of consumers are much more likely to consider a brand whose packaging has good environmental credentials, up 10 percentage points on 2017 and a marked increase on the 39% figure for 2015. And with 35% of consumers a 'little more likely' to consider brands in environmentally sound packaging, this is now a positive motivation for an overwhelming majority of consumers. For manufacturers and producers, it illustrates how packaging can both complement their brands' environmental credentials as well as drive sales.

If you were about to choose a food/beverage brand, how would environmentally sound packaging affect your consideration of the brand?



Base Consumers 2019 (n=7529); Consumers 2017 (n=6543)

‘Premium-ness’ is strongly associated with packaging that has environmental features

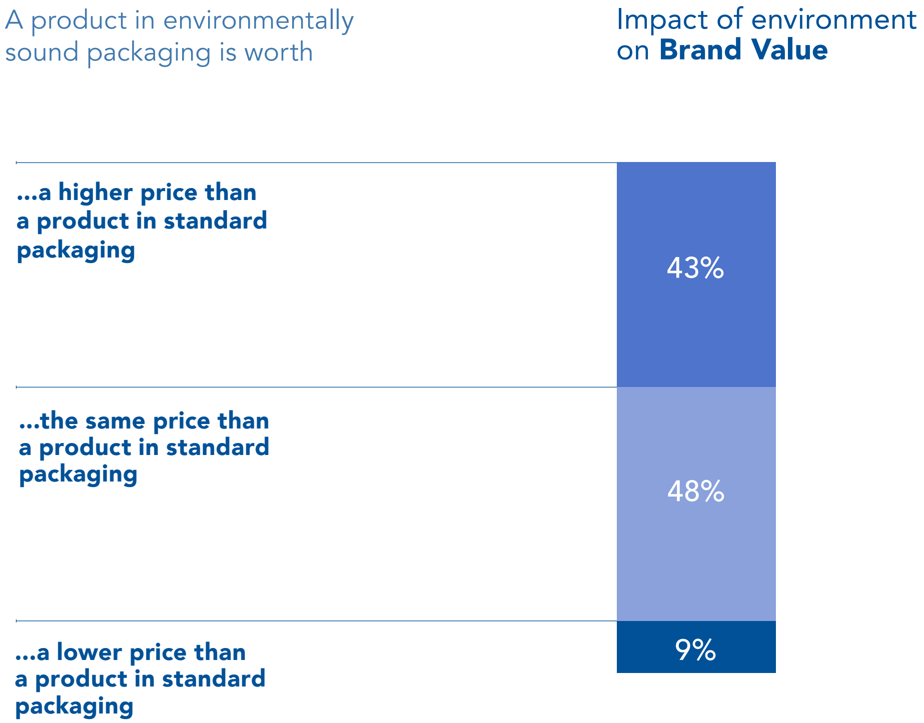
We asked consumers whether they thought products in an environmentally sound package were worth more, the same or less than standard packages.

Notably, 43% of consumers think that a product in an environmentally sound package is worth more. In higher income groups this rises to 48%, and to 47% in respondents with young children or higher levels of education. The message is that on its own, this type of package can convey a sense of ‘premium-ness’, raising the perceived value of products without the need for additional features or messaging.

Q: Which of the following sentences better fits with your thoughts about an environmentally sound packaging?

In particular...

Highest level of income	**48%**
Living with children <13 y.o.	**47%**
Higher level of education	**47%**



Base Consumers 2019 (n=7529); Consumers 2017 (n=6543)

Plant-based materials, climate impact and responsible sourcing inspire consumer interest

Finally, we presented consumers with potential food and beverage packaging innovations and asked which were the most relevant or met their needs the most.

Three areas stood out as most relevant. Innovations related to reducing climate impact and plant-based materials were the most frequently chosen, by 36% of respondents in each case. Innovations that related to certifications and labelling associated with responsible sourcing and production, were chosen by 29% of consumers. These results suggest that consumers are inspired by products that can make a positive environmental impact on a global scale and that use responsibly sourced renewable materials.

SURVEY QUESTION ASKED: Now we are going to show you potential innovations to food and beverage CARTON packaging. Please select all those innovations that would be more relevant for you, and meet your needs the most. Think about innovations that you would want to be applied to the food and beverage carton packages you consider purchasing in the future.

Top three package innovations cited by consumers

36%
Innovation related to plant-based materials/renewability

29%
Innovation related to materials that are certified and labelled as responsibly sourced and produced

36%
Innovation related to reduced impact on climate change

Base Consumers 2019 (n=7529)

Turning insights into action
–How our customers can benefit from this research

Here are five ways in which these findings can help support our customers' business objectives:

Drive new business opportunities.

The research points to a strong opportunity for customers to develop and sell more environmentally responsible products. It's clear that consumers want them – and are prepared to pay more for them.

Connect with customers.

There's a thirst for information about environmental subjects. Customers have an opportunity to use social and on-pack messaging to build consumer relationships and reinforce their reputations.

Move upmarket.

With environmental performance associated with 'premium-ness', customers can target lucrative consumer segments.

Support the business case for sustainability.

For customers struggling to get traction for sustainability strategies and practices, this study proves that they make good commercial sense and go way beyond 'greenwash', Corporate Social Responsibility and compliance.

Build partnerships.

This study is further proof that environmental performance depends on customers, local authorities and consumers all working together – and there's mutual benefit for each party.

Read more:
www.tetrapak.com/sustainability/sustainable-offering