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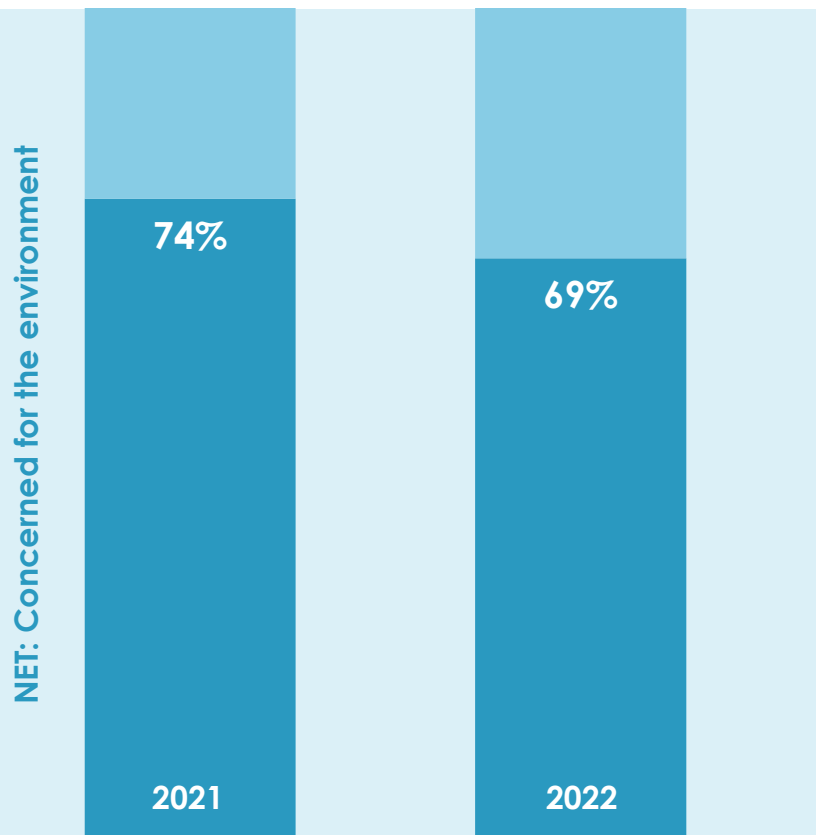
Grocery Sustainability Report – Issue 2

Exploring the balance between cost and environmental sustainability in UK supermarket shopping



What people
think, feel
and do





Environmental Concerns in the context of 2022

Over the last year, concern for the environment has decreased amongst UK adults (74% 2021 vs 69% 2022). Whilst it could be the case be that Brits are beginning to care somewhat less about environmental matters, issues such as the cost-of-living crisis have understandably consumed Brits' bandwidth for external concerns.

The cost-of-living crisis has justifiably had a detrimental effect on millions of households, particularly in the last six months. This has left over half of Brits (55%) unsatisfied with their ability to spend more on non-essential items, and 2 in 5 (39%) unsatisfied with their ability to even just live within their means.

The impact of the Cost of Living Crisis

The impact of the cost-of-living increase has likely meant many people are seeking out different ways to reduce their spending.

One of these money-saving areas is household grocery shopping, which is no surprise considering grocery inflation reached 14.7% in November 2022 with households facing an eye-watering £682 increase in their annual grocery bill if they continued to shop in the same way¹.

For these reasons, **our second report in the Grocery Sustainability series will focus upon sustainability in regard to rising grocery cost.**

In this report we'll explore actions Brits are taking to keep grocery costs down and how dietary preferences and food choices can impact the value of our grocery shop. Finally we'll share public perceptions of a number of supermarket sustainability initiatives and whether opinions of this have changed over time.

By the end of this report, you will know...

1 Grocery value

The ways in which consumers are changing the way they shop to get more value for money

2 Eating sustainably

Whether a switch to plant-based is a cost effective alternative to traditional omnivorous diets

3 Cooking sustainably

How consumers are changing the way they prepare food to cut down on energy bills

4 Future solutions

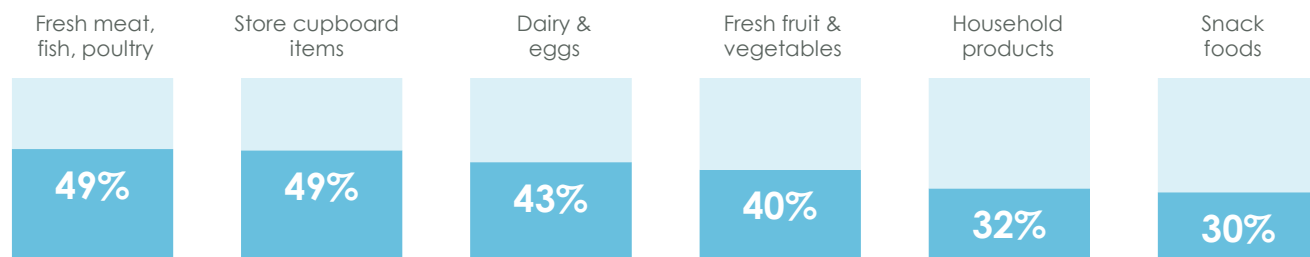
Which supermarket solutions are most likely to be adopted to encourage sustainable behaviours, without the price tag

Grocery value

Seeking out better value

Brits are beginning to feel the pinch when it comes to their grocery shopping – many shoppers are noticing price hikes when buying fresh meat, fish and poultry (49%) as well as general store cupboard items such as pasta, rice and tinned goods (49%) in particular.

Cost increases of other everyday essential staple food items such as dairy & eggs (43%) and fresh fruit and vegetables (40%) haven't gone unnoticed either.



Q - Which of the following have you / your household noticed the biggest price increases in the last 3 months?

With that in mind, it's no surprise that 8 in 10 (82%) UK adults are either actively or are considering looking for ways to get more value or reduce the cost of their supermarket shop.

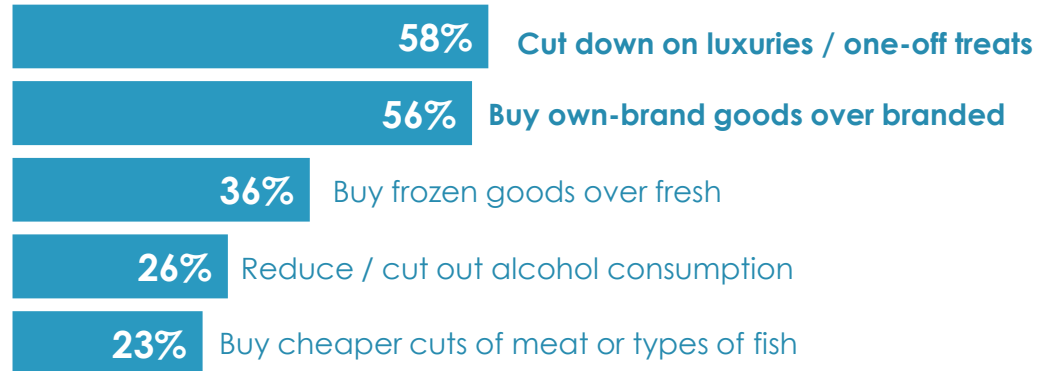
This desire to make groceries more cost-efficient is highest amongst those with young families, with 90% of parents with dependent children (under 18) suggesting they are looking for new ways to cut costs.



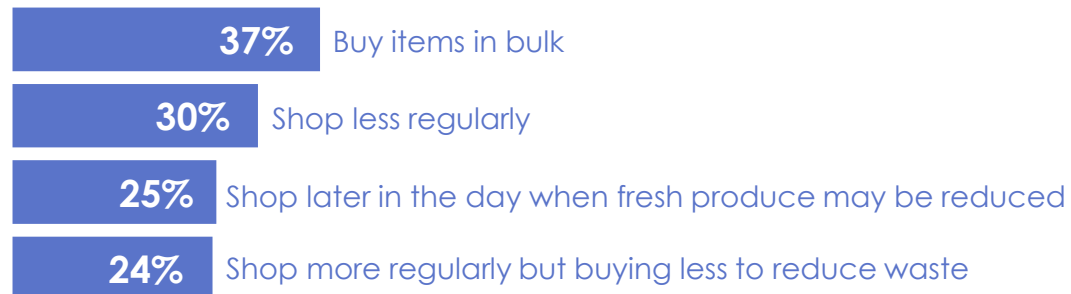
So how are consumers going about saving money on their supermarket shop?

The actions that Brits are most likely to take to reduce their grocery shop include **cutting down on food luxuries or one-off treats for themselves (58%)**, planning meals in advance so less goes to waste (56%), and buying budget or own-brand items over branded goods in supermarkets (56%).

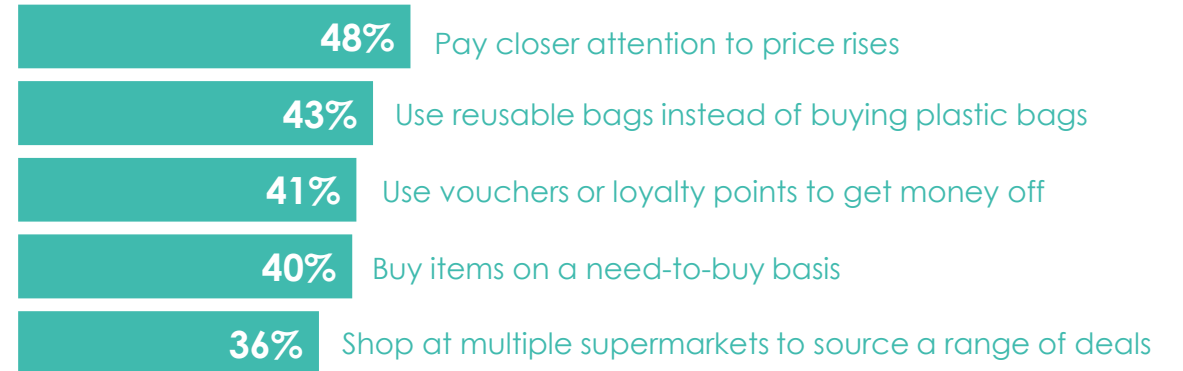
Food Quality



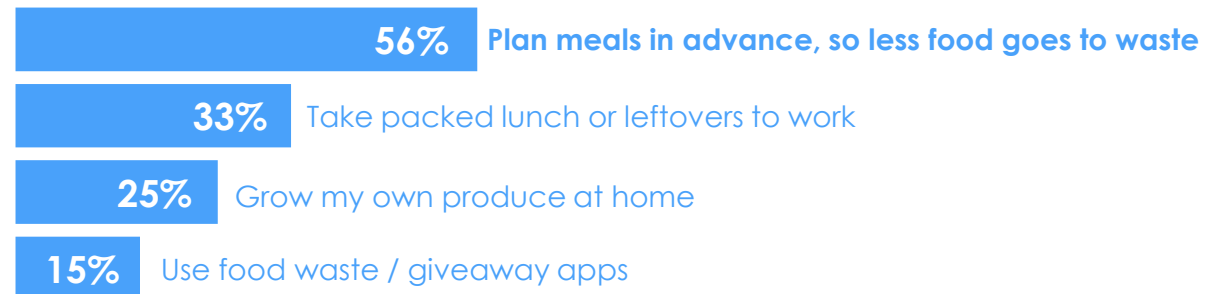
Shopping Style



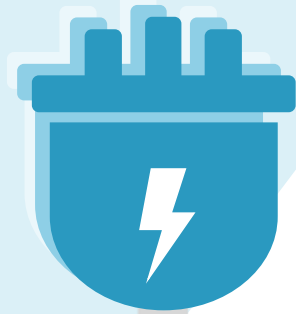
Cost



Food Waste



Q - Which of the following are you most likely to do in order to get more value from your grocery shop, or to reduce the cost of your grocery shop?



35%

of Brits aged 65+ making changes to their usage of cooking appliances in order to save on their energy bill

Combatting rising food costs with energy saving appliances

However, reducing food related costs aren't only limited to grocery shopping. **A quarter of UK adults (23%) have already changed the way they use appliances in cooking**, rising to 35% amongst Brits aged 65+.

31% of UK adults haven't yet but would consider changing the way they cook to save on their energy bills, whilst 18% might, but are unsure of the benefits of doing so. Younger people aged 18-24 would like to make changes in the future (40%) or are currently unaware on how changing cooking habits might help with the cost of living (37%).

Of those who have already made changes, 17% are using a slow cooker, 23% are using the microwave more frequently, 32% are using the oven less whilst 2 in 5 UK adults (40%) are using an air fryer.

Considering sales of some air fryers have increased by 3,000% since November 2021, according to PriceRunner², this proportion of the population now using an air fryer is no surprise.

Eating sustainably

Eating sustainably, but at what cost?

Plant-based lifestyles are found to be an effective way of reducing environmental impact, with vegan & vegetarian products generally being associated with less greenhouse emissions, requiring much less agricultural land and needing less water than animal products³.

And with half of Brits (49%) noticing significant price increases in fresh meat, fish and poultry when grocery shopping, could a transition to a more plant-based diet also double as a money-saving hack?

Well, three in ten (31%) who aren't already following a meat-limiting diet have made the switch to reduce their consumption of animal products in order to cut their grocery costs.

A further third (34%) say it's something they'd consider doing in future in an attempt to save money on their grocery shopping.

However for many people, a more plant-based diet hasn't worked out to be a cost-cutting tactic, with **half of those who have reduced their meat intake (49%) finding that their meat-limiting diet is working out more expensive than if they were to eat animal products.**

Only 18% find it to be less expensive and a fifth say it's made no difference to their grocery costs.



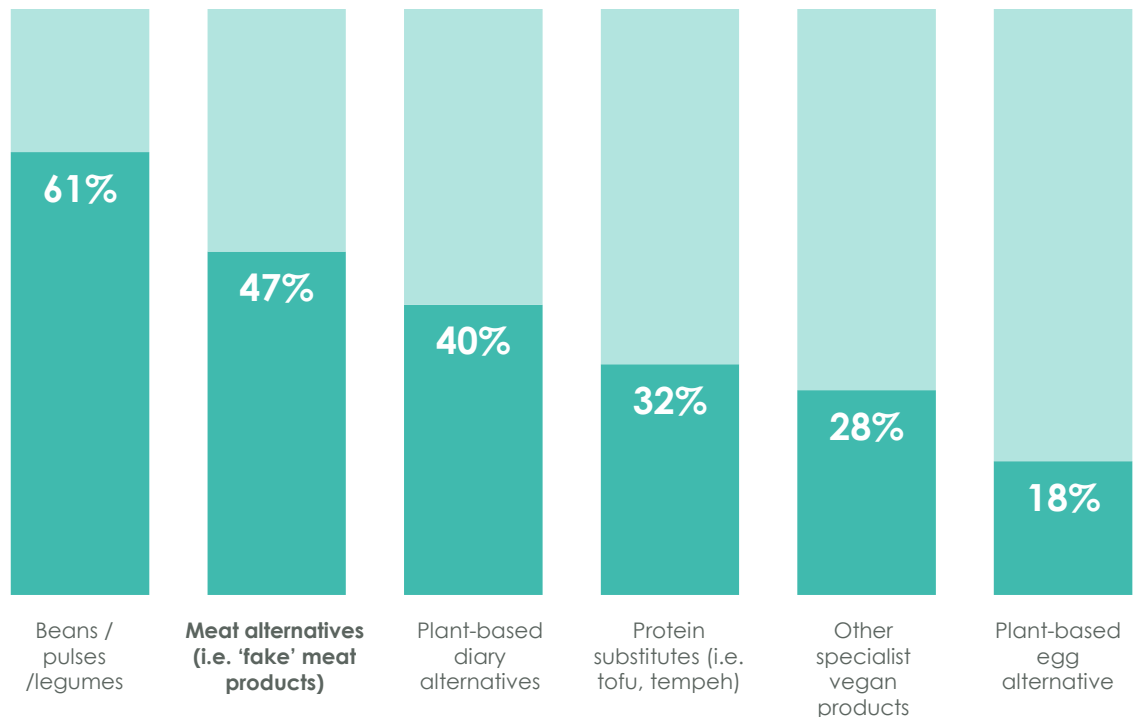
Q - And do you / your household find that the vegan/vegetarian/plant-based diet that you are currently keeping to is more or less expensive than if you were to eat meat/fish/dairy/eggs?

Why might that be?

Whilst plant-based diets which consist of mostly whole foods (i.e. minimally processed foods such as fruit, vegetables, beans, pulses and legumes) can be very economical, **just under half (47%) say they're purchasing the more processed plant-based meat replacements on a regular basis since scaling back on their animal product consumption.**

These 'fake' meat alternatives are particularly popular amongst younger audiences (65%, 18-34s).

NET: Purchasing often



UK Consumer Group Which? have found such **plant-based meat replacements to have a premium price tag compared to conventional animal-based products³**, which may be why diet-switching consumers aren't seeing the cost benefit.

Special offer on plant-based!



Buy one get one (meat) free

For those who haven't cut back on their meat intake, **cost incentives in the form of deals and price reductions offered by supermarkets on plant-based products is the top motivator to encourage this change (30% more likely to consider if offered).**

So, there is opportunity for supermarkets grow their market share in this area by protecting shopper's wallets in their transition to a more plant-based diet, especially in today's economic climate.

Future solutions

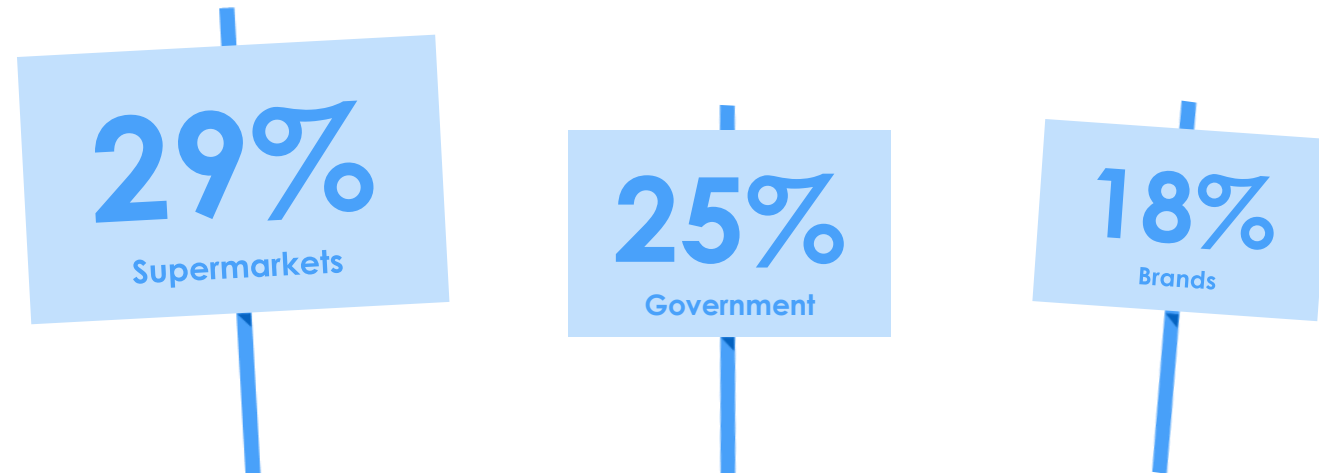
But, concern for the environment is still a big deal for many

Whilst the increased cost of living is clearly a focus across the nation in 2023, concern for the environment hasn't totally disappeared however, with seven in ten (69%) UK adults worried about the current state of the environment.

Who do the public think the responsibility falls on to facilitate positive change when it comes to shopping?

3 in 10 (29%) continue to consider supermarkets responsible for encouraging change to sustainable shopping behaviours – more so than Government (25%) and Brands (18%).

Q - Thinking about groceries and sustainable practices
– who do you think is responsible for encouraging change to sustainable shopping behaviours?



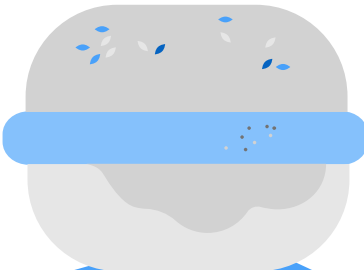
So, how can supermarkets support sustainable practices?

Sustainable food choices

Despite the cost implications, a switch to a more plant-based lifestyle would be an effective way for individuals to reduce their negative environmental impact.

However, for many meat eaters, enjoyment of animal products is a big barrier to considering a plant-based diet (57%) as is lack of enjoyment of vegan/vegetarian products (22%), coupled with concern around protein content and the nutritional value of plant-based food (18%, 17%).

The older generation are particularly resistant to considering a meat-limiting diet, so there is work to be done in encouraging meat-eating Brits to swap out their beef burgers for a meat free alternative.



Barriers to plant-based diets, by age

18-34 35-54 55+

60%
58%
47%

26%
23%
14%

22%
21%
13%

20%
16%
14%

I / we enjoy meat/fish/dairy too much

I / we don't like vegan/vegetarian products

I / we worry that I would not have enough protein

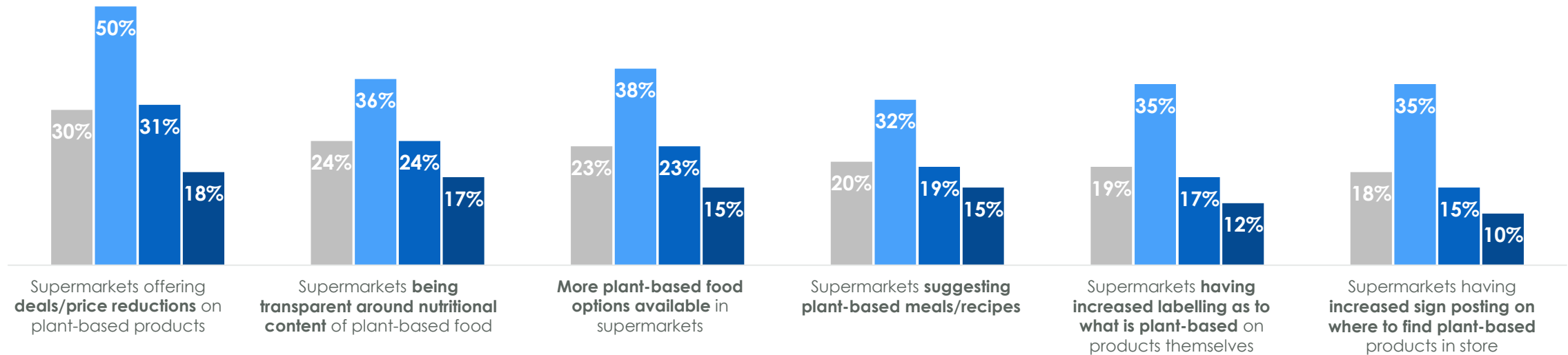
I / we worry that a vegan/vegetarian diet would not be nutritious enough

Where do supermarkets play a part?

Well, **a little help from supermarkets themselves could help in this meat-less transition, especially amongst younger meat eaters** (aged 18-34) who are particularly likely to consider embracing a more plant-based lifestyle with the support of grocery retailers:

Q - And how much would each of the following make you / your household consider purchasing less meat/fish/dairy and more plant-based food when grocery shopping in future? **NET: More likely, by age**

Total 18-34 35-54 55+



Other than the obvious attraction of cost incentives, **supermarkets could also offer increased product range, transparency of nutritional content and plant-based recipe suggestions in order to encourage consideration of more sustainable eating habits amongst meat-eating consumers.**

Future in-store solutions

Support in making more sustainable food choices isn't the only thing that would help encourage consumers to practice sustainable habits.

Sustainability with regards to food and packaging waste is still a concern for Brits and is one of the top actions taken by the public who are looking to have a more positive environmental impact.

Q – Please tell us briefly what actions you are taking, to have a positive impact on the environment.

“Using eco products where possible. Recycling, re usable refill bottles instead of one use plastic”

“Recycle what we can to limit waste going to landfill. We do our best not to waste food. Limit our plastic waste by reusing before recycling”

“Cutting down on plastics and reducing the amount of food I throw away”

Q – Which of the following issues are you most concerned about? **Top 5**

Reducing pollution in rivers/oceans **37%**

Reducing the amount of single use plastics **34%**

Animal Welfare **31%**

Reducing food waste **30%**

Promoting recycling & re-using of products **28%**

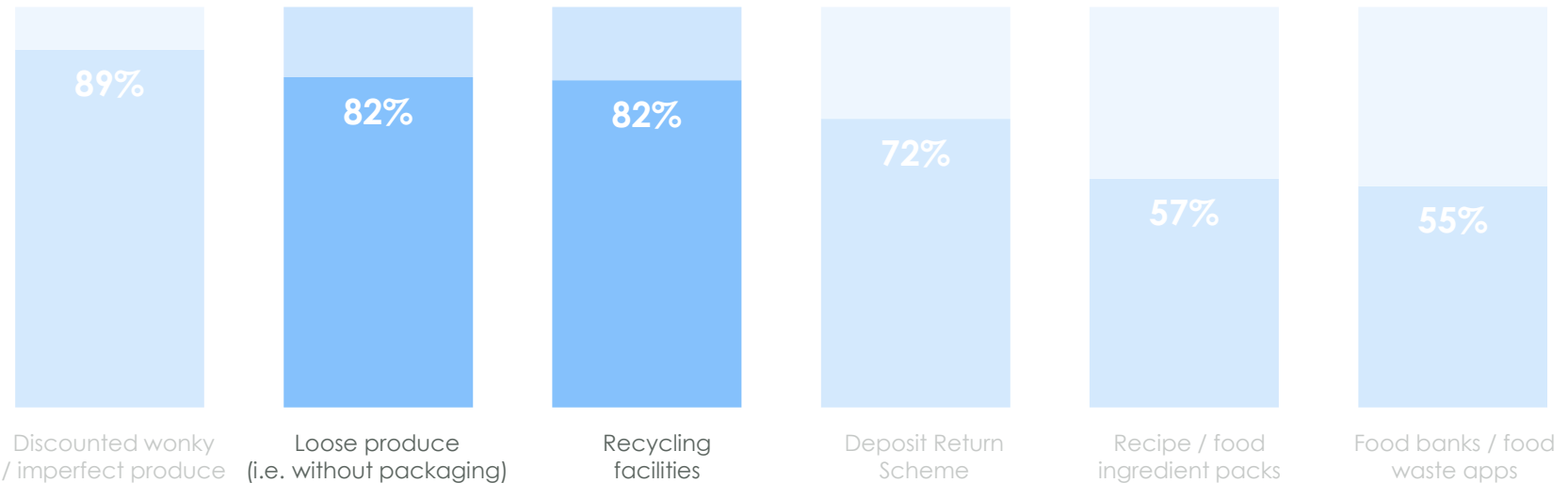
Future in-store solutions

As the organisation considered most responsible in encouraging sustainable shopping behaviour, increased availability of sustainable practices and infrastructure are another opportunity for supermarkets to take action to address these environmental concerns of the UK public.

Appetite for more established sustainable supermarket practices such as recycling facilities being available and the option to buy loose produce without packaging is high (82% likely to consider using), particularly amongst female shoppers (86%, 89%).

Q – How likely are you to consider utilising / purchasing each of the following sustainable practices if they were to be available at the supermarket(s) that you shop at? **NET: Likely**

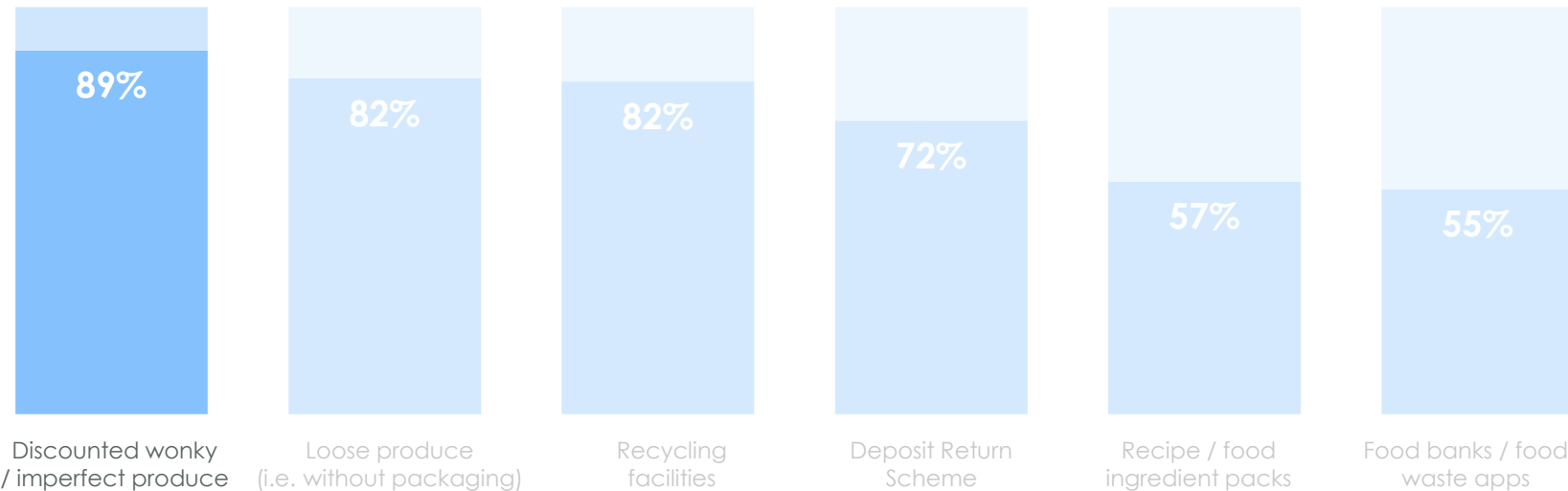
Recycling facilities



Future in-store solutions

But with cost taking a priority in recent times, the idea of initiatives that are coupled with a cost saving are also very popular amongst the public. **9 in 10 (89%) UK adults are likely to purchase wonky/imperfect produce if they were discounted by the supermarket** - thereby reducing wastage of produce that would otherwise be disregarded for not meeting aesthetic requirements of full price produce.

Q – How likely are you to consider utilising / purchasing each of the following sustainable practices if they were to be available at the supermarket(s) that you shop at? **NET: Likely**



Discounted
'wonky' produce

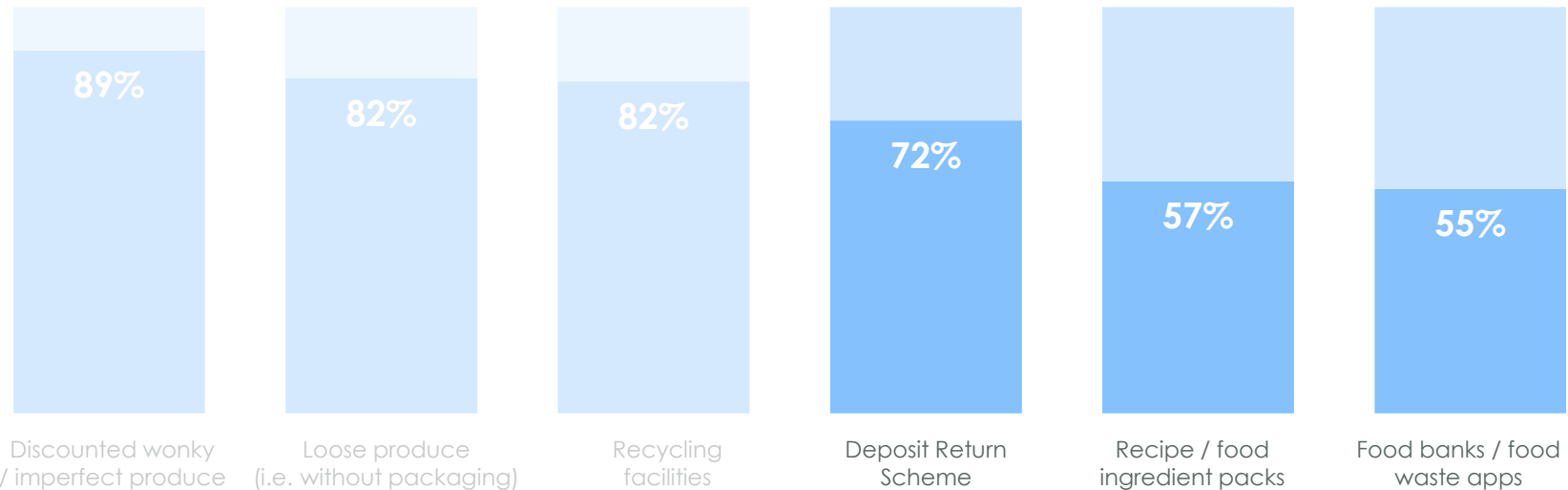


Future in-store solutions

A Deposit Return Scheme which encourages shoppers to return empty single use containers such as plastic bottles or drinks cans to their supermarket in return for store credit is also likely to be embraced by the majority of Brits (72%).

In comparison, consumers are a slightly less open to sustainable initiatives aimed at reducing food waste such as food waste apps / food bank donation (55%) and recipe bundles that ensure all perishable ingredients are used up (57%), but positively, these are still considered by the majority.

Q – How likely are you to consider utilising / purchasing each of the following sustainable practices if they were to be available at the supermarket(s) that you shop at? **NET: Likely**



Food banks / food waste apps



Refillable Stations

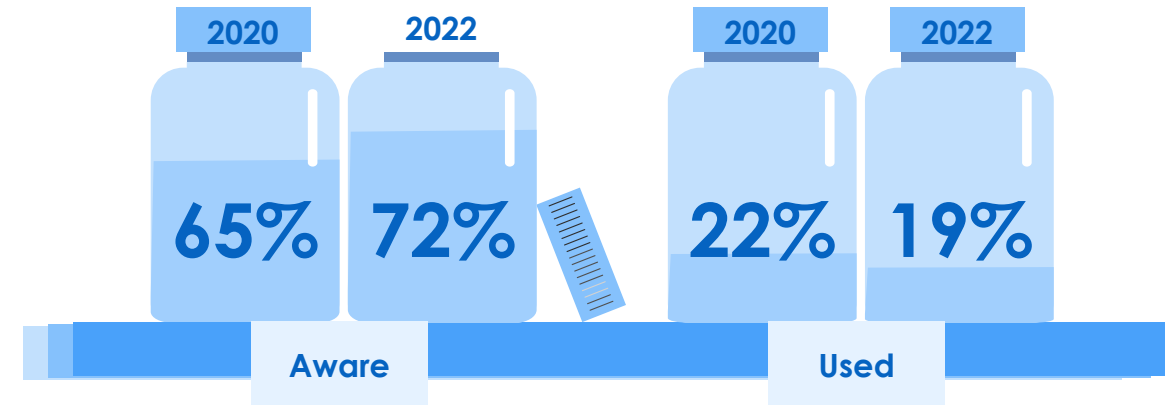
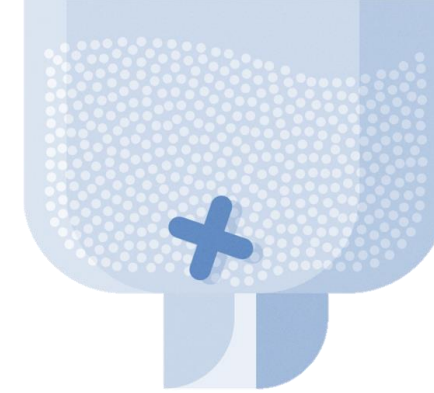
Following on from the first *Grocery Sustainability* report, run in 2020 against the backdrop of the pandemic, we have revisited the concept of **Refillable stations** - an alternative to traditional shopping which means nothing needs to be thrown away. Refillable stations encourage zero waste shopping, inviting shoppers to bring their own containers to fill up with groceries at the store, removing the need for single-use packaging.

Many retailers have embraced this concept as a sustainable solution since our previous research, with ASDA leading the way in making this infrastructure available to their shoppers⁴.

So, are Brits getting their fill of Refillable stations?

Yes and no... **whilst consumers are more aware of the concept of Refillable stations compared to 2020, (72% vs 65% aware in 2020), claimed usage has fallen slightly (19% vs 22% in 2020)**

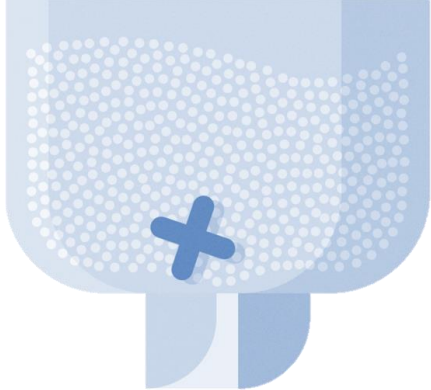
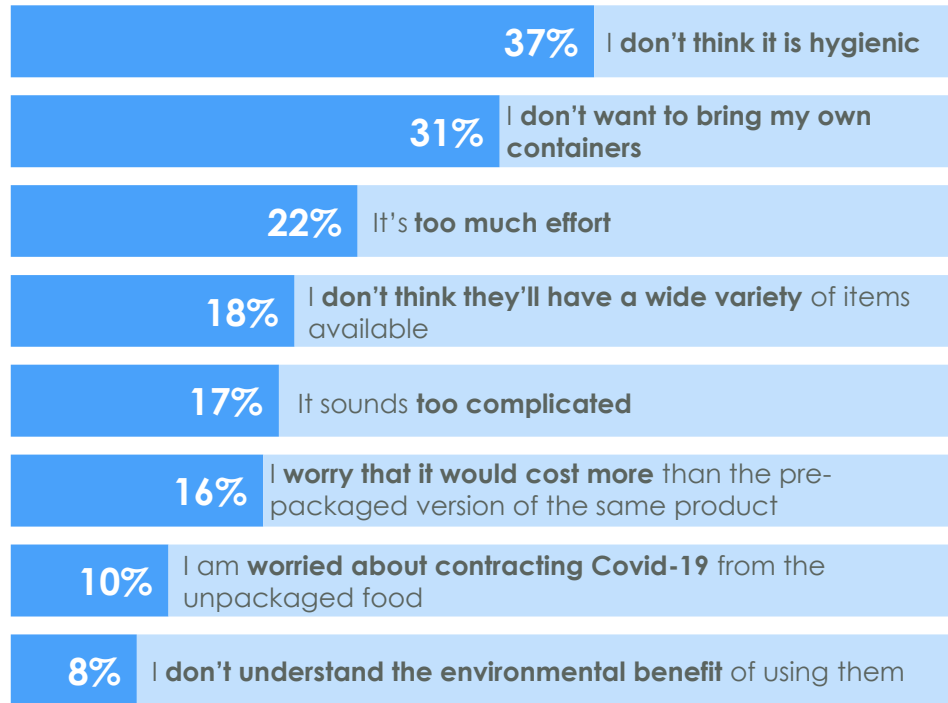
Encouragingly, 7 in 10 (71%) are still open to trying the initiative, particularly women (76%), 18-34s (76%) and Londoners (77%)



Q – Which of the following, if any, have you used / heard of? Refillable stations in supermarkets

Barriers to uptake of Refillable stations

Q – Why are you unlikely to try a refillable station if one opened in your main supermarket?



However, for the more hesitant consumers, there are still some barriers that will need to be overcome - concern around hygiene would need to be addressed (37%), particularly amongst the older generation (44%) – although this is less of a concern compared to 2020 (55%).

We know that convenience (37%) and variety (42%) are important to shoppers when making decisions about their grocery retailer, so it's no surprise that the effort, perceived complexity, and concern around variety available are still barriers to Refillable stations for some

For 16% of those unlikely to consider a Refillable station, cost also plays a part in their reservations about the initiative, with the worry that the products available in the stations would be more expensive than the pre-packaged version of the same product.

Wrapping up

The key things to know...

1

Environmental concerns have declined with the rise of the cost-of-living crisis

2

A plant-based diet is good for the environment, but not necessarily for your wallet

3

New cooking behaviours are directly impacting the food we consume

4

Consumers continue to point the finger at supermarkets to take responsibility in encouraging sustainable shopping habits

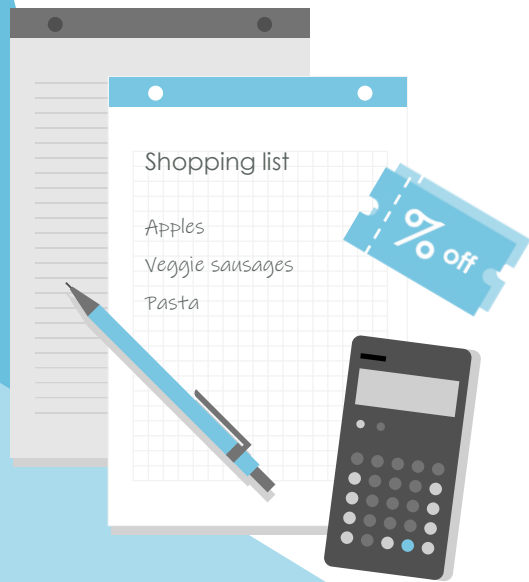
Moving forward

Supermarkets are facing insurmountable pressure to ensure they align with legislative requirements now or in the future. Whether it's ethical supply chains, sustainable power sources, cutting plastic use or reducing food waste there is an ever-extending list of environmental issues needing to be tackled.

In addition to governmental pressure, consumers believe supermarkets to be the organisations most responsible in encouraging sustainable behaviour change (29%).

But with a potential recession on the horizon and rising costs pushing many households into financial turmoil, any consumer facing adaptations or behaviour change requirements should be rolled-out with minimal, if any, monetary consequences.

In this report we have outlined some of the ways in which UK adults have already or would be open to adapting their behaviour in light of the cost-of-living crisis. From an environmental perspective it's encouraging to see that consumers are willing to do their bit, but now more than ever, they'll need an incentive to do so.



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