



# The Green divide

How to Influence and Change  
Conscious Consumer Behavior

A Marketer's Guide for the Emerging Era of Conscious Consumption

# The Green Divide

*How to influence and change conscious consumer behavior*

## Editor's note

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Over the past three years, significant shifts in our socio-economic landscape, spurred by geopolitical changes, economic challenges, and climate change, have transformed various industries, notably FMCG. This has led to an evolution in consumer behavior.

That said, guiding consumers towards long-term, sustainable consumption habits stands to be one of the biggest challenges of this decade, especially as we embark on the emerging era of conscious consumption. Companies that understand the consumer spectrum and the personalized preferences that consumers are exuding are poised to lead and thrive

Understanding this evolution, particularly in the realm of conscious consumption, is imperative for businesses. Key questions arise:

- Do today's consumers genuinely embody their professed values?
- What motivates them, and what are the barriers or triggers for change?
- How can companies leverage unique motivators across diverse groups to instigate the needed shift towards sustainability?

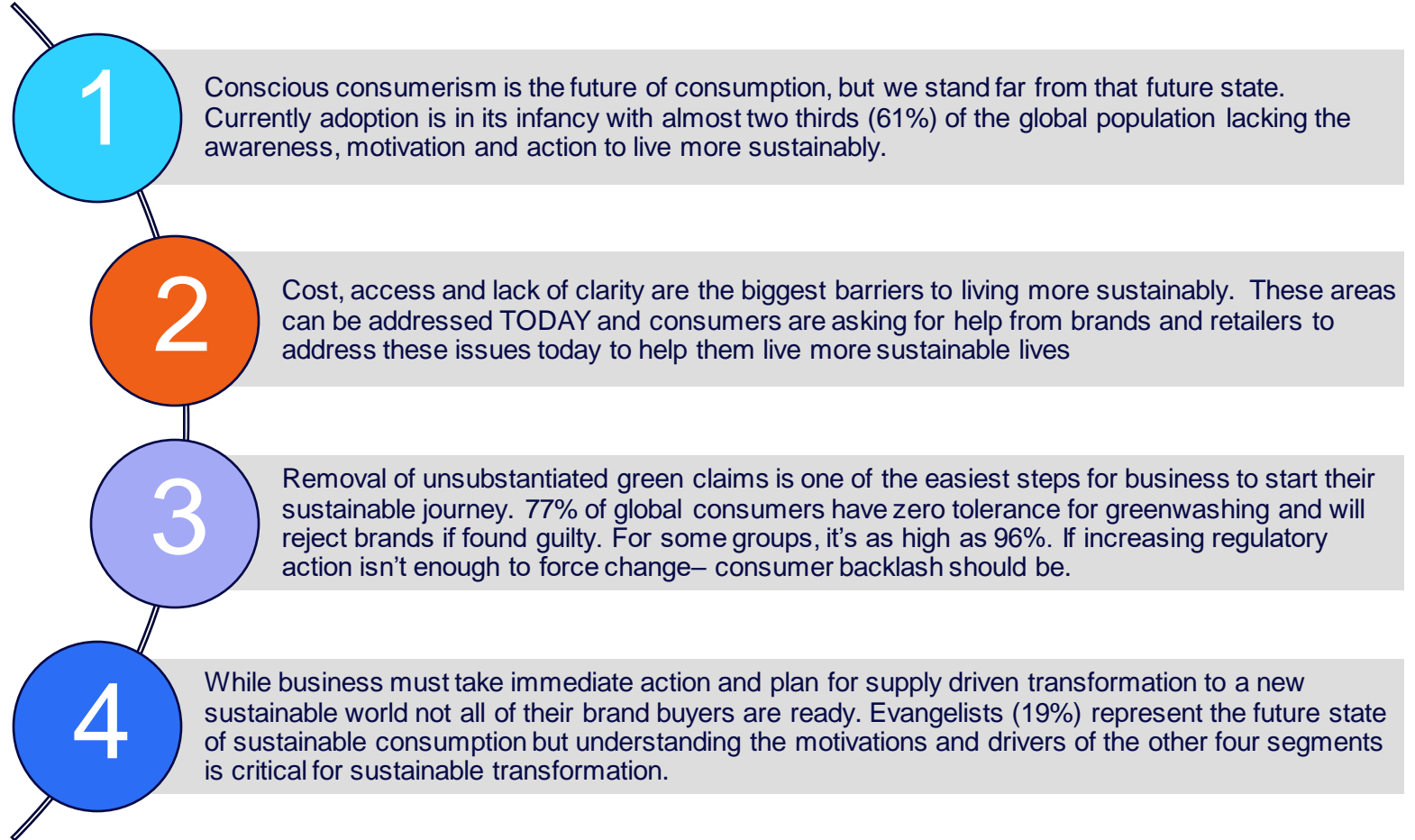
NIQ's latest thought leadership piece, "The Green Divide," delves into these queries. If you're keen to bridge the gap between intent and action, this is essential reading for you.

# Topline Takeaways

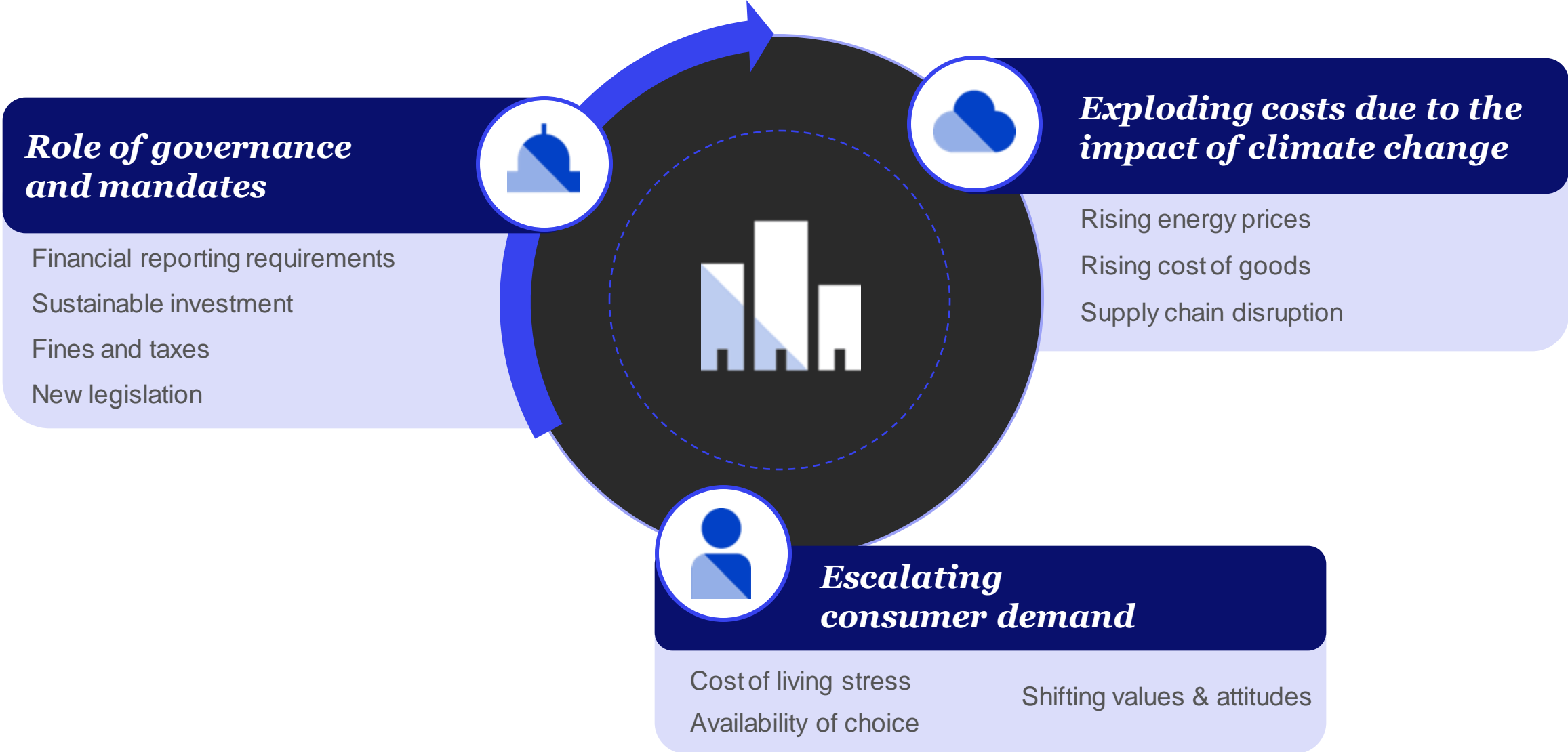
## Urgency to action:

Following the release of our NIQ Changing Climate of Sustainability report, we heard loud and clear that companies are looking for guidance on how they can effectively shape and influence sustainable consumer behavior.

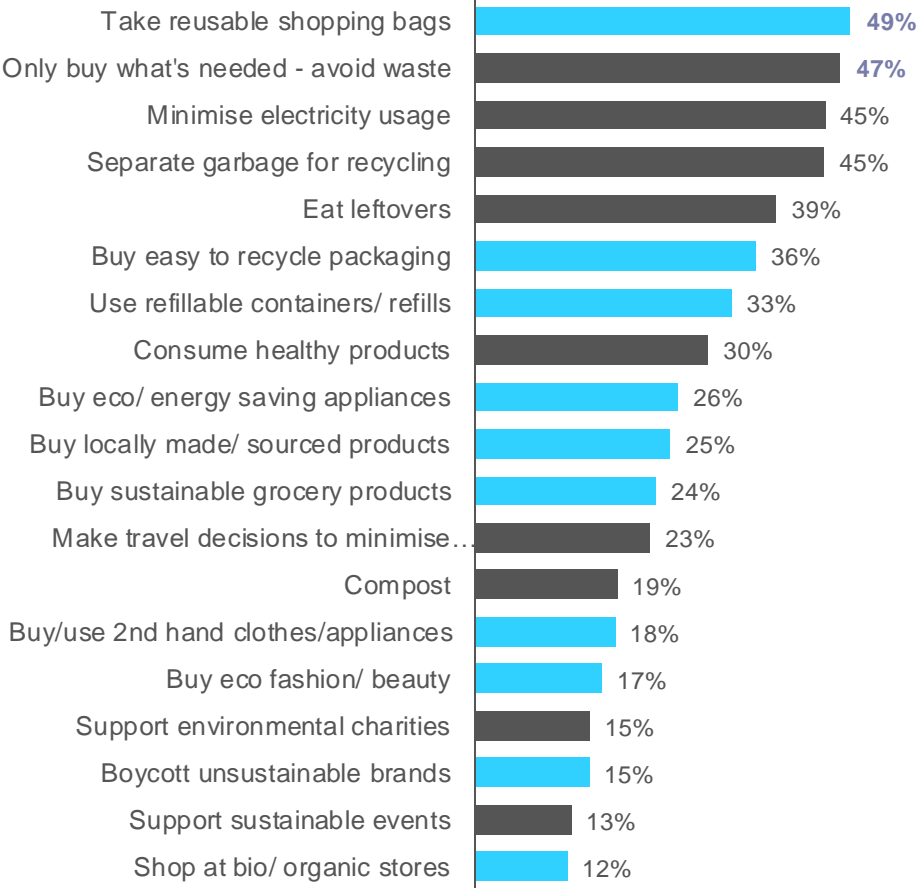
The need to know this is **NOW**.



# Sustainability critical issue and opportunity for industry over the next five years



# Most consumers are trying to live sustainably

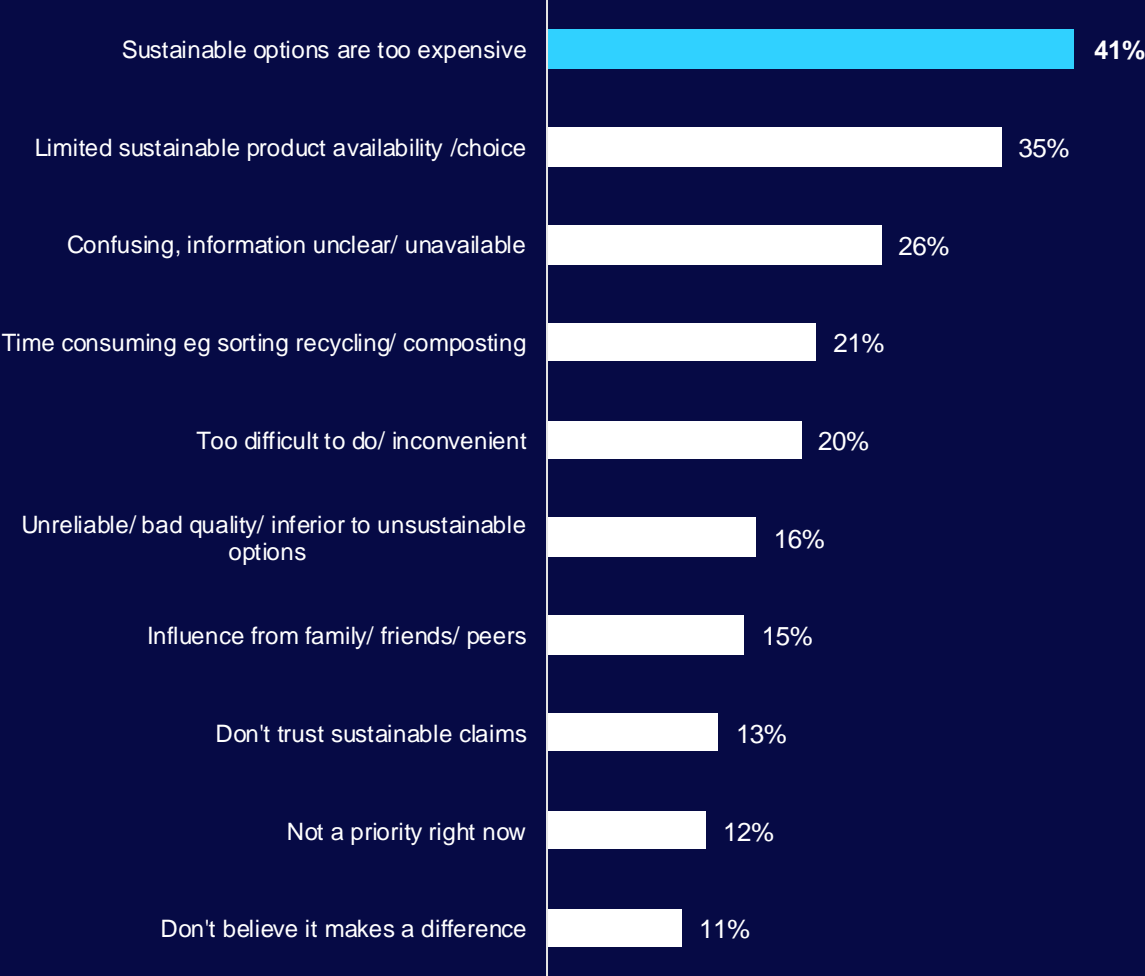


Lifestyle Shopping

Source: NIQ 2023 Sustainability Report

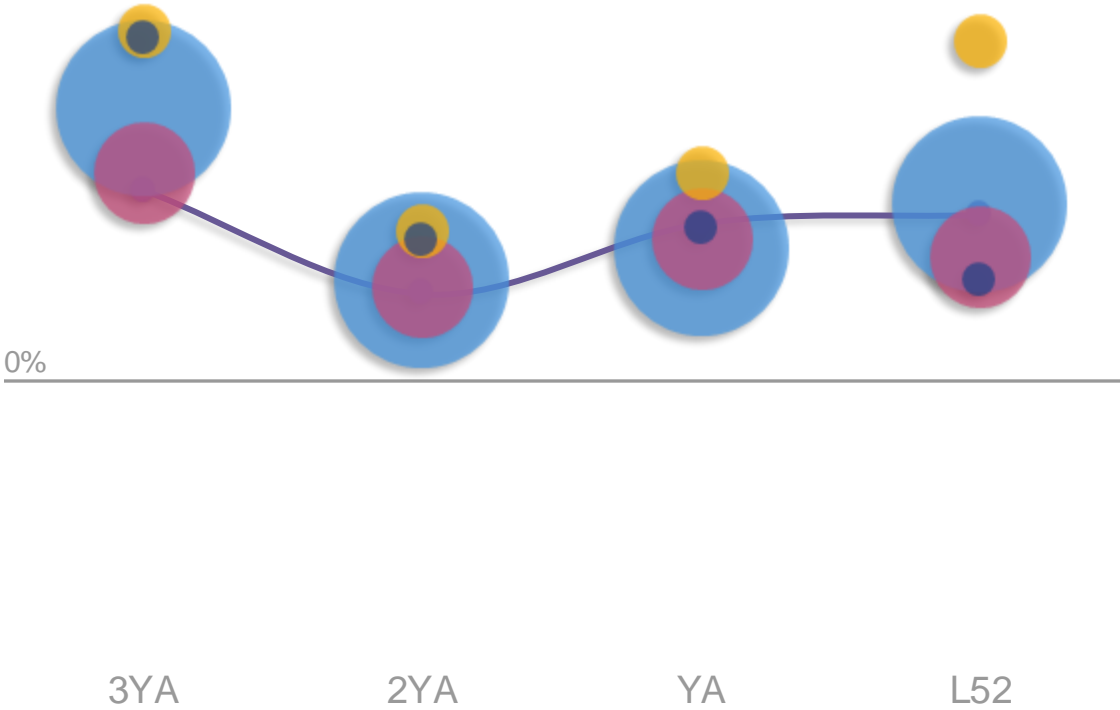


# But cost and choice are biggest barriers, but is it consistent for everyone?

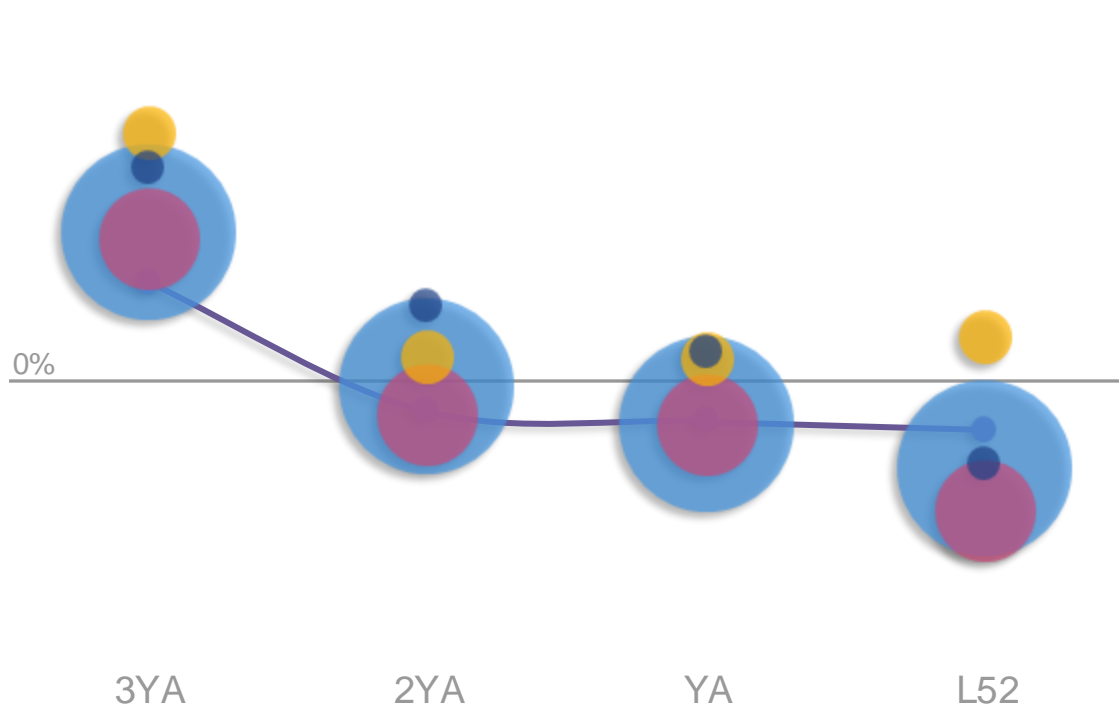


# Inflation is impacting sustainability momentum

Retail *dollar* growth rate last four years



Retail *unit* growth rate last four years

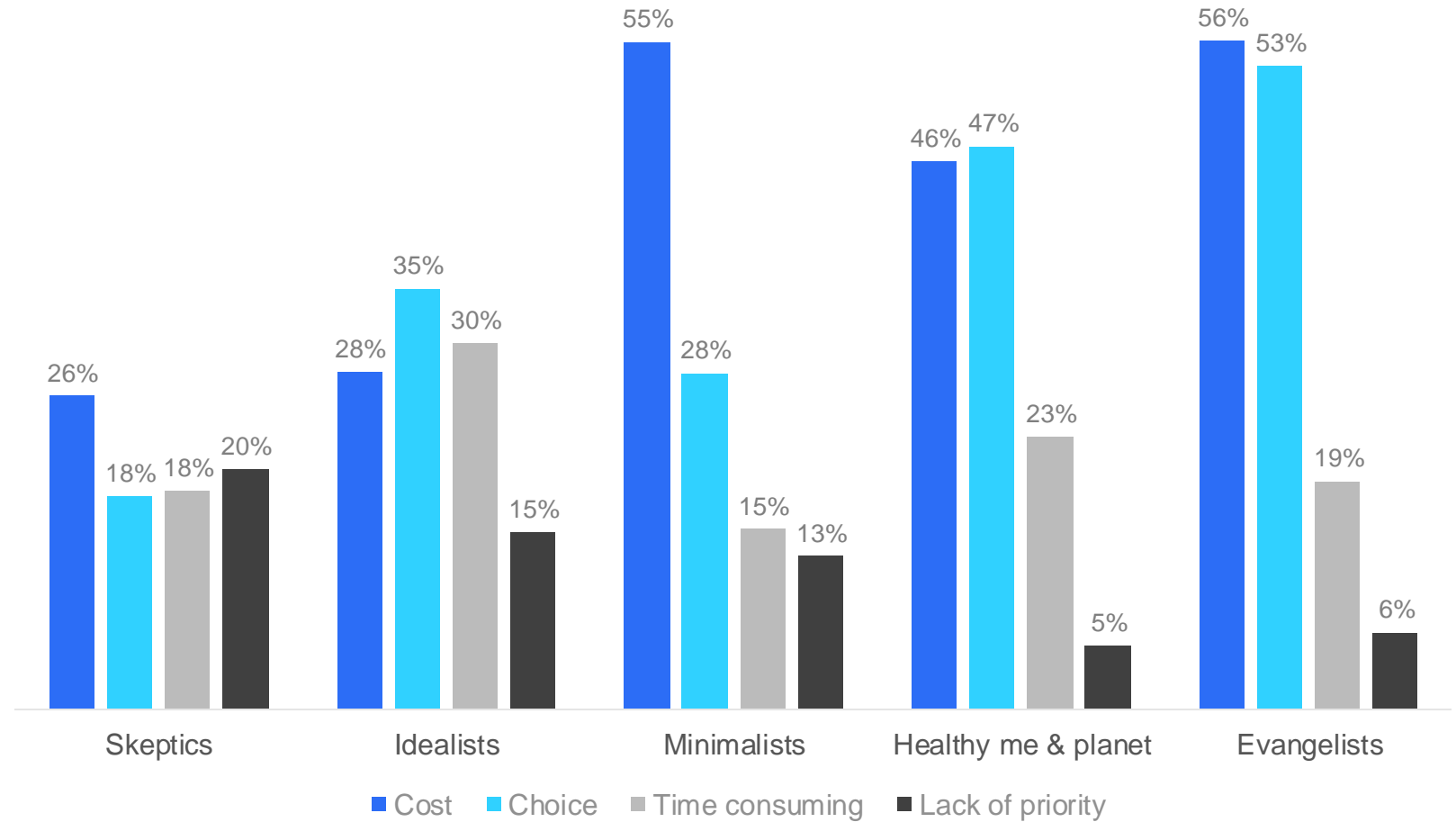


● Total Store
● Environmental Sustainability
● Sustainable Packaging
● Animal Welfare
● Social Responsibility

Source: NielsenIQ Retail Measurement Services, NIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; 52 weeks W/E07/15/23

*Cost and lack of choice* are most consistent barriers across all groups

### What barriers stop you from living sustainably?

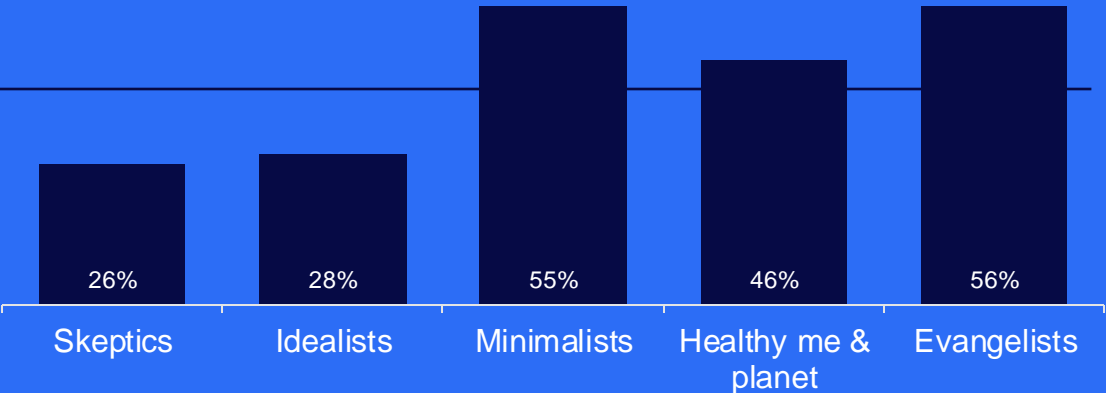


Source: NIQ 2023 Sustainability Report

However, price is not a deal breaker if consumers are provided with options that match their values

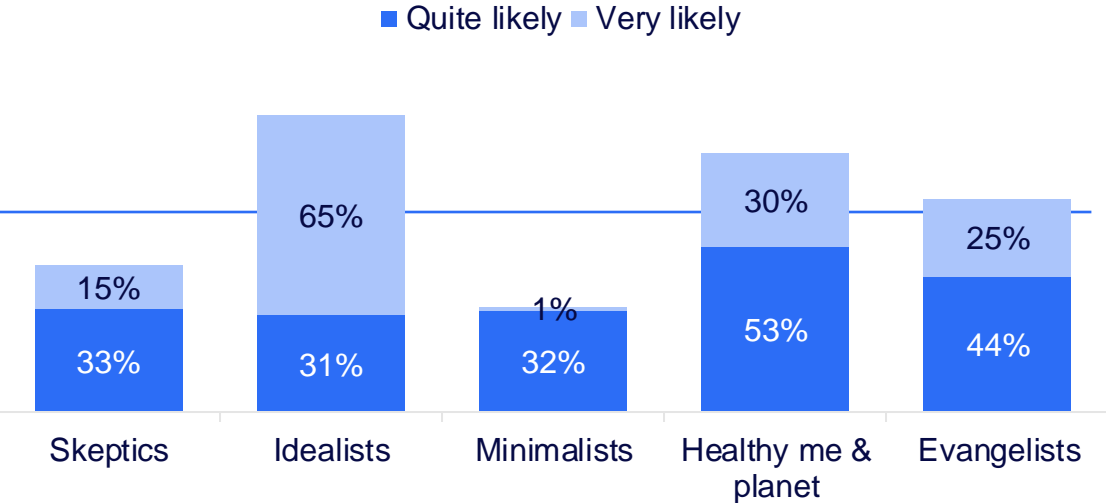
41%

Cite *cost of sustainable options* is a key barrier to leading a more sustainable life



65%

are likely to *choose a sustainable option even if they have to pay more*

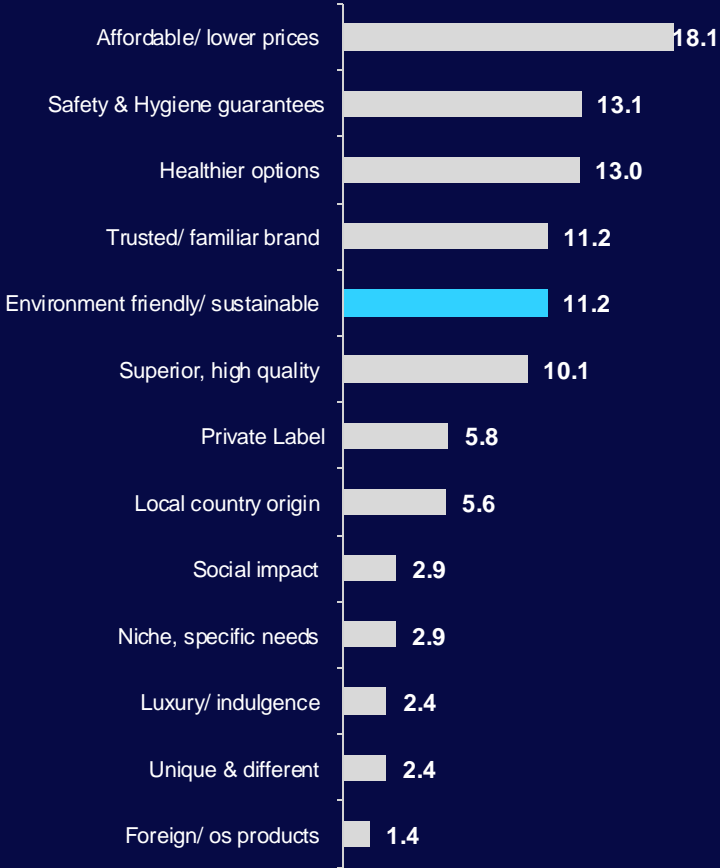


Source: NIQ 2023 Sustainability Report - Q. How unlikely or likely are you to take following actions, when choosing a particular grocery brand?



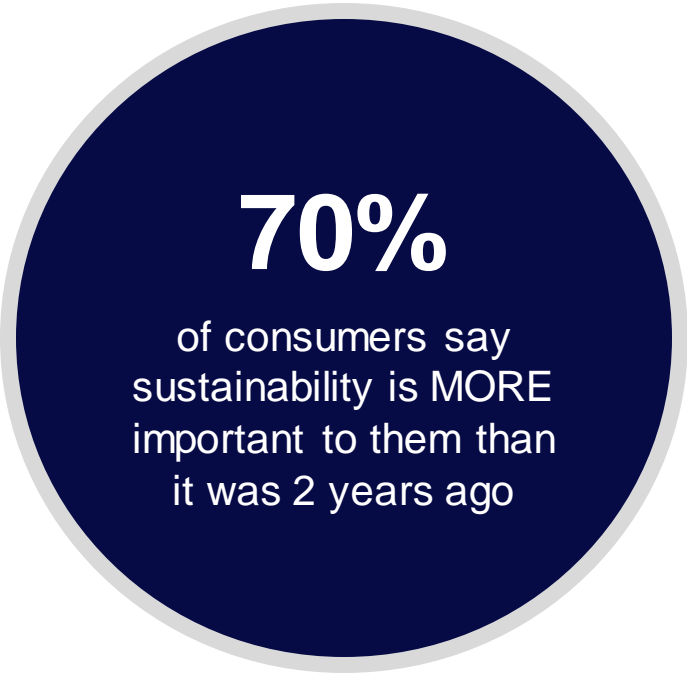
# Escalating *consumer demand*

## Most important things when choosing a brand

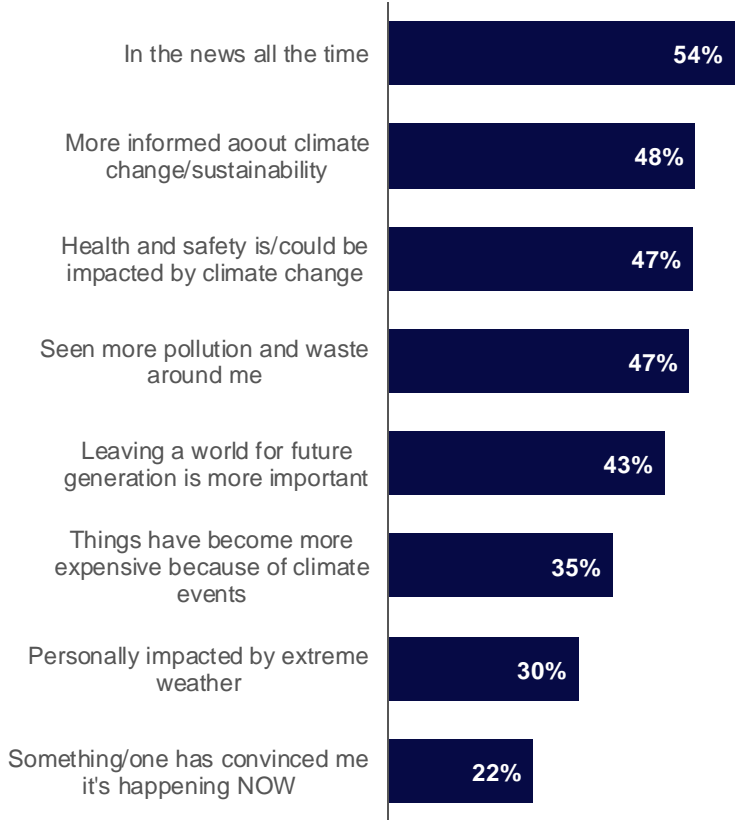


# Increasingly important for majority of consumers, but not for all

## Change in importance v. two years ago



## Why has sustainability become more important?



**The green revolution is dependent on consumer action**

*How can brands, retailers and government drive the conscious consumption movement?*

**NIQ**



# The Green Divide



## 26% Skeptics

*Low awareness and priority*

More likely to be climate change deniers

Don't prioritize sustainability in their lives

Distrustful of claims and efforts.



## 18% Idealists

*Passionate but struggle to put into practice*

Sustainability is more about Society and People

Motivated by events/others that climate change is happening now

Impacted by the cost-of-living crisis yet say they prepared to pay a price premium

Trust all groups are trying to progress sustainability

Believe it's easy to find sustainable products on shelf – yet few buy.



## 17% Minimalists

*Basic awareness of sustainability but no strong motivation*

Sustainability focuses on pollution and the protection of resources

Financially secure but prudent by nature

Acting sustainably by default for cost reasons

Affordability drives purchase decisions

The cost of sustainable options is the major barrier to more sustainable living.



## 20% Healthy 'me' & 'Planet'

*Embrace importance with a focus on health and take some action*

High awareness of sustainability but focus on environment over society

Feel personal health is affected and seeing more pollution

Health/safety is a key brand choice driver

Prepared to pay a premium for sustainable options

Strongly committed to a sustainable lifestyle



## 19% Evangelists

*"Walk the talk"*

Sustainability encompasses planet and people

Want to leave a world behind for future generations

Take multiple actions to live sustainably most of the time with the aim to do more in the future

Prioritize sustainable living regularly in their lives

Financially secure but spend cautiously – impacting their will to pay a premium for sustainable offerings.

# Intent to action is very different across cohorts



**26%**  
**Skeptics**

*Low awareness and priority*



*Low association to any aspect*



**18%**  
**Idealists**

*Passionate but struggle to put into practice*



*Giving back & support of minorities*



**17%**  
**Minimalists**

*Basic awareness of sustainability but no strong motivation*



*Clean environment & reduced pollution*



**20%**  
**Healthy 'me' & 'Planet'**

*Embrace importance with a focus on health and take some action*



*Clean environment  
Reduced pollution  
Better for planet*



**19%**  
**Evangelists**

*"Walk the talk"*



*All aspects from planet to people*

*Say*  
How important is sustainability?

*Do*  
What actions do they take?

*Meaning*  
What sustainability means to them

**Mindset and behavior are the bigger segment definers - geography or demographics have a lesser role to play**



**26%  
Skeptics**

*Avg. Age: 42 years*



**18%  
Idealists**

*Avg. Age: 40 years*



**17%  
Minimalists**

*Avg. Age: 48 years*



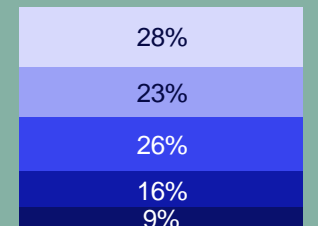
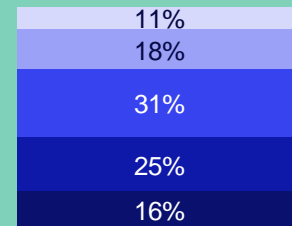
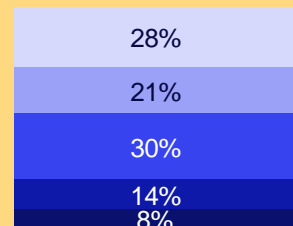
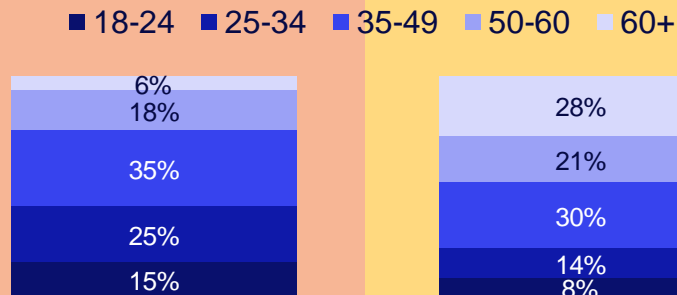
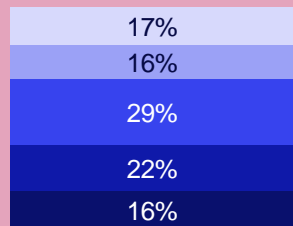
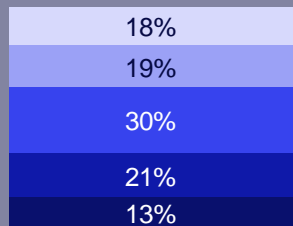
**20%  
Healthy 'me' & 'Planet'**

*Avg. Age: 40 years*

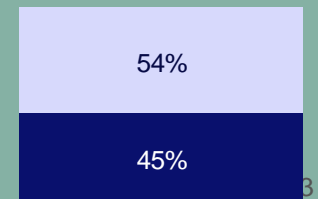
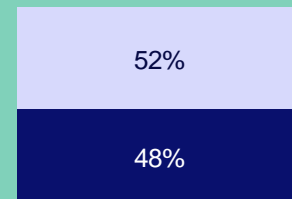
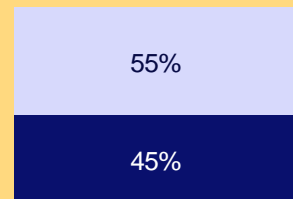
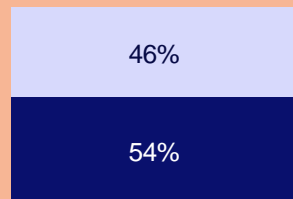
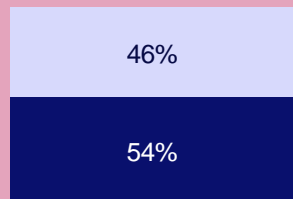
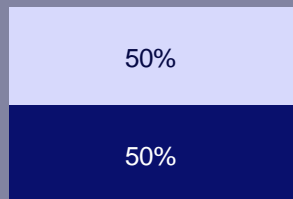


**19%  
Evangelists**

*Avg. Age: 47 years*



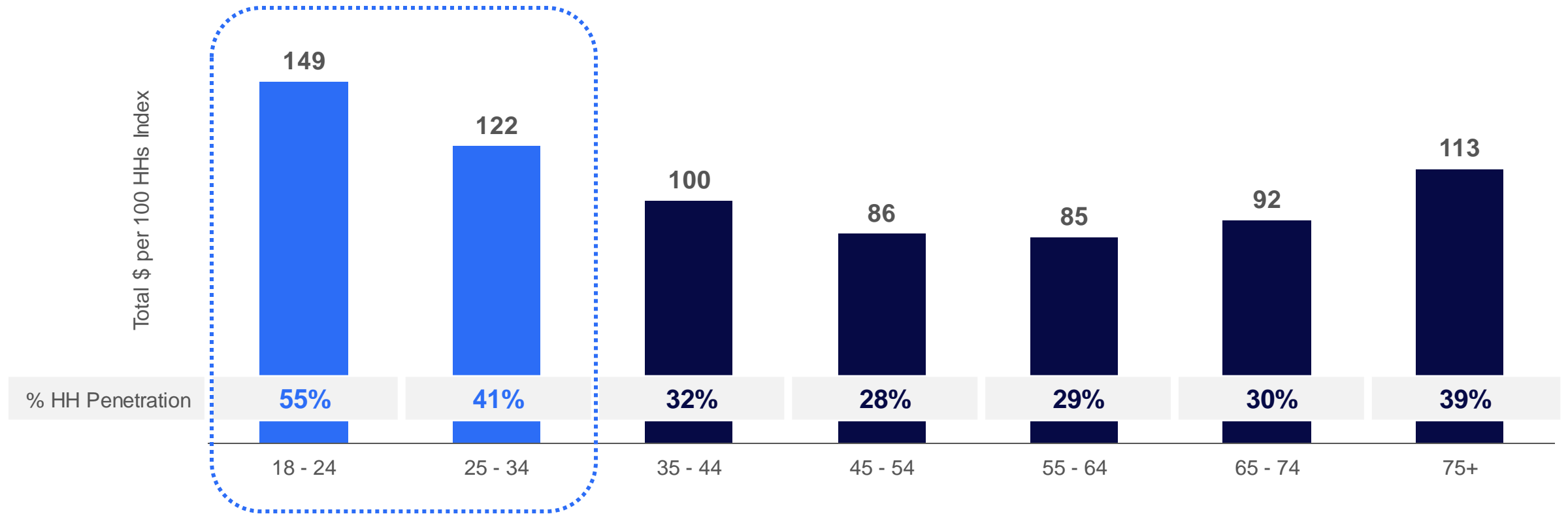
■ Male ■ Female



# However, sustainability remains strong with young consumers

*Number of environmentally-conscious 18 to 34-year-olds is greater than all other age groups*

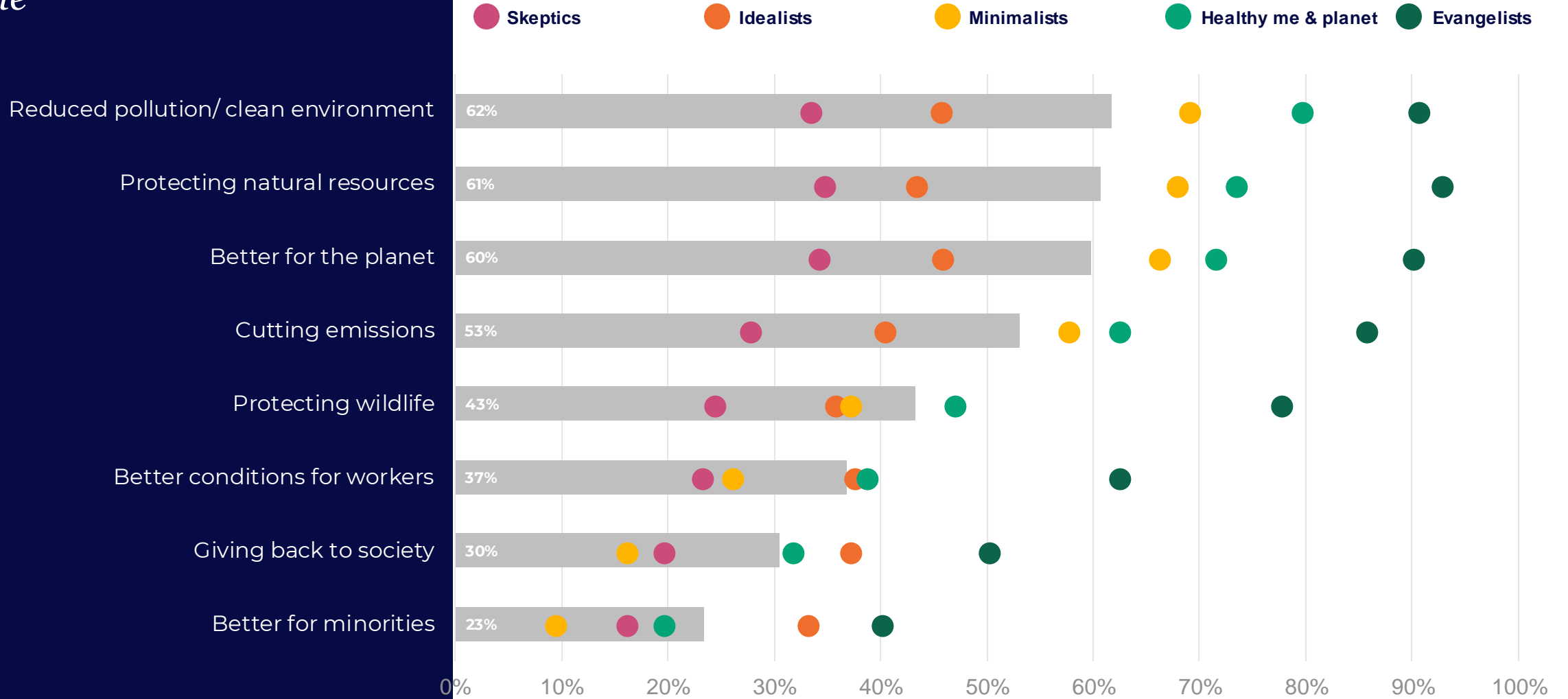
## All *Environmental* attribute purchases by low-usage households



Source: NielsenIQ Spectra Homescan Panel; Consumer Profile by Demographics; Total US; \$ per 100 HHs Index –May 2022 YTD Sales and 2021 Census

# Sustainability means *different things to different people*

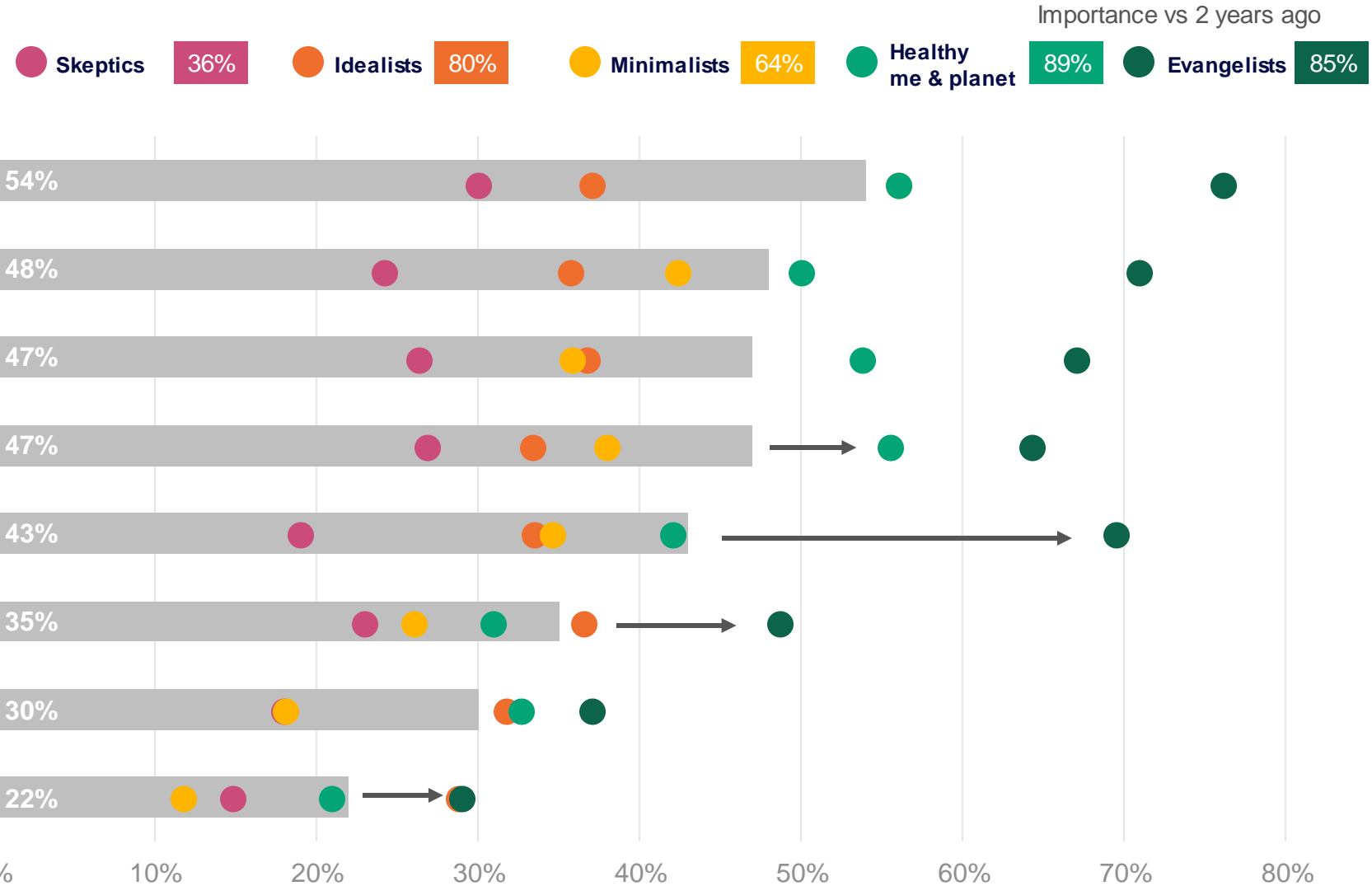
## But understanding different emotional connections will enable more targeted communication



Source: NIQ 2023 Sustainability Report – Q, Sustainability means different things to different people. In this list, what does it mean for you?  
 Grey bar looks at the global average of consumer responses and each dot represents different consumer segment response  
 The closer the dots are together, the greater consensus; the further apart indicates nuanced attitudes to specific groups

# Why climate change and sustainability is more important vs 2 years ago?

## Understanding the differing underlying motivations will drive stronger consumer engagement tomorrow

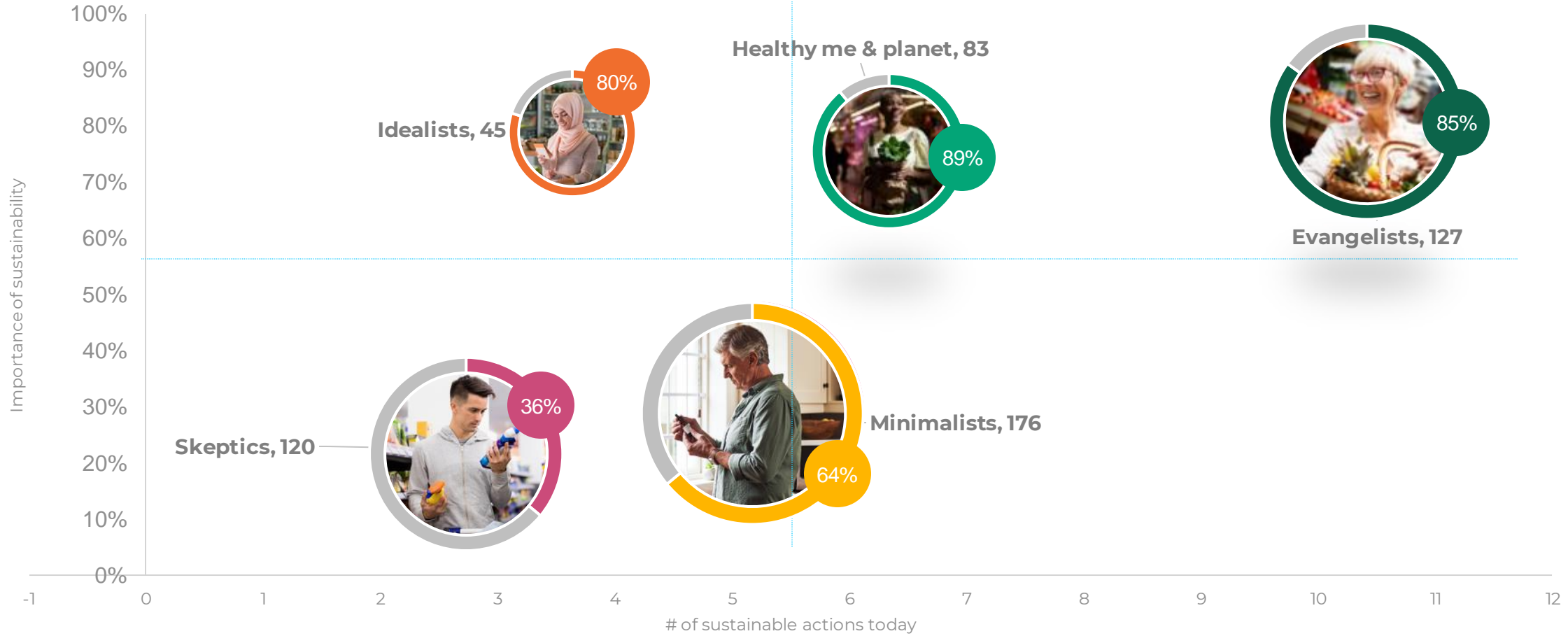


Source: NIQ 2023 Sustainability Report - Ranked on Global. Q Climate change and sustainability has become a more important issue to you in the last 2 years. Why?



# Intent doesn't always equal action

Idealist intent to action is low compared to Minimalists who do more to live sustainably than they might even be aware!



Source: NIQ 2023 Sustainability Report  
 Size of bubble is Do/Say Ratio  
 Outer ring is % increased importance of sustainability vs 2 years ago

# The Choice trade-off

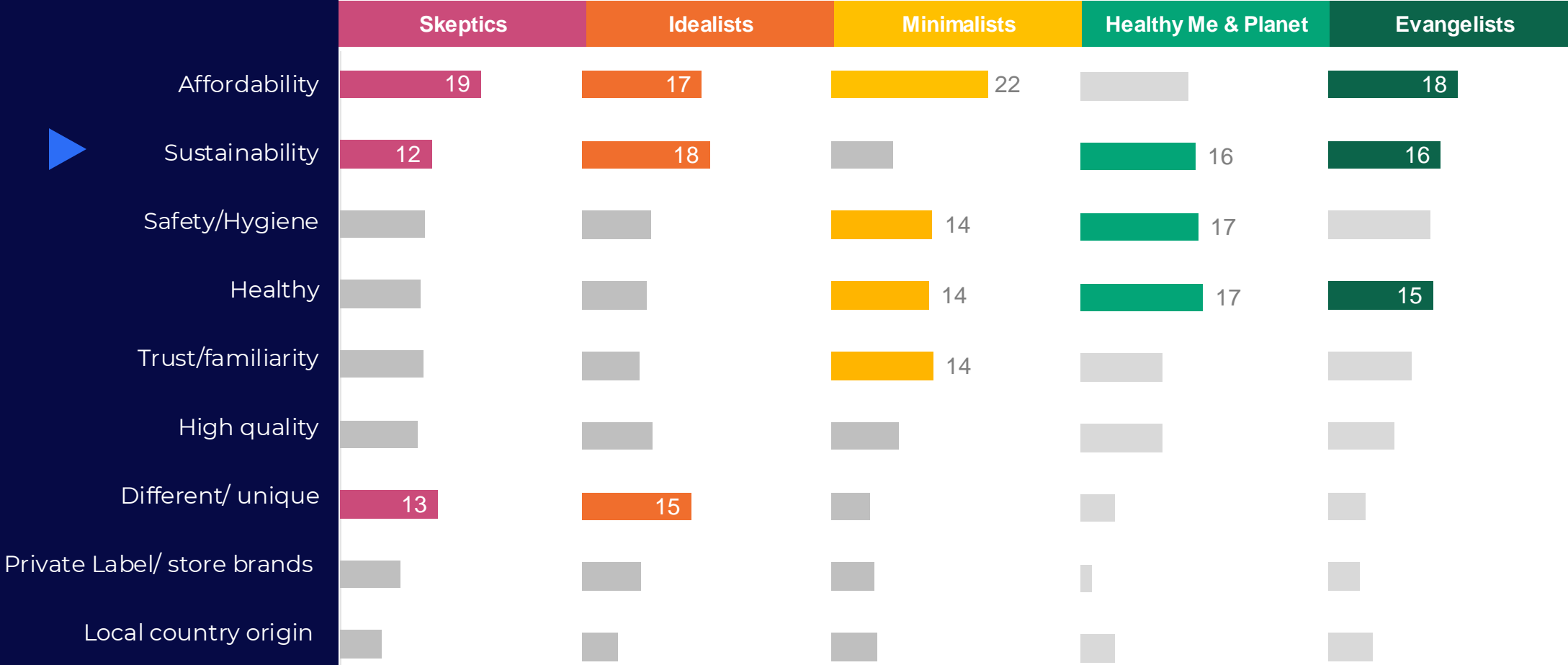
How consumers choose brands and retailers today



# Most important things when choosing a brand



# Brands must understand how consumers prioritize sustainability when choosing a brand



Source: NIQ 2023 Sustainability Report - Different people choose w hich brands to buy for different reasons what is most/least important to you. Ranked on Global. Q,



26%  
Skeptics



18%  
Idealists



17%  
Minimalists



20%  
Healthy 'me' &  
'Planet'



19%  
Evangelists

## What *claims* resonate?

*Sustainable packaging, responsibly sourced* and *zero waste* are more universally regarded but **specific claims resonate for key cohorts that will drive brand engagement**

*Little attention at all*

*Little attention but more focus on*

- *Local sourcing*
- *Responsibly sourced*
- *Sustainably transported*

*Little attention with exception of*

- *Sustainable packaging*
- *Zero waste*

*Less importance than evangelists but stronger focus on generic claims*

- *Eco friendly*
- *Green*
- *Biodegradable*
- *Kinder to the planet*

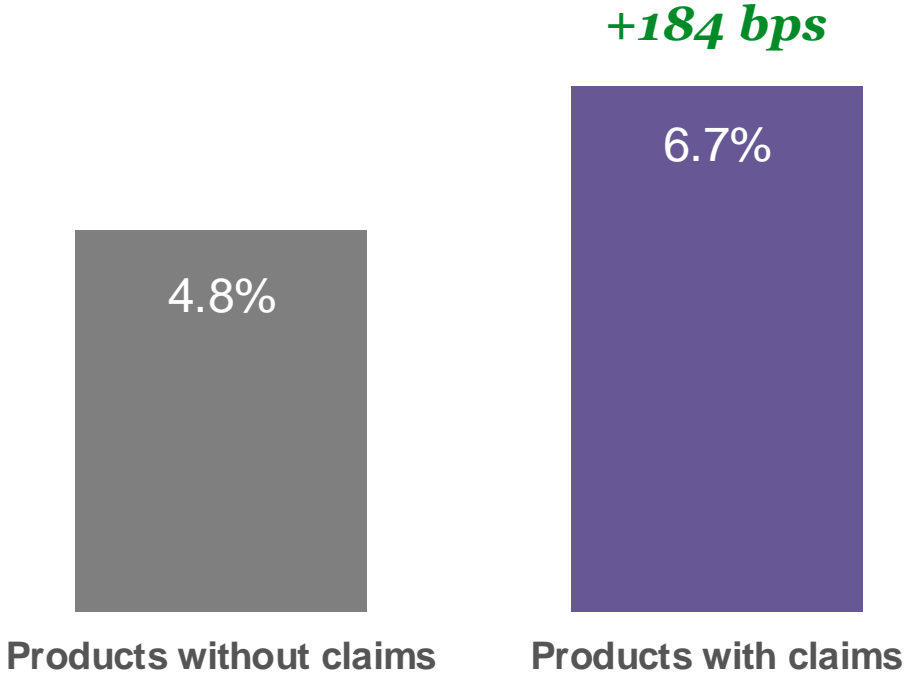
*Looks at full gambit of claims but eps.*

- *Following ESG*
- *Certified*
- *Ethically sourced*

# The business case for sustainability across the store

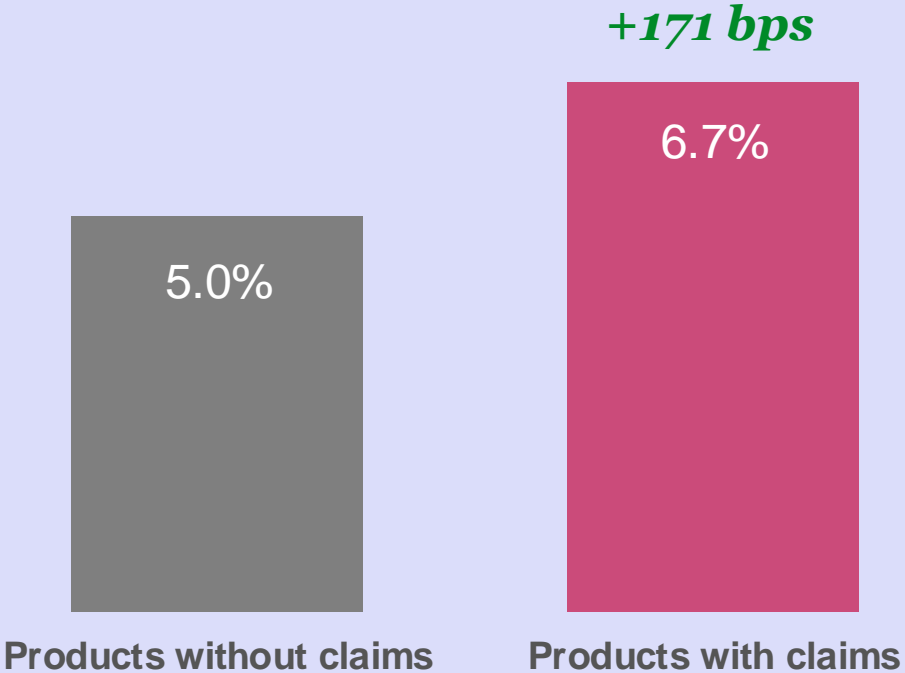
## Retail sales growth rate | Total Store

CAGR Latest 52 weeks vs 4 years ago



## Retail sales growth rate | Total Perishables

CAGR Latest 52 weeks vs 4 years ago



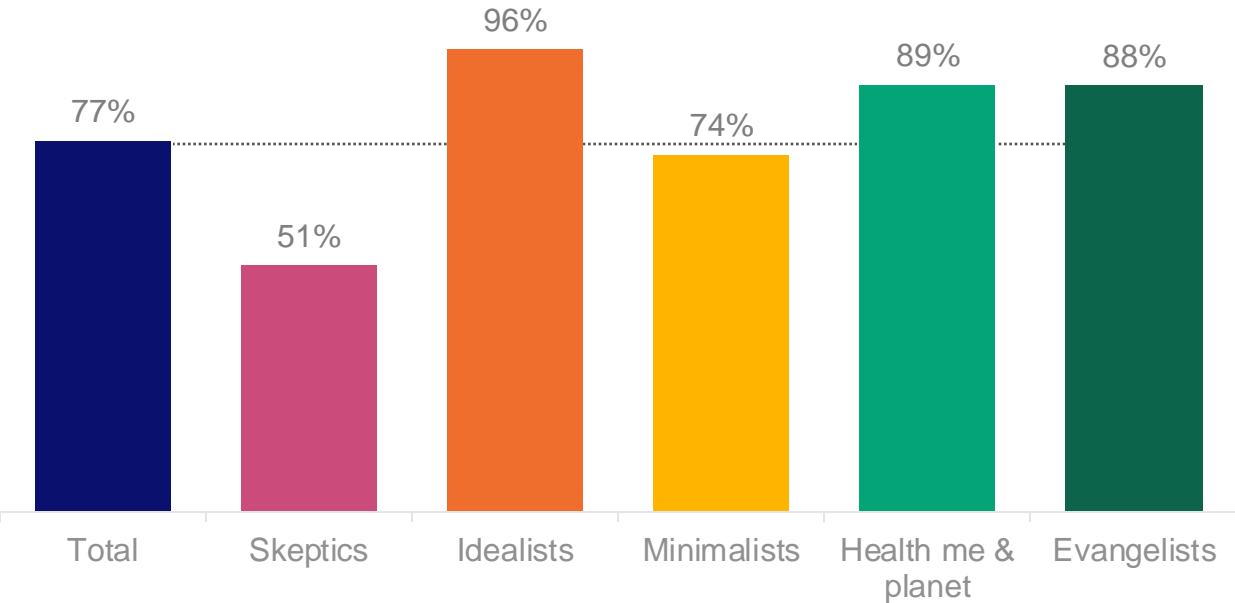
Source: NielsenIQ Retail Measurement Services, NIQ Product Insight, powered by Label Insight, Total Store vs Total Perishables (Bakery, Deli, Meat, Produce, Seafood); Total US xAOC; 52 weeks W/E07/15/23

# As demand for transparency increases, getting claims right and providing access to verification will be critical to Evangelists, Healthy Me & Planet and Idealists



*Greenwashing alienates core consumer groups from brands*

% who are likely to stop purchasing a brand if found guilty of greenwashing



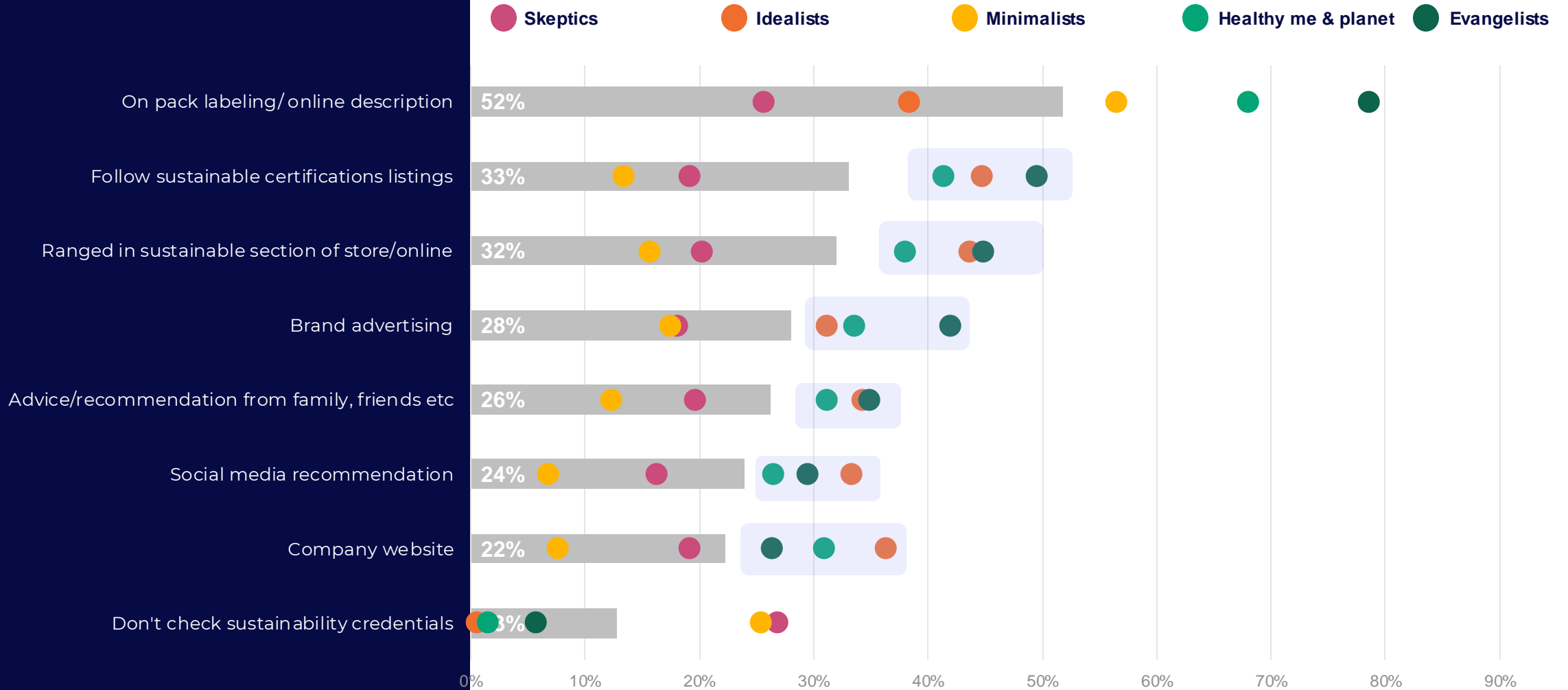
**“We are entering a new era of transparency** where companies will need to recalibrate their pack and brand communications and ensure that any claims made are accurate, transparent and can be validated, or else face both the financial and consumer repercussions.”

- NIQ Global Thought Leadership

Source: NIQ 2023 Sustainability Report - How unlikely or likely are you to take following actions, when choosing a particular grocery brand?

# How consumers verify claims

## Engaged groups seek verification in multiple ways – but on pack labeling is clincher for most



Source: NIQ 2023 Sustainability Report – Q: How do you, if at all, check if the products you buy are sustainable?



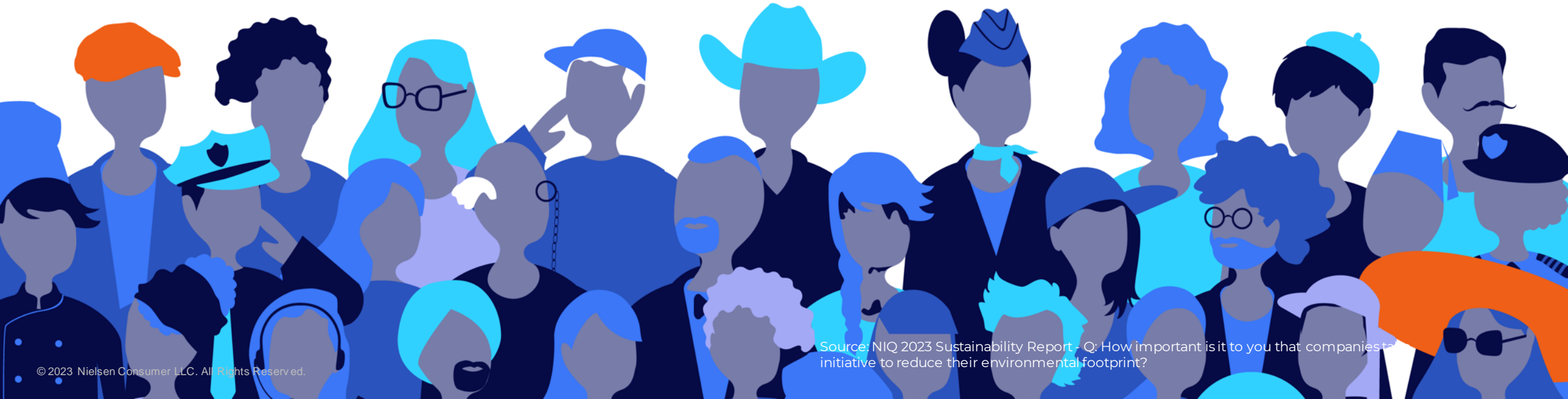
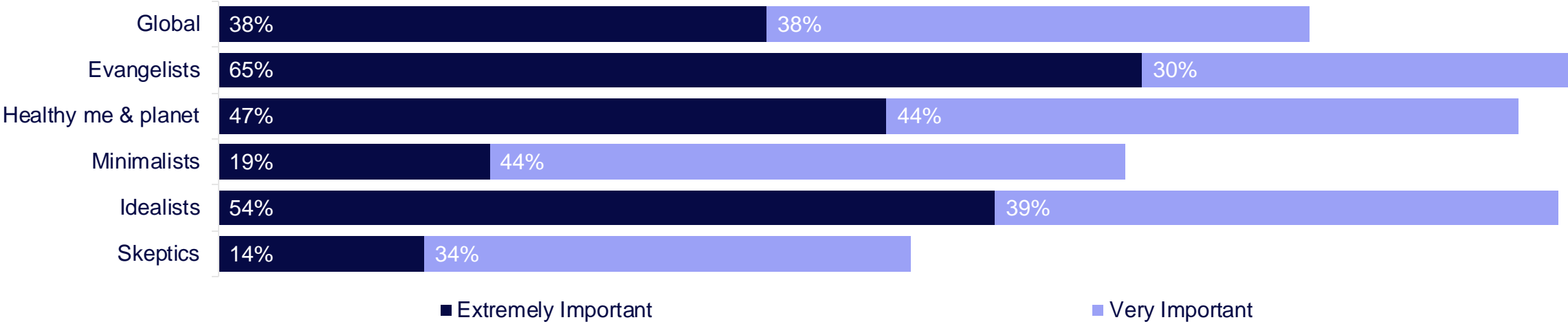
# Evolving to expectations

How brands and retailers must evolve to meet growing consumer expectations



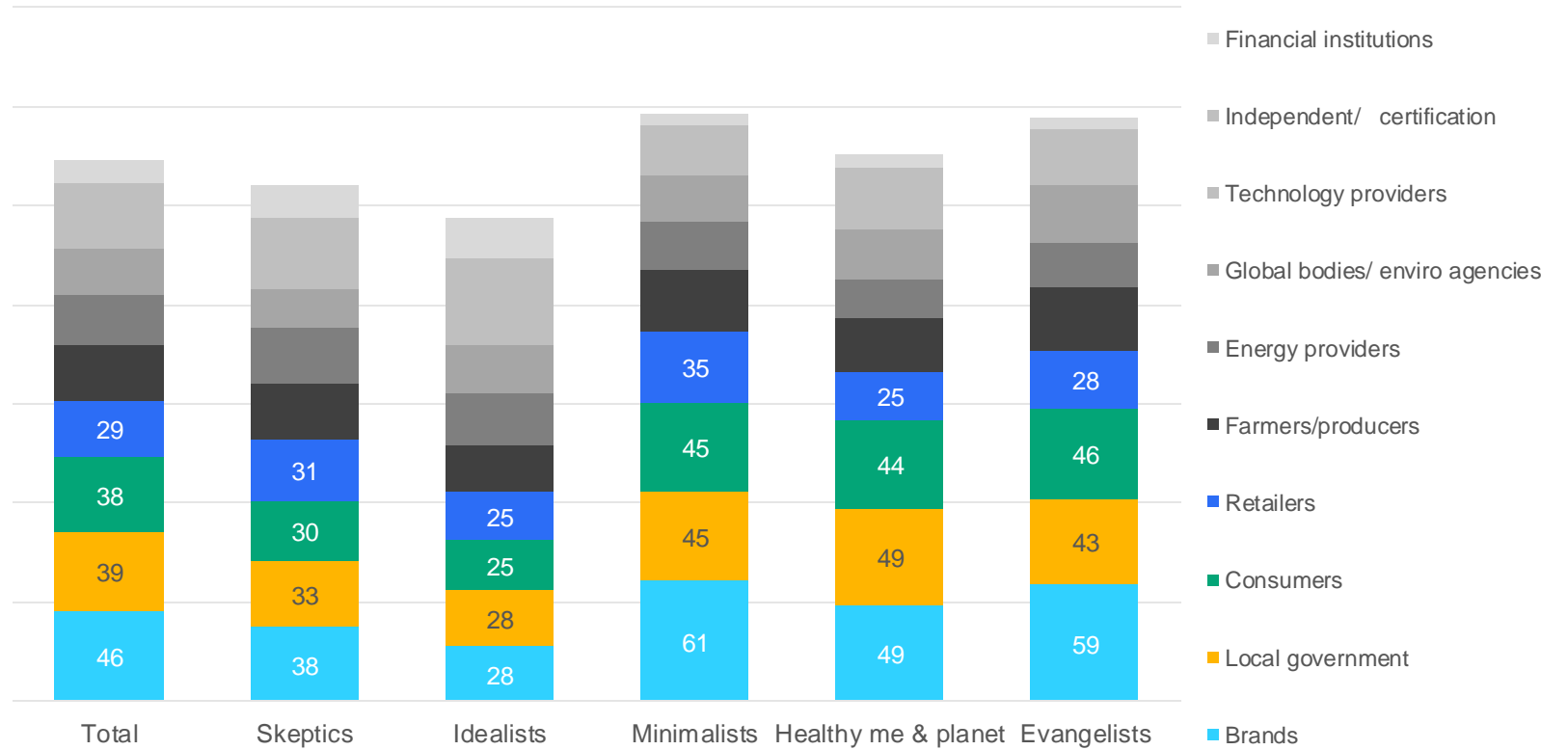
# Most cohorts expect companies to drive sustainable action With greatest importance from evangelists and idealists

Q. How important is it to you that companies take initiative to reduce their environmental footprint?



# What roles do *brands & retailers* play in sustainable progress?

The expectation of responsibility is not consistent across groups, but brands play key role for most

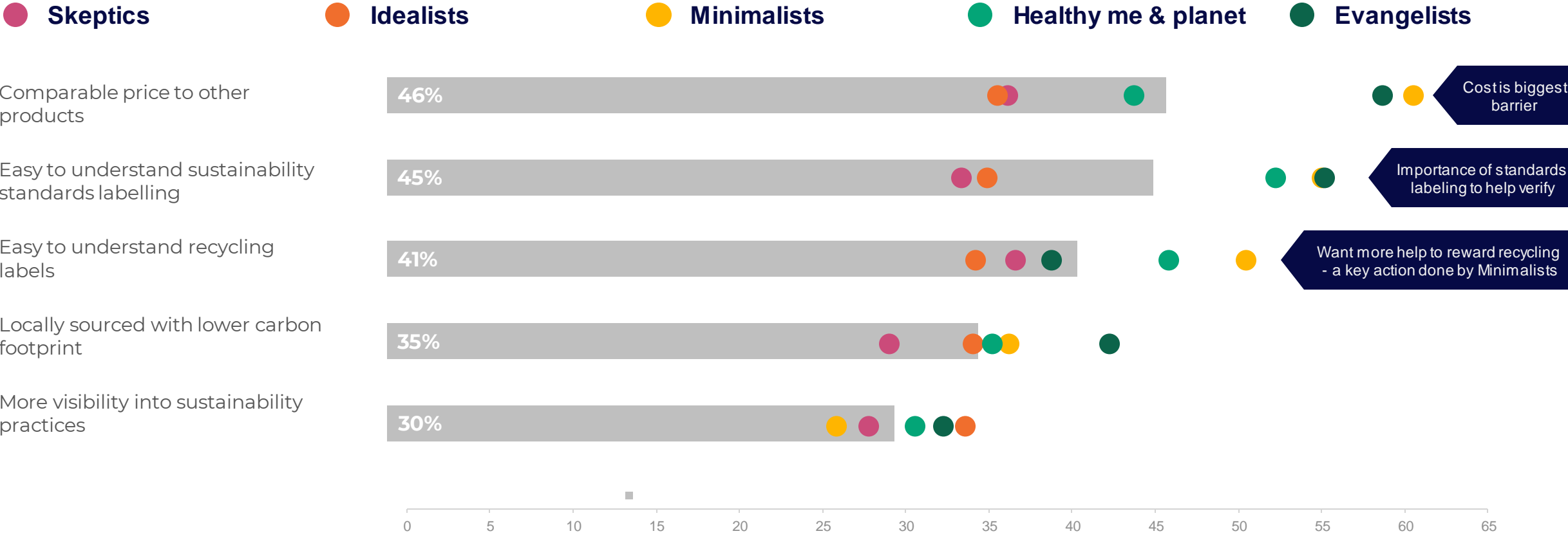


Source: NIQ 2023 Sustainability Report – Q: Which of these groups do you believe should be the most responsible for making progress on sustainability in your country? Second most responsible? Third most responsible? Top 3

# Tactics that will help consumers to be more sustainable differ across groups.

Identifying unique triggers will drive greater engagement

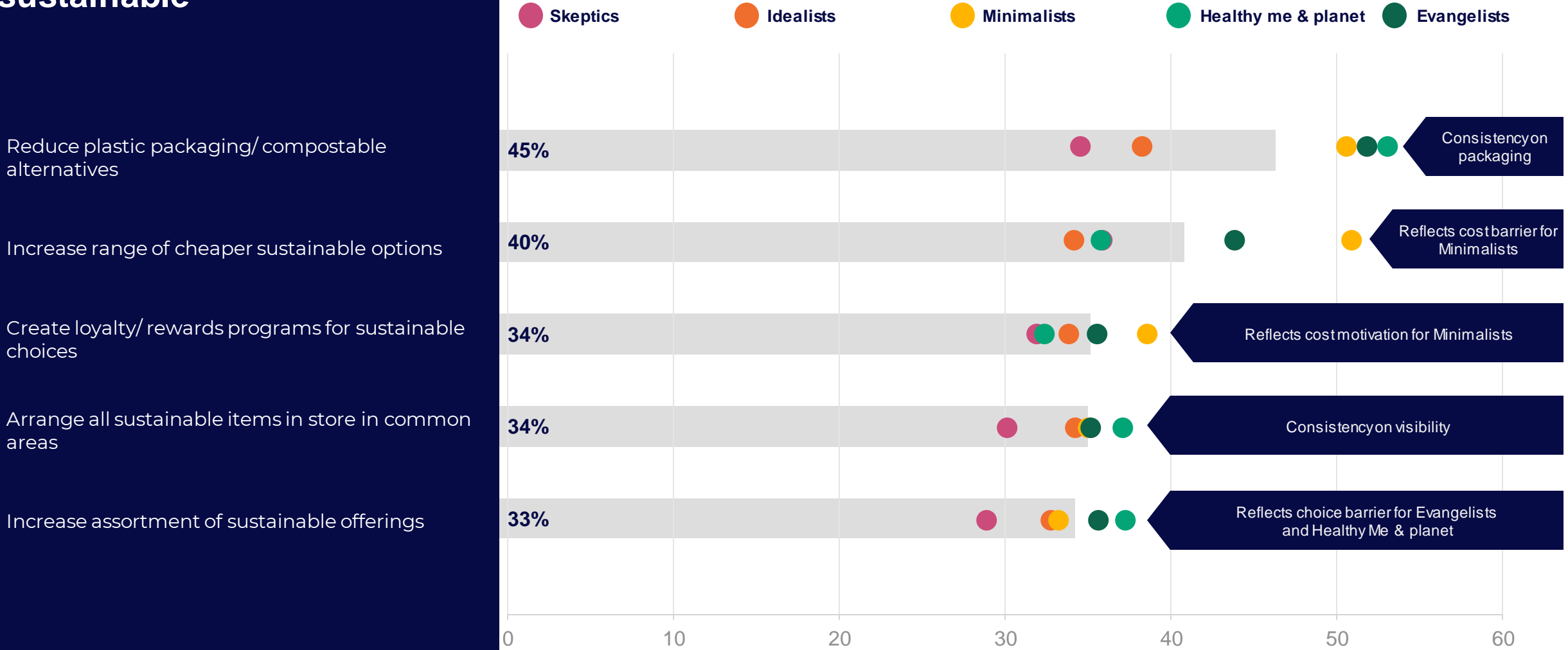
## Top 5 ways brands help consumers to be sustainable?



Source: NIQ 2023 Sustainability Report – Q Please choose the top 3 options you feel would help you choose more Brands that follow sustainable practices? Top 3

# Top 5 ways retailers help consumers to be sustainable

Retailers are held less responsible than brands but can still play key role around packaging, pricing and placement in store



Source: NIQ 2023 Sustainability Report – Q Please choose the top 3 options you feel would help you shop more sustainably from Retailers? Top 3

An aerial photograph of a port and a highway. On the left, a large stack of colorful shipping containers (red, blue, green, yellow, orange) is visible. To the right, a multi-lane highway runs parallel to the port, with several trucks and cars driving. The water of the port is dark blue, and the sky is a deep blue. A large, semi-transparent blue circle is overlaid on the left side of the image, containing the text.

# Accelerating the path to sustainable consumption

Identifying key opportunity groups and triggers for growth

# The roadmap for consumer engagement

What is the key strategy to engage each group?

## Evangelists

Represent “the future” consumer ideal - informed, engaged, and committed – but affordability and increased choice will trigger even greater opportunities

## Healthy Me & Planet

Need reinforcement that sustainable action also brings personal health benefits – increased choice and transparency of information will empower greater actions

## Minimalists

Do sustainable actions by nature of their frugality, rather than for the cause. Drive awareness of importance and lower cost barriers

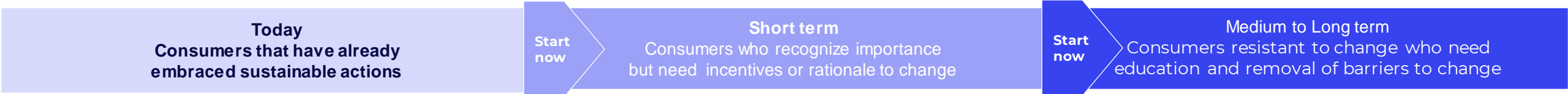
## Idealists

Discover the true rationale that stops them living up to their ideals. Tapping into the importance of their influence to instigate change in others may be the motivator required

## Skeptics

Will embrace sustainability when thrust upon them by governance and industry. Focus on easy everyday activities, like recycling that require minimal effort in the short term

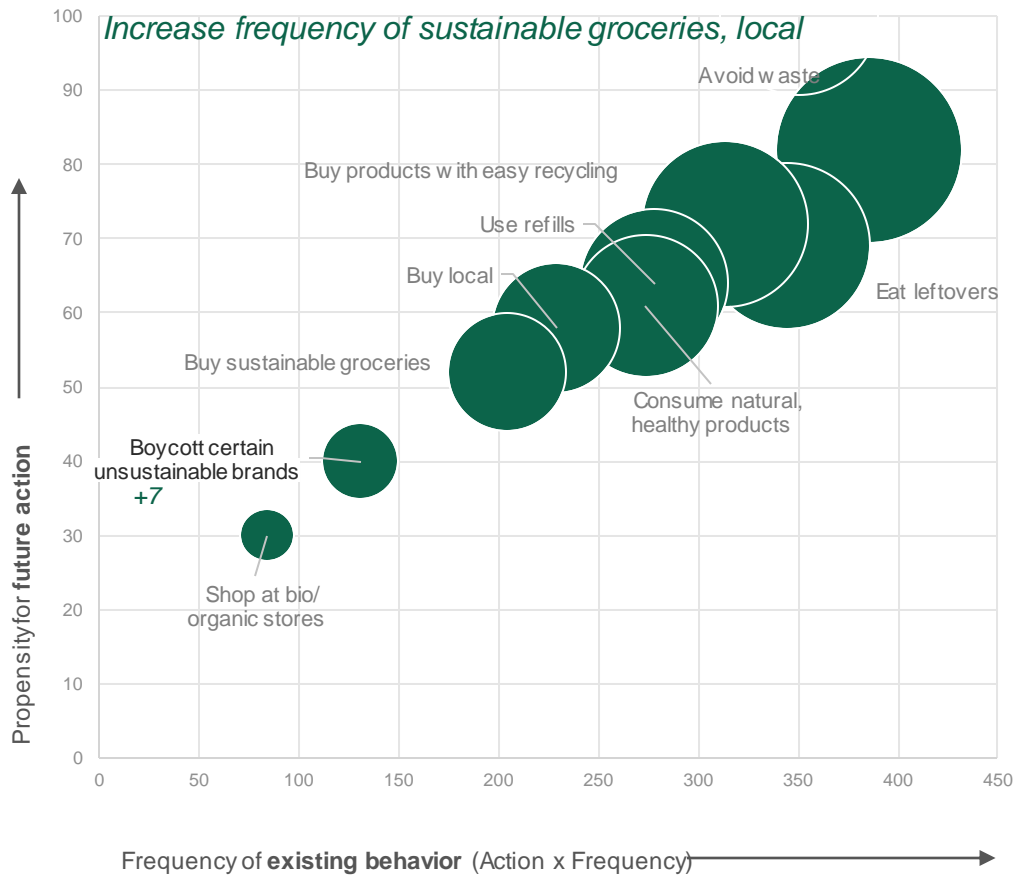
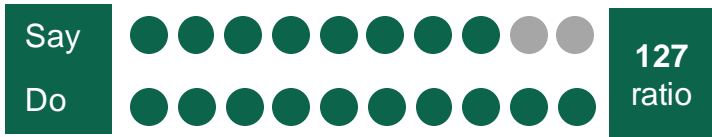
# The path to driving sustainable change will depend upon engaging with the right segments at the right time



Source: NIQ 2023 Sustainability Report  
Size of bubble is Do/Say Ratio

# Evangelists – Opportunity #1

Represent “the future” consumer ideal - informed, engaged, and committed



**Brand choice drivers**  
Affordability  
Sustainability

**Barriers**  
Cost and Choice

**Check if sustainable**  
On pack labeling and certification, brand advertising

**Who they hold responsible**  
Brands

## How brands can help?

- Sustainability is planet and people for this group – build connections to causes that matter
- Price comparably
- Provide easy to understand sustainability standards labeling
- Ensure claims are credible and transparent - collaborating with industry accreditation to leverage trust
- Provide personal and planet health benefit
- **Watch out** – Increasingly likely to boycott if guilty of greenwashing

## How retailers can help?

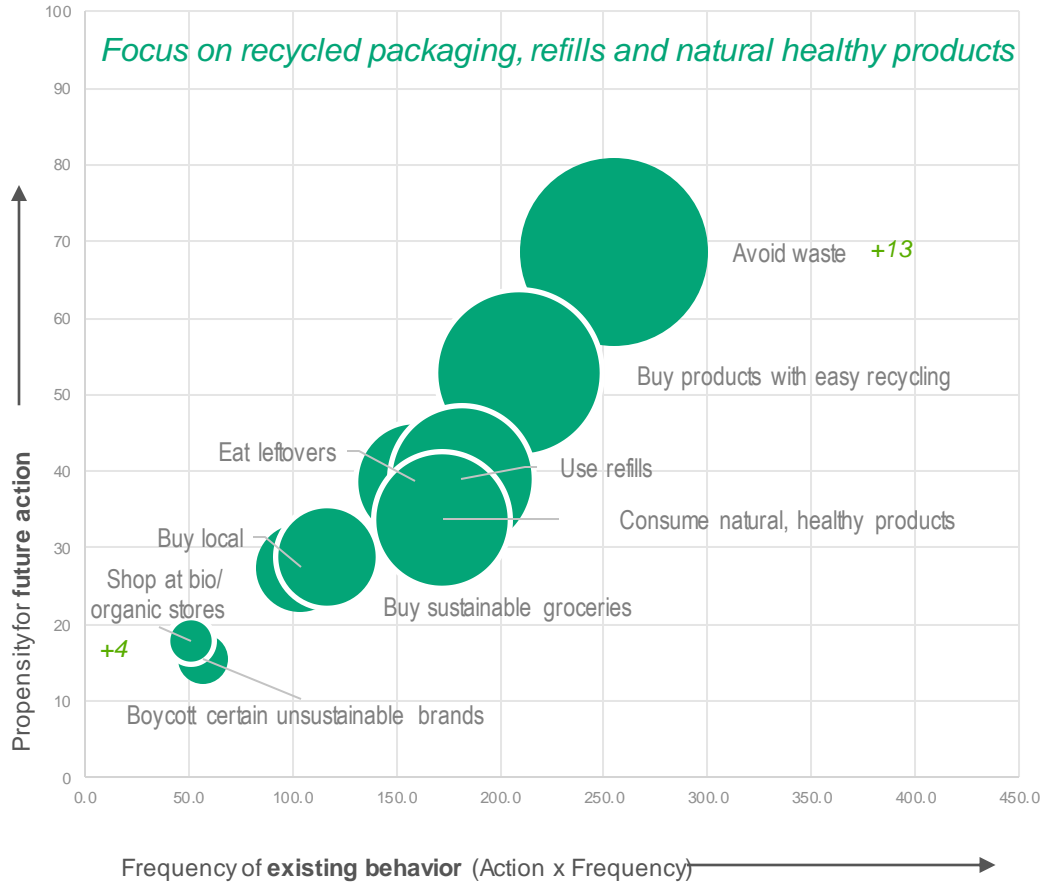
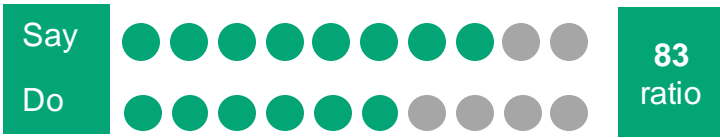
- Create more sustainable packaging: reduce plastic, provide compostable alternatives, in store recycling schemes
- Help to avoid waste – extension of best before
- Expand sustainable value / private labeling offerings

Source: NIQ Sustainability report – Summary represents the attributes that make this cohort different – over index vs global average. Not necessarily highest %  
Say = importance of sustainability today | Do = # of sustainable actions



# Healthy Me & Planet – Opportunity #2

Focus on action also brings personal health benefits, providing greater choice



**Brand choice drivers**  
Health  
Safety

**Barriers**  
Choice & cost

**Check if sustainable**  
On pack labeling, certifications  
Over index on Ssocial media

**Who they hold responsible**  
Government  
Brands

### How brands can help?

- Provide personal health benefits as well as planetary
- Provide easy to understand sustainability standards labeling
- Make recycling labels easy to understand
- Provide variety of choice within sustainable offerings
- Collaborate with farmers to leverage trust

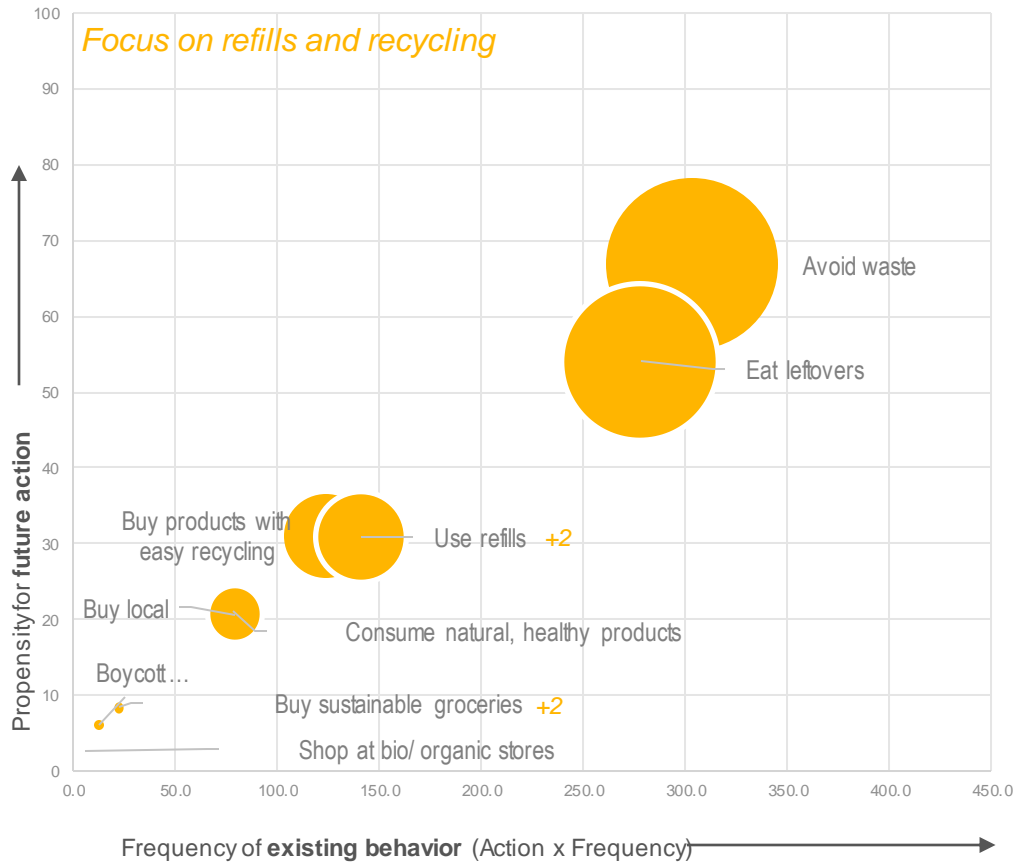
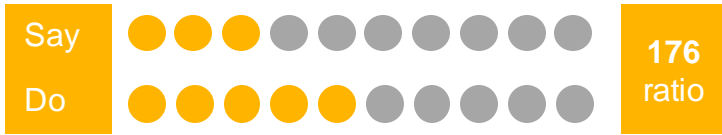
### How retailers can help?

- Create more sustainable packaging: reduce plastic, provide compostable alternatives, in store recycling schemes
- Increase assortment of sustainable offerings
- Make it easy to shop with sustainable aisles

Source: NIQ Sustainability report – Summary represents the attributes that make this cohort different – over index vs global average. Not necessarily highest %  
Say = importance of sustainability today | Do = # of sustainable actions

# Minimalists – Opportunity #3

Drive awareness of importance and lower cost barriers



Brand choice drivers  
Affordability

Barriers  
Cost

Check if sustainable  
On pack labelling, but generally, don't check

Who they hold responsible  
Brands

## How brands can help?

- Brands have the biggest impact on spurring Minimalists to action if can help overcome barriers
- Make it affordable
- Fit sustainability into existing lifestyle choices - don't want change for sake of it e.g. Refills and recycled packaging

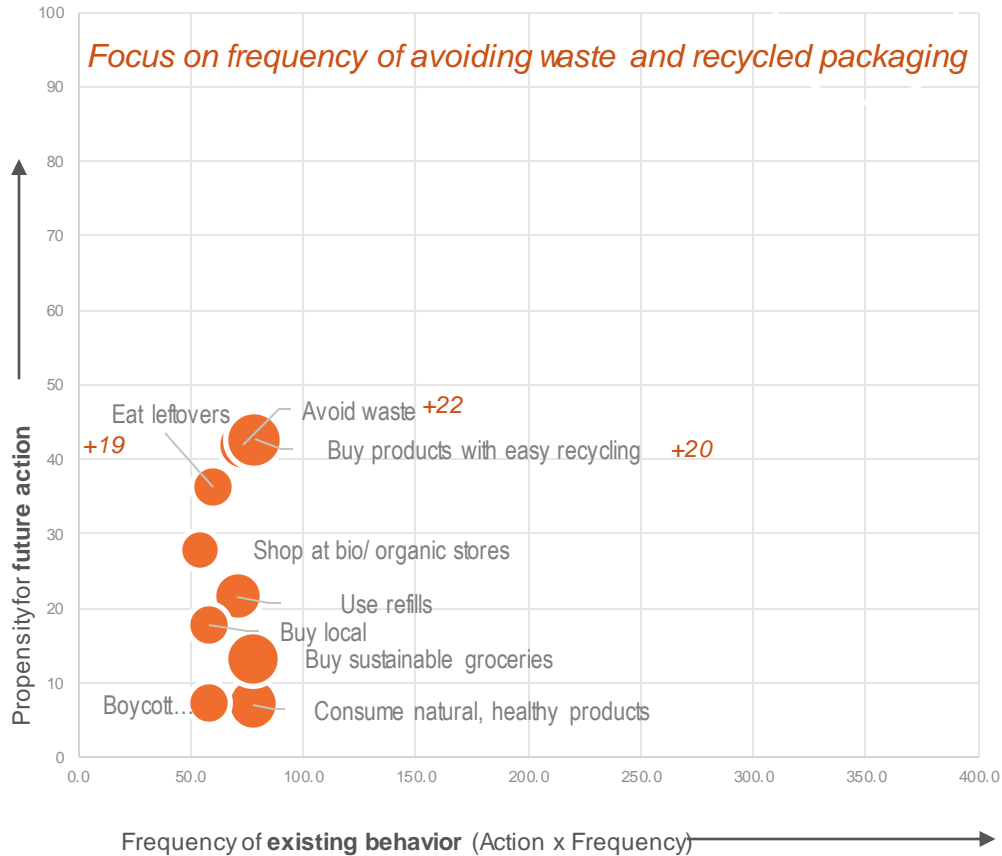
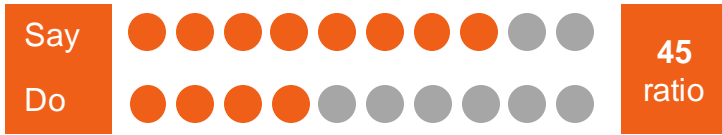
## How retailers can help?

- Create sustainable private label to make the switch to sustainable easy
- Reward sustainable choices with incentives
- Act as collaborator across stakeholders and minimalists will thank you for it

Source: NIQ Sustainability report – Summary represents the attributes that make this cohort different – over index vs global average. Not necessarily highest %  
Say = importance of sustainability today | Do = # of sustainable actions

# Idealists – Opportunity #4

Understand what stops conversion of Do/Say. Tap into the importance of their influence to motivate themselves and others



**Brand choice drivers**  
Sustainability  
Affordability

**Barriers**  
Choice and time-consuming  
Over index on Influence, Inferiority/quality

**Check if sustainable**  
Certifications / ranging  
Over index: Social media /website

**Who they hold responsible**  
Less than avg  
but brands and govt to lesser extent

**How brands can help?**

- They trust brands more than anyone so embrace their passion and leverage their ideals and influence to rally your cause
- Help them make it easier to embrace a more sustainable lifestyle
- Intended future actions evolve around recycling and waste minimization – compostable packaging; creative leftover ideas

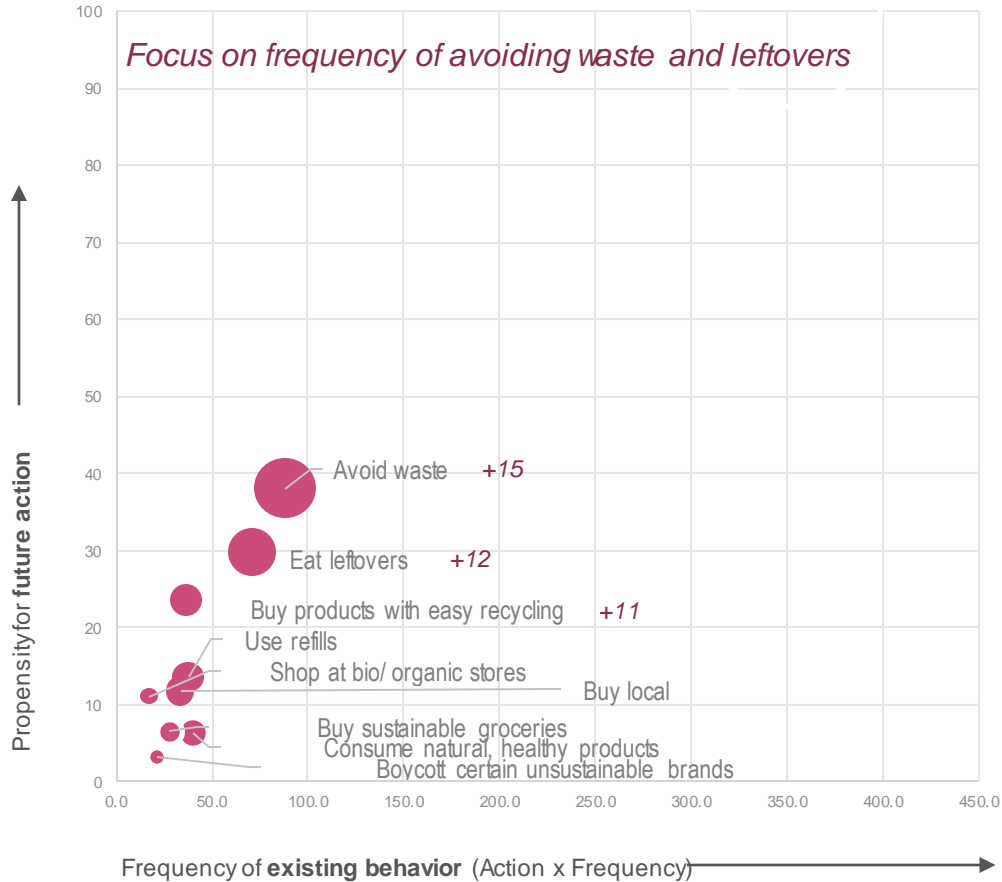
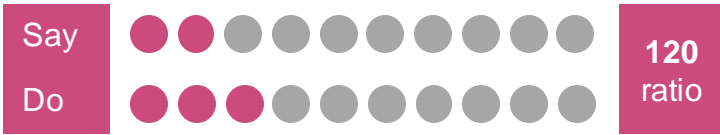
**How retailers can help?**

- Less likely to hold any stakeholder responsible but calling for government to help business transition to more sustainable practices
- If retailers can help drive more sustainable agenda to expedite change, will win idealists favor
- Make it easy for them to shop sustainably – ranging in common areas and stocking sustainable brands.

Source: NIQ Sustainability report – Summary represents the attributes that make this cohort different – over index vs global average. Not necessarily highest %  
Say = importance of sustainability today | Do = # of sustainable actions

# Skeptics – Opportunity #5

Focus on easy everyday activities, like recycling that require minimal effort in the short term



**Brand choice drivers**  
Affordability  
Unique & different

**Barriers to sustainability**  
Not a priority

**Check if sustainable**  
Much less likely than avg  
But if do  
**on pack labeling**

**Who they hold responsible**  
Brands  
Over index on Retailers and minority stakeholders

### How brands can help?

- Hardest group to help as interest is low
- Focusing on the personal impact of not caring about sustainability will be easiest connection – e.g. pollution and detrimental to help
- Have intention to do more recycling, so make it easier for their to adapt behavior with easier labeling
- Sustainable innovation may be key in their quest for unique offerings and if it happens to be sustainable – it’s a bonus! But remember that affordability is key to brand choice

### How retailers can help?

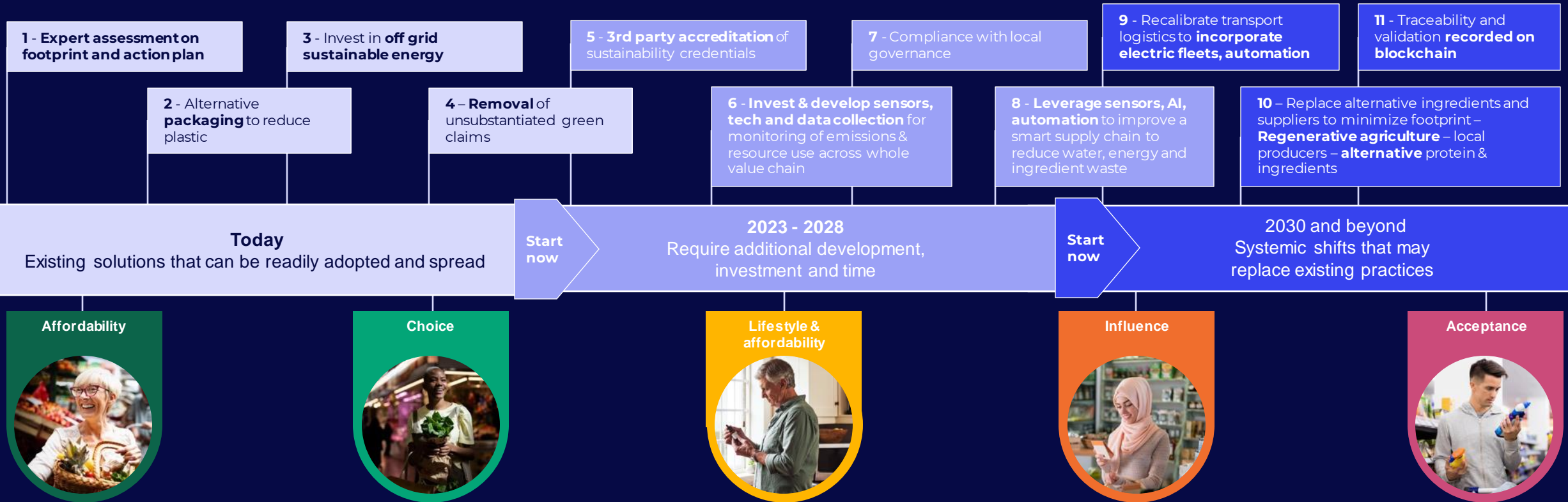
- Believe retailers can make a difference to sustainable progress, so embrace assurance.
- If recycling is their first step to sustainable lifestyle, provide recycling depots and access
- With their increasing focus on waste minimalization, focus on in store food waste initiatives.

Source: NIQ Sustainability report – Summary represents the attributes that make this cohort different – over index vs global average. Not necessarily highest %  
Say = importance of sustainability today | Do = # of sustainable actions

# The critical time to start the sustainable journey is *now*

Companies must begin the **internal transformation** of their business but also recognize **not all consumers** will be ready to transition to this new world at the same speed.

## Supply led change – *keeping pace with accelerating requirements*



## Demand led change – *understanding the varied triggers required for consumer engagement*

**NIQ**

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**Thank you!**