Streetbees

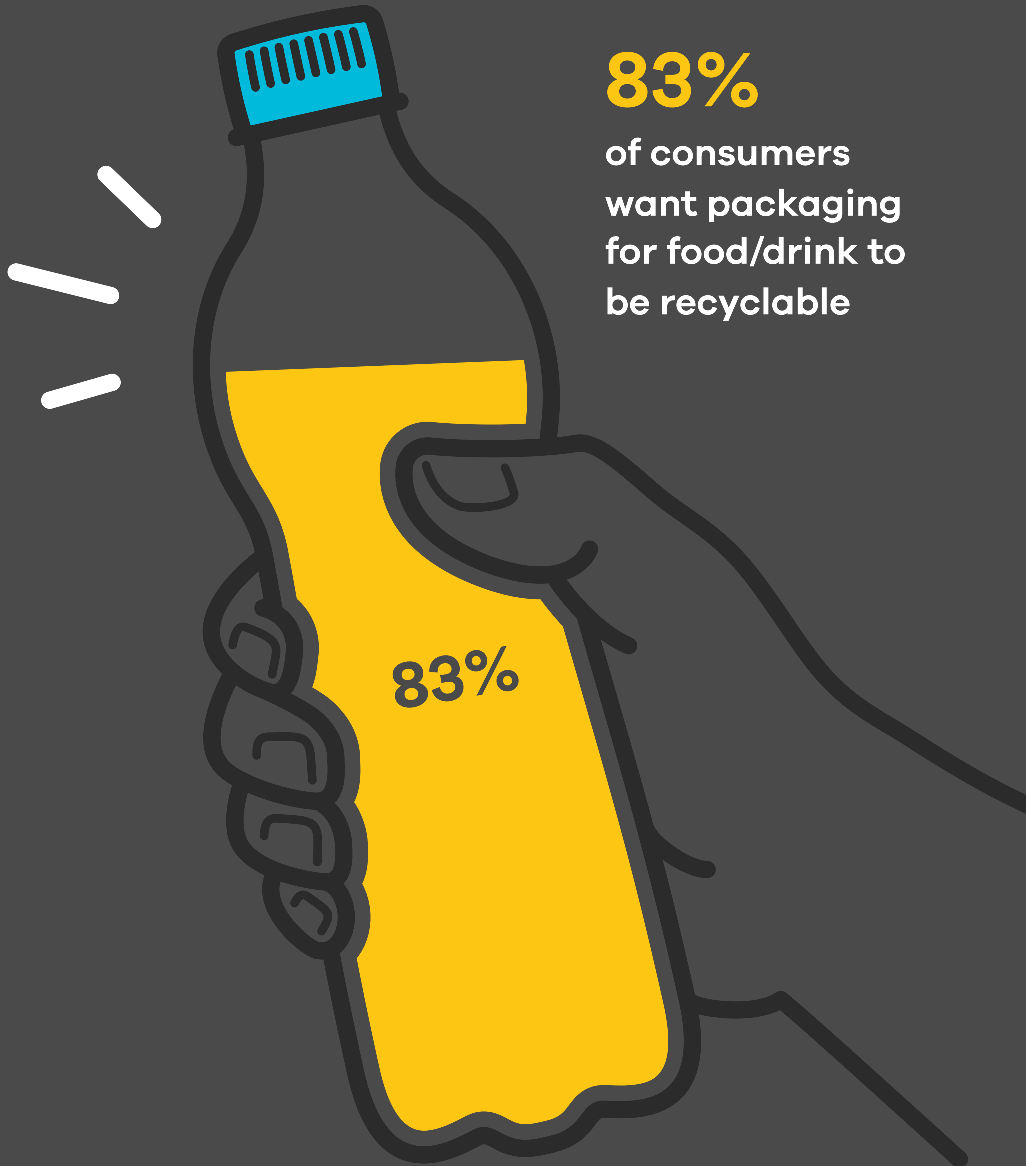
How shopper priorities towards the environment have changed as a result of the pandemic

Sustainability is an incredibly diverse topic - some might even call it a buzzword - different countries associate it with very different things.

For example, in the US, consumers associate ‘sustainability’ with making something last longer - therefore having a strong focus on reducing the need for single-use products as well as improving durability of materials would resonate strongly with this audience.

British consumers consider sustainable products to be ones that are ‘eco friendly’. I appreciate though this doesn’t really make it any less vague, as again eco friendly is not much clearer than simply saying sustainable.

Taking a closer look into what this means, we know that packaging is a key factor, and food and drink is by far the product they care most about when it comes to sustainability. In fact over 8 in 10 Brits want to know that the packaging used for food and drink products is recyclable.



83%

of consumers want packaging for food/drink to be recyclable

Narrowing the say vs do gap

Whether a product is or isn't seen as sustainable is rarely enough to influence their buying choices. We see this time and time again - what people say they do and what they actually do are often very different. This isn't because they knowingly lie, it's because you can't know the true reasons behind your decisions unless you address it at the moment of choice.

The gap between people's intentions around sustainability and their actual behaviour is drastically different. In 2019, 3 in 4 British consumers considered sustainability as important to them and yet only 4% referenced it as a purchase driver in the moment of choice, unprompted and in their own words. The good news is that in just a year, this gap reduced significantly - that being said it's still a substantial difference.

The acceleration of the narrowing of the say vs do gap is undoubtedly linked to the pandemic.

Rob Metcalfe

Chairman
Richmond & Towers

"There are obviously some brands that are set up from a sustainability point of view but by far the majority of brands don't have that as the founding purpose. They are making themselves more sustainable as time goes by, but it isn't enough from a consumer perspective, because the pandemic has heightened people's sensibilities around sustainability. People's acceptance of minor, but positive sustainability moves by brands has become much less."

People everywhere were forced to adapt to prolonged lockdowns, social distancing restrictions, and the emotional turbulence caused by the virus. During the first wave of lockdowns, air pollution levels plummeted in the world's biggest cities.

While the environmental benefits were expected to be short lived, given the temporary nature of the restrictions, it opened consumers' eyes to the drastic impact humans are having on the world.

2019

75%
claimed the importance of sustainability in their decisions

20%
referenced this when <u>prompted</u> at purchase

4%
referenced sustainability <u>unprompted</u> at purchase

2020

65%
claimed the importance of sustainability in their decisions

24%
referenced this when <u>prompted</u> at purchase

9%
referenced sustainability <u>unprompted</u> at purchase

The Sustainability Tribes

‘We’re all in the same boat’ is a common phrase, especially during times of crisis. However, this isn’t true. The reality is that we may all be in the same storm, but we’re in separate boats.

Different demographics, different professions, different age groups have all been affected in different ways. The BBC reported that 6m people became ‘accidental savers’ in the pandemic, whilst 13m found themselves financially worse off. This translates into different groups having different priorities and mindsets at shelf.

With this in mind, we identified a huge need to have a deeper conversation with our consumers to diagnose what consumers are expecting from our brand and retail partners in the coming months. We wanted to understand what sustainability means to consumers in a post-covid world, and how this is influencing their decisions.

“One thing that really screamed loudly was the divergences created between the sourdough bread makers and those struggling to put food on the table. We've got to recognise that COVID has shone a spotlight on the extremities and diversities within society.”

CEO
Hubbub UK

Trewin Restorick

Susan Thomas

Senior Director
Sustainable Commercial Activities
Asda

“All our customers are in a different place on the continuum. Some of them have found themselves thinking more about the impact of the foods they buy and engaging with that a little bit more. At the same time we have a large number of customers who are very anxious, less able to make the sorts of choices and trade off they might want to make. They are under immense budget pressure and very anxious about being out and about.”

Through these conversations, our Machine Learning detected 4 sustainability tribes:

Early Adopters is the most actively engaged group, but it's also the smallest. They have already made changes to their purchases and behaviours to be more sustainable and are constantly on the lookout for new ways to lessen their negative impact on the environment.

Engaged Followers is the biggest tribe identified. These consumers understand sustainability, consider it important and get a positive emotional response to when they make sustainable choices. However, these choices are limited and other considerations often take priority.

Interested But Unaware refers to consumers who simply lack the knowledge and awareness of how to live sustainably. They know it's important but they don't know how to do it, so they don't.

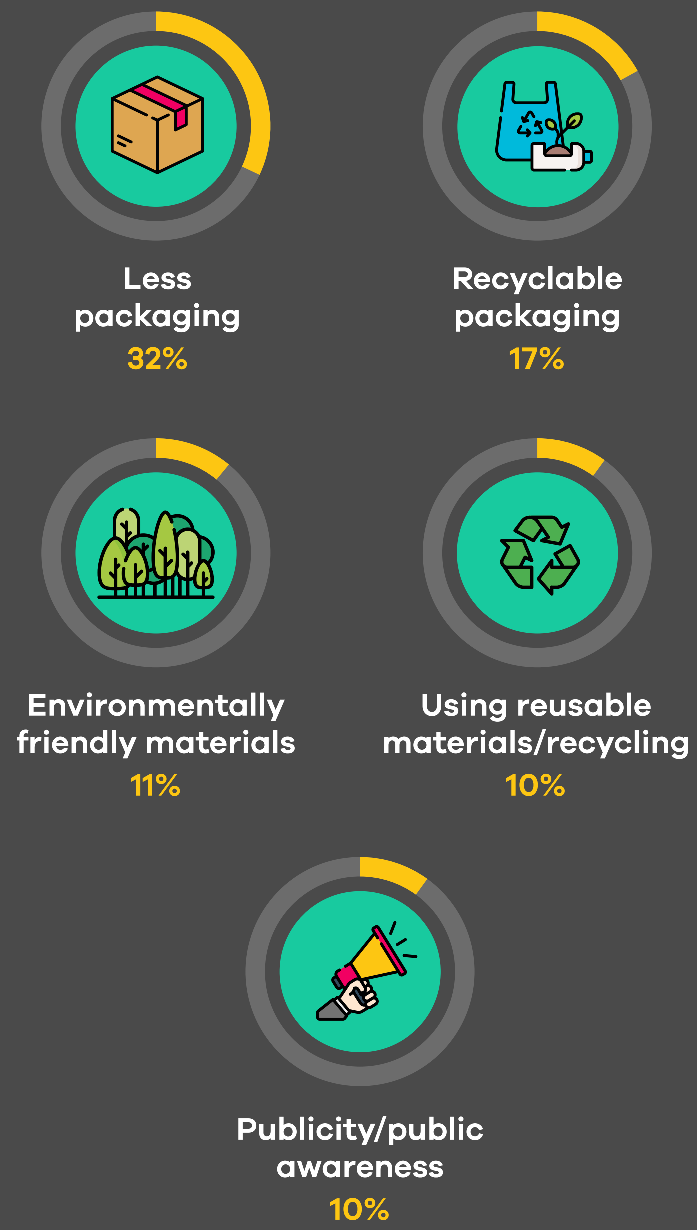
Disengaged is the tribe who have no interest in sustainability, it just isn't a consideration for them.

Building effective communication strategies

Before we can begin to build effective communication strategies for these tribes, we must first understand what the barriers are to them making more sustainable changes. The more engaged consumers already are with sustainability, the less of a blocker price is and the more it comes down to the availability of relevant products. Evidence from the 2008 recession has shown that green consumerism slowed, although it's worth noting that it didn't stop. We're likely to see similar patterns as a result of the financial crisis caused by the pandemic - but that doesn't mean it will be the same. Society is far more committed to the idea of sustainability now than it was over a decade ago.

While the long term impact of the pandemic on consumers' actual behaviour remains uncertain, what is clear is that we're seeing far greater awareness around waste and the environmental impact of us as individuals. This means that, unsurprisingly, sustainability remains a high priority for brands and businesses moving forward.

WHAT WOULD YOU LIKE TO SEE RETAILERS OR BRANDS DOING MORE OF IN TERMS OF SUSTAINABILITY?



As consumers continue to demand higher ethical standards from the companies they buy from and support, brands will need to find new ways to communicate in order to remain relevant. The different tribes require a nuanced approach in terms of communications, product and channel strategy.

The **Interested But Unaware** tribe represents about 29% British consumers; they identify recyclability as their main priority within Sustainability - however the group juggles other priorities. Price remains a big barrier for this tribe, in particular within families. Additionally, sustainable options aren't always available locally and they are unable to go out of their way to seek alternatives, so we need to come to them. We need to drive visibility and presence on shelf for this group, making the choice to switch easy and painless.

Engaged Followers are less committed to living sustainably and look for easier wins than the early adopters. They expect their products to be recyclable but also that they are made from reduced and recycled materials. Whilst frustrated by the price premium, there is an understanding of why this is. They're looking for incentives like loyalty programmes and points, coupons and special offers to help make actual behaviour change achievable.

Interested But Unaware

"Locally I do not see many sustainable things or information on how to be sustainable and change my ways.

Female, 20

Engaged Followers

"I'm using less plastic or packaging. For shower gels and shampoo I'm not buying any more small bottles of 250ml.

Female, 42

Trewin Restorick

CEO
Hubbub UK

"There's a major role for brands and manufacturers to get together to help drive the added investment that's going to come into recycling to make it as easy as possible for consumers and for local authorities to do a lot more on this."

The **Early Adopters**, as mentioned previously are the smallest tribe and these guys actively avoid packaging. We're already seeing this influence not just what they buy but where they shop. They have multiple layers of considerations involved in their decision making in order to feel confident that they're reducing their impact on the environment. They are committed to consume less and consume meaningfully, particularly through reducing packaging as well as reducing their meat and dairy consumption. To win with this group, retailers need to be seen to drive the conversation with fundamental changes to the sustainable offer across categories in store.

Those who fall under the **Disengaged** group do question why sustainable products would warrant a premium, but their behaviour isn't about price. Instead, this group doesn't feel they have a reason as to why they should be making these changes at all and they're also not aware of the options available in-store. Educate them at shelf to help prompt these consumers to start their sustainability journey.

Early Adopters

We've cut back our meat content to one meal per week... and use a local farmers market for fruit and veg to cut out food miles.

Male, 42

Disengaged

I have three young children and don't always have the time to look into which companies are the most sustainable.

Female, 32

Susan Thomas

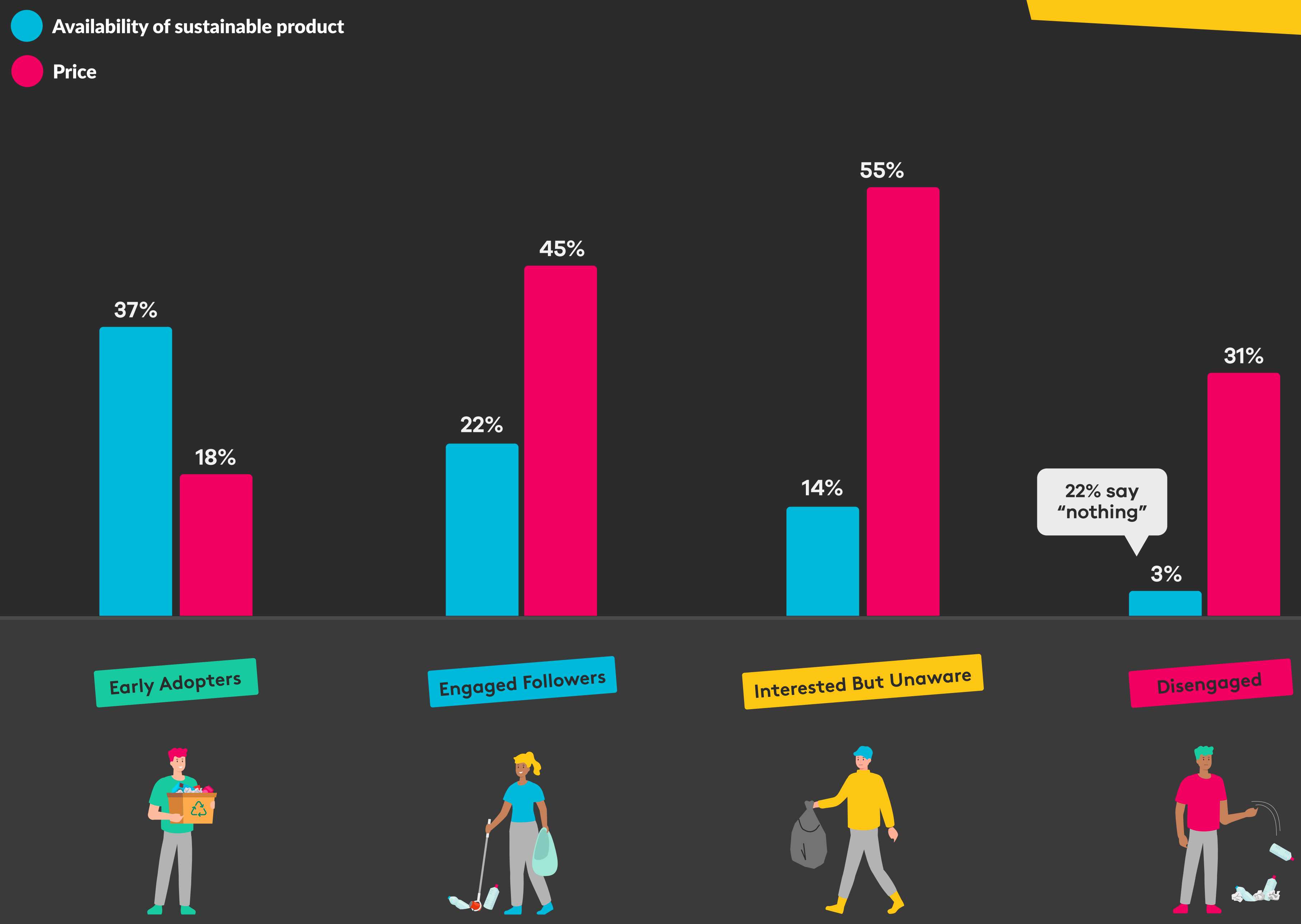
Senior Director
Sustainable Commercial Activities
Asda

"We don't think any of our customers should be priced out of participating in this important agenda. We're in this chicken and egg scenario, where the niche alternatives are small and therefore expensive, and they're expensive and therefore they're small. So how do we break that pattern? That's the partnership between retailers and brands, and we're extremely excited to see so many of our suppliers engaging with that conversation."

Streetbees' Always ON platform
2.5bn data point, 3.5m bees, 190 countries

LEARN MORE

BARRIERS TO SUSTAINABLE SHOPPING



Streetbees

Streetbees helps the world's leading brands grow by building an Always ON connection with consumers.

Observe the moment of truth
Real life behaviour captured at the moment a consumer makes a decision. Never rely on claims.

Get close to consumers at scale
Access rich data with photos and videos from millions of demographically representative consumers.

AI driven growth
Streetbees identifies hidden growth opportunities by applying AI to millions of real life observations from real consumers.

3.5 Million
BEES

2.5 Billion
DATA POINTS

190
COUNTRIES

Streetbees' Solutions

- Dynamic Growth Engine
- Brand Experience Monitor
- Dynamic Media Landscape

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