Healthy & Sustainable Living

A Global Consumer Insights Project

Open Webinar
5 February 2020

GLOBESCAN
evidence and ideas. applied

Introductions

Chris Coulter
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Board of Directors
GlobeScan

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Head of Sustainability Communications & Engagement
Inter-IKEA

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SVP, Insights & Analytics
PepsiCo

Agenda for Today's Webinar

1. Contextual Trends (Chris)
2. The Sustainable Market Share Index (Randi)
3. Views from IKEA (Malin)
4. Views from PepsiCo (Emma)
5. Discussion and Q&A

Contextual Trends

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Exciting New Research Platform!

Participating Countries
2019

- Representative online samples of approximately 1,000 adults per country in each of 25 countries
- Samples representative of online population, weighted to gen-pop census
- Online surveying between April and May 2019

In partnership with:

IKEA
PEPSICO
P&G
VISA
Google
WBA Worldwide Brewing Alliance
WWF
The Walt Disney Company

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1. CONSUMERS ARE STUCK

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Consumers are largely stuck

Rewarded Company for Being Responsible, Average of 16 Countries,* 2001–2019

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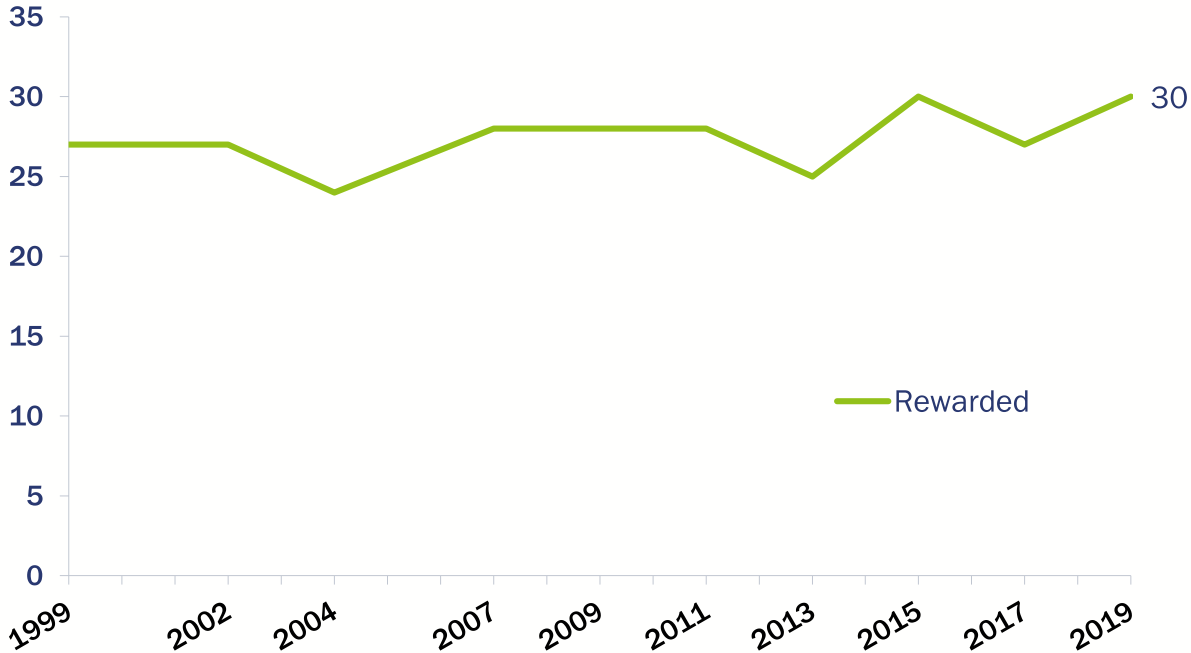

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*Includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Nigeria, Russia, Spain, Turkey, UK, USA. Not all countries were asked in all years. This question was previously asked using an in-person and telephone methodology.

T7. Over the past year, have you considered rewarding a socially responsible company by either buying their products or speaking positively about the company to others? Would you say you have…?

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2. SUSTAINABLE LIVING IS NASCENT

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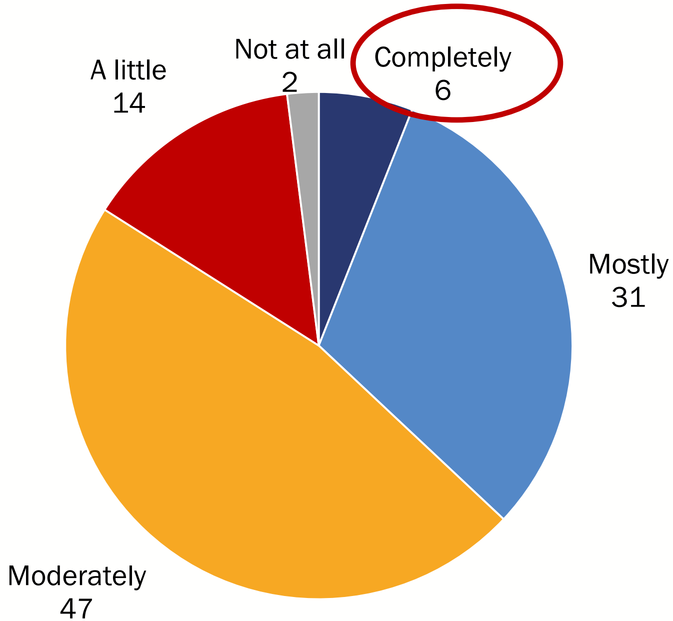
Very few consumers say they currently live a completely healthy and sustainable lifestyle

Currently Living a Healthy and Sustainable Lifestyle, Average of 25 Countries, 2019



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Q12a. Thinking of your life overall (especially what you eat, what you buy, how you go from place to place and how you consume energy), to what extent do you think you are living in a way that is good for you, good for others and good for the environment, all at the same time?

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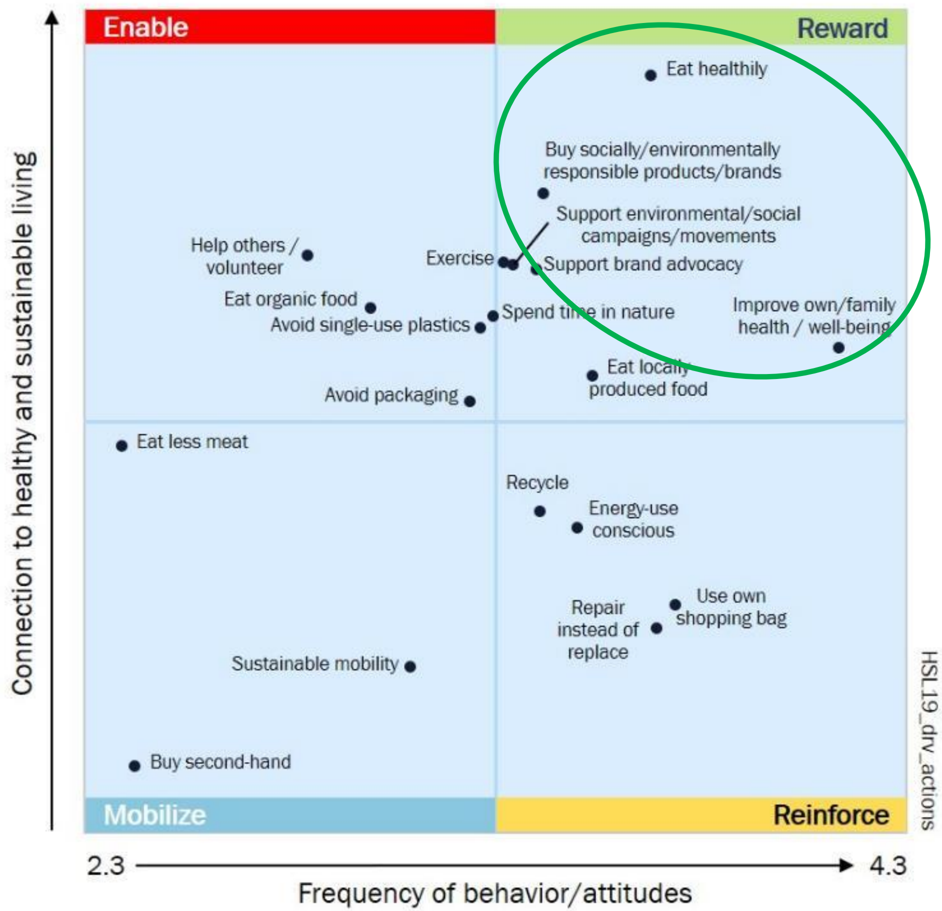
3. FOOD & ENGAGEMENT BEST DEFINE SUSTAINABLE LIVING

Healthy eating and ethical consumption are most connected to healthy and sustainable living

Drivers of a Healthy and Sustainable Lifestyle, Individual Actions/Attitudes, Average of 25 Countries, 2019



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Statistical analysis shows that healthy eating stands out as more connected to healthy & sustainable living in France than in the UK, where ethical consumption is also relatively strongly connected

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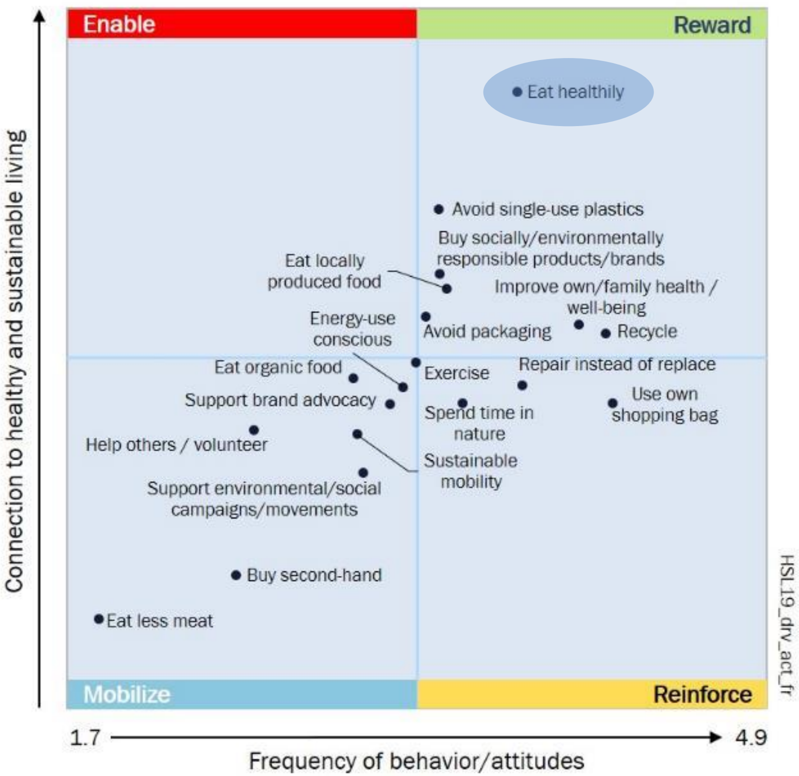
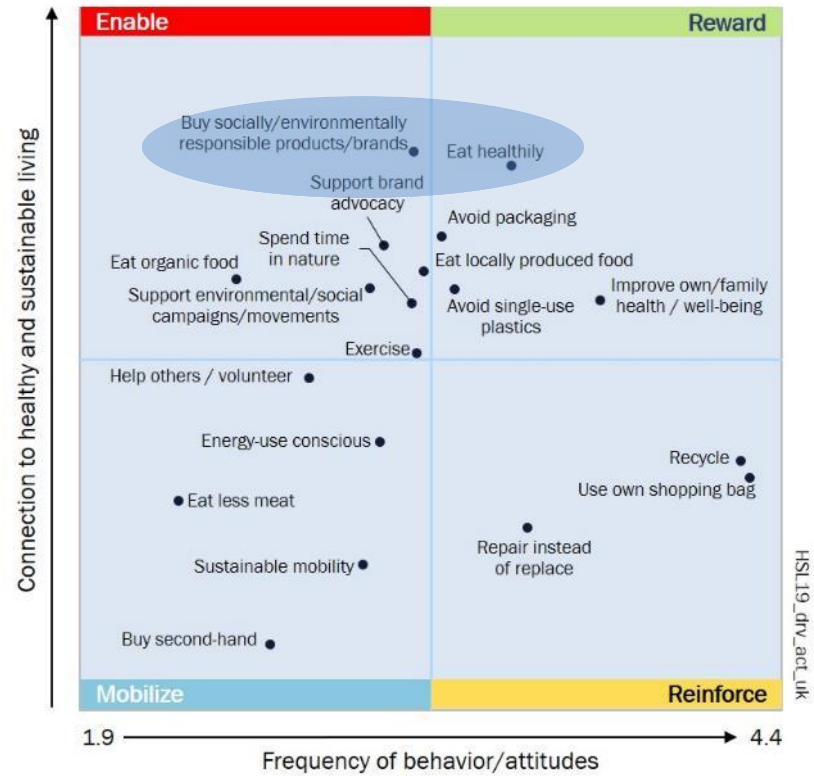
Drivers of a Healthy and Sustainable Lifestyle, Individual Actions/Attitudes, France vs UK, 2019

France



UK



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4. COST & LACK OF LEADERSHIP ARE BIGGEST OBSTACLES

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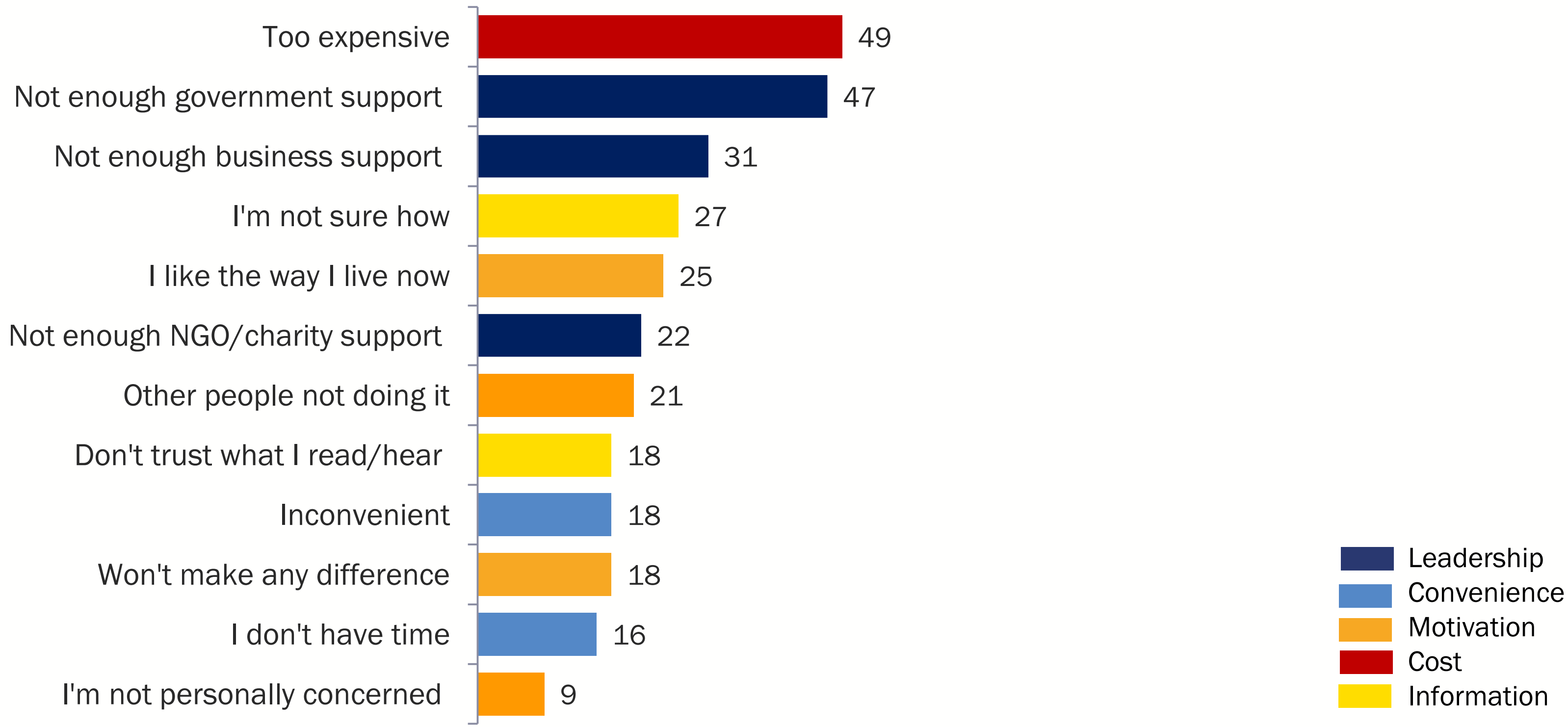
Cost and lack of leadership are the main barriers to becoming healthier and more sustainable globally

Barriers to Improving Lifestyle to Be More Healthy and Sustainable, Total Mentions, Average of 25 Countries, 2019



Q13. What is preventing you from living in a way that is good for you, good for other people, and good for the environment? Please select 3 things from the following list in order of importance, with 1 being the most important, 2 the second most important, and 3 the third most important.

North American consumers are less likely than others to cite a lack of government leadership as key barrier to leading healthy and sustainable lives

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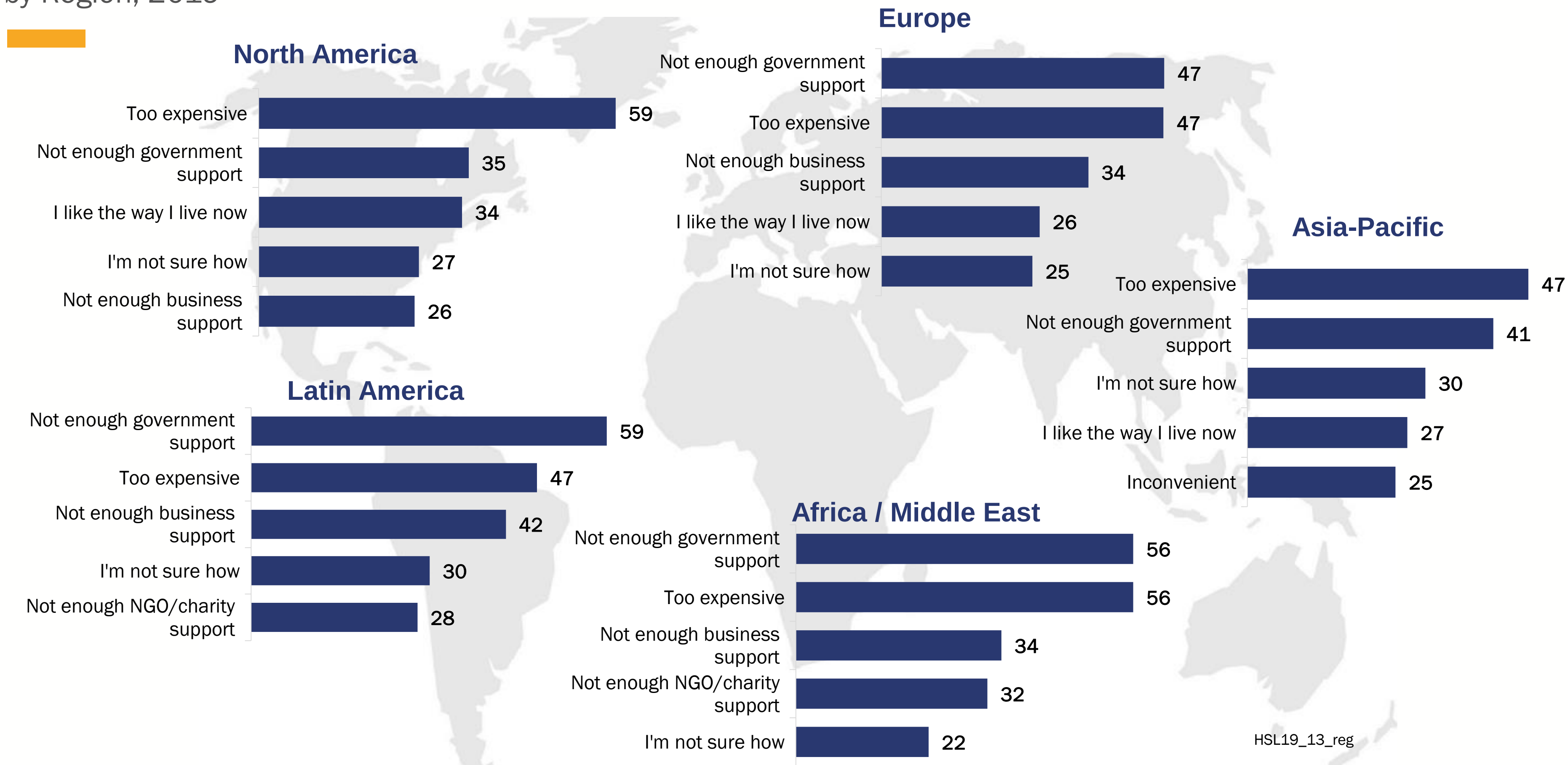
Top Barriers to Improving Lifestyle to Be More Healthy and Sustainable, Total Mentions, by Region, 2019



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5. YOUNG GENERATIONS ARE IN

Young people are more anxious and guilty about environmental impact; their brand loyalty is motivated by being part of larger movement and positive impact

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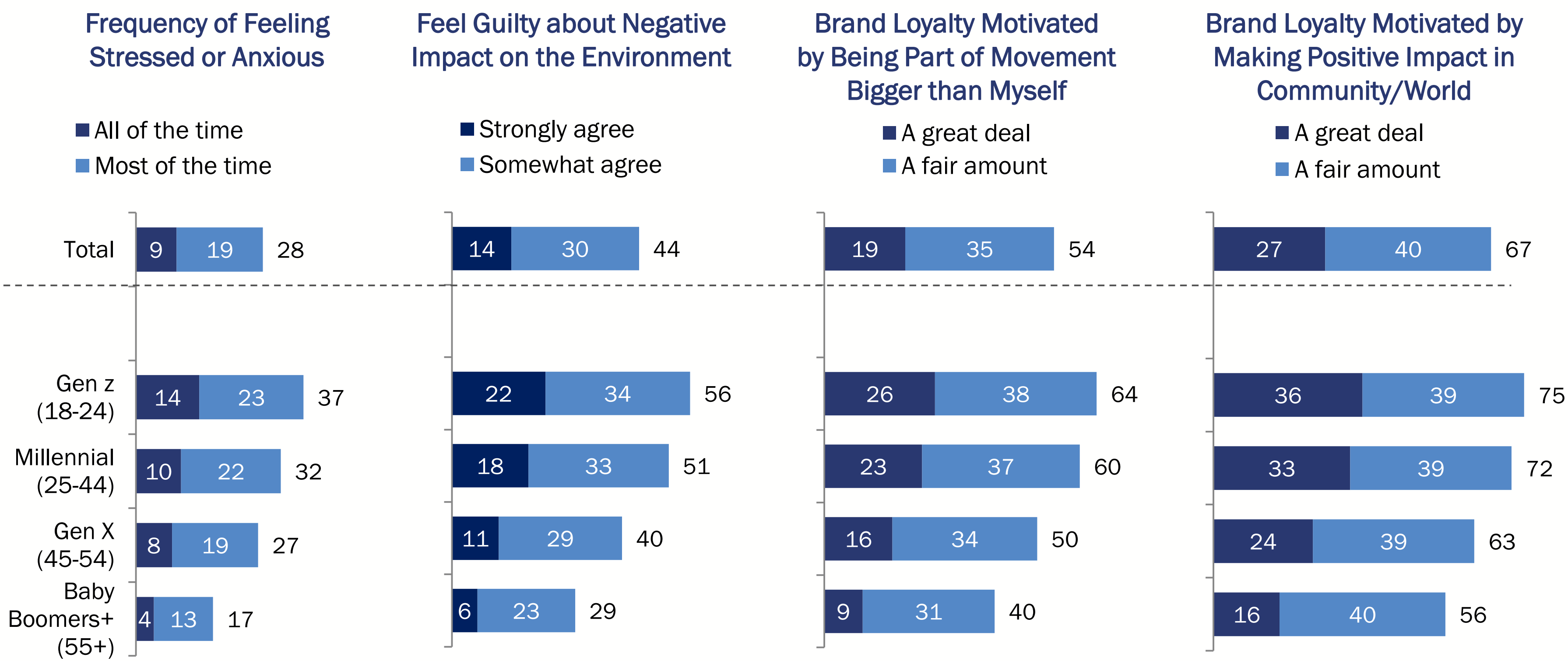
By Age, Average of 25 Countries, 2019



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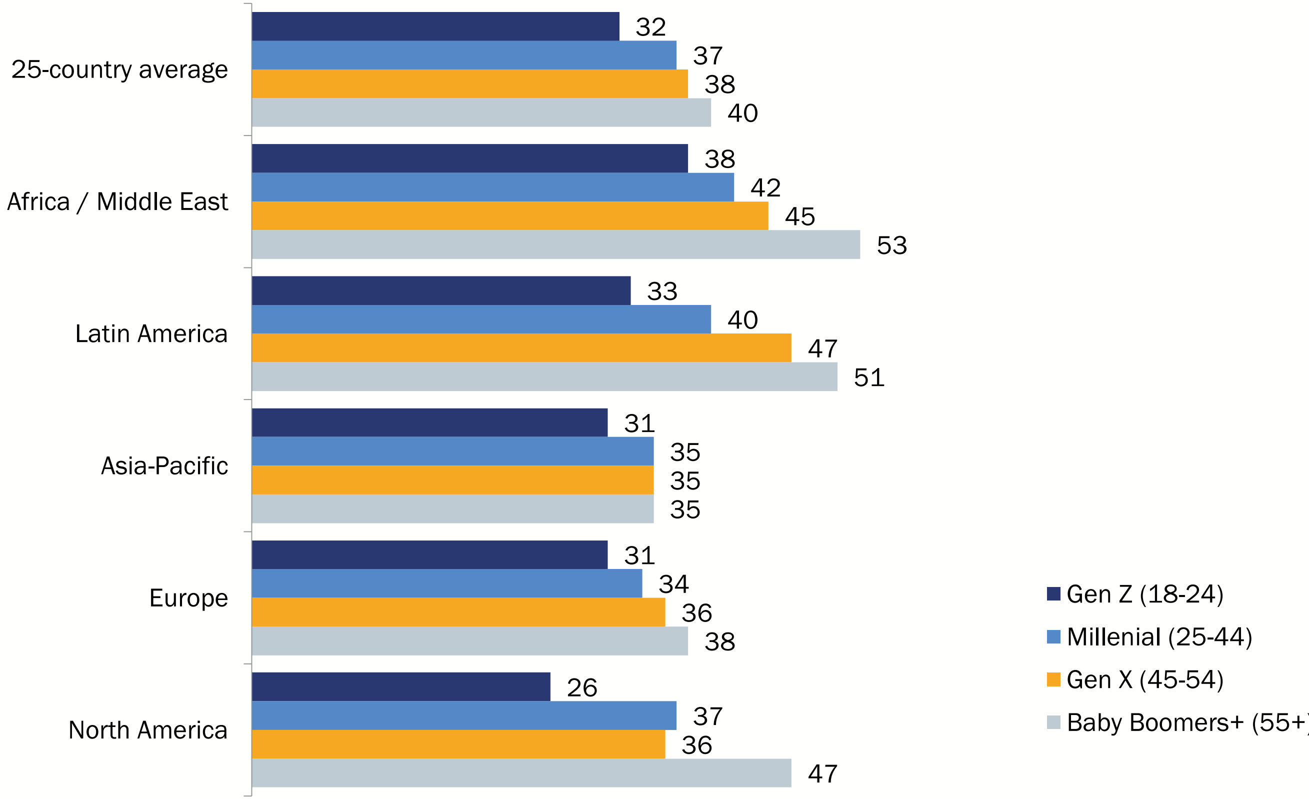
Younger people less likely to feel they are currently living a healthy & sustainable lifestyle

Currently Living in a Way that Is Healthy and Sustainable, “Completely” and “Mostly,” by Generation and Region, 2019



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Q12a. Thinking of your life overall (especially what you eat, what you buy, how you go from place to place, and how you consume energy), to what extent do you think you are living in a way that is good for you, good for others, and good for the environment, all at the same time?

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6. LEADERSHIP IN SUSTAINABLE LIVING WIDE OPEN

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Early days in corporate leadership in sustainable living

Top Spontaneously Mentioned Company/Brand Enabling Healthy and Sustainable Living, By Country, Total Combined Mentions, 2019

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Country	Top mention
Argentina	Natura (7%)
Australia	Woolworths (3%)
Brazil	Natura (12%)
Canada	Tesla (1%)
China	Alibaba (7%)
France	Biocoop (5%)
Germany	Alnatura (5%)
Hong Kong	The Body Shop (1%)
India	Patanjali Ayurved (8%)
Italy	Coop (4%)
Indonesia	Unilever (12%)
Japan	Suntory (11%)
Kenya	Safaricom (19%)

Country	Top mention
Mexico	Bimbo (7%)
Nigeria	Nestlé (6%)
Philippines	Nestlé (9%)
Russia	Samsung (2%)
Saudi Arabia	Saudi Aramco (4%)
South Africa	Woolworths (9%)
South Korea	Yuhan Kimberly (8%)
Spain	Mercadona (6%)
Sweden	ICA Group (4%)
Turkey	Torku (5%)
United Kingdom	Tesco (2%)
United States	Walmart (2%)

56% can't name a company that helps

HSL19_15_tbl

Q15. Please name a specific company or brand that helps you live in a way that is good for you, good for other people, and good for the environment; Q15bt. Some companies and brands are thinking about their overall purpose. That is, how they can make a positive difference in society through their products, services, and operations in a way that enables them to be financially successful. Can you think of a company or brand that comes to mind as having a strong purpose in this way?

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7. NEED GREATER COLLABORATION INSIDE COMPANIES

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Limited engagement between marketing and sustainability functions

* Source: BSR-GlobeScan State of Sustainable Business Survey


SELL THE BEACH

Sustainable Market Share Index

Randi Kronthal-Sacco
Senior Scholar
NYU Stern Center for Sustainable Business

NYU | STERN
Center for Sustainable Business

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U.S. Sustainable Share index

Research Questions

1. Have purchases of sustainable products increased over time?

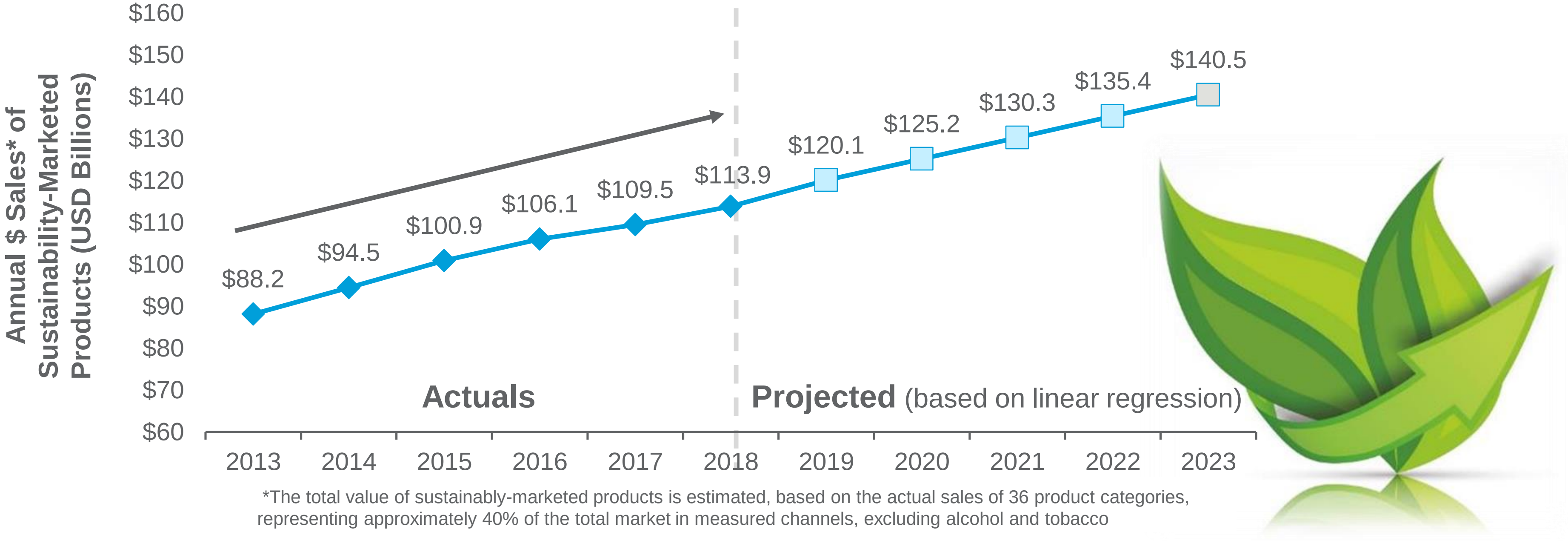
2. Are there specific product categories where the purchases of more sustainable product options out or underperform less sustainable alternatives?

Methodology

- Partnered with IRI to access Point of Sale data (POS)
- Data on all scanned packaged goods purchases in all U.S. outlets in measured channels
- POS data examined to date:
  - 36 categories; 40% of total U.S. dollars volume
  - 5-years: 2013-2018
- Identified all SKUs for each category marketed as sustainable with on-package communication (e.g., 3rd party certification, USDA Organic, no phosphates, plant-based, no-phthalates, FSC)
- Analyzed $ Sales Data

Key Findings

Across All Categories, Sustainability-Marketed Products Delivered $113.9B in Sales in 2018, up 29% Compared to 2013 and Are Expected to Grow to $140.5B by 2023--a 23% Increase from 2018!



*The total value of sustainably-marketed products is estimated, based on the actual sales of 36 product categories, representing approximately 40% of the total market in measured channels, excluding alcohol and tobacco

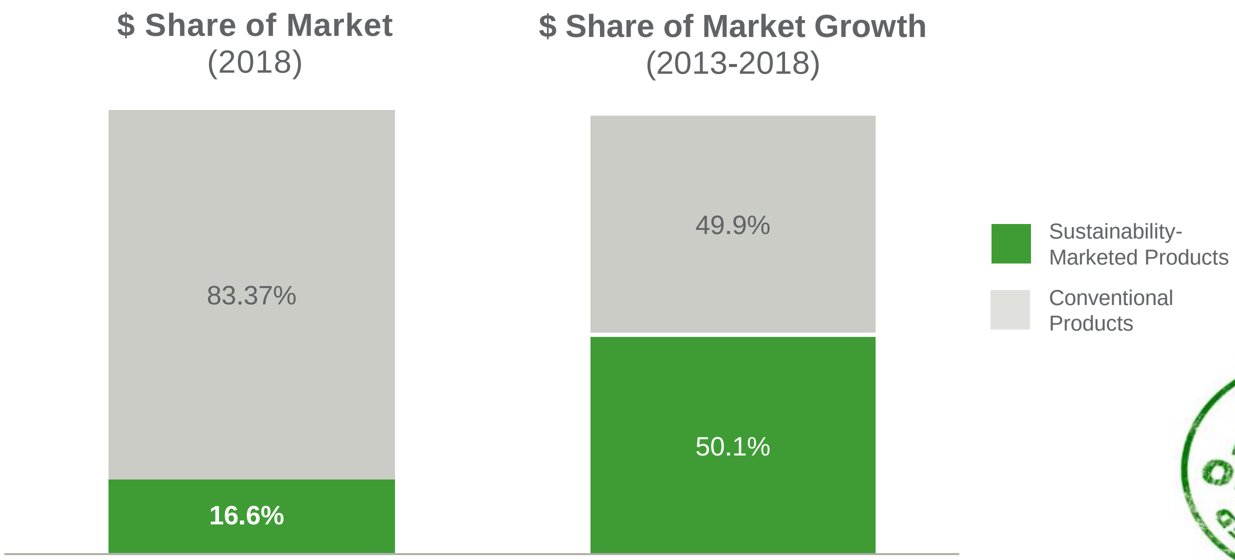
Key Findings

Across all Categories Studied, Sustainability-Marketed Products Account for 16.6% Share of Market ($) in 2018, Up From 14.3% in 2013…Translating to a 16% Share Growth in Five years

Based on 36 product categories examined

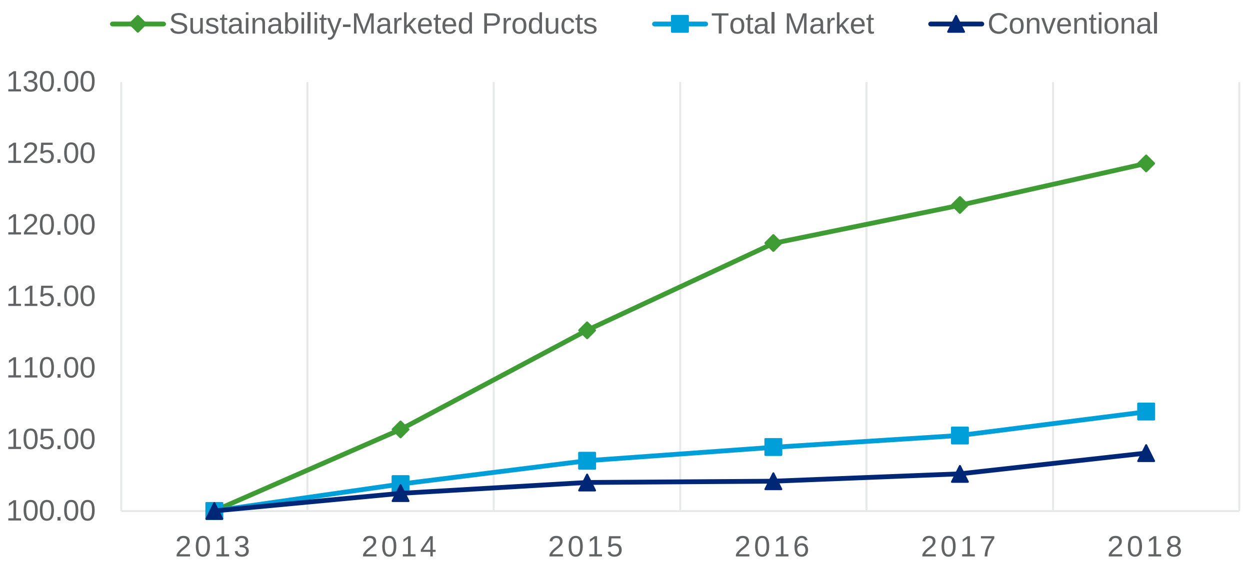
Key Findings

Despite the Fact That Sustainability-Marketed Products are Over 16% of the Market, They Delivered More Than Half of the Market Growth



Key Findings

Sustainability-Marketed Products Grew 5.6x Faster Than Conventionally-Marketed Products, and 3.3x Faster Than the CPG Market



Sustainable
5-YR CAGR:
4.45%

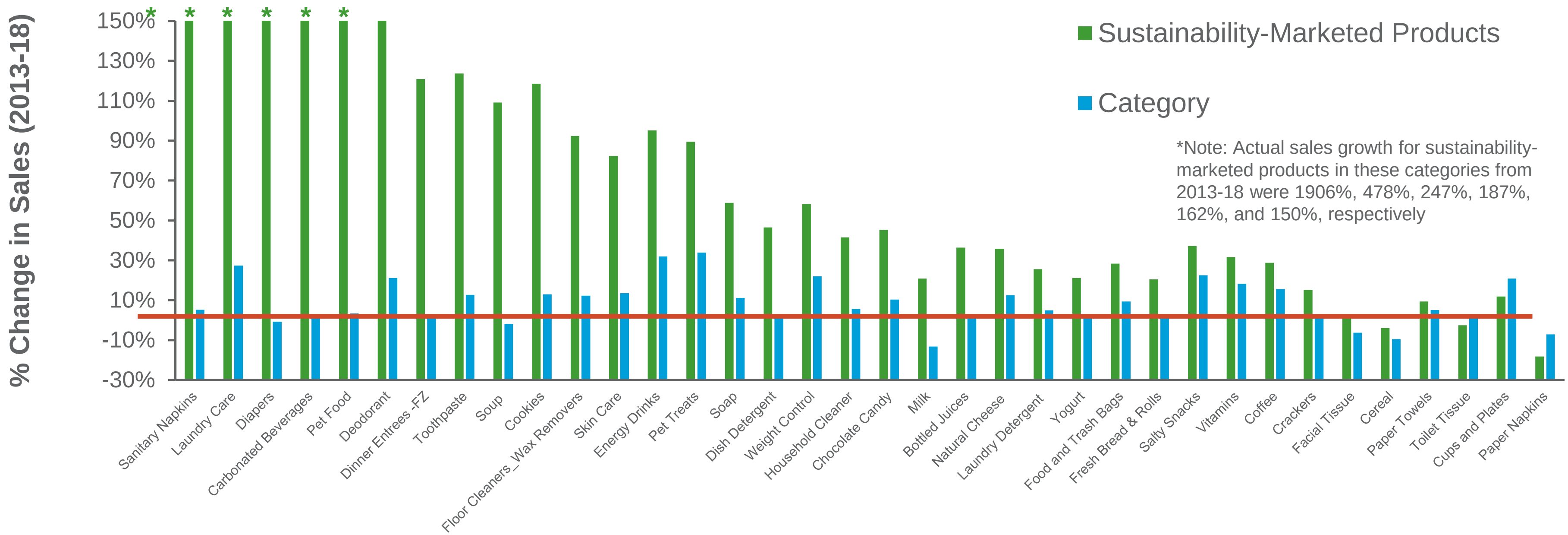
Total Market
5-YR CAGR:
1.35%

Conventional
5-YR CAGR:
0.80%

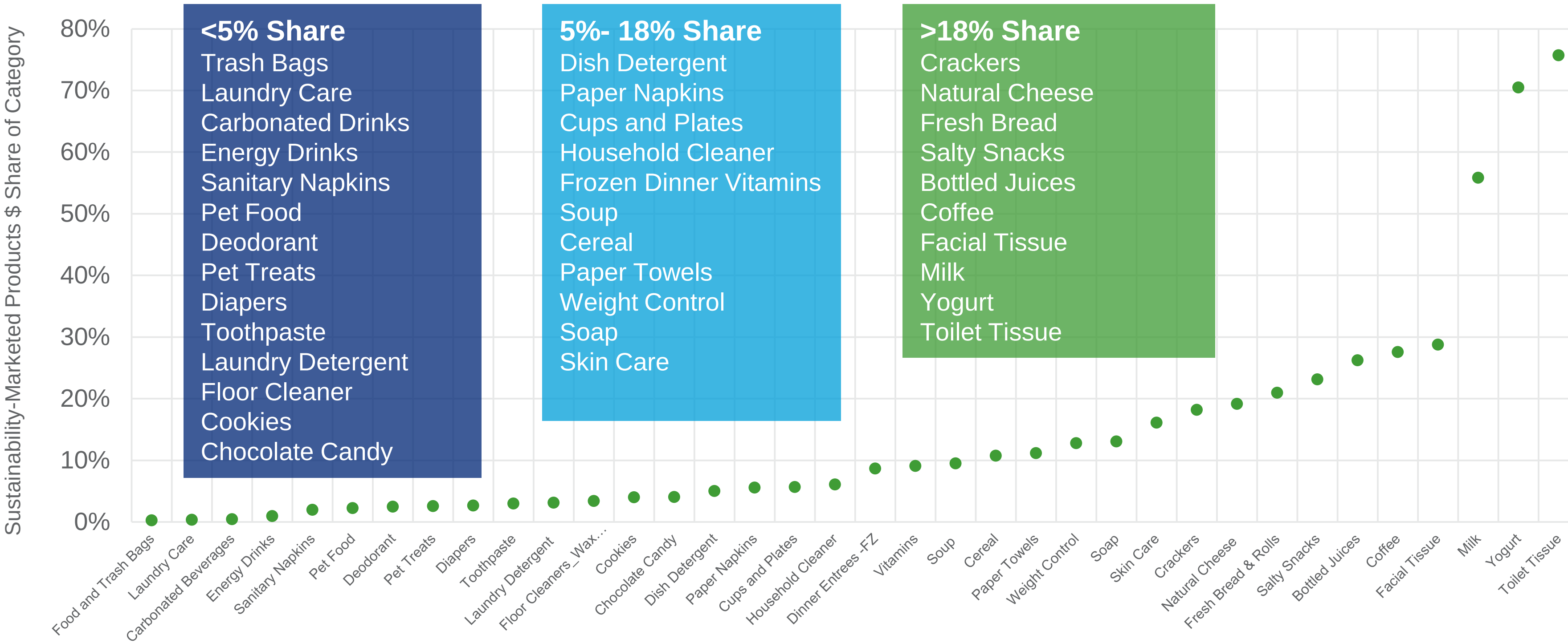
Based on 36 product categories examined

Key Findings

Over 90% of Individual Product Categories, the Growth of Sustainability-Marketed Products Dramatically Outpaced the Growth of Their Respective Categories



Sustainability-Marketed Products Share as a % of the Category



Summary

Products Marketed as Sustainable are Driving Product and Category Growth

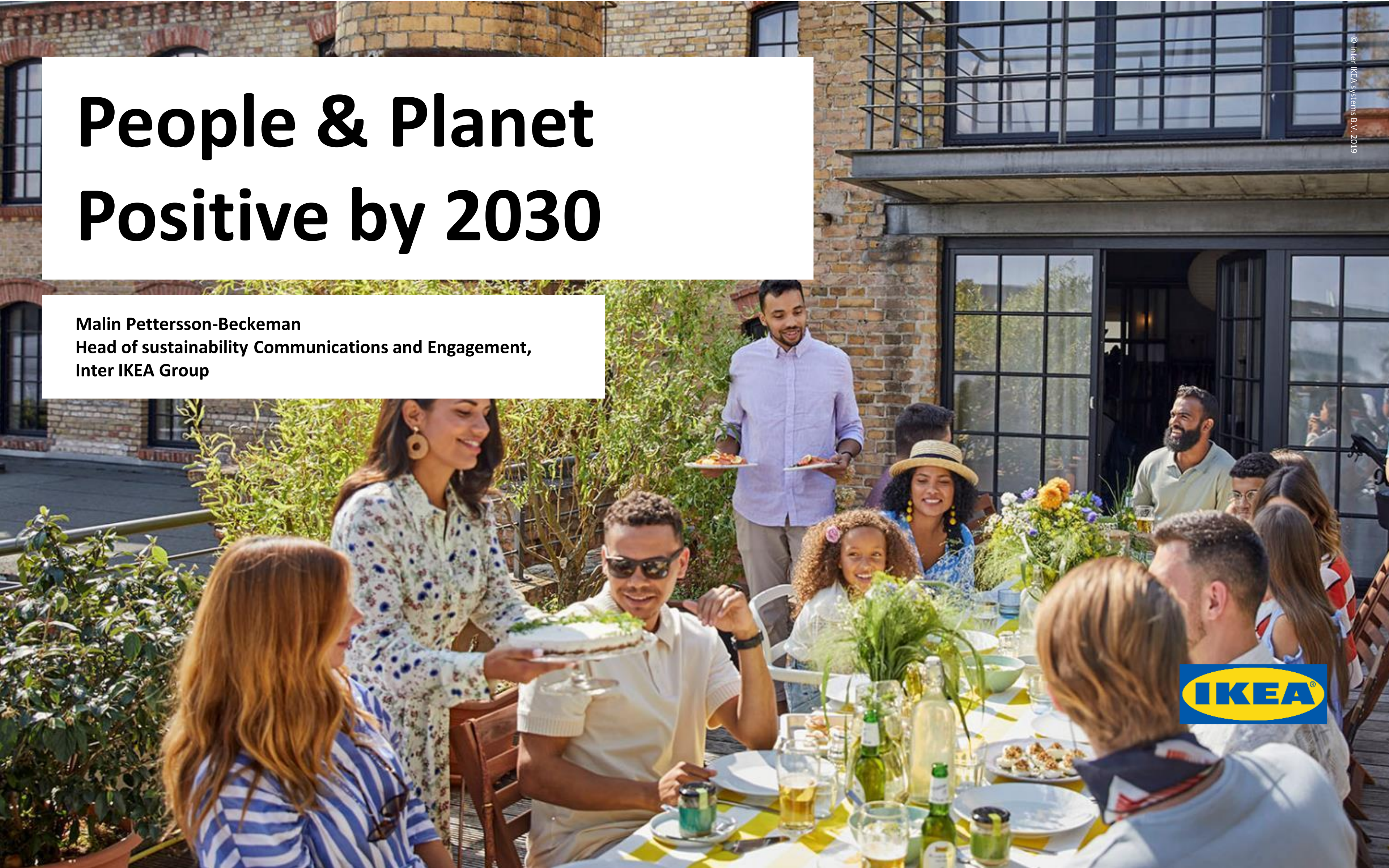
- Across all categories, delivered **$113.9B** in sales in 2018, **+29% vs. 2013**
- Across all categories, account for **16.6%** ($ share of market), **up from 14.3%** in 2013
- Overall, delivered **50.1%** packaged goods market growth (2013-2018), despite representing only 16.6% of the category
- Grew **5.6x faster** than products not marketed as sustainable (5-yr CAGR)
  - **Over 90% categories** examined (33 of 36 categories)* saw sustainable products outperforming both category and their convention counterparts
- The market share of sustainability-marketed products aligns along a continuum based on perceived category functionality or efficacy. However, even in categories with low shares, shares have been increasing.

IKEA's Experience

Malin Pettersson-Beckeman
Head of Sustainability Communications & Engagement
Inter-IKEA

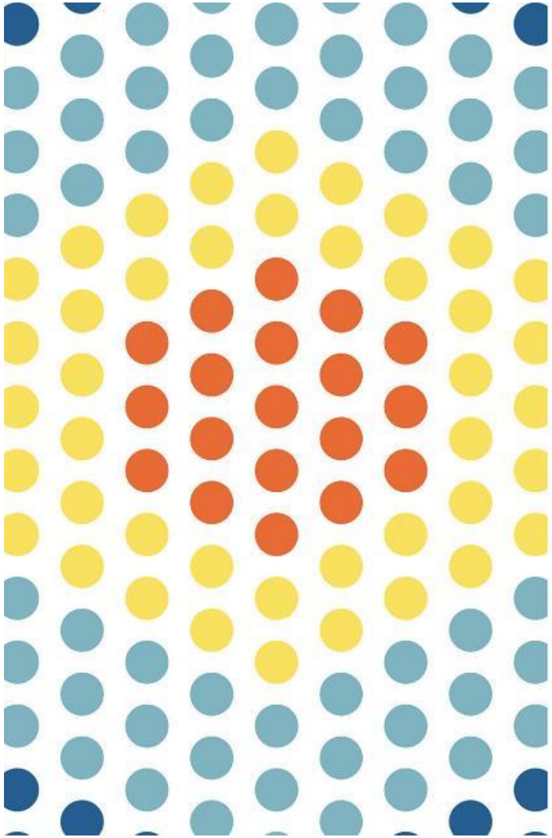
People & Planet Positive by 2030

Malin Pettersson-Beckeman
Head of sustainability Communications and Engagement,
Inter IKEA Group




Inspire and enable more than 1 billion people to live a better life within the limits of the planet by 2030


Circular IKEA:
Only renewable and recycled materials by 2030



CIRCULAR PRODUCT DESIGN GUIDE

Guide to Navigating Through the Process of Designing Circular Products

Example: Circular business 2030

Testing refurbishing services

BEFORE

Scratched leg and rusty springs

Damaged and stained cover

Dirty cushions

AFTER

Example: transforming plastics to be more sustainable

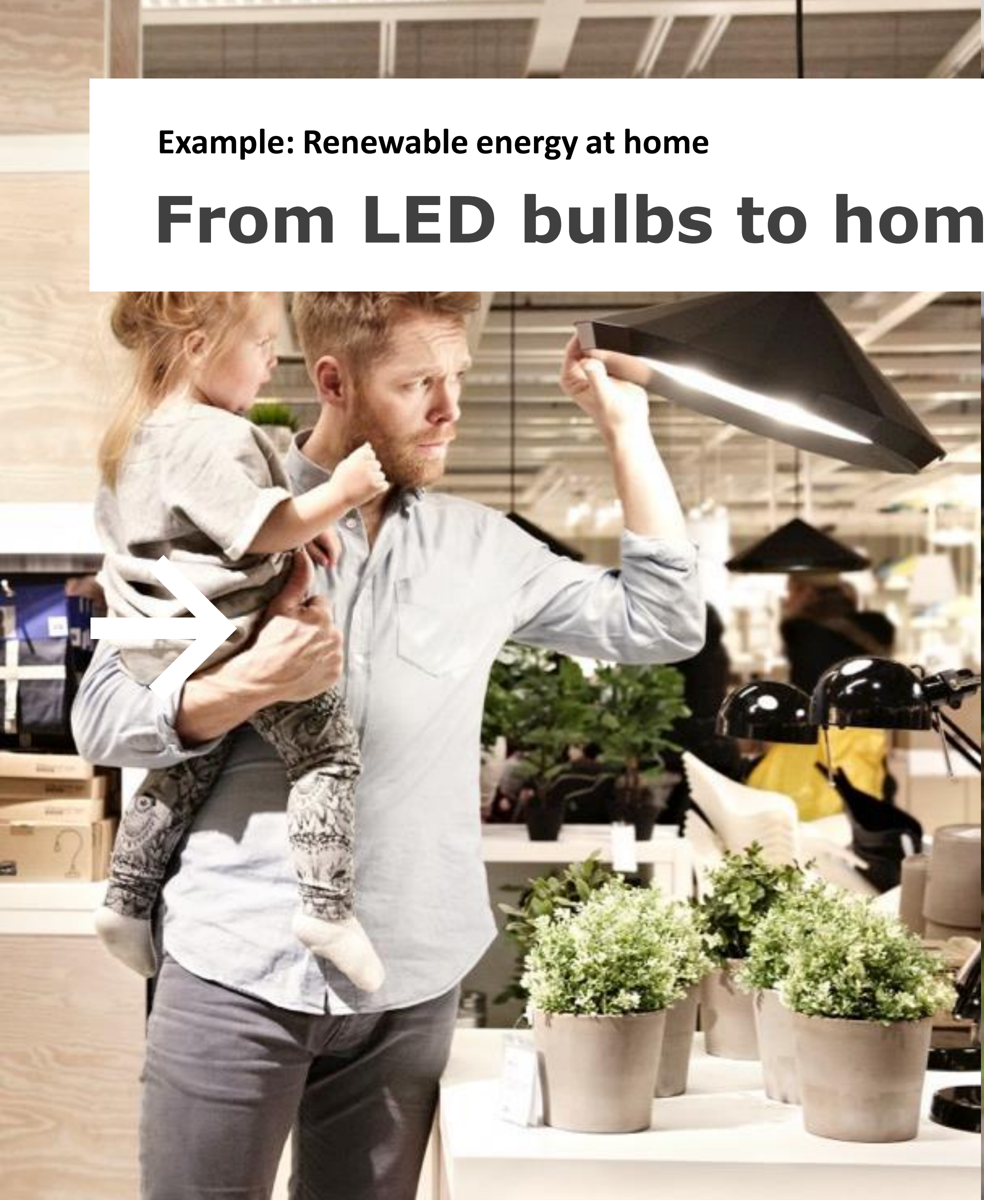
Phasing out single-use plastic

Example: Renewable energy in production

Striving towards 100% renewable energy

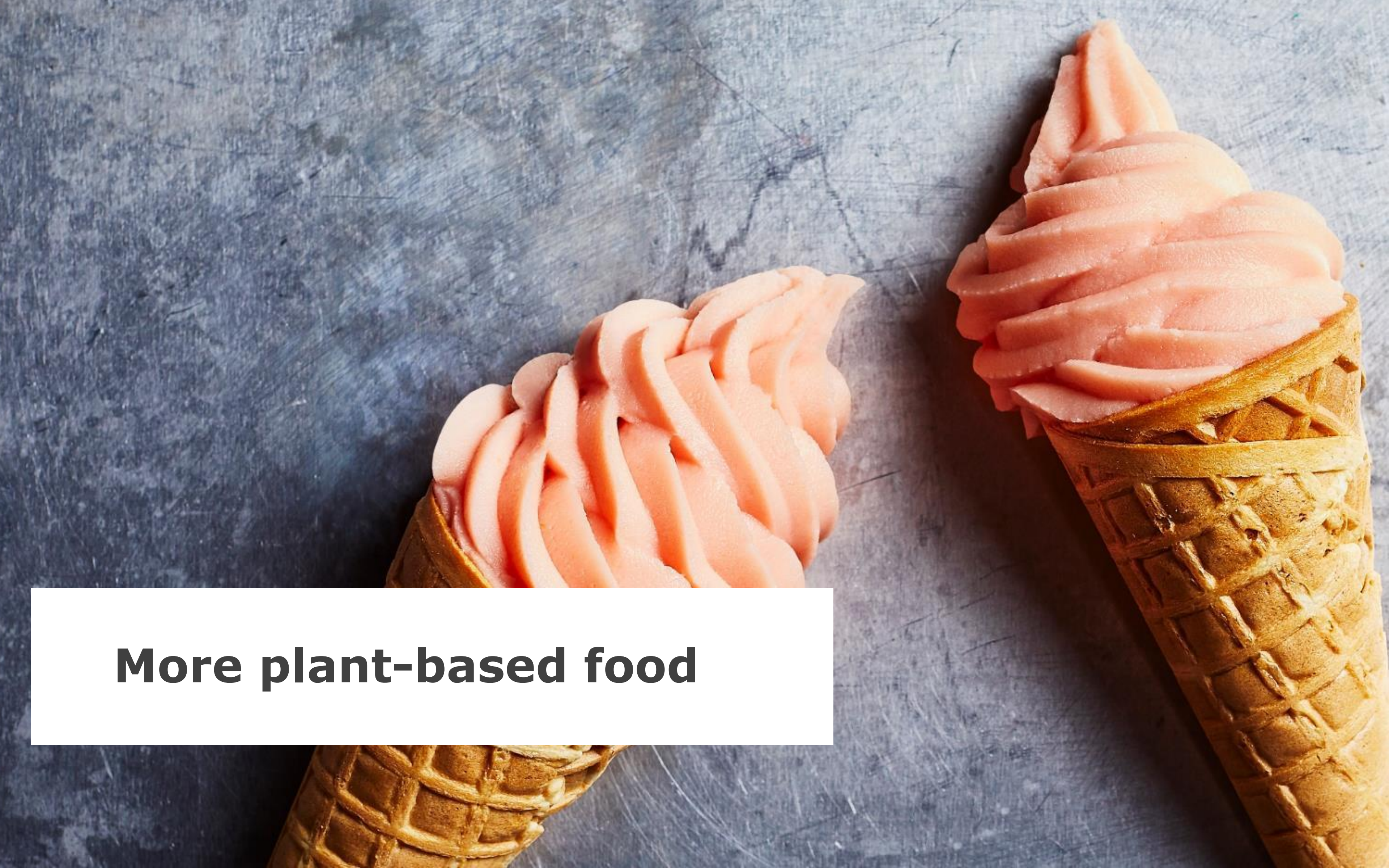
Example: Renewable energy at home

From LED bulbs to home solar




Example: Offering affordable solutions

GUNRID air purifying curtain



More plant-based food

Example: Changing behaviours

Small things can have a big impact!

New IKEA icon

We’re optimistic about the future




Taking action together!




PepsiCo's Experience

Emma de Szoeke
SVP, Insights & Analytics
PepsiCo

PEPSICO



PEPSICO

HELPING TO BUILD A **MORE SUSTAINABLE FOOD SYSTEM**





SIX SUSTAINABILITY PRIORITIES

- NEXT GENERATION AGRICULTURE
- POSITIVE WATER IMPACT
- CIRCULAR FUTURE FOR PACKAGING
- IMPROVED CHOICES ACROSS OUR PORTFOLIO
- CLIMATE CHANGE MITIGATION
- PEOPLE & PROSPERITY

KEY PROGRAMS

PEPSICO

REDUCE

RECYCLE

100% RECYCLABLE

loop INDUSTRIES

100% RECYCLED PLASTIC

Empty & Replace Cap
PLASTIC BOTTLE
how2recycle.info

REVINVENT

DRIVING A CIRCULAR ECONOMY

PEPSICO

MAKE 100% OF OUR PACKAGING RECYCLABLE, COMPOSTABLE OR BIODEGRADABLE BY 2025

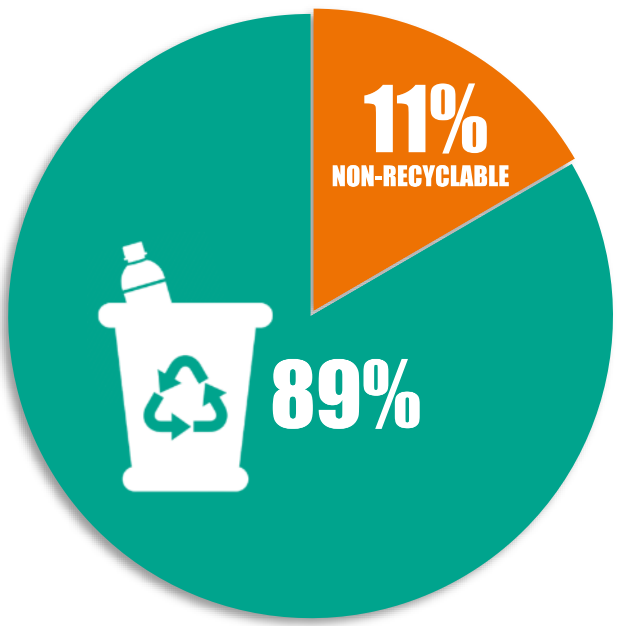


Chart reflects 2018 Data

RECOVER MORE FOOD GRADE rPET with ENHANCED RECYCLING

loop INDUSTRIES

CARBIOS
Reinvent Polymers Lifecycle


AQUAFINA
pure water, perfect taste
Purified Still Water
pure water
please recycle
AQUAFINA
pure water, perfect taste


hi u
bubly
sparkling water
blackberrybubly
blackberry flavor with other natural flavors
aloha
bubly
sparkling water
pineapplebubly
pineapple flavor with other natural flavors
psst
bubly
sparkling water
watermelonbubly
watermelon flavor with other natural flavors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Discussion and Q&A

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THANK YOU

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evidence and ideas. applied