

Reconciling Emotions & Rationality – A Consumer of Two Minds

Südzucker Consumer Study 2022 –
Processed Foods & Drinks



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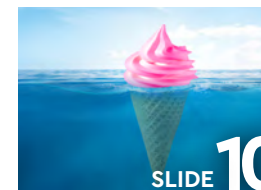
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1. Consumption Drivers Under the Microscope

In today's complex world, which is increasingly affected by climate change, energy and resource consumption, and the desire for better nutrition, more and more consumers re-evaluate their behavior. Brands and companies are placed under scrutiny, not only on the product and nutrition level but also in regards to their commitment to a better planet.

To tend to consumers' needs quickly and effectively, consumption drivers and consumer trends need to be identified early on so that brands can actively adapt their products and services.

With this new Südzucker Consumer Study, Südzucker intends to provide valuable and actionable insights into the behavior that drives the consumption of processed foods and drinks containing sugar. Similar to the zero measurement study in 2021, we again interviewed 5,000 consumers – 1,000 each in Germany, Belgium, France, Poland and the UK about topics like:



Taste



health



sustainability



organic



packaging



To ensure a consistent basis for comparison, we also focused on the same 5 consumer goods categories, containing sugar as a key ingredient:



sweet biscuits/
baked goods



chocolates



soft drinks



dairy & vegan
alternatives



cereals &
cereal bars

Happy reading!



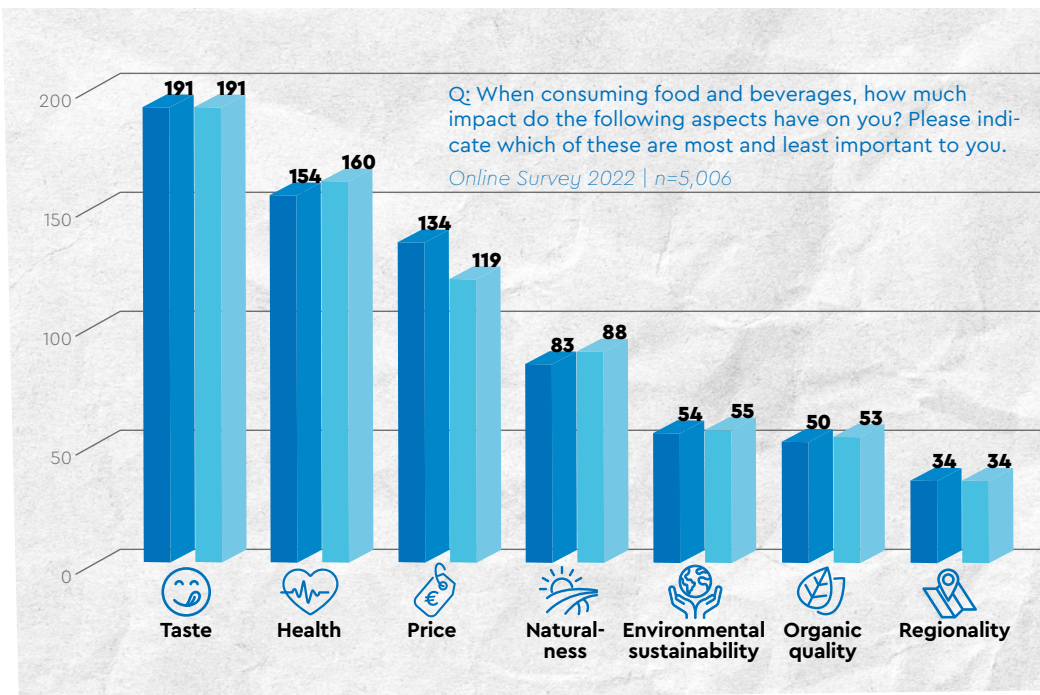
2. Key Insights – A Consumer of Two Minds

As in last year's study, **taste still reigns supreme** for consumers, when it comes to the main purchase decision drivers of processed foods and drinks. The fact that consumers value healthy nutrition and observe their consumption behavior more closely than in the past comes as no surprise. Still, there are limits to the sacrifices they are willing to make for their food's great taste and sensory experience.

The ongoing COVID-19 pandemic and other global crises, like the war in Ukraine, which play a major role in today's record level of inflation compared to the last two decades in Europe, also heavily affect consumer decision criteria. This has led in all categories to an increased price sensibility of consumers, who often see their purchase power decreasing with the increasing cost of energy and finished products. The slight comparative decrease in the importance of health aspects and sustainability can most likely be attributed to these extraordinary times, a higher focus on financial stability, more increased need for dedicated time-outs, and the desire to savor sweet little moments.

A deeper dive into sustainability topics will nevertheless show that regionality and organic quality as product health drivers even gained importance for consumers (see slides 6&7).

Consumers are constantly balancing emotions and rationality while trying to drive change through conscious, sustainable consumption.



This is a relative index ranking on a scale from 0 to 200. All items scoring higher than 100 can be considered more important than average. If an item scores double the index of another, it can be considered twice as important as the other.

■ 2022
■ 2021

3. Consumer Trends Profiling – A Clear Direction

Transparency is vital for European consumers. They want to understand what the products they consume contain. **56 %** of consumers **always read the ingredients list** before deciding to buy a new product. **54 %** of European consumers attribute **higher quality to sustainably sourced ingredients**. Especially in the context of the rising importance of product regionality, consumers increasingly seek information about the origin of products* and ingredients before deciding what brand to buy. They also put more and more emphasis on the sustainable footprint of the products they consume.

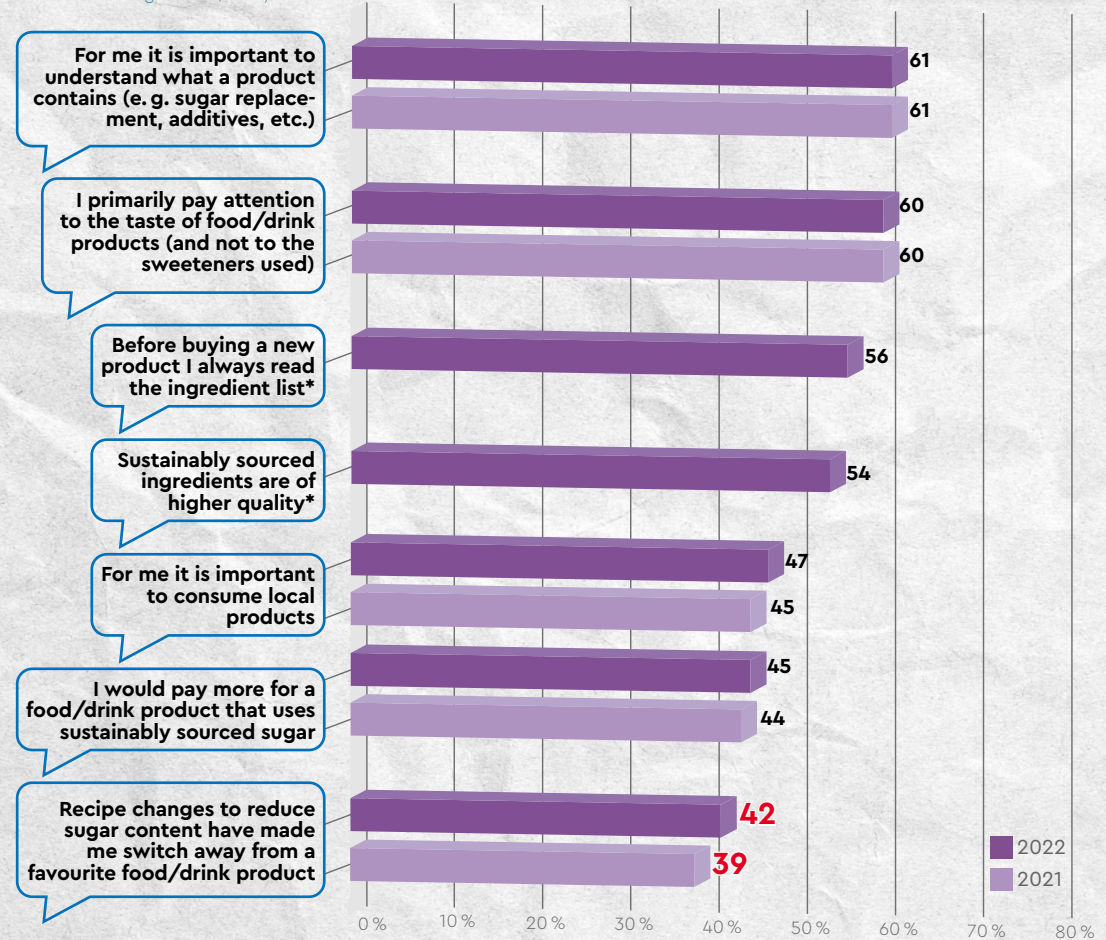
As mentioned before, taste is still the most influential overall purchase driver. We identified an **increase of 3 % (39–42 %)** of consumers stating **they turned away from a favorite product due to sugar-reduction in the recipe**. This yet again shows that consumers are not willing to accept sugar-reduction at any price.

45 % even state, that they would be willing to pay more for products containing sustainably sourced sugar.



Q: Please read through the following statements and indicate how much you agree with each.

Online Survey 2022 | n=5,006



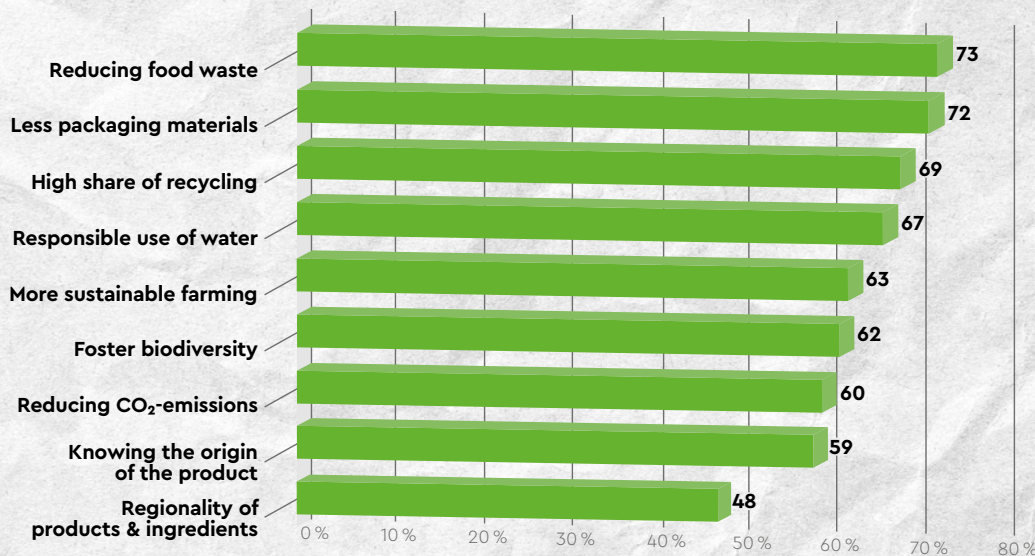
*Statements only tested from 2022 onwards

4. Sustainability – Giving Purpose to Consumption

Sustainability is a complex, wide-ranging topic, consisting of a multitude of different aspects and ways for the individual consumer to contribute. Overall, 52 % of consumers consider sustainability a key factor when deciding what products or brands to buy.

Besides the omni-present topics of reducing food waste, increasing share of recycling and less packaging in general, sustainability aspects like **responsible water usage, fostering biodiversity or reduction of CO₂-emissions** were, yet again, mentioned as very important criteria by **over 60 % of consumers**.

Q: When thinking of [insert product category], how important are the following factors for you?
Online Survey 2022 | n=5,006

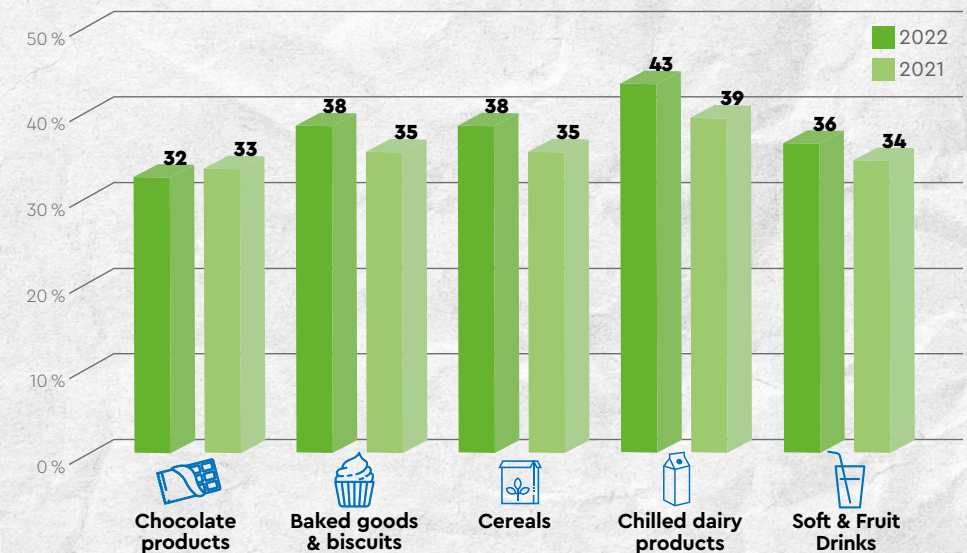


For better readability, the chart shows an avg. of all categories combined



Q: When you think of [insert product category], how important is the claim regionally sourced ingredients to you personally when deciding if a food or beverage is healthy?

Online Survey 2022 | n=5,006



The importance of regionality even increased across almost all categories compared to last year, especially which claims consumers look for on packaging when deciding if the product can be considered healthy.

52 % of consumers consider sustainability a key purchase driver

5. Organic – Multifaceted from Taste to Social Responsibility

Consumers state a multitude of reasons, why they prefer organic products over conventional ones. It's nevertheless interesting to see that some aspects have increased visibly in importance. While the **perception of better taste** provided by organic products still ranks first with an unchanged **78 %** of answers, 3 other aspects have gained in importance across all surveyed categories:

"It is more ethical" (+ 2 %)

"It's a regional/local product" (+ 2 %)

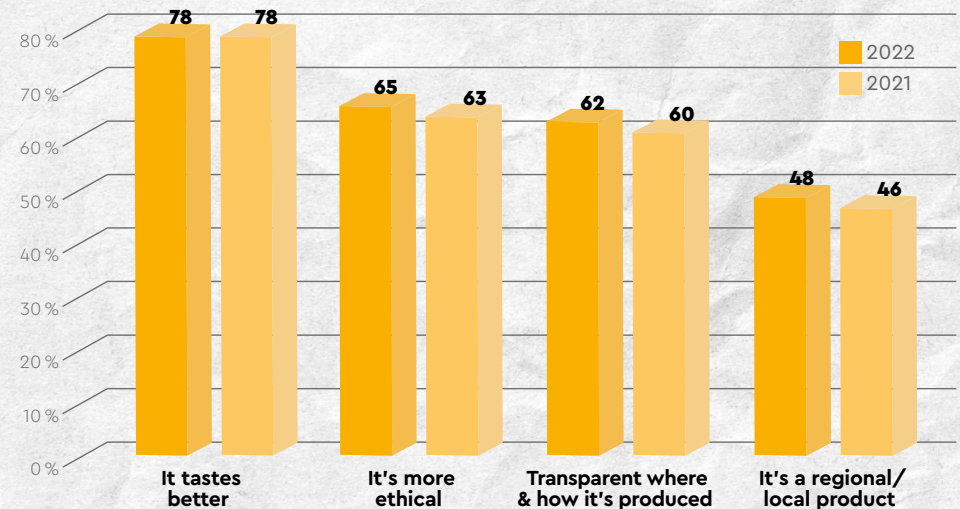
"Transparent where and how it's produced" (+ 2 %)

This shows that consumers are increasingly interested not only in the end product itself but also ask for more transparency about the origin of ingredients and fair treatment of farmers. The "more ethical" perception increased most significantly in Germany and the UK, whereas regionality saw the strongest increase in France. Consumers therefore take an active part in pushing towards more environmental and social responsibility.



Q: When thinking of [insert product category], how important are the following reasons for you to consume organic [insert product category title only]?

Online Survey 2022 | n= min. 1729; Filter: organic consumption"



For better readability, the chart shows an avg. of all categories combined

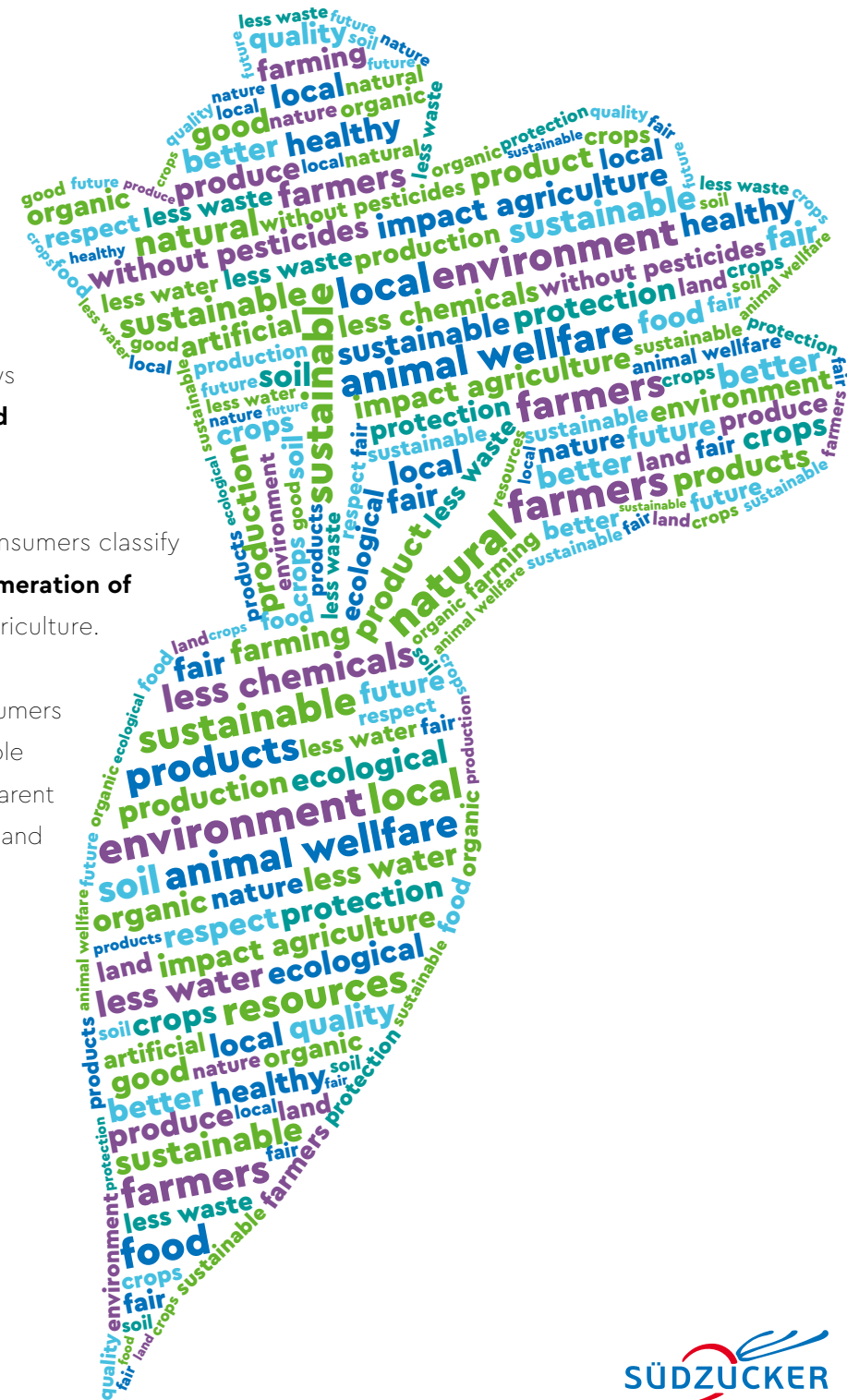
6. What Does the Consumer Understand by "Sustainable Farming"?

“Sustainable Farming” is another important purchase driver, but the term can be quite intangible for many consumers. It shows in their broad definition of the term itself. Nevertheless, they clearly highlight two aspects: **respect for nature and farmer**. Sustainable farming is a long-term issue that needs immediate attention. Consumers associate with it a broad range of factors such as no (or minimal) **use of chemicals, pesticides, or artificial fertilizers, reduced greenhouse gas emissions, use of renewable energy, and saving resources such as water**.

Regionality not only plays a role in terms of where the products come from, but also shows the desired **support of local communities and providers, from farm to stores.**

On the **social responsibility** side of things, consumers classify **good working conditions** as well as **fair remuneration of farmers** as an important part of sustainable agriculture.

This highlights the broad range of topics, consumers have in their mind when talking about sustainable farming. Therefore, you need to provide transparent behind-the-scenes information in your product and brand communication and about your choices of partners.



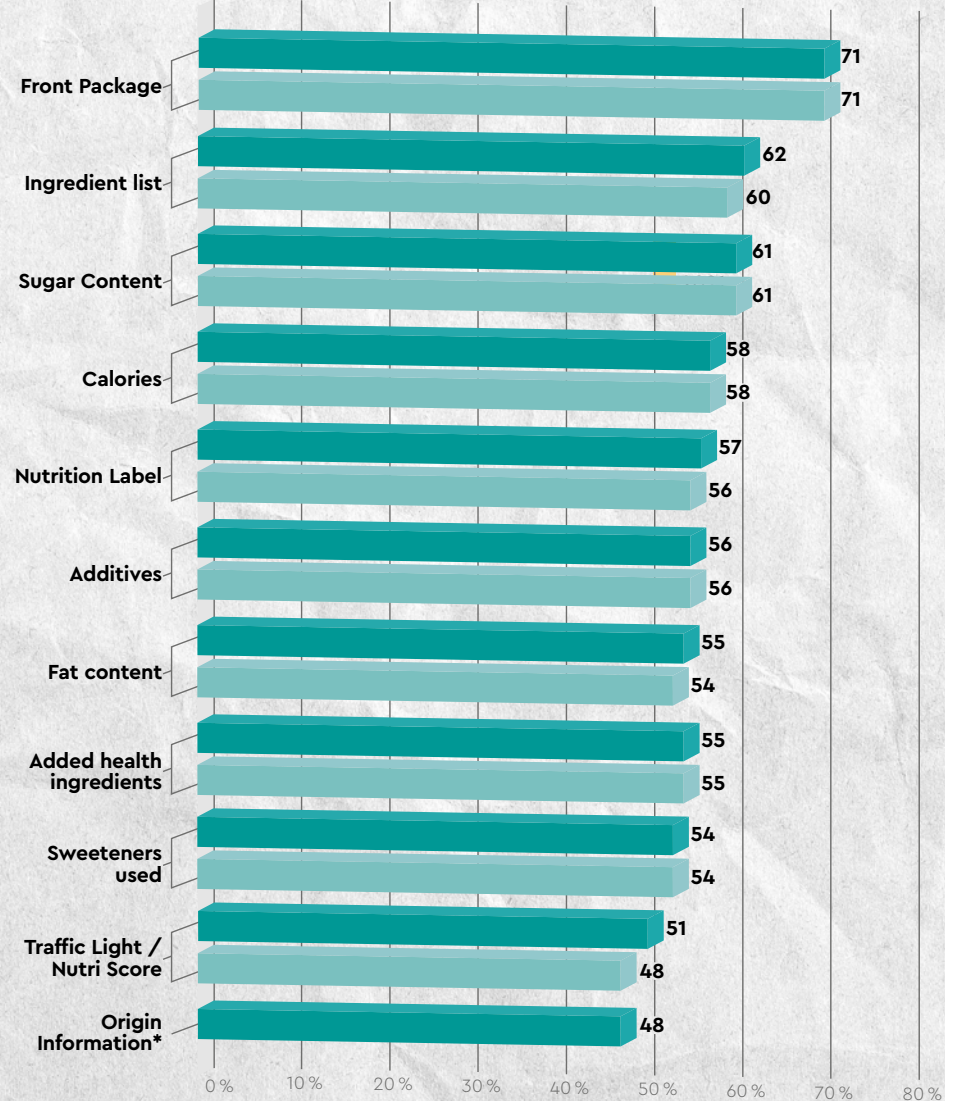
7. Packaging – a Tool of Transparency

There are several ways within the communication strategy to provide transparency, and of course packaging plays a key role. We asked consumers what they pay the most attention to when looking at the product packaging and its labels. Besides the nutritional information about ingredients, it's very interesting to see that almost **50 % of consumers look for product and ingredient origin information** of the products and ingredients on-pack. Seeing how the front of pack is still the most closely examined area, it can therefore add significant value to provide origin information right there, where it is most visible while the product still sits on the shelf.

The **NutriScore / Traffic Light label received the highest increase** in attention from consumers when looking at the packaging. Compared to last year's results, 3 % more consumers gave it their dedicated attention.



Q: When thinking of [insert product category], how important are the following factors for you? Online Survey 2022 | n=5,006; TOP 2-Box



For better readability, the chart shows an avg. of all categories combined

*Statements only tested from 2022 onwards

8. Just the Tip of the Iceberg

All in all, consumers are currently trying to balance their desire for a more sustainable world ranging from ecological and social responsibility all the way to more conscious consumption with the increasing pressure and emotional strain global events have on them and their security. It remains to be seen how consumption behavior remains affected over the next years by recent crises. But overall, the complexity of consumer needs is here to stay – it is up to brands to serve these needs.

This whitepaper can of course not include all the detailed results we gained from our quantitative consumer study. Most of our results can also be broken down by country, on the product category level, or even by demographic.

Are you interested in diving deeper into the results or have further questions that require detailed answers and results? We are happy to set up conversations with our experts in marketing and R&D, so that we can collaborate on finding ways to create added value based on our findings.





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Sugar & Beyond

Südzucker commissioned InSites Consulting to implement the online survey on which these results are based.