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WHO CARES? WHO DOES?

What do sustainable shoppers purchase in your category?

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Worldpanel Division | Kantar

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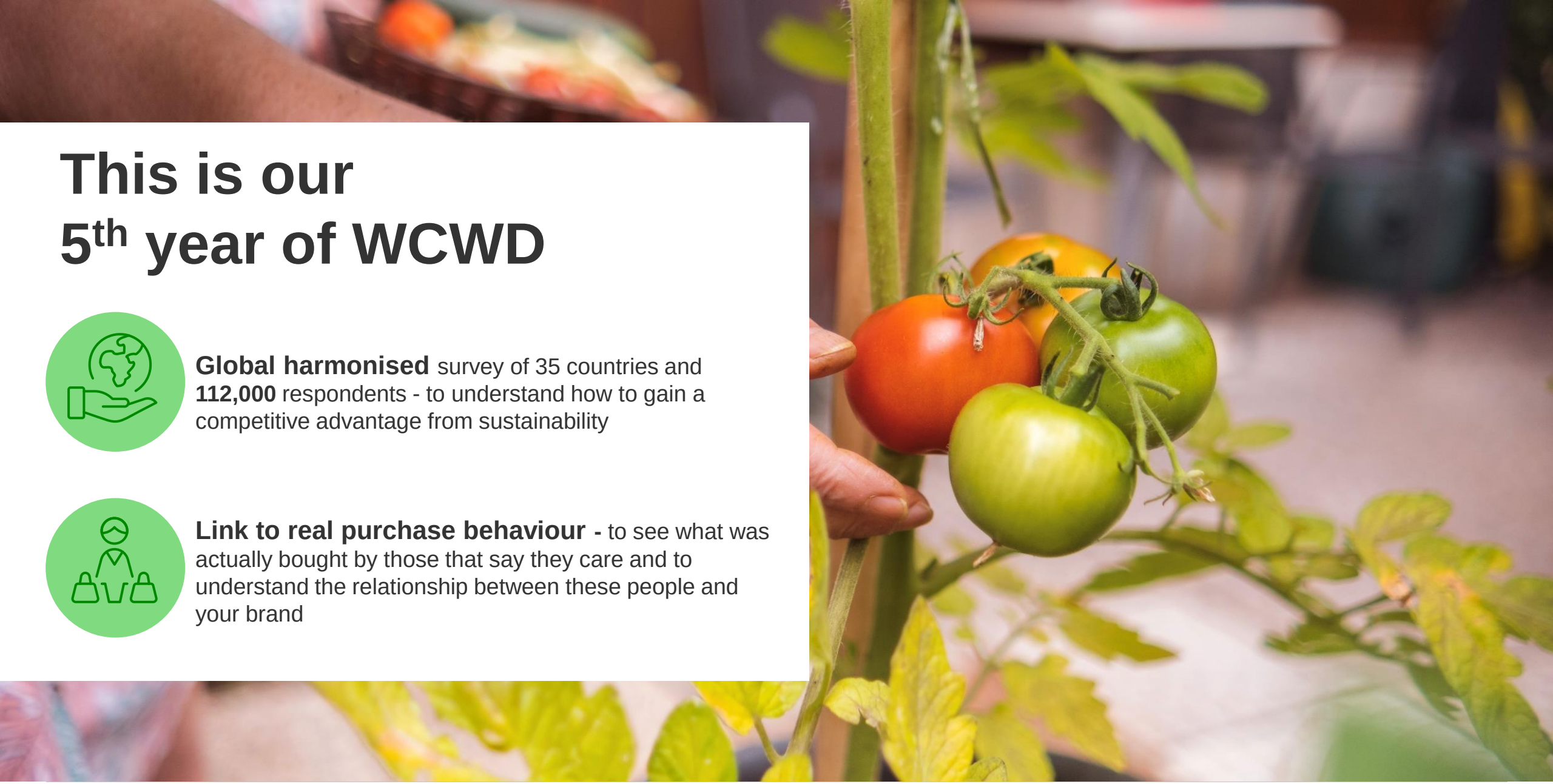
WCWD? 2023

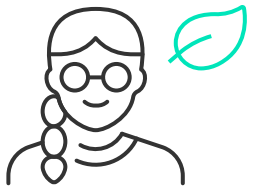
This is our 5th year of WCWD

Global harmonised survey of 35 countries and **112,000** respondents - to understand how to gain a competitive advantage from sustainability

Link to real purchase behaviour - to see what was actually bought by those that say they care and to understand the relationship between these people and your brand

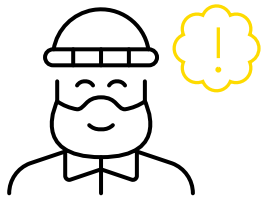


5th year of our sustainability segmentation



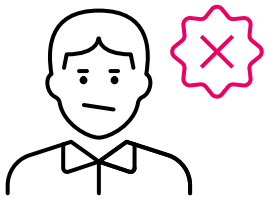
Eco-Actives

- Highly concerned about the environment and plastic waste.
- Taking the most actions to reduce their waste.
- They feel an intrinsic responsibility to be more sustainable, follow the topic more actively and have a greater awareness of the different elements that make something sustainable.
- Consistently buy brands and categories without plastic packaging, local, natural ingredients, meat free and fresh



Eco-Considerers

- Worried about the environment and plastic waste.
- Not taking many actions to reduce their waste.
- Their biggest barriers are convenience and price.
- Interested in products with healthy ingredients and recyclable packaging



Eco-Dismissers

- Shoppers who have little or no interest in the environment and making no steps to reduce waste.
- They do not think they make a difference.
- The topic rarely features amongst friends and family and they are lacking awareness of environmental concerns.
- More likely to be young and with families therefore many of the key brands are lower tier or aimed at children

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

1 Five years of shifting perceptions

Eco-Actives make up

20%

of the global population

Worth $456 bn

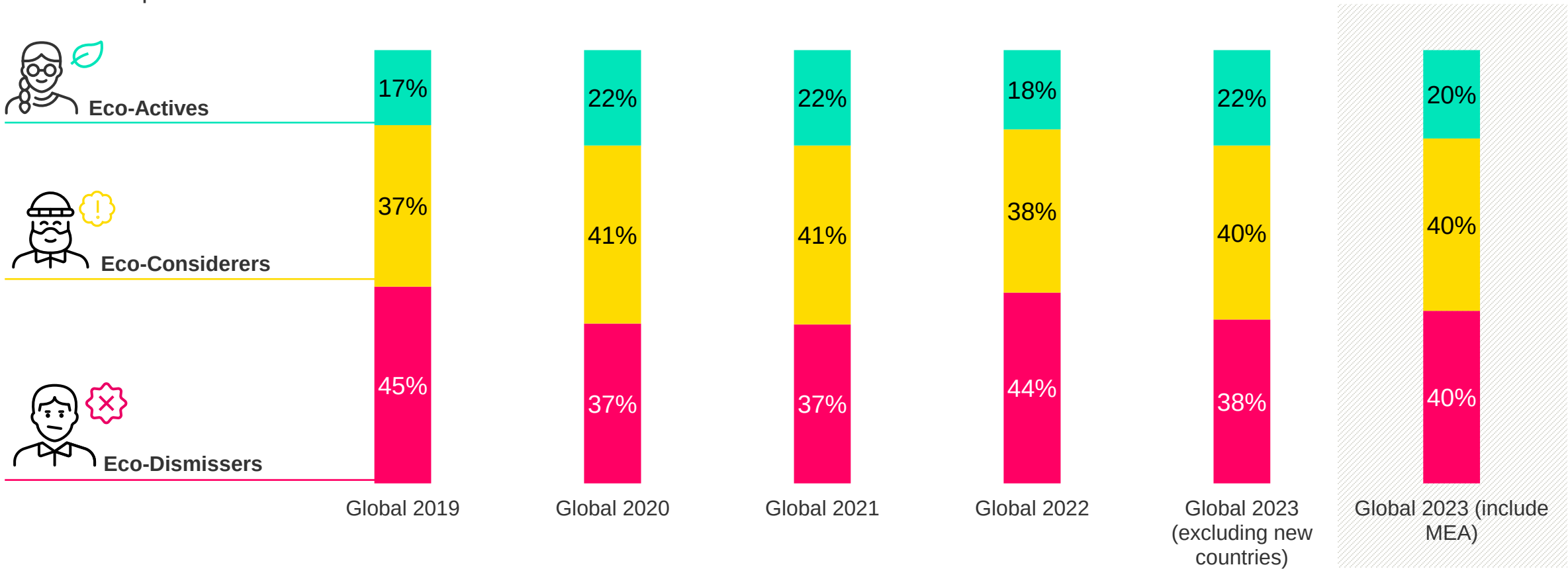
KANTAR

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023
FMCG spending in year ending 2022

WCWD? 2023

Eco-Actives are back up to 2021 levels showing 2022 to be a short-term dip

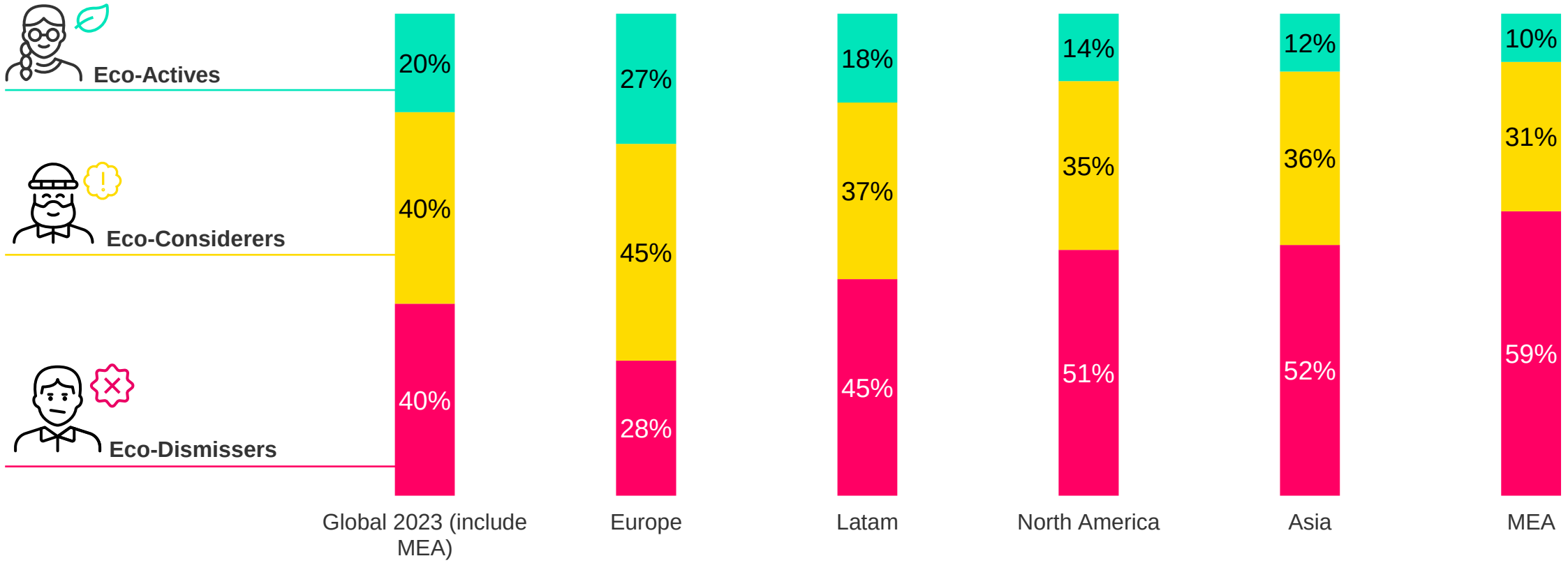
Household Population share



Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023
FMCG spending in year ending 2022
Global 2023 excluding is based on 24 countries

Action on plastic largely correlates with GDP but North America (driven by US) is an outlier and their % Eco-Actives was one of the few to fall year on year

Household Population share



Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023
FMCG spending in year ending 2022
Gglobal based on 35 countries

Concern on plastic not going away

62%

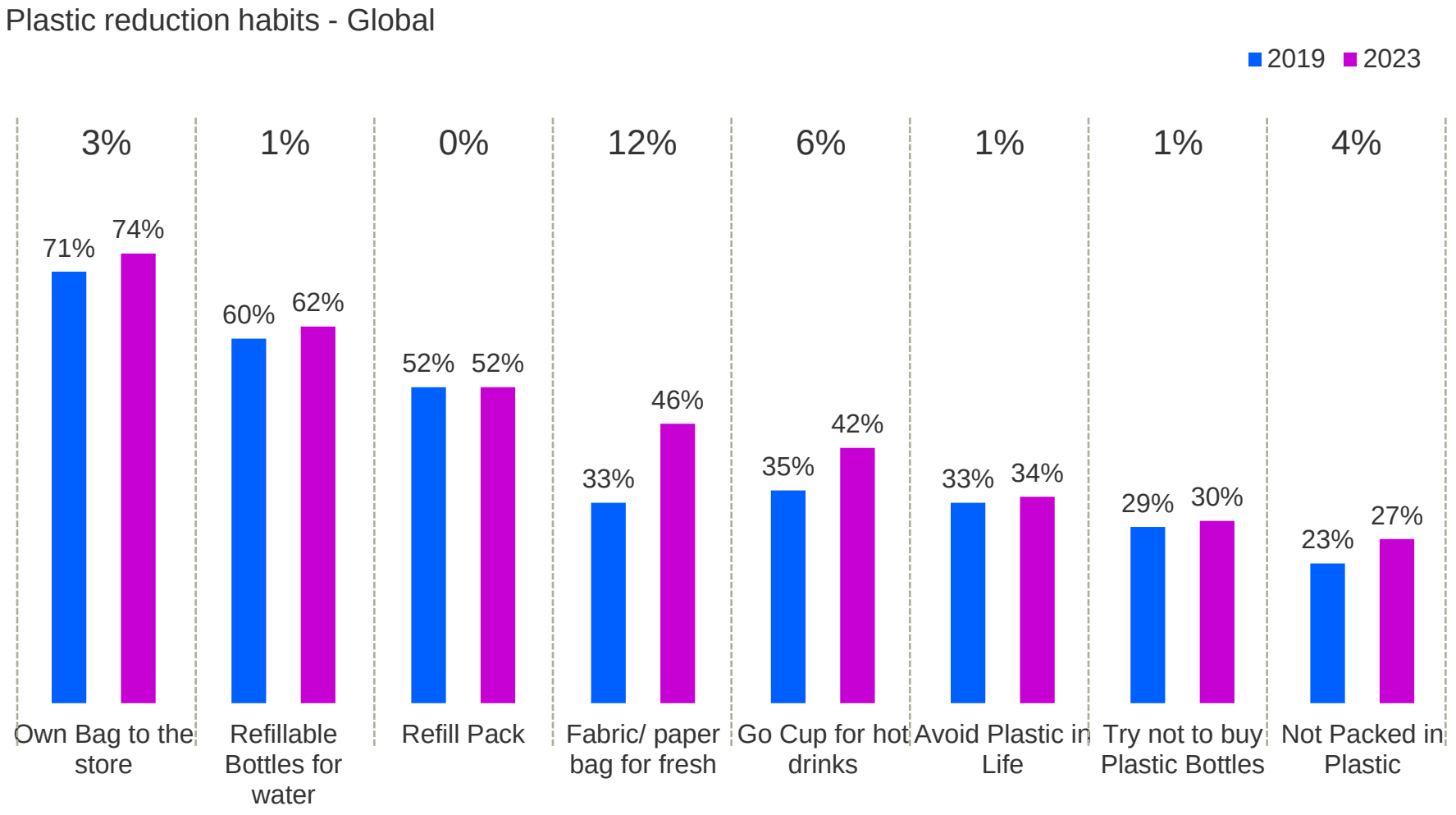
of people agree that ‘It upsets me how much plastic I end up with in my shopping’

This rises to 84% in South Korea

Unsurprisingly Eco-Actives are the most likely to agree (81%) and 40% strongly agreeing

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

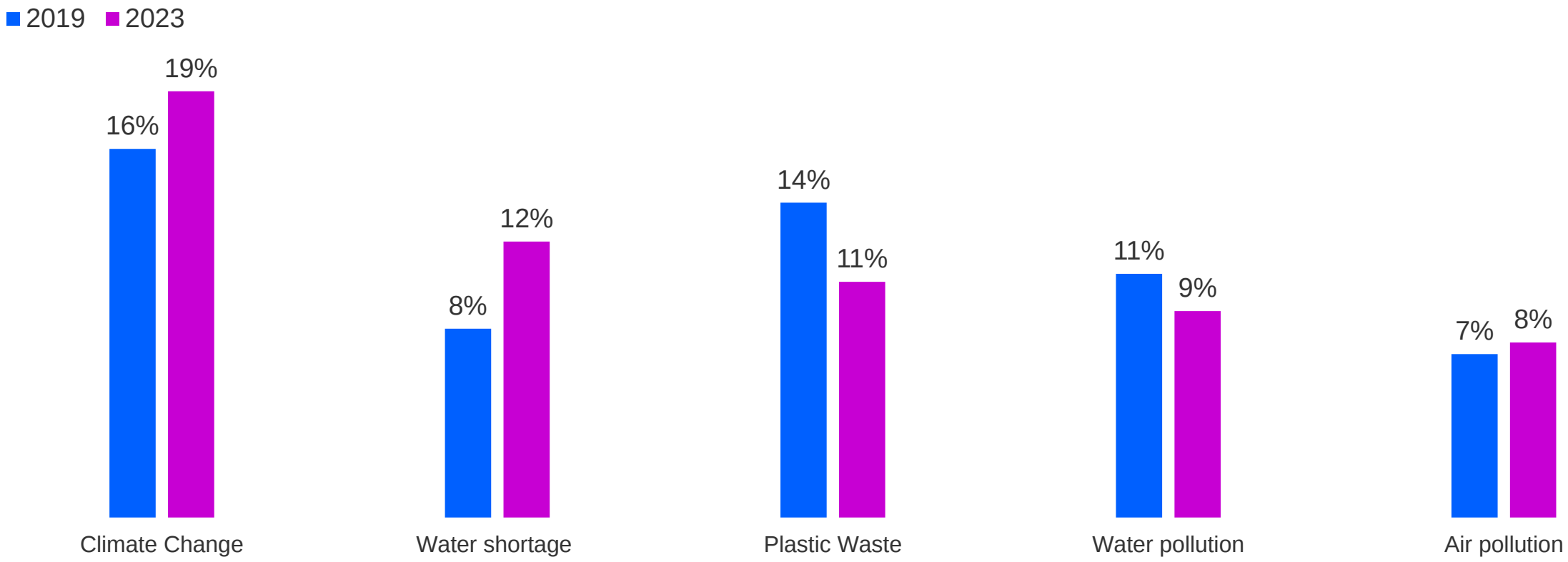
Habits changing over five years- choosing refills and avoiding plastic completely have stalled



There are various ways in which people can reduce plastic waste in everyday life. Please indicate if you do any of the things mentioned below.
Countries filtered to countries in 2019 and 2023

Global warming the primary concern for 19% people and plastic waste is the third biggest concern globally. Many countries broke their high temperature records in 2022 keeping climate change top of mind and close to home.

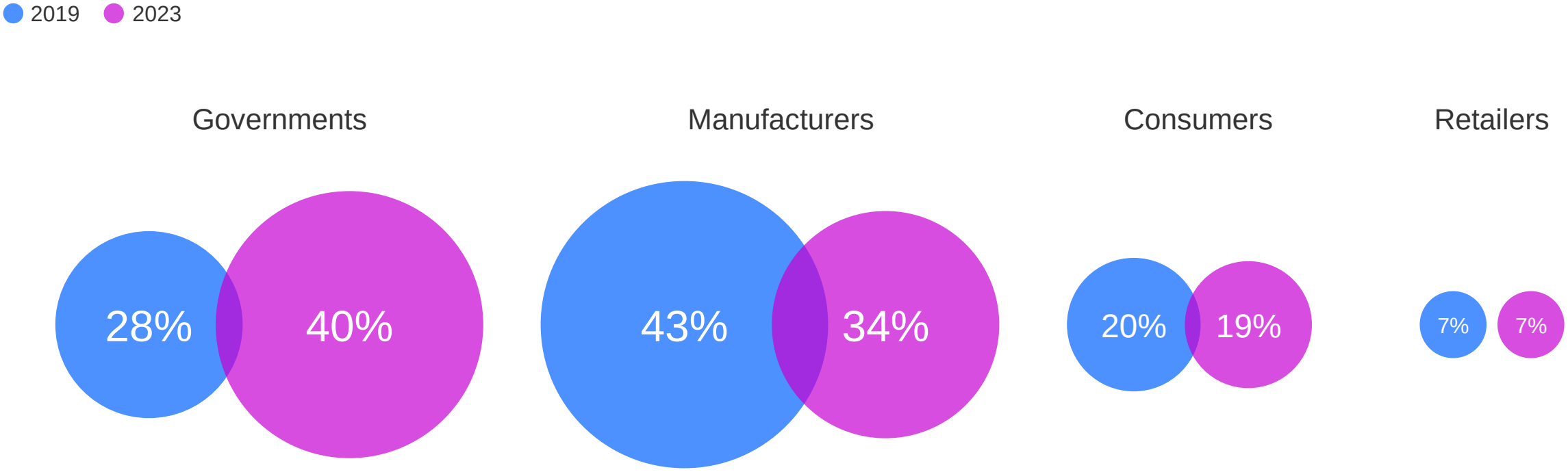
Number 1 Environmental Concern- Global



Here are some environmental challenges. Please RANK the FIVE topics that are the biggest concerns to you personally. Top 1 selected
Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

Over the last five years we have seen people's opinion on who should be responsible shifting from manufacturers to governments

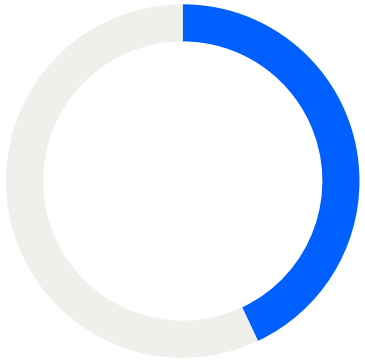
Who could make the biggest difference to control and limit damage? Global



Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

2 Pressures on change

People under pressure – We cannot ignore the realities the cost of living crisis is handing our Eco-Actives. They have less money to trade up

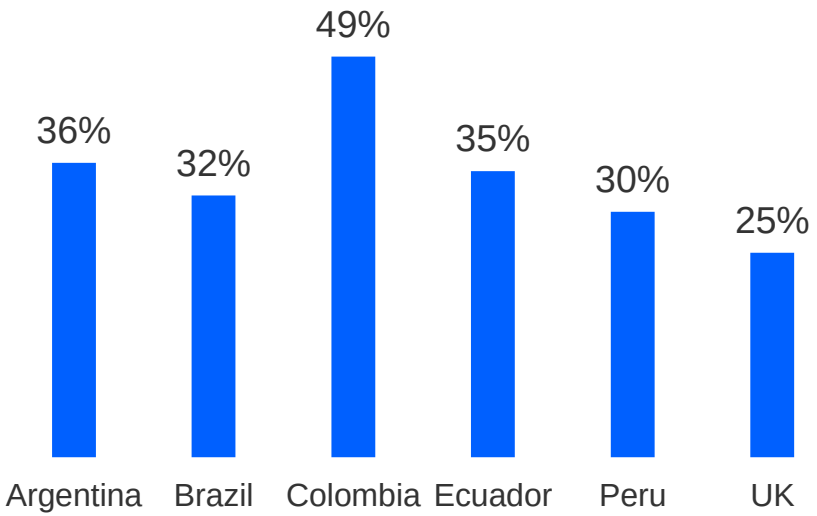


43%

find it harder to act sustainably due to financial or social constraints

No change v 2022

Eco-Actives x Pressure Groups
% Struggling



A significant % of Eco-Actives are struggling to manage their weekly budgets

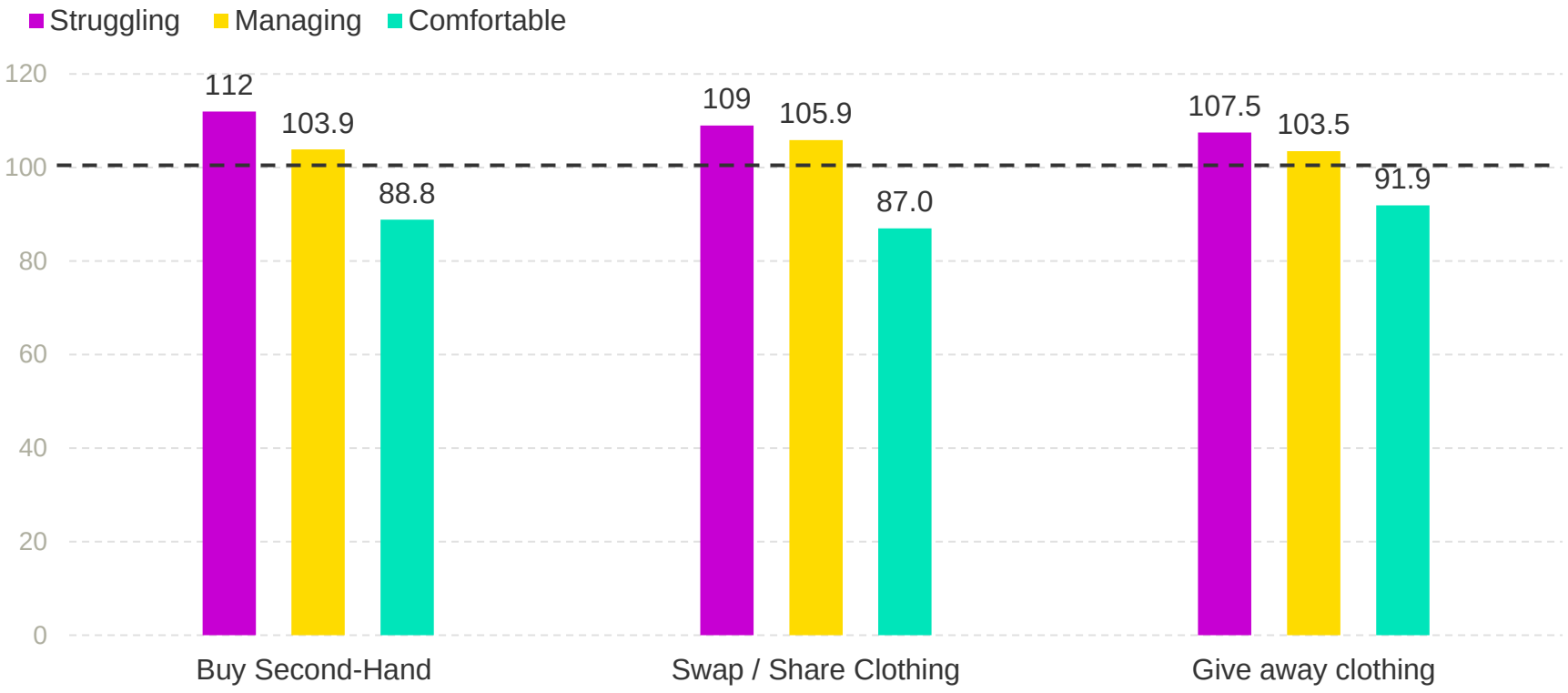
Eco-Actives	Annual Spend	Price per item
Comfortable	£5,215	£2.06
Struggling	£4,917	£1.86

Those struggling have less to spend and less ability to trade up to ‘Eco’ brands

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023
Pressure groups based on 2023 data. UK pressure groups spending based on August 2023 annual UK FMCG data

Accidentally sustainable - Struggling shoppers can exhibit sustainable behaviours to save money and this represents some opportunity for businesses to marry the two benefits

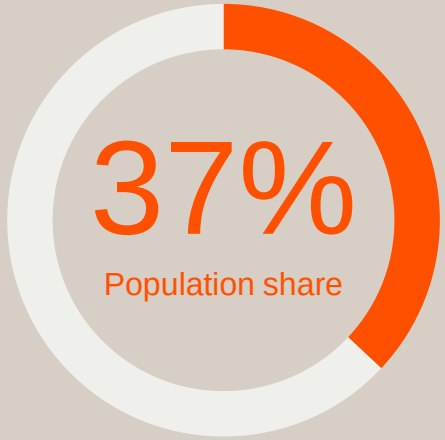
Buyer Index – Sustainable Behaviours UK



Source: Kantar | #WCWD Sustainability LinkQ 2022 | Total Market | Pressure Groups | 52 w/e Data 30th April | Buyer Index – Sustainable Behaviours

The cost of the brands is the largest barrier raised by people, but lack of expertise and availability were also significant drivers of the value action gap

Try to buy environmentally friendly packaging, but don't regularly do it



-1pt

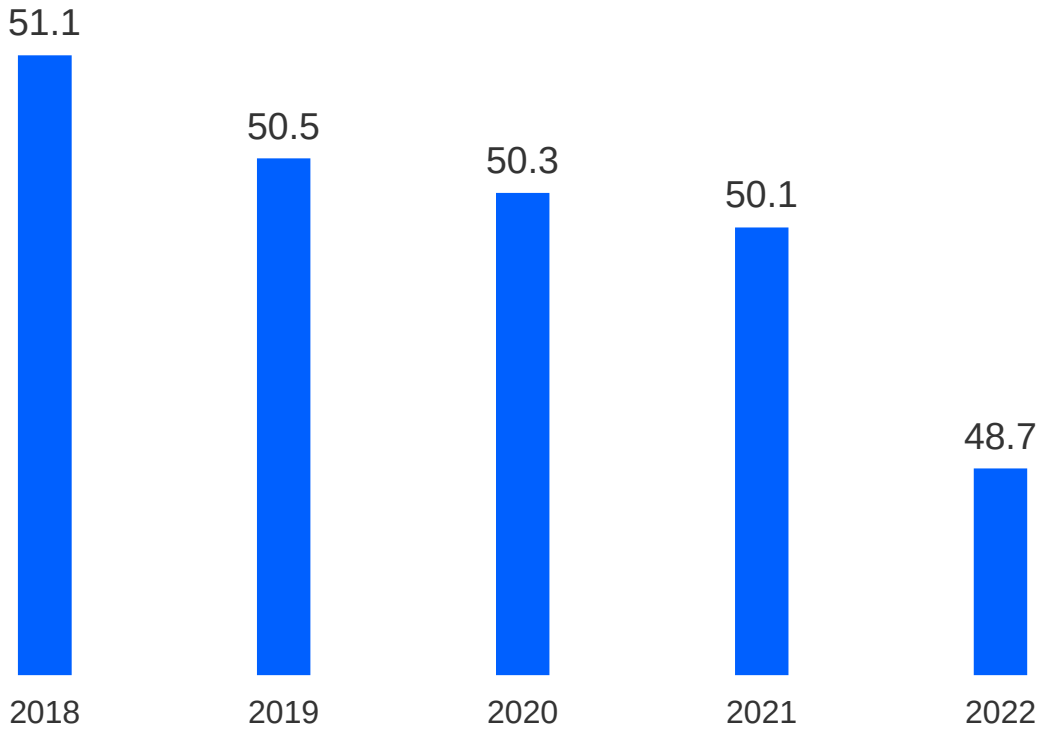
Year-on-year change

What barriers do you face to shopping more sustainably? Global

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

Brands under Pressure – There is a trend in Europe towards Private label and brands need to build more trust and credibility to justify their price premiums

Share of shoppers who only buy brands
Averages for 1100 categories in 6 countries



59%

Say companies only care about profits and eco claims are another marketing tool

Up from **53%** last year

42%

Trust companies not to raise prices more than necessary

Only **19%** in France

Source: Europanel Barometer for 1100 categories in F, D, I, NL, E, UK

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

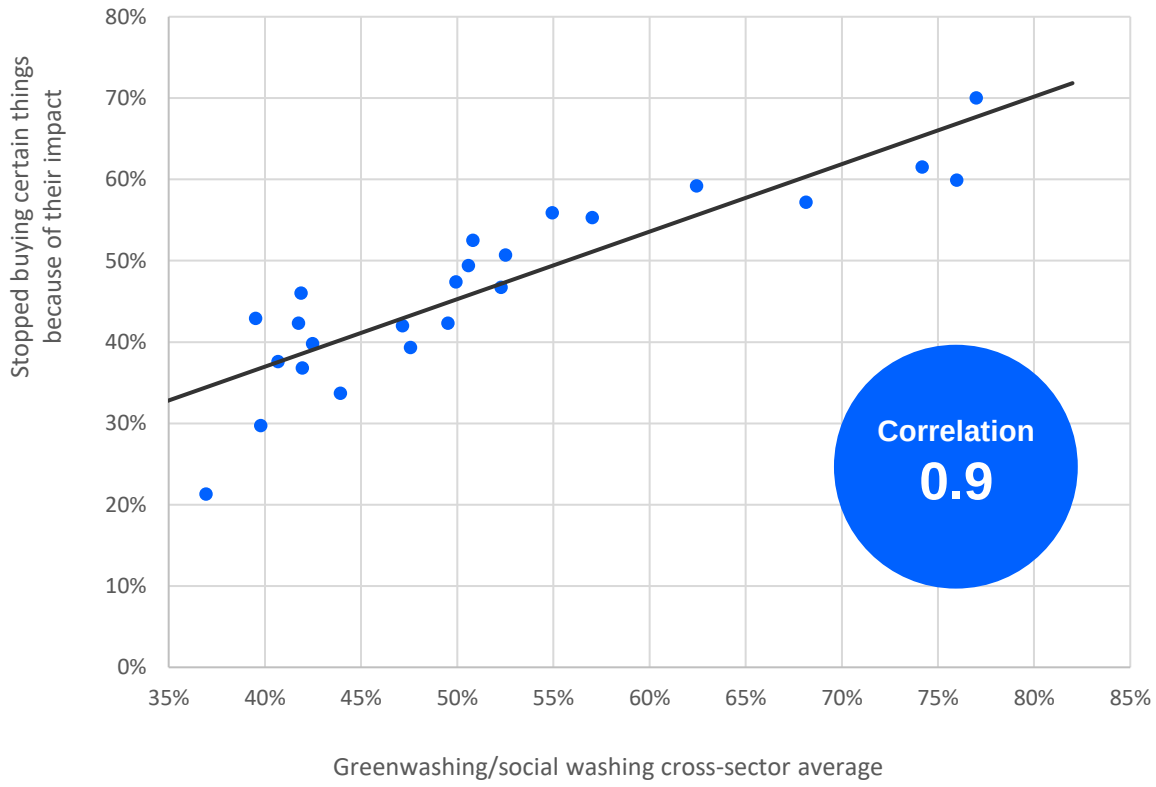
Greenwashing is eroding the trust people place in brands

High levels of **greenwashing** perceived across sectors

On average, across sectors,

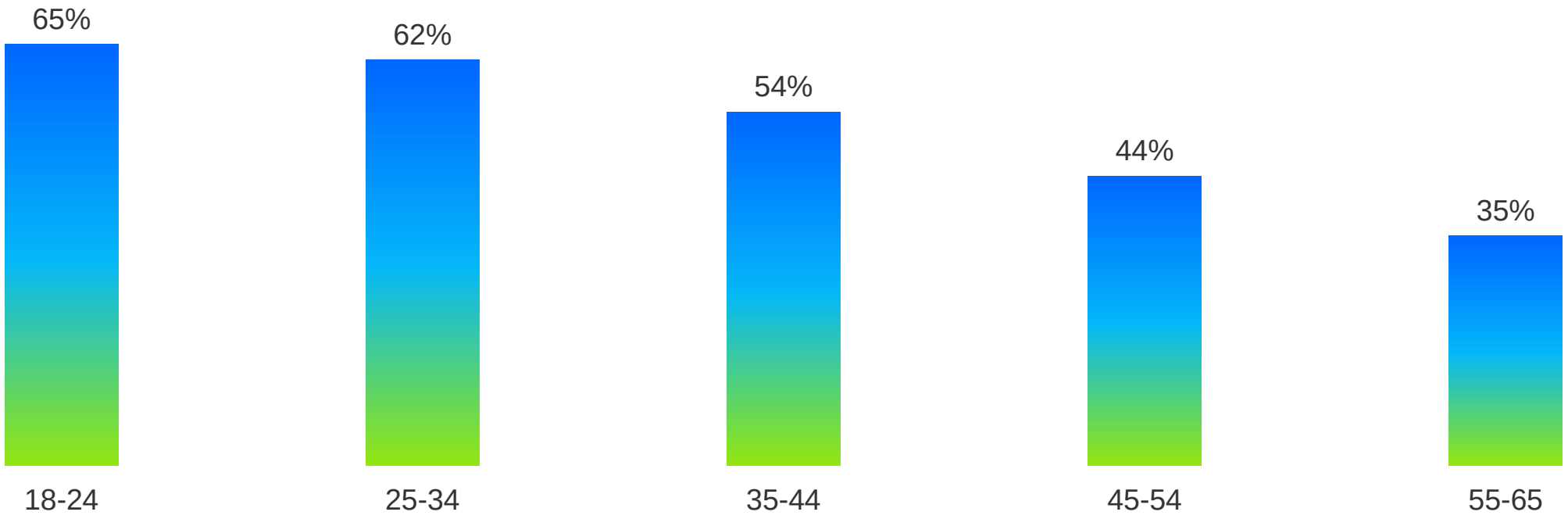
52%

of people say they have seen, or heard, false or misleading information about sustainable actions taken by brands.



Impacting relevancy of brands now and even more so in the near future

Levels of greenwashing perceived across sectors by age



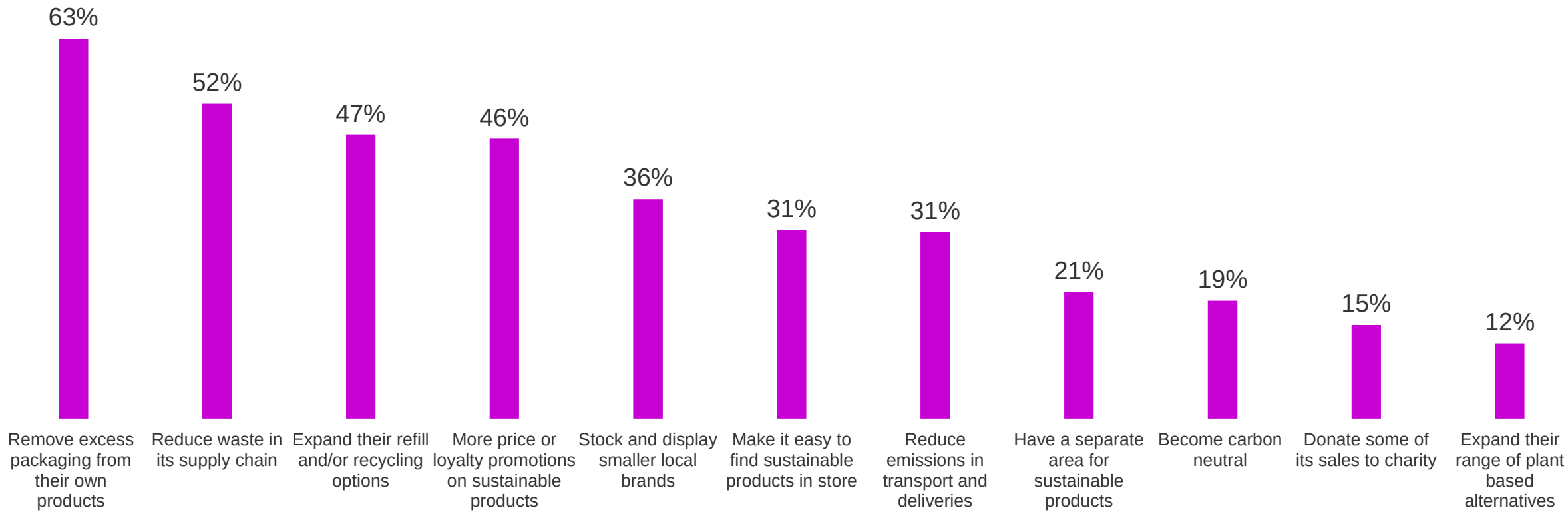
Source: Kantar Sustainability Sector Index 2023

How do we proactively address greenwashing and inspire trust for change?

Source Kantar Global Model for Inspiring Trust
Read more here: https://www.kantar.com/inspiration/brands/leaps-of-faith-inspiring-trust-in-disruptive-times

Retailers under Pressure – Putting their own house in order through addressing packaging in private label was the top ask

% saying this action should be prioritized - Europe



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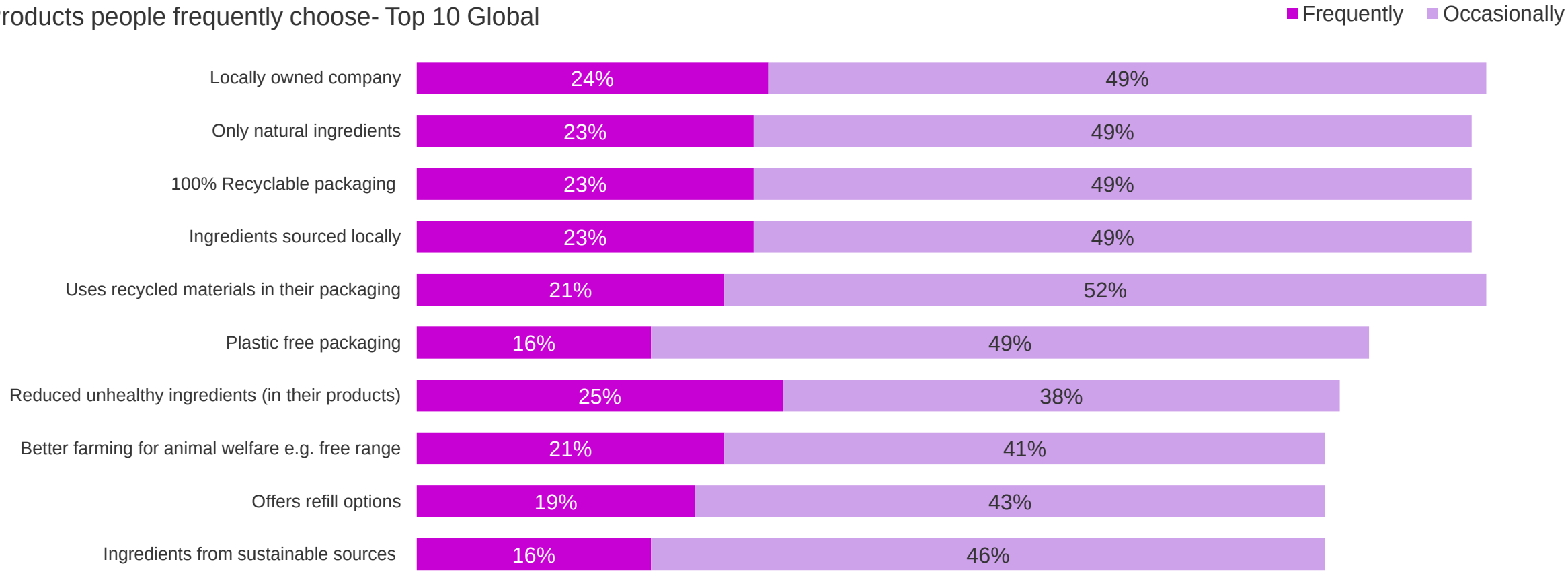
Prioritising sustainable attributes

Understand the consumer shorthand. People do not feel like experts and look for local and natural first and then packaging

Products people frequently choose- Top 10 Global



Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

Paysan Breton - France

107
Eco-Actives index

48%
penetration (+3.2%)

La Fageda- Spain

137
Eco-Actives index

9%
Value growth year on year

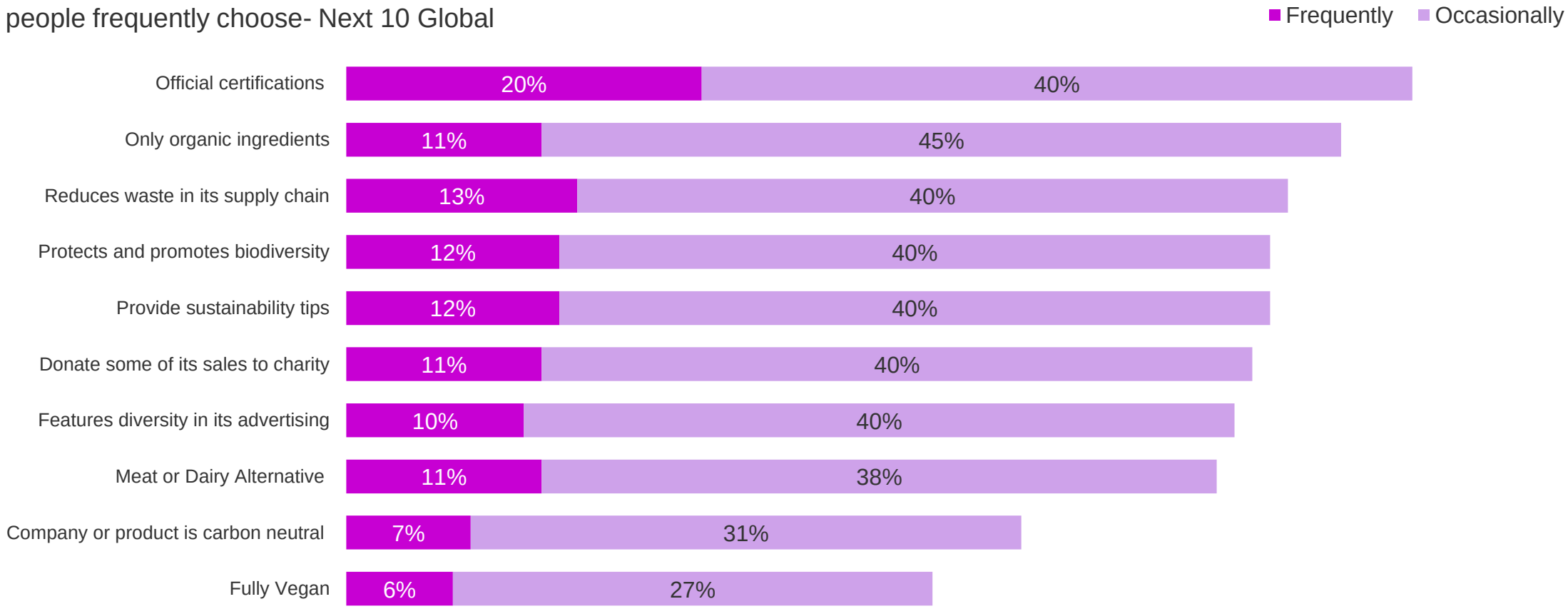
6%
penetration

Slightly Salted Butter Tub | PAYSAN BRETON

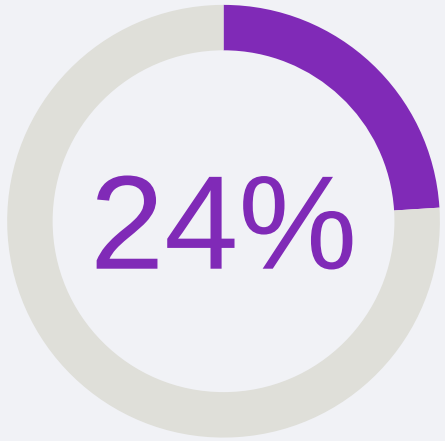
Lots of small changes have been made across stores in individual brands and categories, yet still an average shop is still full of plastic items

The harder to communicate benefits such as more efficient supply chains, biodiversity and carbon neutrality feature lower down the list

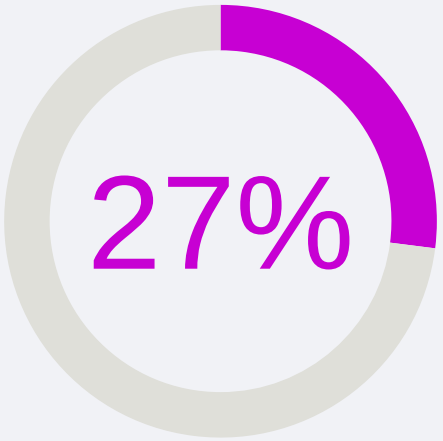
Products people frequently choose- Next 10 Global



Carbon neutral products have few people buying now with only 7% frequently buying , but do have potential for expansion



did not know what a carbon neutral product is



would buy if available

This goes up to over 30% for North America and Europe

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

Difference in the sustainability priorities by age group

Under 35

- Official certifications
- Donates some sales to charity
- Diversity in advertising
- Meat or dairy alternatives
- Fully vegan
- Carbon Neutral

Over 50

- 100% Recyclable packaging
- Plastic free packaging
- Better farming for animal welfare e.g. free range
- Ingredients sourced locally
- Locally owned company

Plant-based peaked?

24% would never buy meat or dairy alternatives

- GB 41% (38% 2022)
- US 37% (33% 2022)

We have also seen some flattening in sales

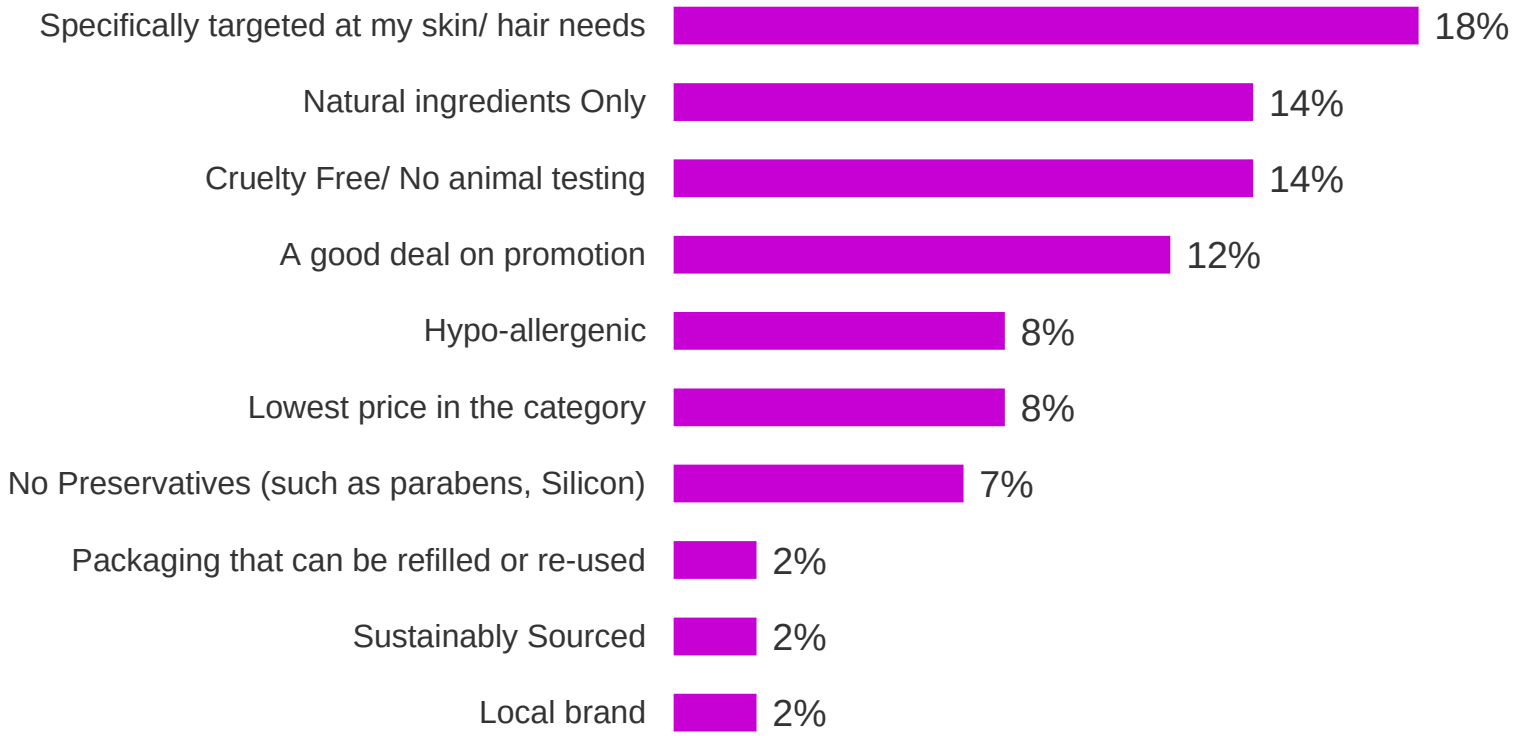
- **France**
  Meat Alternatives – 56.9% penetration (+0.1 vs year ago)
- **Spain**
  Meat Alternatives 16.7% penetration (-1% v year ago)
- **UK**
  Meat Free 46.4% penetration (- 4% v year ago)

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

Purchase data from Worldpanel purchase panels – Q2 2023 v Q2 2022 Spain, France and UK

In beauty specifically local, natural and cruelty free are being called out as factors in decision making

Global: Factors impacting your decision on what brands to buy



L'BEL

Top over-indexing brand in Colombia a beauty brand

163
Eco-Actives index

7-9%
Penetration

Women focused, cruelty free (leaping bunny), local

KANTAR

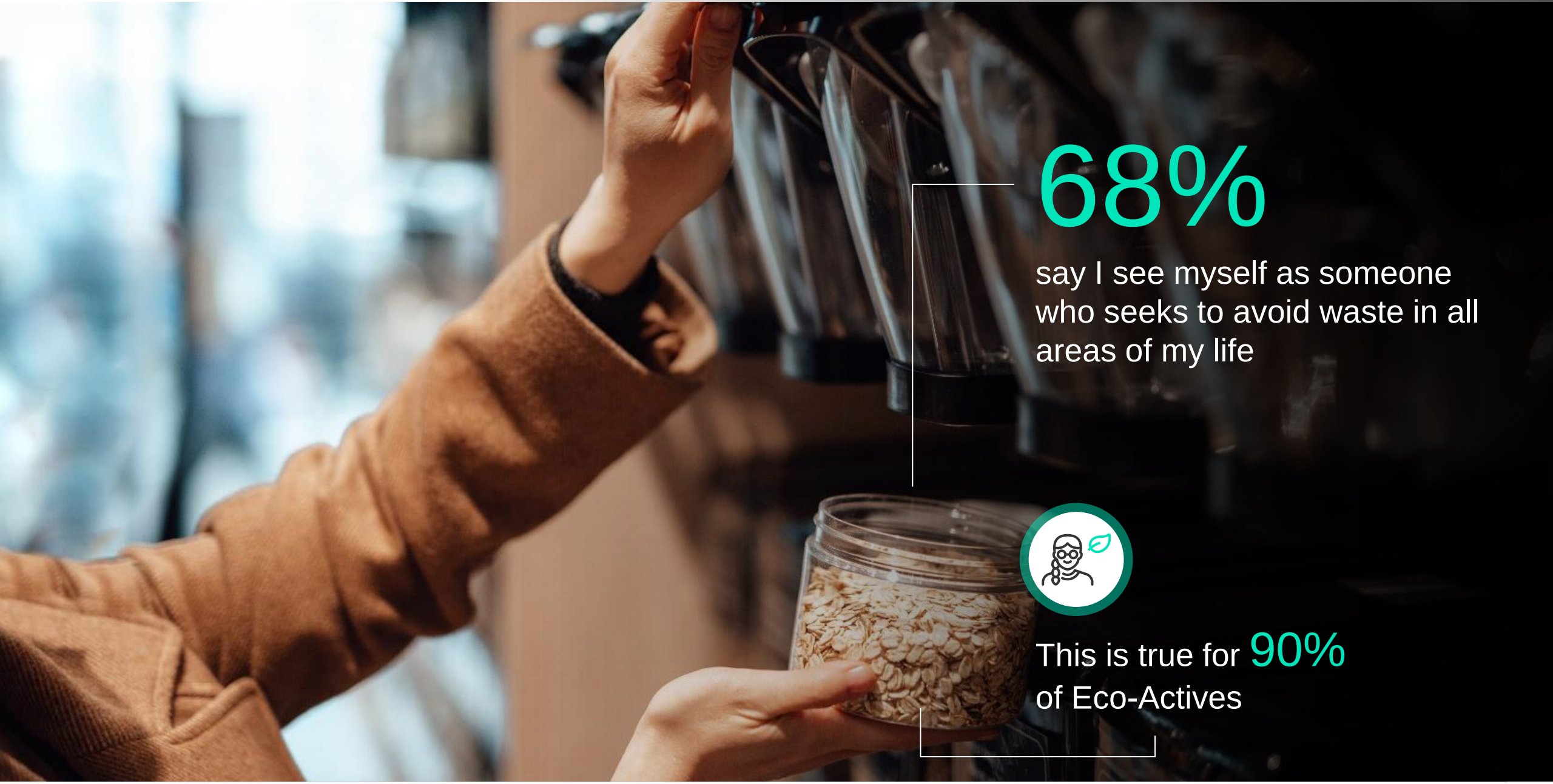
Below is a list of features you might want in a Beauty brand. Please select all factors that go into your decision to buy or not buy. (Choice-Buttons)
India, GB, IRE, FR, ID, VN, PT

BELCORP - We promote beauty to achieve personal fulfillment

4

Waste not, want not

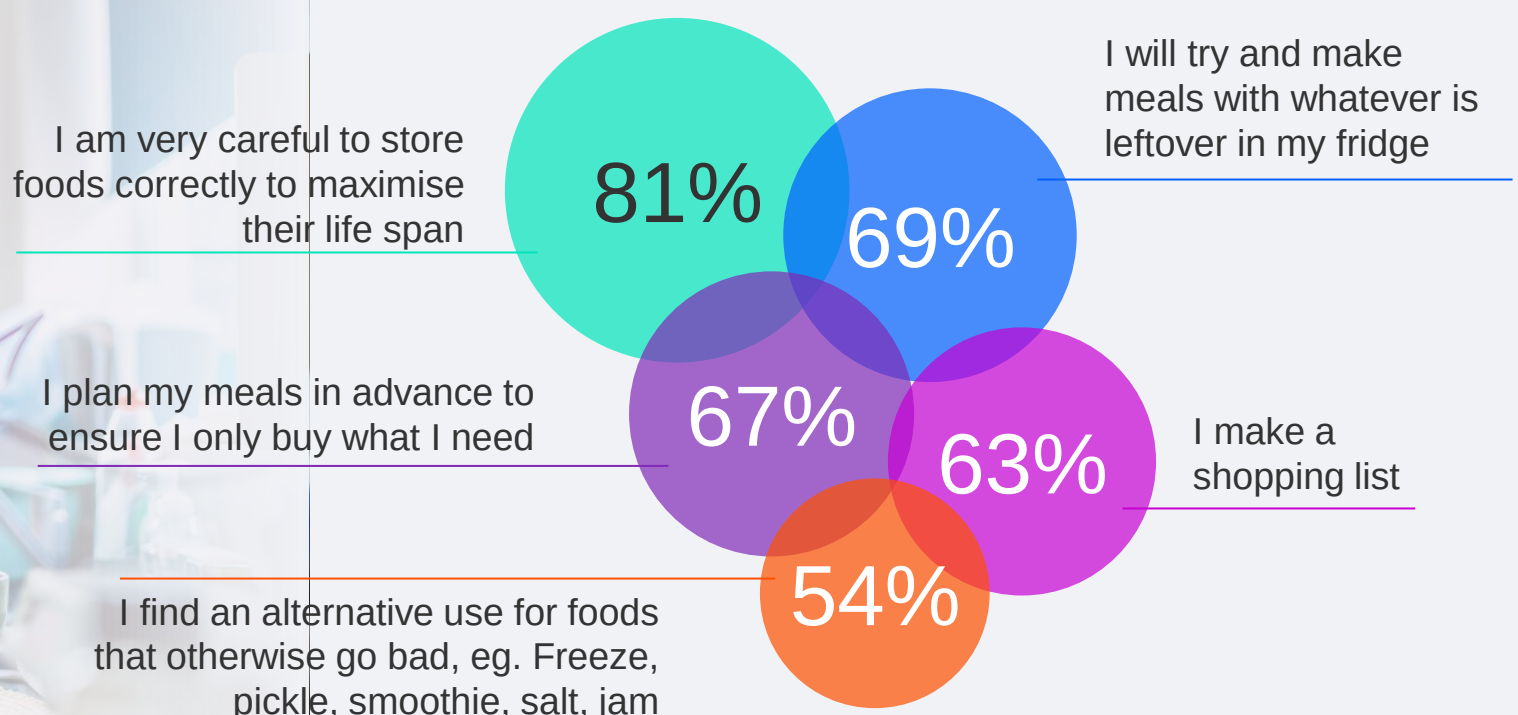
Not only about plastic



Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

Food Waste is a top 3 concern for 25% of people and an area where economic and sustainability incentives strongly overlap

Global, % Top 2 Always and Frequently



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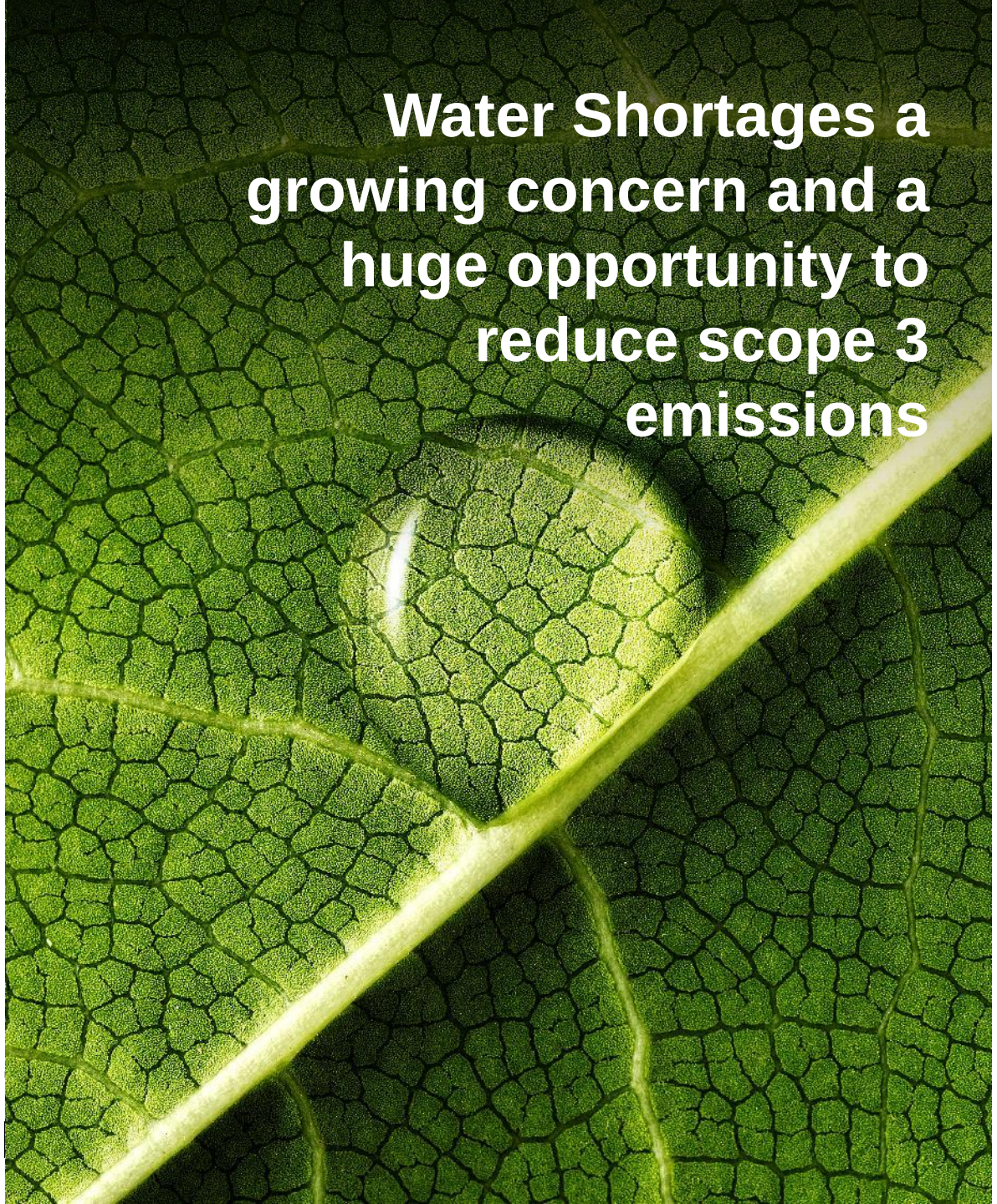

Water Shortages a growing concern and a huge opportunity to reduce scope 3 emissions

79% Turn off the tap when brushing their teeth

49% use Eco Wash settings on laundry or dishwasher machine

38% Don’t pre-rinse on a dishwasher

Source: Worldpanel Division, Kantar, Europanel, GfK - Who Cares? Who Does? 2023

5 Reflections

Take out from five years of our study

1 Engagement driven by media and personal conversations, but a top down approach drives faster change

2 Eco-Actives consistently over trade on eco products with brands with non-plastic packaging, local credentials, natural ingredients performing best

3 Actions to reduce plastic waste are not confined to the rich and nor should your strategy

Take out from five years of our study

1. Concerns about climate change and water scarcity are growing – awareness and availability of brands that support this has not improved

2. No increase in those who want to avoid plastic bottles, possibly due to changes in communication and on-shelf offerings

3. Cost pressures on people have increased significantly with inflation and many of our Eco-Actives are struggling and unable to afford the most premium eco-brands

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WHO CARES? WHO DOES?

Creating a competitive advantage through sustainability

Download the report at
www.kantar.com/whocareswhodoes

For additional information on
Who Cares, Who Does? contact

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