CONSUMER ENVIRONMENTAL TRENDS REPORT 2019

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

Tetra Pak 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.

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

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.
German and Global 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 German respondents (and an equal one globally) saw environmental issues growing in prominence either ‘a lot’ or ‘somewhat’. Today, consumers who think the focus on environment will not change in the future, or will decline, are in the minority.

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

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

Base:
Consumers 2019: Global (n=7529) Germany (n=500)
Consumers 2017: Global (n=6543) Germany (n=503)

*Top 2 boxes (Increase a lot + Increase somewhat)

95% Significance towards 2017
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 more than 50% of consumers in Germany as well as globally, though the Government is less frequently called into question by German consumers. Only 39% of German respondents (36% globally) felt it was up to them to lead the initiative themselves, while municipalities, retailers and NGOs elicited relatively few mentions.
Environmental actions are changing the way people buy

They may be concerned about the environment but does this translate into action?

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, in Germany as well as globally. Sorting and recycling remain the top actions that people take, followed by reducing food and beverage waste. While indicating a declining trend, German consumers are a lot more engaged in recycling compared to the global average, and almost more likely to consider environmental aspects when purchasing, to avoid a beverage in a plastic container and to avoid a brand/product for environmental reasons.

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.

- Sorted and set aside waste for recycling
- Reduced the amount of food/beverage wasted by me/my family
- Purchased a product with an environmentally sound packaging
- Considered environmental aspects when purchasing things
- Looked for environmental information labelling
- Purchased an environmentally sound product, even if it costs more
- Gathered information about environmental topics, issues or concerns
- Avoided a beverage in a plastic container for environmental reasons
- Avoided a particular product or brand for environmental reasons
- Avoided a beverage in a mixed material container for environmental reasons
- Avoided a beverage in a carton container for environmental reasons

Base: Consumers 2019: Global (n=7529) Germany (n=500) Consumers 2017: Global (n=6543) Germany (n=503)
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 67% in Germany and 68% globally, 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 German consumers (50% globally as well) now citing this as a reason for their decisions, up 11 percentage points on 2017. We saw increases in environmental motivations across the board, suggesting that overall awareness is rising.

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

Drivers to purchase environmentally sound products – % Values

<table>
<thead>
<tr>
<th>Motivation</th>
<th>2019</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>To preserve the environment for future generations</td>
<td>68</td>
<td>58</td>
</tr>
<tr>
<td>To do something helpful for the community</td>
<td>50</td>
<td>37</td>
</tr>
<tr>
<td>Because it fits with my lifestyle habits and preferences (e.g. healthy,</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>organic, local, natural, free-from…)</td>
<td>37</td>
<td>34</td>
</tr>
<tr>
<td>Because of additional benefits compared to standard products (e.g. health</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>benefits)</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Because of higher quality than standard products</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>To feel less guilty</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Because it’s trendy</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

Base: Consumers 2019: Global (n=7529) Germany (n=500)
Consumers 2017: Global (n=6543) Germany (n=503)

↑↓ 95% Significance towards 2017
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% globally, suggesting that for well over half of people today, cost is not an issue. This is true for Germany as well, with only 36% of consumers indicating price as a barrier, down from 44% in 2017. At the same time, lack of information on environmentally sound products, lack of availability and lack of trust in a product’s environmental credentials are also putting consumers off, both in Germany as well as worldwide.

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

<table>
<thead>
<tr>
<th>Barriers to purchase environmentally sound products</th>
<th>% Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher price of environmentally sound products compared to standard ones</td>
<td>42%</td>
</tr>
<tr>
<td>Lack of information on environmentally sound products</td>
<td>38%</td>
</tr>
<tr>
<td>Lack of awareness in distinguishing what is or is not an environmentally sound product</td>
<td>36%</td>
</tr>
<tr>
<td>Lack of environmentally sound products available to purchase</td>
<td>36%</td>
</tr>
<tr>
<td>A lack of trust that the product has limited impact on environment</td>
<td>36%</td>
</tr>
<tr>
<td>Lower quality of environmentally sound products compared to standard ones</td>
<td>28%</td>
</tr>
<tr>
<td>Lack of additional benefits compared to standard products (e.g. health benefits)</td>
<td>26%</td>
</tr>
<tr>
<td>Lack of interest on environmental issues</td>
<td>21%</td>
</tr>
<tr>
<td>Lack of fit with my lifestyle habits &amp; preferences (e.g. healthy, organic, local, natural, free from…)</td>
<td>20%</td>
</tr>
</tbody>
</table>

Base:
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↑↓ 95% Significance towards 2017
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 a preferred channel for information about food and beverage packaging, cited by 21% of consumers globally. Still, in Germany on-pack communication remains the preferred source of information, with 25% of consumers citing it as their go-to channel, followed by in-store communication at supermarkets with 18%.

As for environmental topics, our research uncovered fast-growing interest globally in reduced carbon and water footprints, renewability and responsible forestry, while recyclability and biodegradable materials remained the topics of greatest interest. In Germany, renewability and use of recycled materials are also among key topics consumers are keen to learn more about. Plant-based materials was a topic first time introduced in this research, with 27% of German consumers choosing it as an area of interest.
There’s a thirst for knowledge – and on-pack remains the media of choice (cont)

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

<table>
<thead>
<tr>
<th>Channel</th>
<th>2019</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Networks</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>On Food or Beverage Packaging</td>
<td>20</td>
<td>26</td>
</tr>
<tr>
<td>TV/Radio</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Online News/Blogs</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>At Supermarkets/In Stores</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Newspapers/Magazines</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>E-Newsletters/E-Mail</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Company Websites</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Topic</th>
<th>2019</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Bio-degradable Materials</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td>Recyclability</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>Use of Plant-Based Materials</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Reduced Carbon Footprint</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Renewability</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Use of Recycled Materials</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Reduced Water Footprint</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Responsible Forestry</td>
<td>30</td>
<td>21</td>
</tr>
</tbody>
</table>

Base:
Consumers 2019: Global (n=7529) Germany (n=500)
Consumers 2017: Global (n=6543) Germany (n=503)
The vast majority of German and global 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 86% of German respondents looking for them (91% globally). This presents an opportunity for manufacturers who can demonstrate responsible sourcing and production.

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

Attention to environmental logos during shopping – % Values

Consumers 2019: Global (n=7529) Germany (n=500)
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. Together with ‘Conscious’, the next-most environmentally aware group, this means 46% of global 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.

Almost 50% of global consumers are now ‘concerned’ or ‘conscious’
We asked consumers what first comes to mind when they think about the definition of environmentally sound packaging products.

It was biodegradable products, awareness of which has risen since 2017. Recyclability was the next most-cited attribute, consistently front of mind for 14% of German consumers over the last two years, who are also interested in products with less packaging.

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

Definition of environmentally sound products – % Values

- Biodegradable products: 19% (Globally) - 17% (Germany)
- Products that can be recycled: 19% (Globally) - 14% (Germany)
- Organic products: 12% (Globally) - 13% (Germany)
- Products made with recycled materials: 11% (Globally) - 12% (Germany)
- Products made with material from renewable resources: 11% (Globally) - 11% (Germany)
- Products grown without pesticides, preservatives: 9% (Globally) - 5% (Germany)
- Products with no/minimum packaging: 7% (Globally) - 6% (Germany)
- GMO (Genetically Modified Organisms) free product: 6% (Globally) - 7% (Germany)
- Products with low carbon emissions for production: 5% (Globally) - 4% (Germany)
- Products with low carbon emissions for transport: 3% (Globally) - 3% (Germany)

Base:
- Consumers 2019: Global (n=7529) Germany (n=500)
- Consumers 2017: Global (n=6543) Germany (n=503)

↑↓ 95% Significance towards 2017
Environmentally sound packaging makes brands more attractive

How does environmentally sound packaging affect brand consideration? Since we asked this question in 2017, we have seen a significant shift.

In 2019, 42% of German consumers (53% globally) are much more likely to consider a brand whose packaging has good environmental credentials, up 18 percentage points on 2017 (and 10% globally on 2017). And with 40% of Germans 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?

- **...makes me much more likely to consider the brand**
  - 2019: 53%  
  - 2017: 43%

- **...makes me a little more likely to consider the brand**
  - 2019: 35%  
  - 2017: 37%

- **...makes no difference**
  - 2019: 10%  
  - 2017: 17%

- **...puts me off considering the brand**
  - 2019: 2%  
  - 2017: 3%

Base:
Consumers 2019: Global (n=7529) Germany (n=500)
Consumers 2017: Global (n=6543) Germany (n=503)

↑↓ 95% Significance towards 2017
We asked consumers whether they thought products in an environmentally sound package were worth more, the same or less than standard packages.

Notably, 38% of German consumers (43% globally) think that a product in an environmentally sound package is worth more. 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.

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

- A product in environmentally sound packaging is worth
  - a higher price than a product in standard packaging
  - the same price than a product in standard packaging
  - a lower price than a product in standard packaging

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

Base:
- Consumers 2019: Global (n=7529) France (n=500)
- Consumers 2017: Global (n=6543) France (n=506)

95% Significance towards 2017
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, as well as certifications and labelling associated with responsible sourcing and production were the most frequently chosen. 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

- Innovation related to plant-based materials/renewability: 36%
- Innovation related to materials that are certified and labelled as responsibly sourced and produced: 29%
- Innovation related to reduced impact on climate change: 36%

- Innovation related to plant-based materials/renewability: 39%
- Innovation related to materials that are certified and labelled as responsibly sourced and produced: 27%
- Innovation related to reduced impact on climate change: 32%
Here are five ways in which these findings can benefit food & beverage producers:

**Drive new business opportunities.**
The research points to a strong opportunity for companies to develop and sell more environmentally responsible products. It’s clear that consumers want them.

**Connect with consumers.**
There’s a thirst for information about environmental subjects. Companies 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’, brands can target lucrative consumer segments.

**Support the business case for sustainability.**
For companies 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 companies, local authorities and consumers all working together – and there’s mutual benefit for each party.
For more information, please go to:
http://tetrapak.com/de/sustainability/sustainable-offering