

research report:

SUSTAINABILITY IN A PANDEMIC

Understanding shifting definitions, demands
and expectations with food and sustainability.



— · X · —
MENU MATTERS
— *Food Insights That Matter* —



SUSTAINABILITY IN A PANDEMIC: Understanding shifting definitions, demands, and expectations with sustainability.

Objective:

Define aspects of sustainability related to food.

Assess how these issues affect consumer purchase behavior related to food via various distribution channels.

Methodology:

An online survey, developed cooperatively between Menu Matters and C.O.nxt, to a nationally representative sample of consumers.

750 consumers nationwide completed the survey.

Key findings:

Sustainability is increasingly enveloping societal issues such as diversity and welfare issues for both animals and workers.

Consumers are generally more concerned now about sustainability, driven by the impact of the pandemic on food workers, climate change overall, and the increased use of single-use disposables.

Based on verbatims, it appears consumers believe it's in the company's best interest to not make false claims. Consumer demand is strong enough for many products that it behooves a company to create products and services that meet these demands.

Overall, consumers are more likely to trust smaller operators – farmers, manufacturers, restaurants – than larger organizations. The media is now the least trusted player in the food system.

Consumers are placing a greater emphasis on specific claims rather than vague, broad claims. In particular, claims reducing the impact of ingredients and specific efforts against animal welfare have the broadest impact.

Consumers see manufacturers and restaurants as doing a better job and having a more positive impact on sustainability than before the pandemic. For restaurants, sourcing locally, carefully sourcing sustainable ingredients, and condiments by request are helping to support this positive perception.

The only issues that are more important to consumers than sustainability are hygiene and safety related (mask wearing, sanitizing, etc.).



Key findings:

Consumers across all demographics are more concerned now about farmer and farm worker safety. Whether ordering directly from a farmer or a manufacturer, consumers generally see it as a more sustainable activity than shopping at retail.

Gen Z, Millennials and those placing an emphasis on sustainability are all significantly more likely to pay more. This may help support ongoing sustainability efforts in agriculture, manufacturing, restaurants and the food industry.

As consumers increasingly tie sustainability to include economic factors such as fairness in pay and conditions for workers, companies that focus on these issues may be able to better support price premiums their products require.





OUR FINDINGS & ANALYSIS

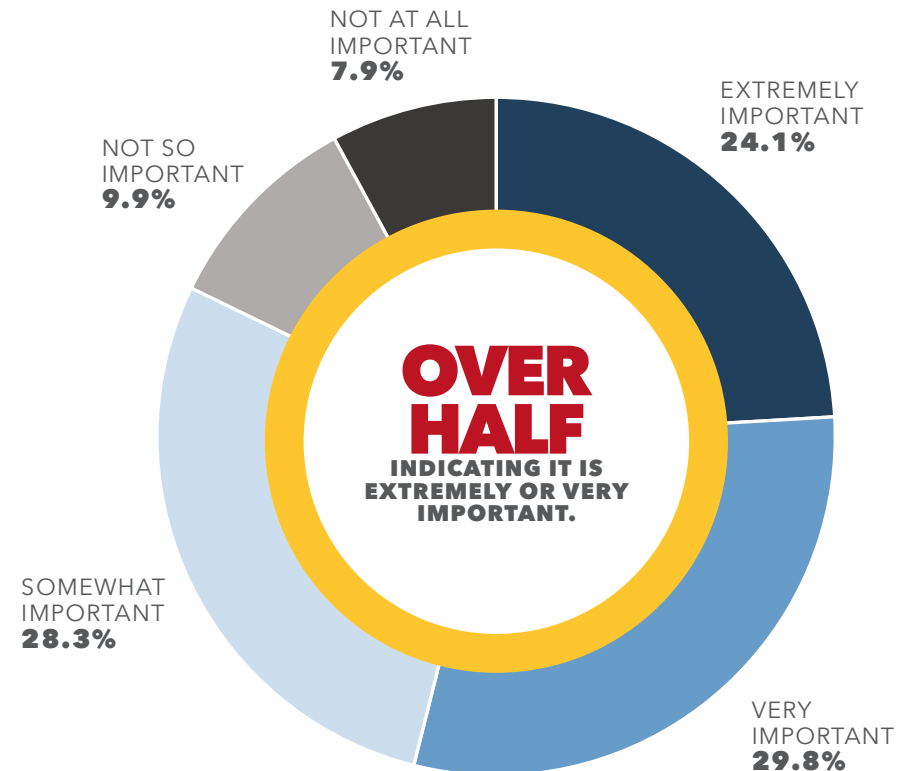


The pandemic hasn't reduced the importance of sustainability.

80% of consumers indicate sustainability is important to some degree with over half indicating it is extremely or very important.

	EXTREMELY IMPORTANT	VERY IMPORTANT	TOP 2 BOX
18-29	37.0%*	28.4%	65.4%*
30-44	31.6%	29.0%	60.6%*
45-60	23.7%	27.2%	50.9%
>60	15.9%*	31.2%	47.1%
TOTAL	24.1%	29.8%	53.9%

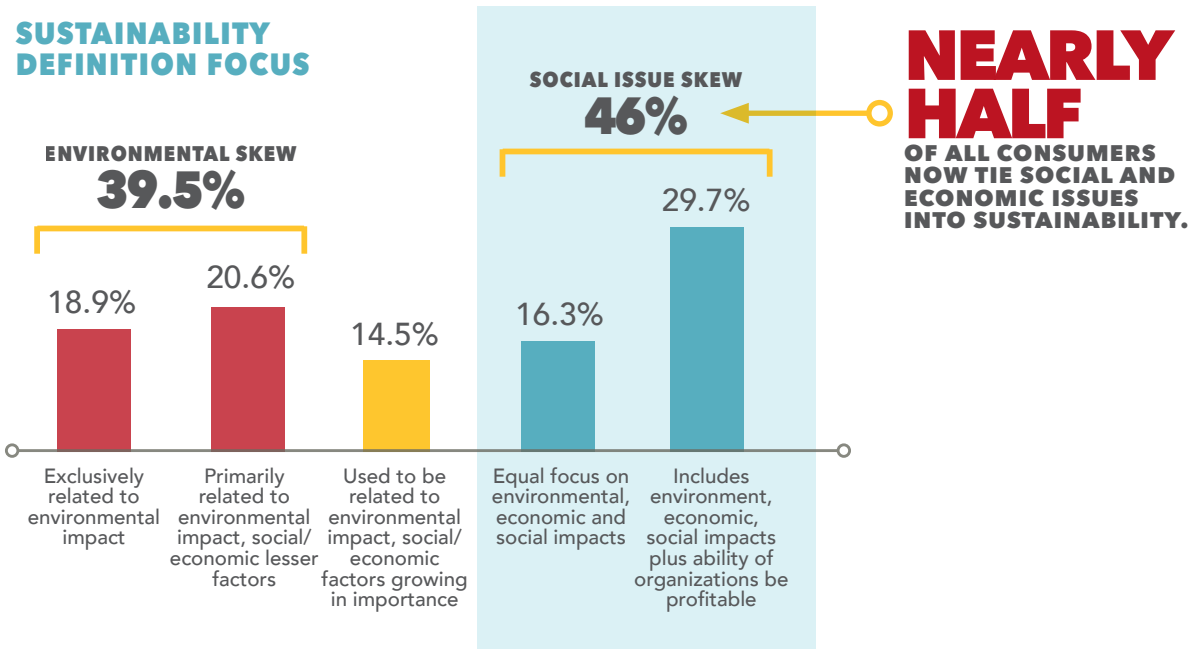
*Statistically significantly higher than total



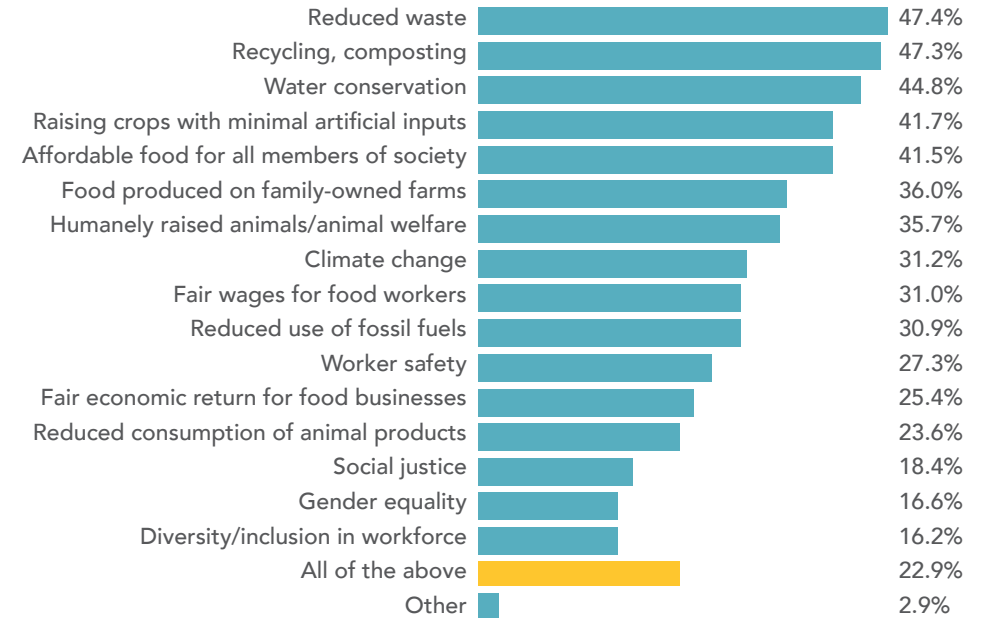
Increasingly, sustainability is far more than the environment.

As consumers increasingly tie sustainability to include economic factors such as fairness in pay and conditions for workers, companies that focus on these issues may be able to better support price premiums their products require.

SUSTAINABILITY DEFINITION FOCUS

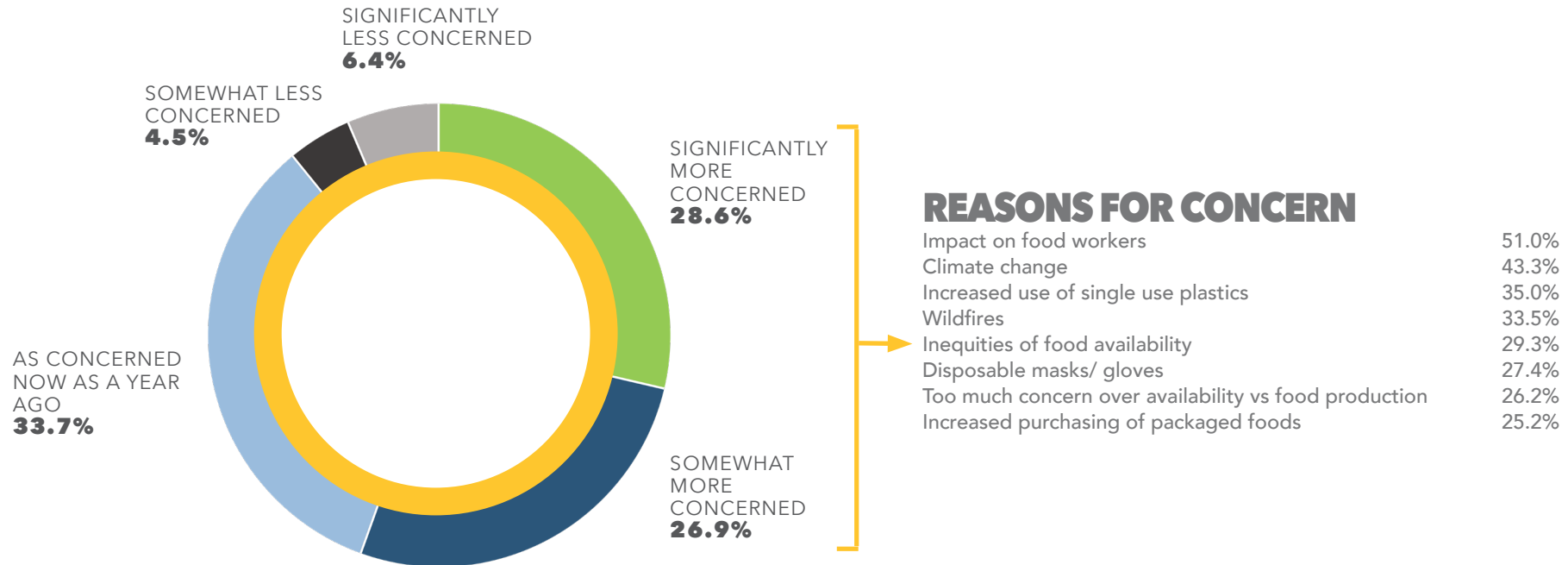


SUSTAINABILITY DEFINITIONS



7 **Q:** Think about how you personally define the idea of sustainability. Which of the following issues do you include in your personal definition of sustainability, particularly as it pertains to food. Select all that apply. (n=922) **Q:** In general, which of the following statements most closely describes your personal definition of sustainability as it relates to food? (n=900)

Most consumers are more concerned now about sustainability.



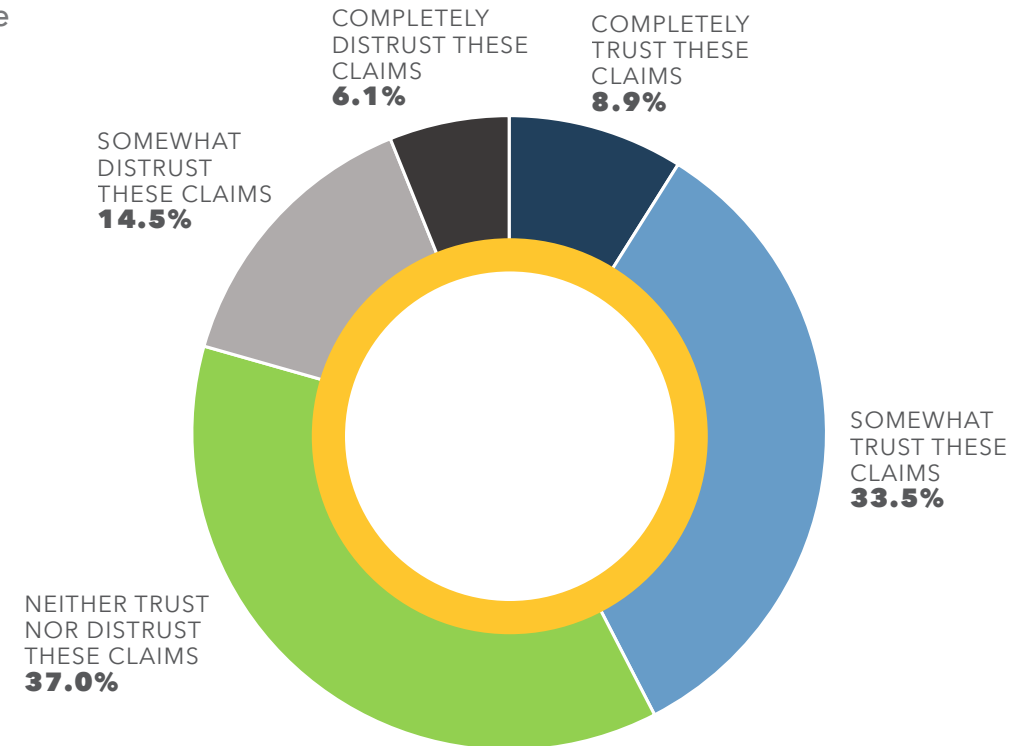
8 **Q:** Based on your definition of sustainability, how important is sustainability to you when deciding what foods and beverages to purchase from a supermarket or order from a restaurant? (n=922)
Q: What has made you more concerned about sustainability and food versus a year ago? Please select all that apply. (n=492) **Q:** What has made you less concerned about the sustainability versus a year ago? Please select all that apply. (n=96)

Consumers have trust in sustainability claims.

Younger consumers – Gen Z and Millennials – and those placing the greatest importance on sustainability are more likely to completely trust claims. Boomers, by contrast, are significantly less likely to trust claims.

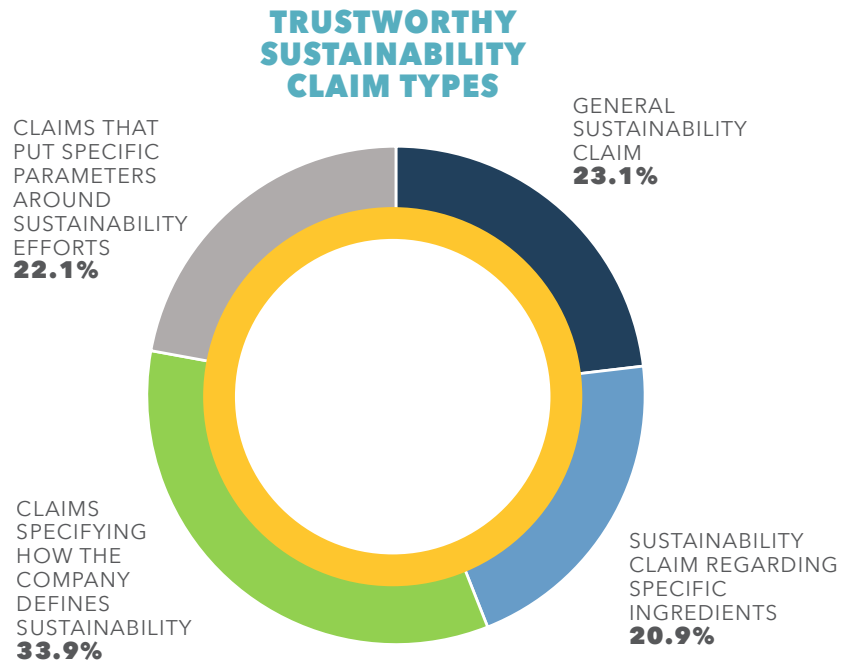
	COMPLETELY TRUST	SOMEWHAT TRUST	TOP 2 BOX
18-29	18.9%*	27.6%	46.5%
30-44	15.1%*	36.2%	51.3%*
45-60	5.9%	37.9%	43.8%
>60	4.4%	31.2%	35.6%
SUSTAINABILITY IS EXTREMELY IMPORTANT	23.3%*	35.0%	58.3%*
SUSTAINABILITY IS VERY IMPORTANT	4.3%	41.2%	45.5%
TOTAL	8.9%	33.5%	42.4%

*Statistic is significant, higher than total

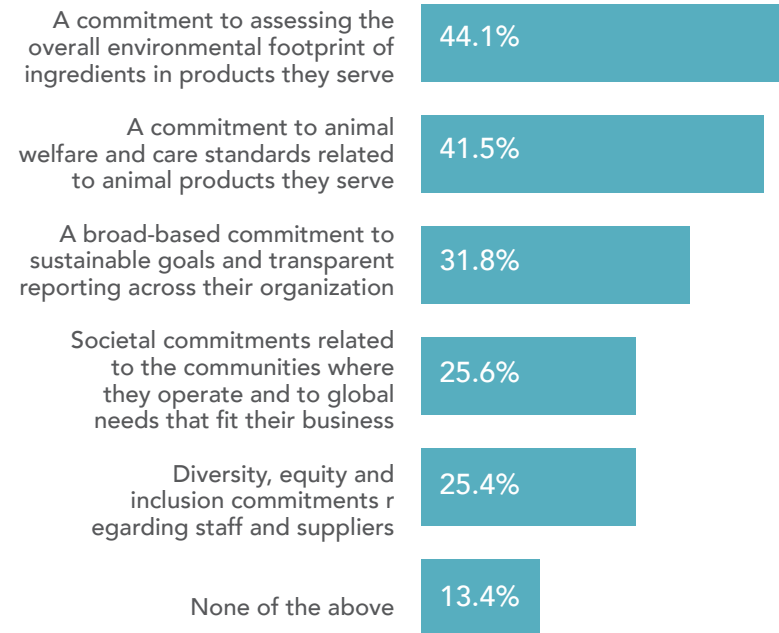


Consumers are looking for more specifics in sustainable claims.

Consumers want specifics on the environmental impact of ingredients and animal welfare.



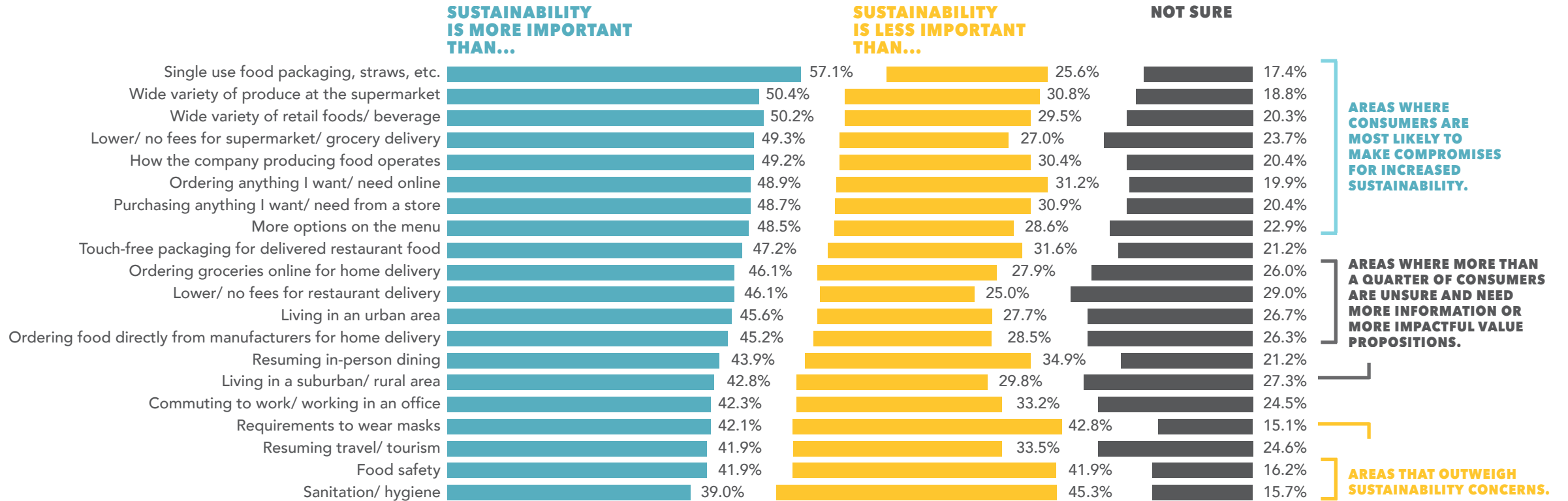
IMPORTANT SUSTAINABILITY STATEMENTS



11 **Q:** Which of the following types of claims would you trust the most from a food/beverage manufacturer and/or restaurant? (n=800)
Q: What types of statements from food manufacturers are important to you regarding sustainability? Please select all that apply. (n=792)

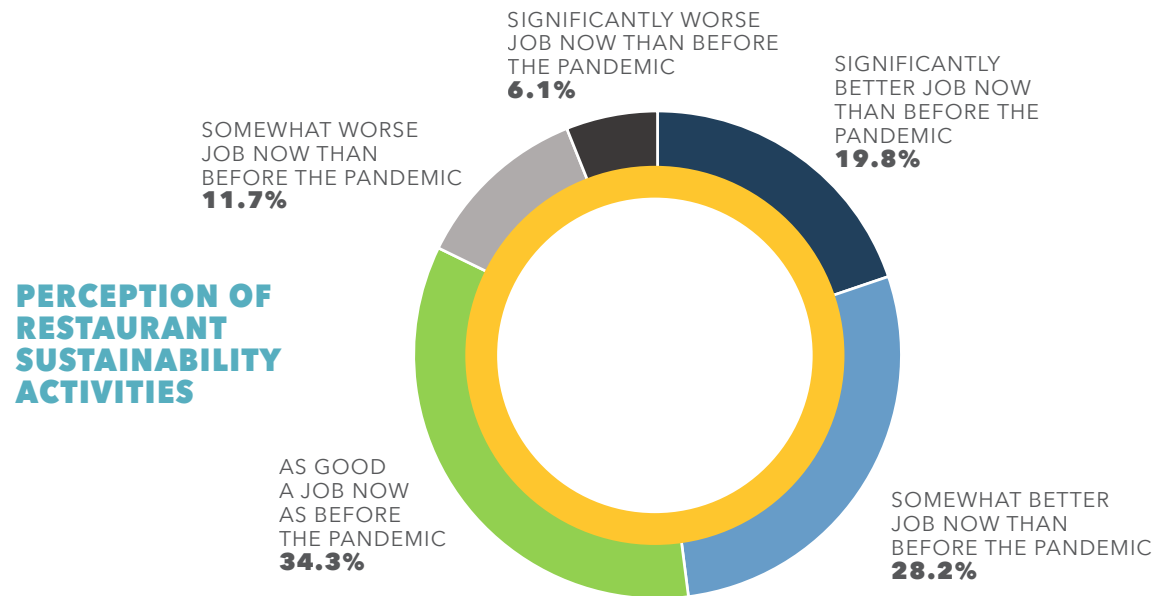
Sustainability is more important than most issues.

Food safety and hygiene are almost a default. They always scores high. It also makes sense that hygiene and masks get high marks during a pandemic.

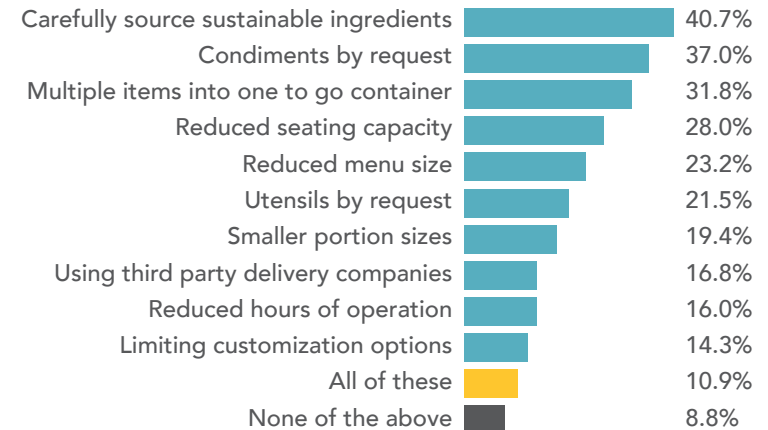


Restaurants are generally seen as doing a good job.

Buying local and sourcing sustainable ingredients, often activities restaurants can leverage through marketing and other communication, remain the key sustainable activities for restaurants from a patron perspective. Some pandemic-driven activities such as condiments by request and more efficient to-go packing may remain given the sustainable perception these activities have.



SUSTAINABLE RESTAURANT ACTIVITIES

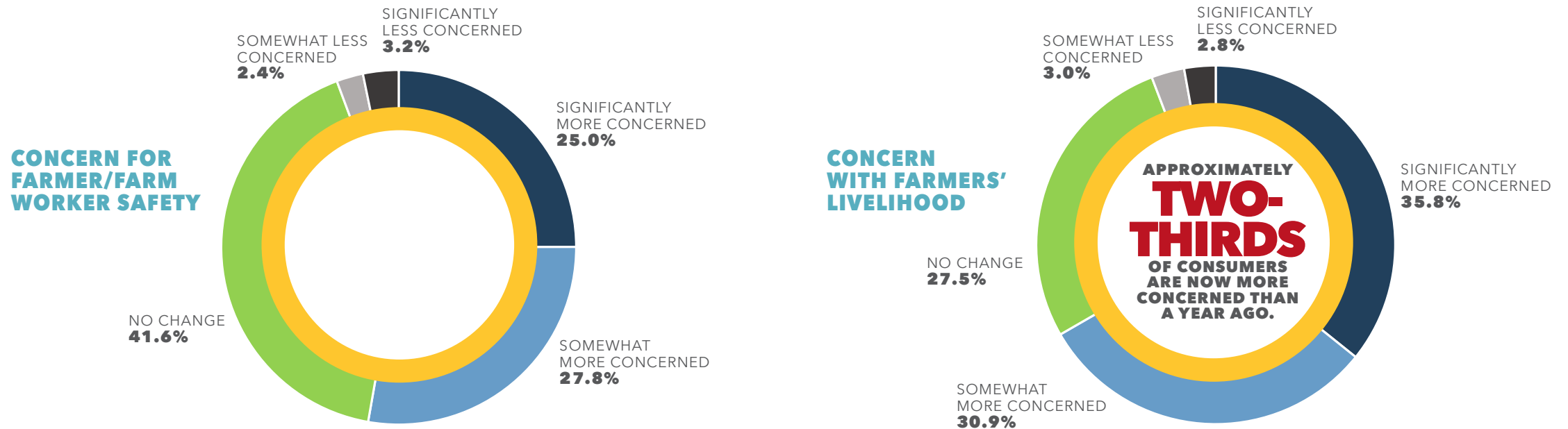


14 Q: Which of the following statements is true for you regarding restaurants now? (n=692)

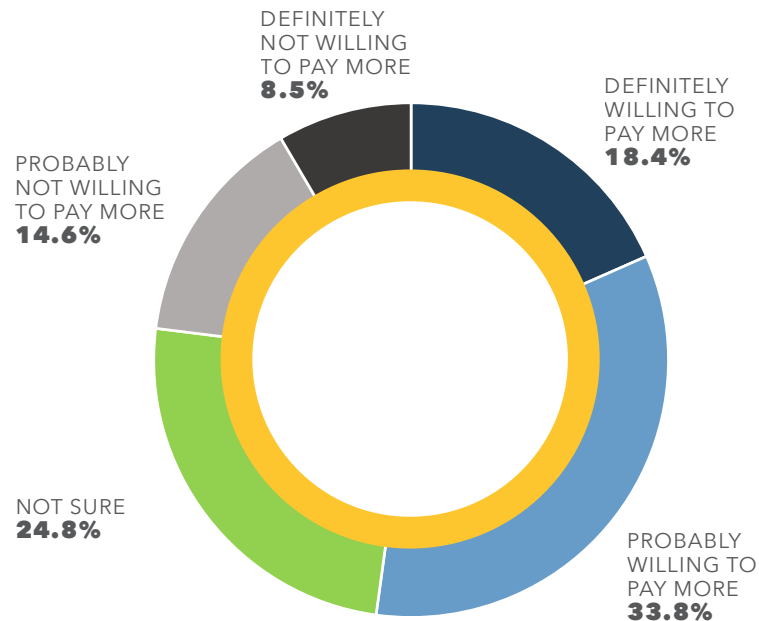
Q: Which of the following restaurant activities do you believe result in a more sustainable operation? Please select all that apply. (n=692)

Consumers are more concerned now about farmer's ability to make a living.

The pandemic did shift consumers' concern over farmer and farm worker safety with over half now more concerned about that versus a year ago, but the more significant shift was in the concern over whether farmer's can make a living. This may provide an opportunity for manufacturers and food service operators to support higher prices if they can show that products support farm and farm worker wages.



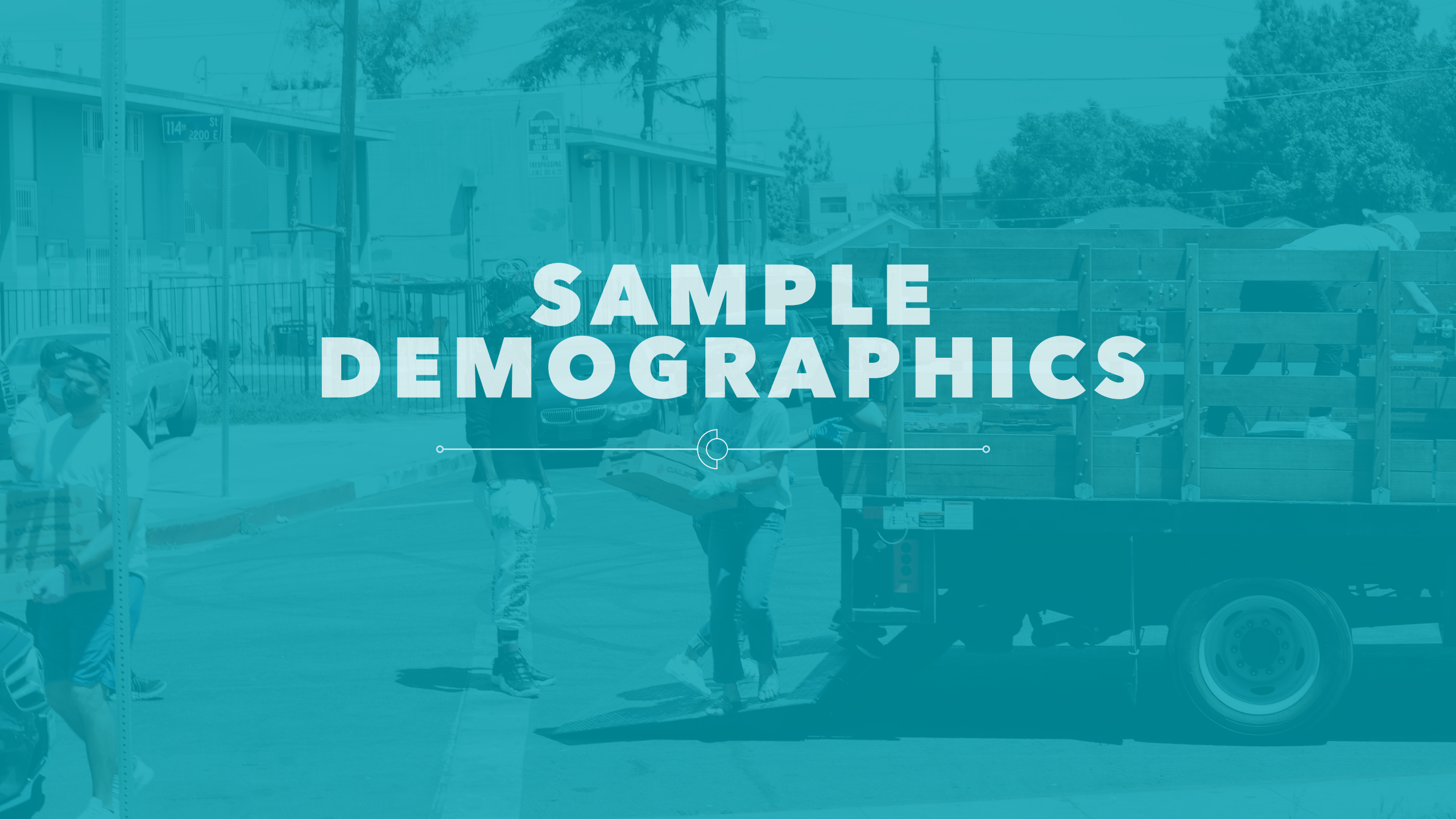
Over half are willing to pay more for greater sustainability.



	DEFINITELY WILLING TO PAY MORE	PROBABLY WILLING TO PAY MORE	TOP 2 BOX
18-29	32.3%*	40.9%*	73.2%*
30-44	26.3%*	32.2%	58.5%
45-60	14.8%	37.9%	52.7%
>60	10.9%	29.0%	39.9%
SUSTAINABILITY IS EXTREMELY IMPORTANT	32.3%*	26.5%	58.8%*
SIGNIFICANTLY CONCERNED ABOUT SUSTAINABILITY	36.1%*	26.4%	62.5%*
TOTAL	18.4%	33.8%	52.2%

*Statistically significantly higher than total

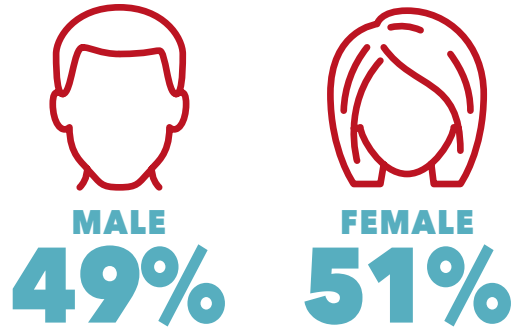
16 Q: Ultimately, many sustainability efforts will increase the cost of labor, ingredients and energy which will force food/beverage manufacturers and restaurants to increase their prices. Considering how important sustainability is to you, to what degree are you willing to pay more to ensure our food system is as sustainable as you believe it should be. (n=734)

A blue-tinted photograph of a residential street. In the foreground, several people are moving boxes. A man in a white t-shirt and shorts is carrying a stack of boxes. A woman in a white t-shirt and dark pants is also carrying boxes. In the background, a man in a dark t-shirt and light-colored pants is standing near a truck. The truck is a dark-colored box truck with a wooden deck. The street is paved and has a metal fence on the left side. There are trees and buildings in the background. A street sign on the left reads "114th St 2200 E".

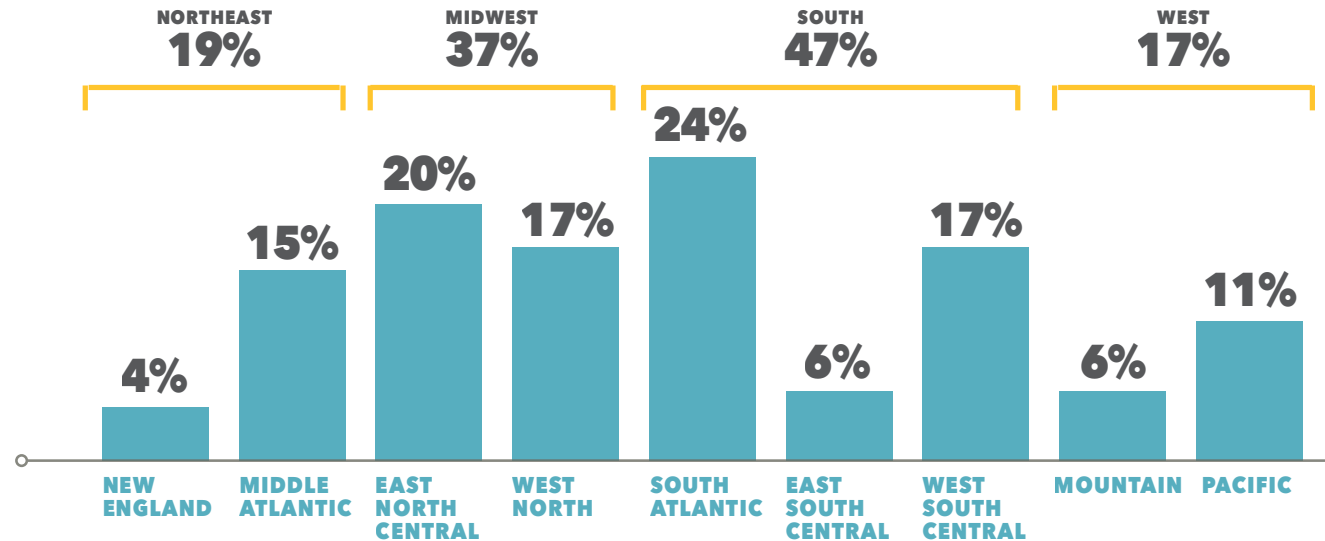
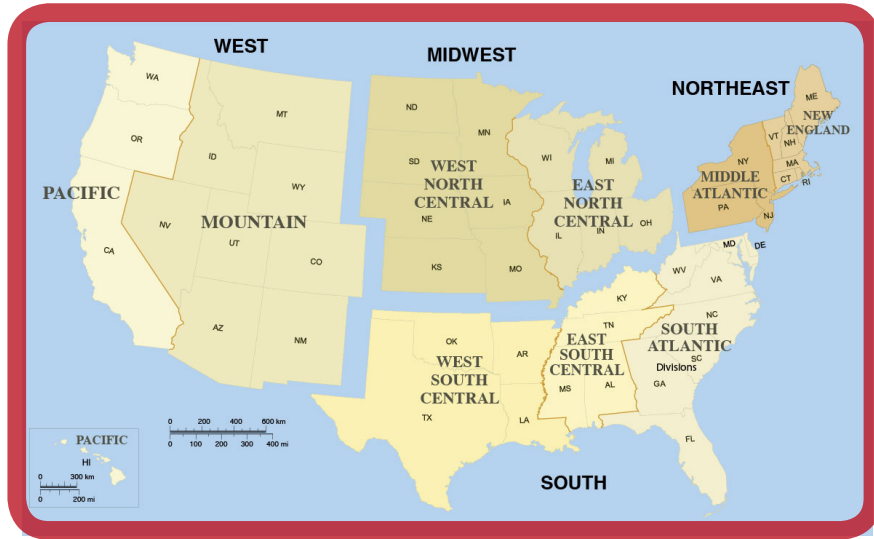
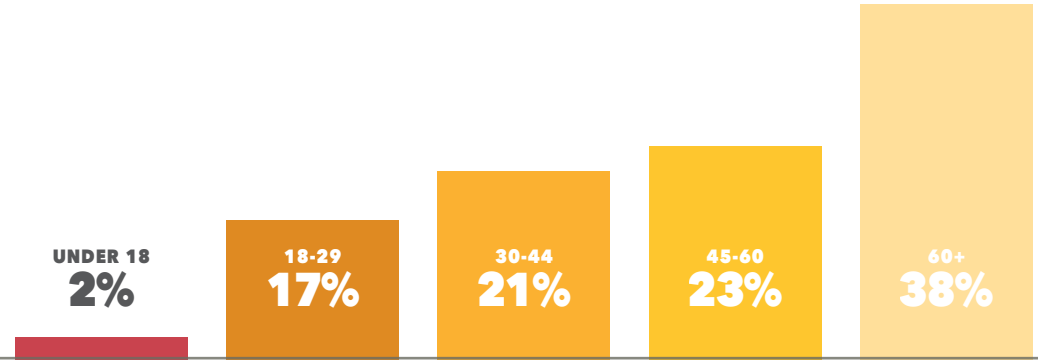
SAMPLE DEMOGRAPHICS



SUSTAINABILITY IN A PANDEMIC: Understanding shifting definitions, demands, and expectations with sustainability.



AGE COHORT



SUSTAINABILITY IN A PANDEMIC: Understanding shifting definitions, demands, and expectations with sustainability.



C.O.nxt is a 100 percent employee-owned communications agency full of farm kids and foodies coming together to passionately connect and advance the industries, communities and lifestyles of food and ag. We aim to be food system champions, renowned for our industry expertise, business guidance and brand innovation. To enhance our expertise, we sponsor industry research. A study like this helps us develop insights required to advance and protect the brands we serve. Let's talk about advancing yours.

Mark Gale, Chief Growth Officer
m: 262.227.8498
e: mgale@co-nxt.com



Menu Matters, headed by Maeve Webster, is a leading consultancy for foodservice manufacturers, operators, agencies and commodity boards. Maeve has spearheaded hundreds of major industry studies during her 19 years as a foodservice specialist, and today runs a private consultancy focused on helping manufacturers and operators analyze, understand, and leverage trends from menuing to consumer behavior. Maeve's expertise is in the areas of trend analysis and evaluation, opportunity assessment, consumer and operator behavior, product testing, and menu and brand optimization.

Maeve Webster, President
m: 802.430.7085 or 312.420.0724
e: maeve@menumatters.com