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The Future of Food

Adapting to changing consumer behaviour

RESEARCH OBJECTIVES

- ✓ Chalk out emerging trends in the food and beverages sector owing to growing conscious consumerism.
- ✓ Assess the demand for plant-based, free from food, organic and clean label products in Australia & New Zealand.
- ✓ Identify ways to help brands engage effectively with their consumers in these uncertain times.

METHODOLOGY

Quantitative online surveys among Toluna panellists.

FIELDWORK DATES…

Current wave: 2024	1-5 July 2024

SAMPLE SIZE

1,144 Interviews

534 Interviews

TARGET AUDIENCE

- Males & Females
- Aged 18 years or above
- Main or joint decision makers of household grocery shopping

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DEMOGRAPHIC DISTRIBUTION

GENDER

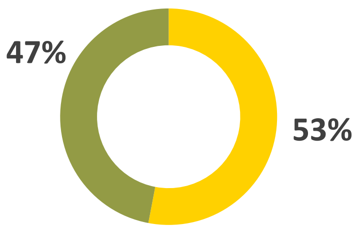
Male Female

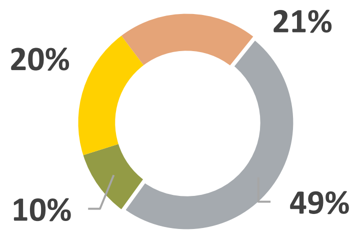
AGE GROUP

18-24 YO
25-34 YO
35-45 YO
Above 45 YO

REGION

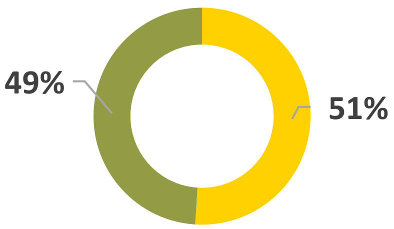
AU

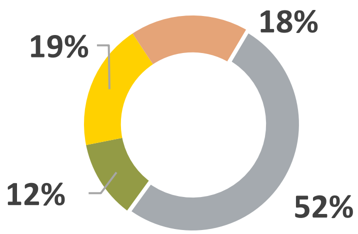




New South Wales	33%
Victoria	25%
Queensland	21%
South Australia	8%
Western Australia	9%
Australian Capital Territory	2%
Tasmania	2%
Northern Territory	0%

NZ





Auckland	35%
Bay of Plenty	6%
Canterbury/West Coast	16%
Gisborne	1%
Nelson/Marlborough	2%
Northland	2%
Otago/Southland	6%
Taranaki/Wanganui	5%
Hawkes Bay	4%
Waikato	10%
Wellington/Manawatu	14%

Base: AU 1144; NZ 534

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Understanding the

LIFESTYLE & DIETARY REGIME

of Australians and New Zealanders

53% | 45%

...have been on a diet or food re-education

About half Australians and New Zealanders have adopted a diet plan or consulted nutritionists for advice on healthy eating regime.

'Improving quality of life' and 'losing weight' emerged as the leading factors.

MOTIVATORS

	Australia	New Zealand
Improving quality of life	19%	14%
Losing weight	19%	15%
Health problems	14%	12%
Improving self-esteem	13%	7%
Gaining muscle mass/definition	11%	8%
Putting on weight	8%	6%

Base: All Respondents

Q. Have you ever been on a diet/regime or food re-education?
Q. Please indicate for each of the nutritional/dietary regime below, whether you are following them now?
Q. For which reasons are you on a nutritional follow-up?

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Majority exercise regularly…

62% | 61%

Exercise 1-5 times a week

22% | 20%

Exercise daily

11% | 14%

Exercise once a month or less

5% | 6%

Never exercise

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Base: All Respondents

Q. How often do you exercise?

Australians and New Zealanders acknowledged drawbacks associated with…

Artificial Sweeteners	54%	55%
Sugar dense products (e.g. candies, chocolates, desserts)	52%	57%
Soft drinks	52%	57%
Frying, fats, oils	51%	50%
Salt, sodium	45%	45%
Processed food (bread, cookies, instant noodles…)	45%	50%
Cold meat (sausage, salami…)	40%	32%
Industrialized ready-to-drink juices	38%	37%
Gluten	23%	22%
Dairy products	22%	19%
Animal-origin red meat (beef)	22%	16%
Eggs	14%	10%
Animal-origin white meat (fish, chicken…)	11%	9%

Base: All Respondents

Q. In your opinion, which, If any, of these food have "drawbacks" associated with eating them?

Low-carb, intermittent fasting, and vegan/plant-based are considered as the top 3 trendy diets in both countries; Ketogenic is esp. popular in New Zealand

Low-carb	39%	44%
Intermittent fasting	37%	36%
Vegan/Plant-based	35%	37%
Cutting sugar, candies	34%	33%
Cutting gluten	27%	25%
Ketogenic	26%	38%
Mediterranean	25%	19%
Cutting lactose/dairy	21%	20%
Point system/counting calories	17%	15%
Atkins – high protein diet	16%	16%
Metabolic	11%	9%
DNA Diet	7%	5%
Dukan	5%	3%

Base: All Respondents

Q. Of all types of diets and eating re-education that you know, which ones would you say that are trendy now?

And intermittent fasting, cutting sugar/ candies, and low carb are the most tried.

Intermittent fasting	17%	14%
Cutting sugar, candies	16%	13%
Low-carb	16%	14%
Point system/counting calories	8%	5%
Mediterranean	8%	4%
Cutting gluten	7%	4%
Ketogenic	7%	8%
Cutting lactose/dairy	7%	4%
Vegan/Plant-based (without animal-origin food)	7%	6%
Atkins – high protein diet	5%	3%
Metabolic	4%	2%
DNA Diet	3%	0%
Dukan	1%	0%

Base: All Respondents

Q. And which ones of the followings have you ever tried?

Attitudes and perceptions around
Food production and consumption

Those who ‘strongly agree’

When it comes to eating, I’m always open to try new products	27%	25%
I am conscious about making food choices that help me save the planet	18%	15%
When it comes to eating, I’m always open to try new products made with new technologies	18%	12%
I buy from socially responsible/ethical companies (no animal testing, environmentally responsible, etc.)	17%	10%
Only fresh food (that did not undergo industrial processing) is healthy	17%	14%
Replacing meat with plant-based food contributes to a sustainable environment	16%	12%
Processed food may be healthy, depending on the ingredients and the manufacturing process used	15%	11%

Base: All Respondents

Q. You’ll see some sentences related to eating habits and we’d like to know how much you agree with them, using a 5-point scale in which 1 means “I Strongly Disagree” and 5, “I Strongly Agree”.

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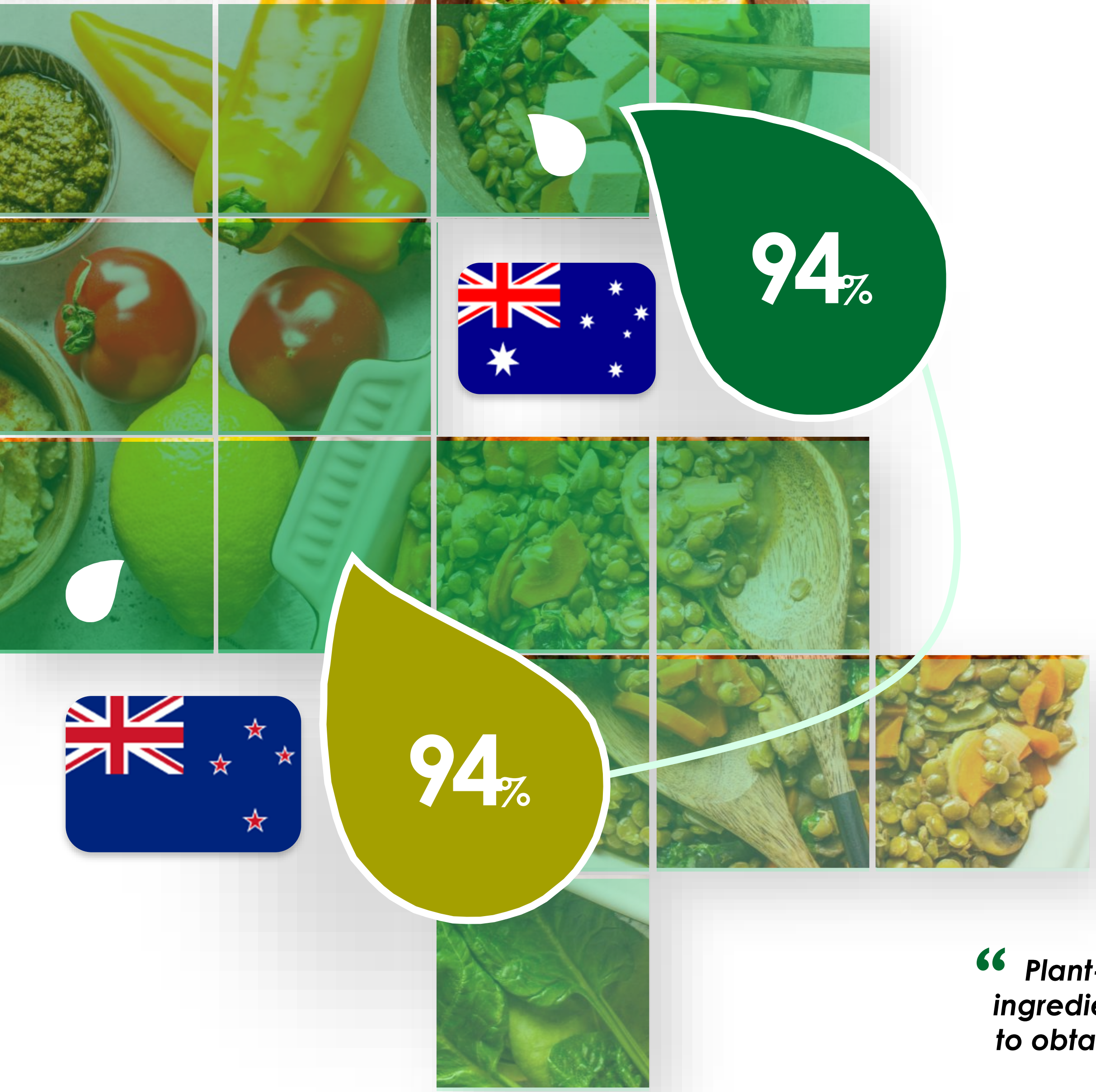
UNCOVERING THE TRENDS

in the plant-based universe



High Awareness

of plant-based products

Definition of Plant-based products used in the study

“Plant-based food and beverages are produced using plant ingredients only, with no ingredients of animal origin. By using innovative equipment and techniques, it is possible to obtain an end product with flavor and texture very similar to conventional products of animal-origin and that imitates animal-origin products.”

Base: All Respondents

Q. Have you ever heard of plant-based food and beverages? | Q. Now, I would like to ask you again if you know/have ever heard of plant-based food and beverages.

HIGH AWARENESS HAS RESULTED IN STRONG TRIAL

OF PLANT BASED PRODUCTS

	Non-Aware of Plant-based Food & Beverage	Aware but Non Trialist of Plant-based Food & Beverage	Trialists of Plant-based Food & Beverage
Australia	6%	26%	68%
New Zealand	6%	28%	67%

Base: All Respondents

Q. Have you ever heard of plant-based food and beverages?
Q. Now, I would like to ask you again if you know/have ever heard of plant-based food and beverages?
Q. How often do you consume the following types of food currently?

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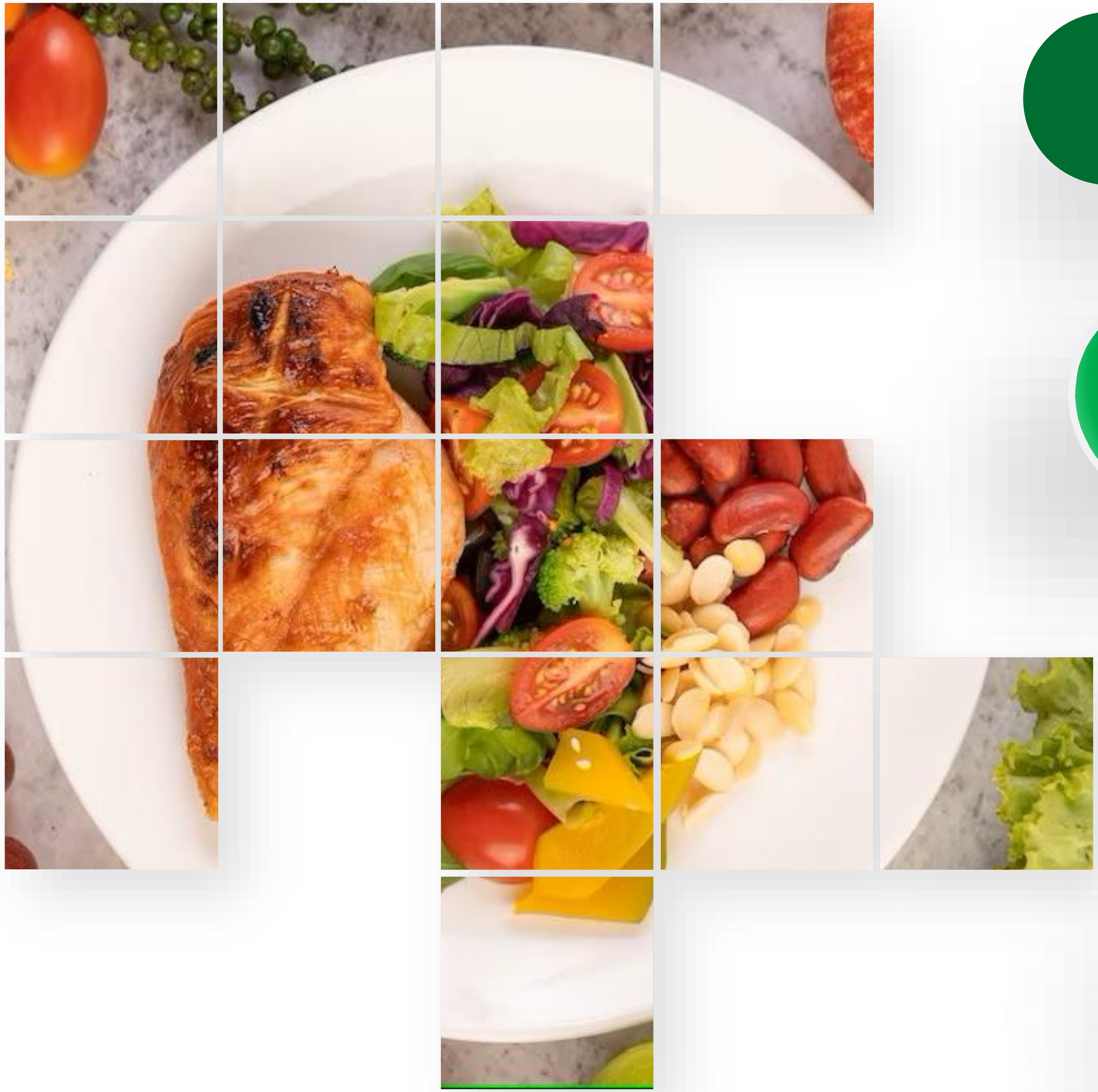
Are

PLANT-BASED

consumers mostly

vegans,

vegetarians?



Among those who have tried plant-based products,

70%	
78%	

are carnivores!

Vegetarians	14%	11%
Pescatarians	12%	10%
Vegans	4%	1%

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Base: Trialists

Q. Which ONE of these options describes your current eating regime?

35%

36%

...claimed to be
flexitarians

Base: Trialists

In order to...

Stay healthy	77%	57%
Save the environment	30%	36%

Q. Which ONE of these statements describes you the best? |
Q. Why are you a flexitarian?

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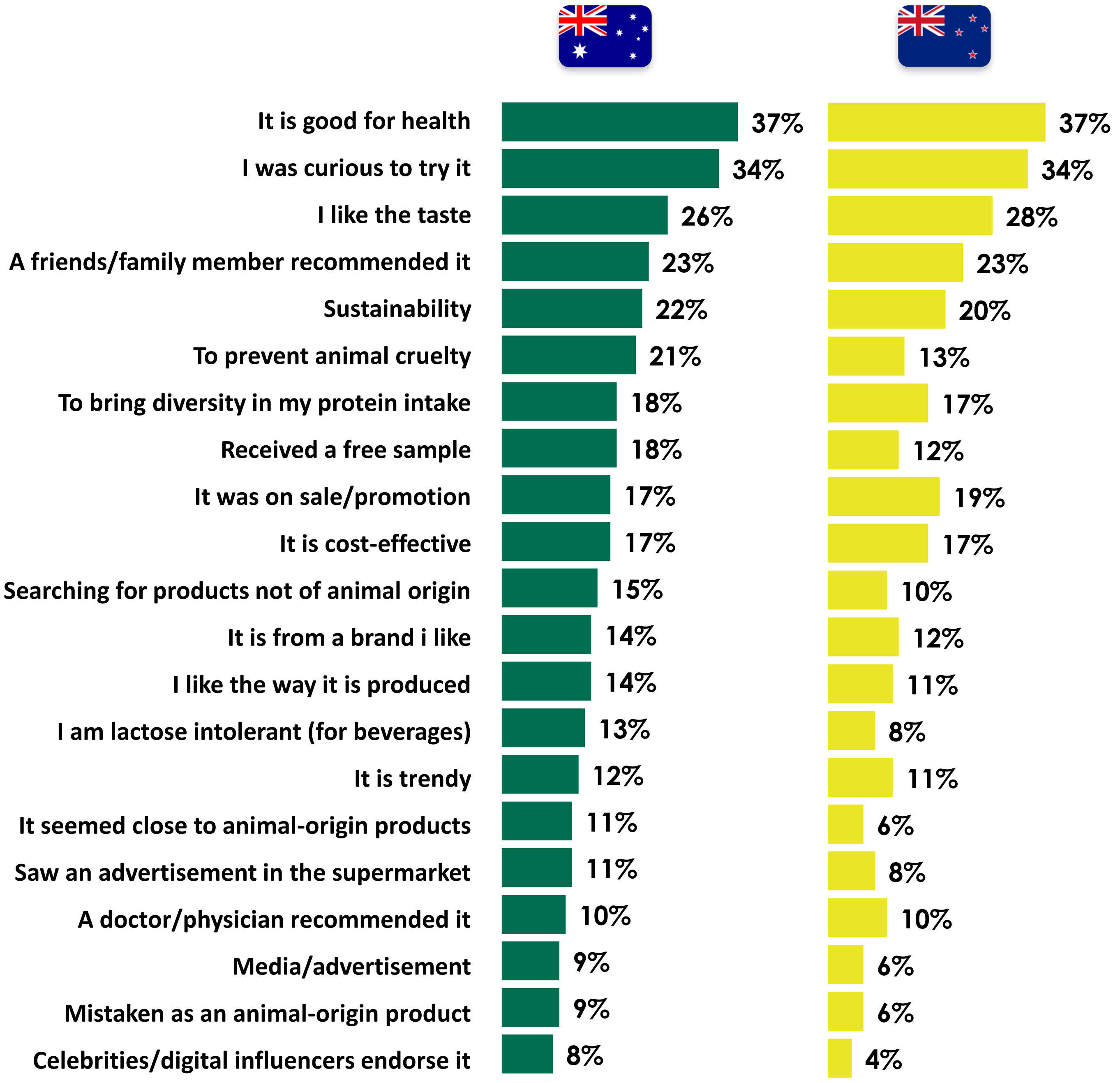
What

MOTIVATED

trialists to join the plant-based universe?

Perception of being healthy, curiosity to try, and liking the taste are stated as the main triggers to try plant-based products in the first place.



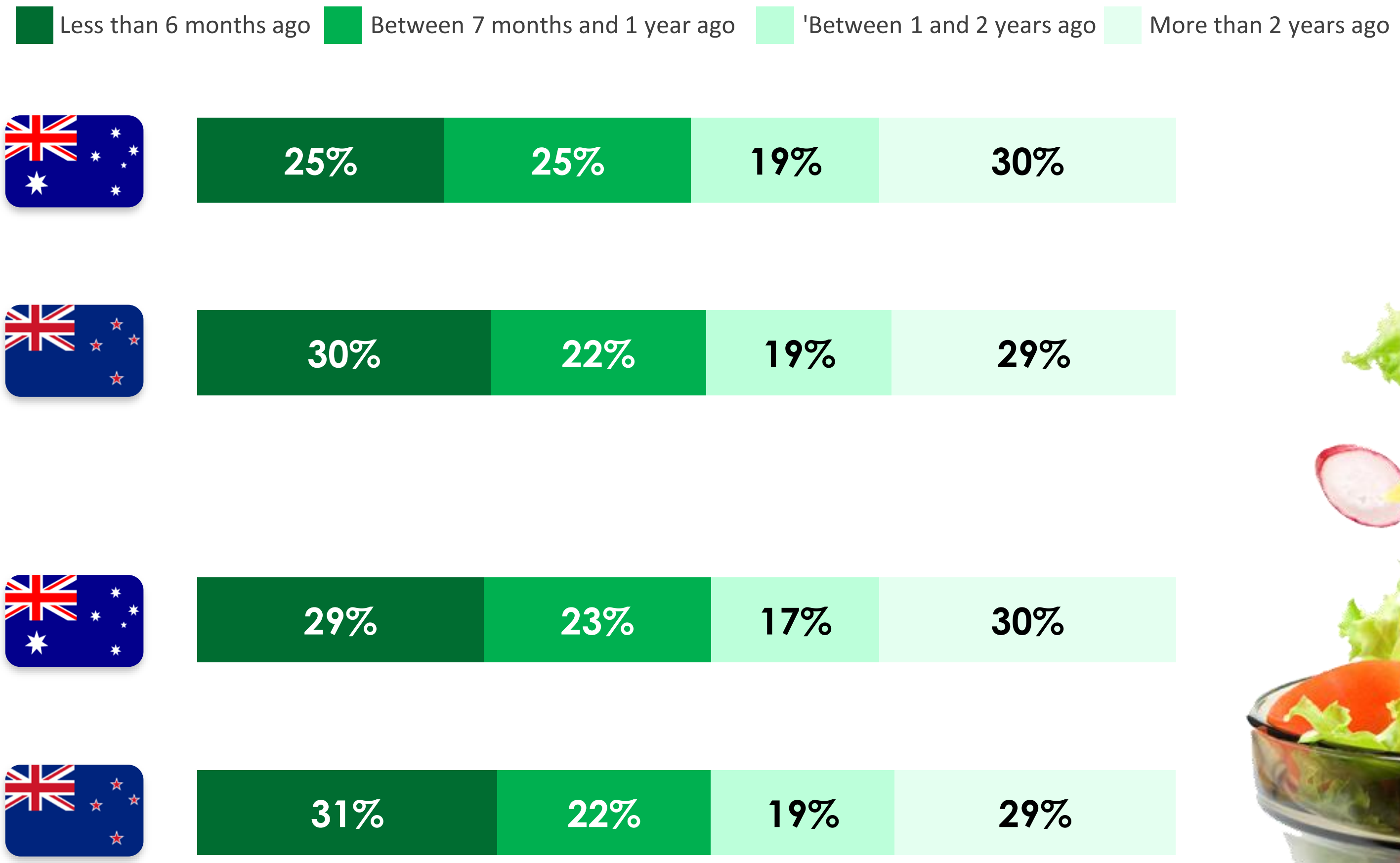
Base: Trialists

Q. What motivated you to consume plant-based food and beverages for the first time?

~50% of trialists **began** consuming plant-based food & beverage **within the past year**, indicating a **recent growing trend** in plant-based consumption

Plant-based Food

Plant-based Beverage



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Base: Trialists

Q. You told us that you consume/have already tried plant-based food and beverages. How long have you been consuming them?

Plant-based food & beverage consumption is at **moderate level** among the trialists, with **fewer than half consume them at least once a week**

Plant-based Food

At least 3 times a week	24%	25%
Once a week	21%	20%

Plant-based Beverage

At least 3 times a week	21%	20%
Once a week	22%	20%

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Base: Trialists

Q. How often do you consume the following types of food currently?

The majority of Australians and New Zealanders consume plant-based products in addition to their current diet, more so for plant-based beverages.

Plant-based Food

As a replacement for the food that you consume currently	42%	34%
In addition to the food that you consume currently	58%	66%

Plant-based Beverages

As a replacement for the beverage that you consume currently	38%	27%
In addition to the beverage that you consume currently	62%	73%

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Base: Trialists

Q. How would you classify your consumption of the below:

Plant based dairy products, esp. milk, are the **most tried** by the residents in both countries.

	Australia	New Zealand
Milk	50%	58%
Hamburger	37%	28%
Yogurt	33%	35%
Cheese	31%	27%
Ice cream/ready-to-eat desserts	30%	33%
Ground beef or meatballs	30%	24%
Sausage	27%	29%
Ready-to-eat dishes	25%	21%
Breaded chicken	25%	21%
Chicken (pieces/sticks/shredded)	24%	19%
Butter, curd, or cream cheese	23%	24%
Hotdog sausage	18%	14%
Alternatives of eggs/by-products	18%	16%
Cold meat	16%	9%
Beef in pieces or sticks	15%	9%
Fish	13%	7%
Pork (filet/cubes/pieces, etc.)	12%	11%

Base: Trialists

Q. Which of the following plant-based food and beverages have you ever tried?

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~1 in 3 of the trialists of plant-based products expect their consumption to be greater than today in the next 6 months!

		
Greater than today	34%	31%
Same as today	60%	61%
Less than today	6%	8%

Base: Trialists

Q. How do you think your consumption of plant-based food and beverages will be in 6 months?

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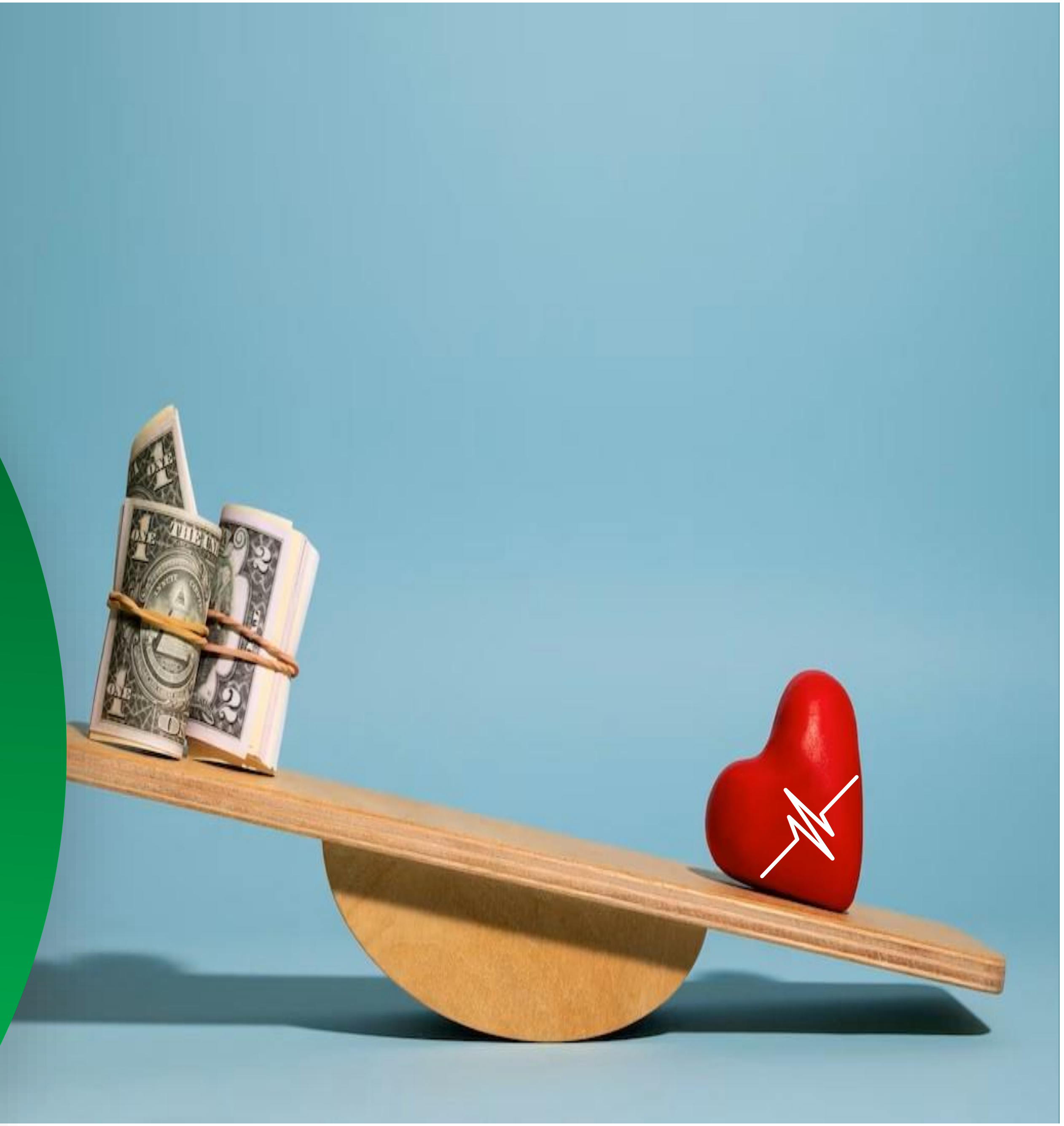
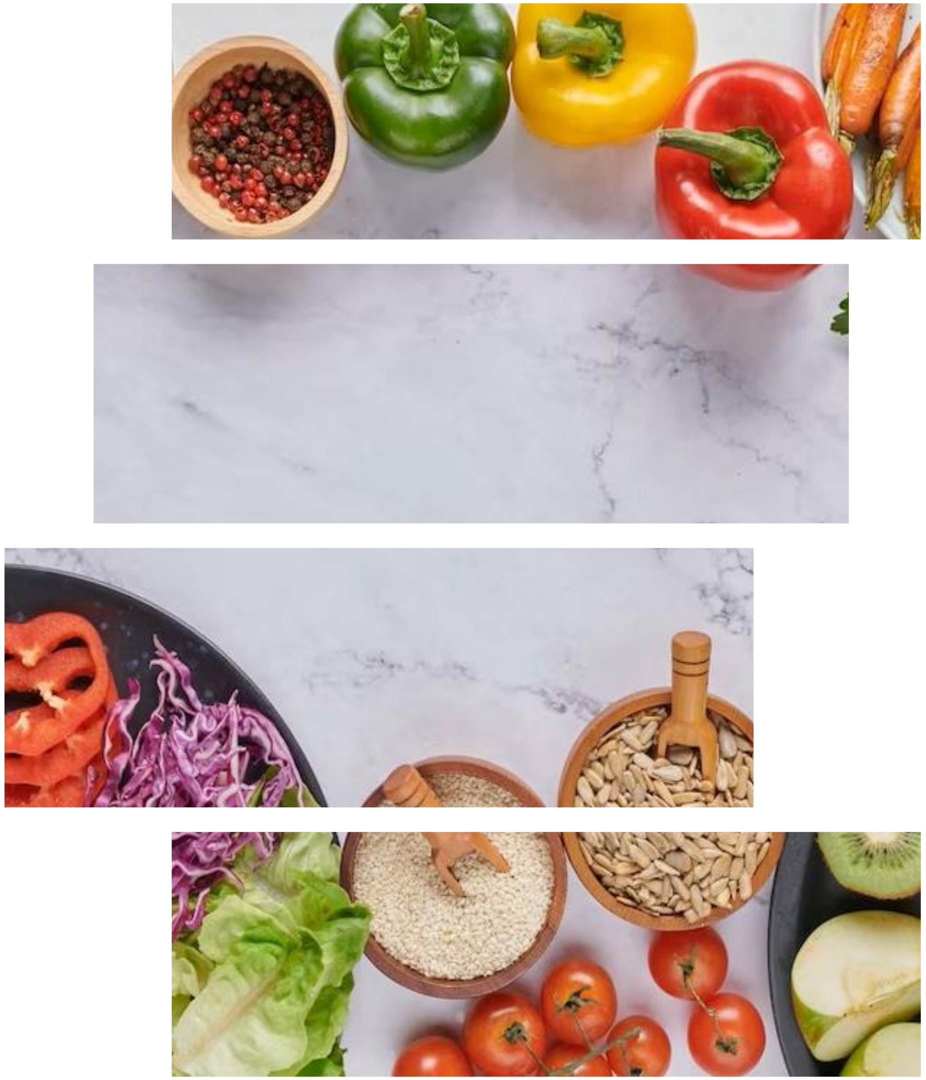
What is the

PRICE PERCEPTION

of plant-based products?





~40% plant-based trialists in **New Zealand** find it **much more expensive than regular food**

Compared to regular food, plant-based food is considered to be…		
Much More Expensive	29%	39%
Slightly More Expensive	41%	35%
Close/Equal	20%	18%
Cheaper	5%	3%
Don’t pay attention	6%	6%

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Base: Trialists

Q. Purchasing regular food and plant-based food, you would say that:

~ **20% of the trialists** expressed **willingness to pay price premium** for plant-based food.

Acceptancy of price premium appears to be slightly higher for **plant-based food** than beverages.

Willingness to pay premium for…		
Plant-based Food	22%	19%
Plant-based Beverages	19%	16%

Base: Trialists

Q. Some processes in food production make them more expensive for the producer. Which of these items do you deem relevant, for which you would be willing to pay more?

Activating the first trial

shows potential in gaining market share for brands, esp. for Australia

After a positive **testing** experience

24%

16%

…of trialists claimed to **definitely buy** the plant-based food or beverage **immediately**!

Base: Trialists

Q. If you had the opportunity to taste a plant-based food or beverage, how would it impact your decision to purchase the product immediately, if your experience was positive?

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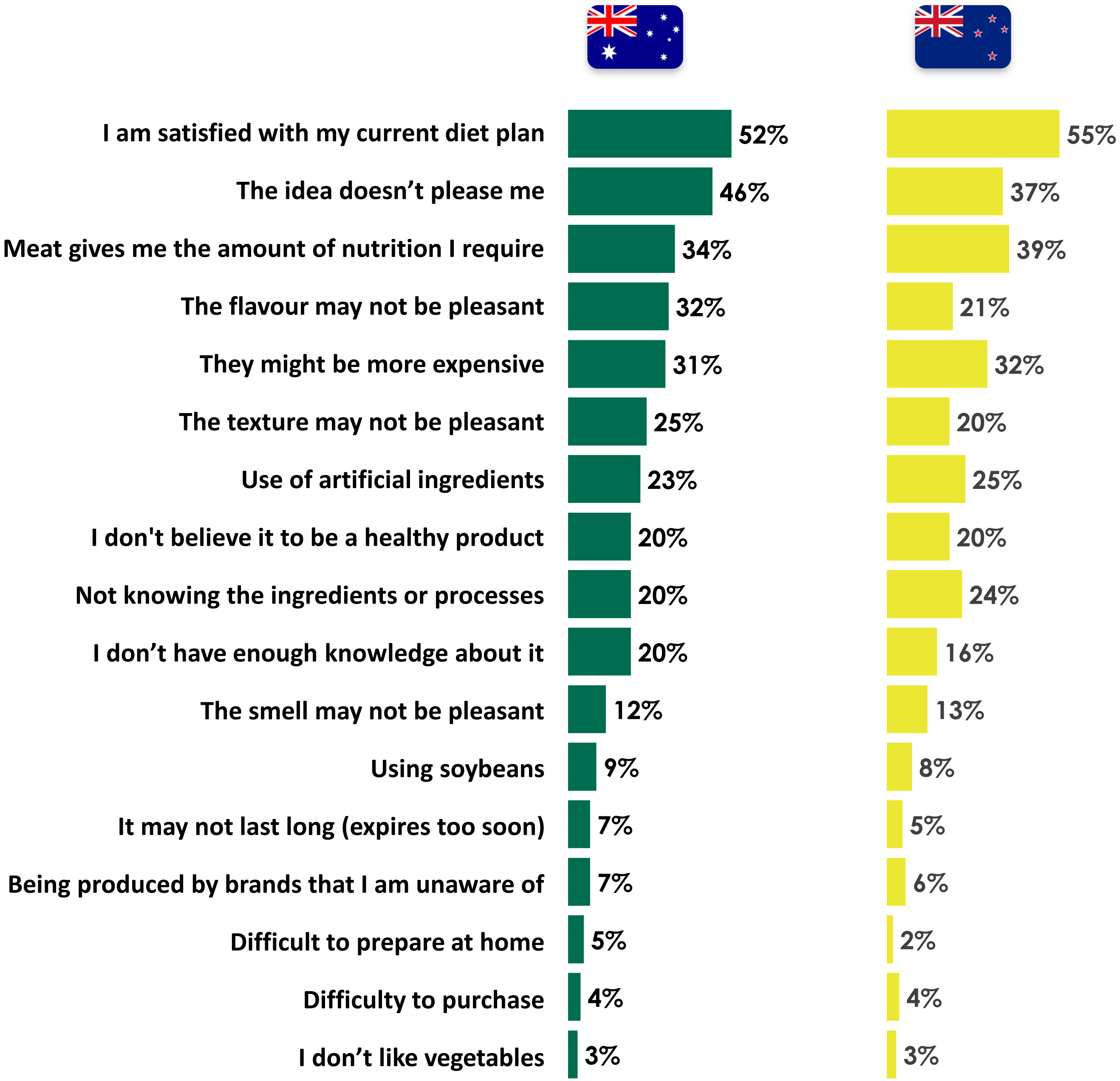
What

BARRIERS

hinder the aware-but-non-trialists from joining the plant-based universe?

Satisfaction with current diet, displeasure with the idea, and belief that meat is more nutritious are the main reasons why the aware consumers never tried plant-based products.



Base: Aware but non trialists

Q. You told us that you are already aware of plant-based food and beverages, but you've never eaten/tried them. Why have you never consumed them?

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Exploring the Dynamics of

FREE-FROM FOOD

in Australia and New Zealand

Interest in adopting 'free from food' lifestyle is **not so high**, only **~50%** consumers are keen, among which **health enthusiasts** are the most common

	Australia	New Zealand		
Health Enthusiasts	21%	17%	I am focussing on **adopting** a 'free from food' lifestyle as it is considered **healthy**.	I want to **adopt** a 'free from food' lifestyle as it is considered **healthy**, but I **can't afford.**
Experimentalists	19%	18%	I **consume** products 'free from food' **sometimes** as I **like the taste**.	I **consume** products 'free from food' **sometimes** while **eating with my friends/relatives** who eat such food.
Medical concerns	12%	10%	I am focussing on **adopting** a 'free from food' lifestyle as I have some **intolerances/allergies**.	
Don't belong here	48%	55%	I am **not interested** in adopting a 'free from food' lifestyle as I don't have such intolerances /allergies	I am **not aware** of any intolerances/allergies that I may have

Base: All Respondents

Q. Which ONE of the following statements is applicable to you, when it comes to consuming 'Free-from food' products?

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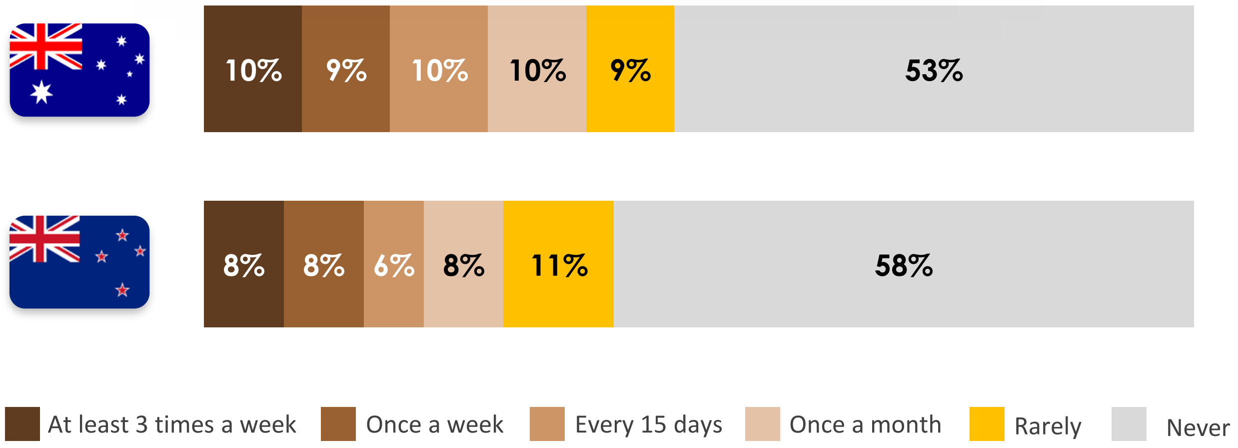
More than half of Australians and New Zealanders **never** consume **'free from food'**. Fewer than **1 in 5** consume them weekly

Free-rom Food Consumption



Base: All Respondents

Q. How often do you consume the following types of food currently?

Activating the first trial

can potentially help brands in expanding reach, esp. for Australia

After a positive **testing** experience

26%

19%

…claimed to **definitely buy**
'free from food' products
immediately!

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Base: All Respondents

Q. Now thinking that you had the opportunity to taste a new 'free from food' food or beverage, how would it impact your decision to purchase the product immediately, if your experience was positive?

Willingness to pay premium for Free-from Food

20%	19%

About 1 in 5 consumers are willing to pay premium for free from food.

Base: All Respondents

Q. Some processes in food production make them more expensive for the producer. Which of these items do you deem relevant, for which you would be willing to pay more?

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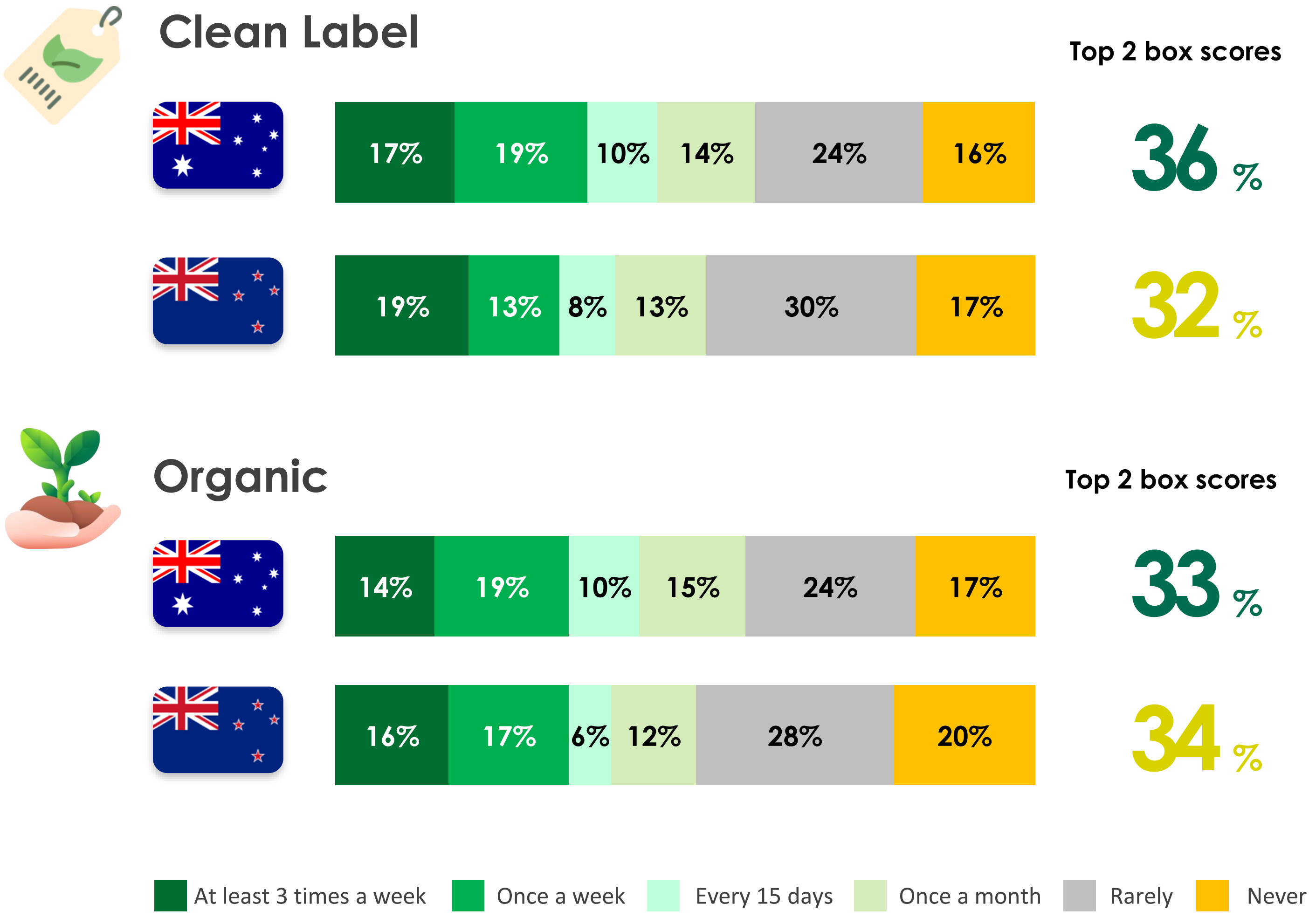
DISSECTING THE DEMAND OF

clean label and organic products

About one-third of Australians & New Zealanders consume **clean label** and **organic food products** at least once a week.



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Base: All Respondents

Q. How often do you consume the following types of food currently?

Majority are consuming clean label and organic food products as an addition to their current diet.

Clean Label products

As a replacement for the food that you consume currently	22%	16%
In addition to the food that you consume currently	52%	49%
I dont consume this	25%	35%

Organic products

As a replacement for the food that you consume currently	23%	16%
In addition to the food that you consume currently	52%	54%
I dont consume this	25%	30%

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Base: All Respondents

Q. How would you classify your consumption of the below:

Consumers expressed **greater** willingness to pay **price premium** for **organic products** than clean label products, esp. for **New Zealanders**

Willingness to pay premium for…

	Australia	New Zealand
Clean Label products	23%	19%
Organic products	25%	28%

Base: All Respondents

Q. Some processes in food production make them more expensive for the producer. Which of these items do you deem relevant, for which you would be willing to pay more?

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How can brands

CONNECT BETTER WITH CONSUMERS

and gain territory?

When it comes to **making the decision** of which food or beverage to buy, consumers are mainly **influenced by…**

	Australia	New Zealand
Quality	59%	62%
Freshness	58%	58%
Flavour	54%	58%
Nutritional value/Healthiness	42%	43%
Appropriate price/you "don't feel the pinch"	42%	48%
Ease of availability	35%	35%
Offers & promotions	33%	38%
Brand Reputation	27%	30%
Clean Label	27%	23%
Number of calories	26%	20%
Support the local businesses	25%	19%
Friends/Family recommendation	23%	22%
Eco-friendly packaging	20%	17%
Organic	20%	18%
Transparency in the production process	19%	16%
Expert recommendation (health coach, nutritionists, etc.)	17%	11%

Base: All Respondents

Q18. Which would be the main influencing factors for your decision on what food/beverage to purchase?

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Brands must be honest and transparent

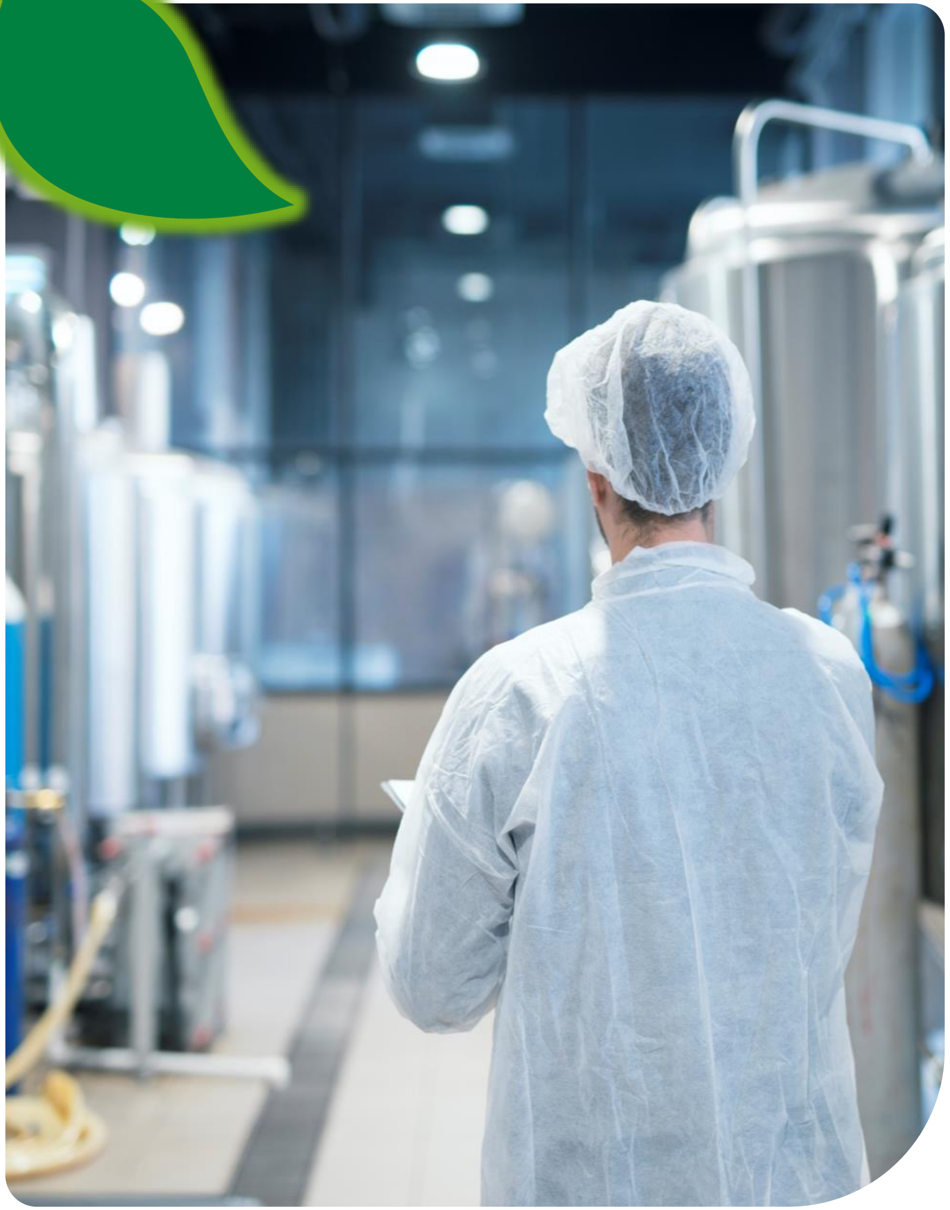
34%

29%

...said that they are **concerned** with transparency in production process **more than they were 2 years ago**.

Base: All Respondents

Q. Comparing your current habits to 2 years ago, how would you evaluate the relevance of such transparency in the production process?



When it comes to transparency,
consumers want to know…

		
Exactly what I'm eating	62%	62%
The place where this food was cultivated/produced	44%	38%
If the animals were treated well	44%	39%
If the producers are honest and comply with the laws	38%	38%
How this food comes from the farm/factory to my household	37%	35%
If the employees were treated well	28%	25%
If the producer helps local communities/social causes	28%	20%

Base: All Respondents

Q. What exactly are you interested to know, thinking about "transparency in the production process"?

Brands can **engage** consumers more by sharing information on…

Packages	55%	61%
News	11%	8%
Brand website	11%	12%
Social networks	9%	6%
Points of sale	8%	7%
Specialized apps	6%	4%

Greater **consumer confidence** can be secured through **communicating…**

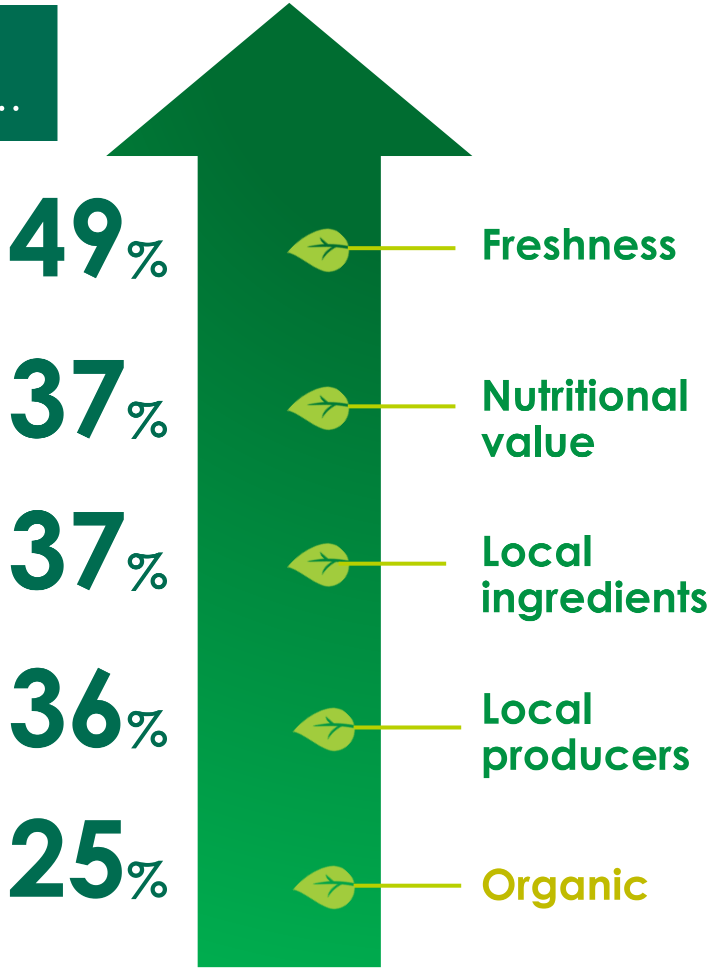
List of ingredients	61%	68%
Nutrition facts	49%	51%
Labels/certificates on pack	44%	40%
Trusted brand/producer	36%	36%
Key messages on the package	36%	28%
Consumers able to see product	34%	33%
Information on brand website	30%	28%

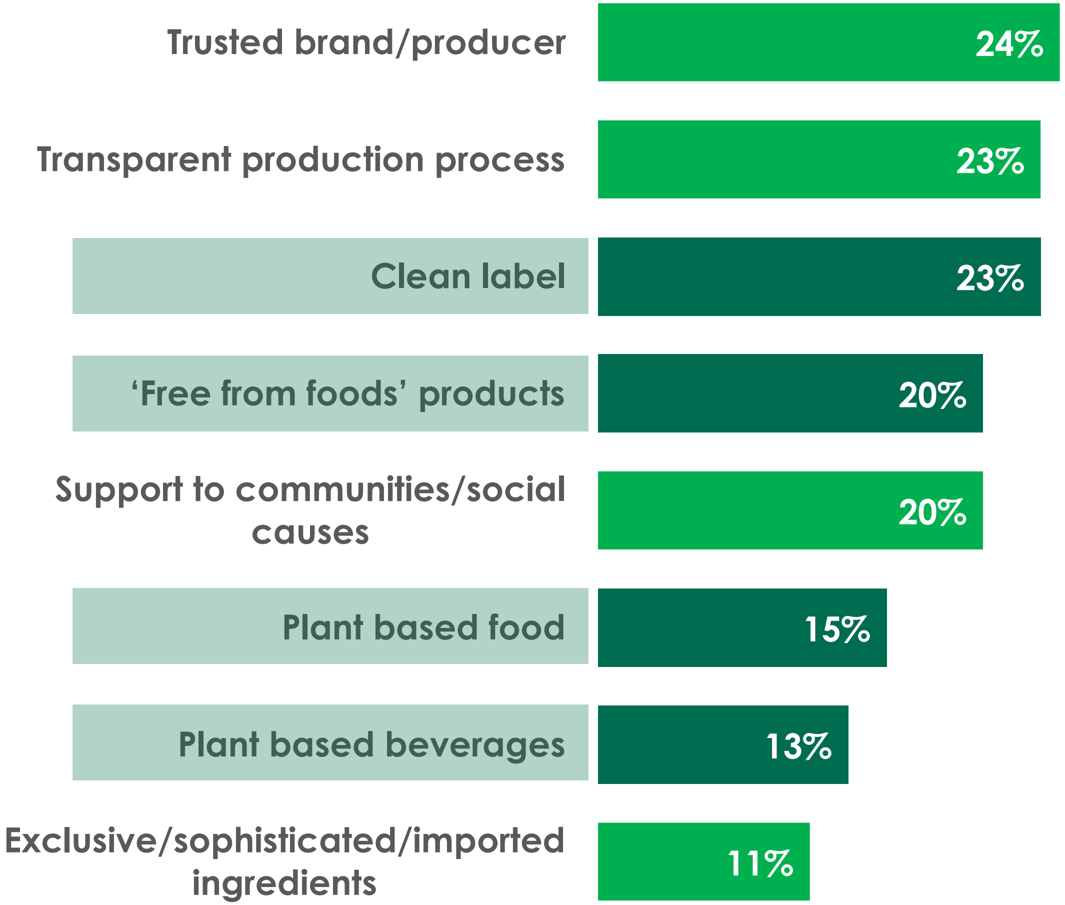
Base: All Respondents

Q. how would you like this information on transparency in the production process to be disclosed?
Q22. Which of these elements gives you more confidence & security about what you're purchasing to consume?

Australians are happy to pay **a higher price** for **fresh, nutritious** and **local** (both ingredients & producers) **products**.

Willingness to pay premium for…





Base: All Respondents

Q. Some processes in food production make them more expensive for the producer. Which of these items do you deem the most relevant, for which you would be willing to pay more?

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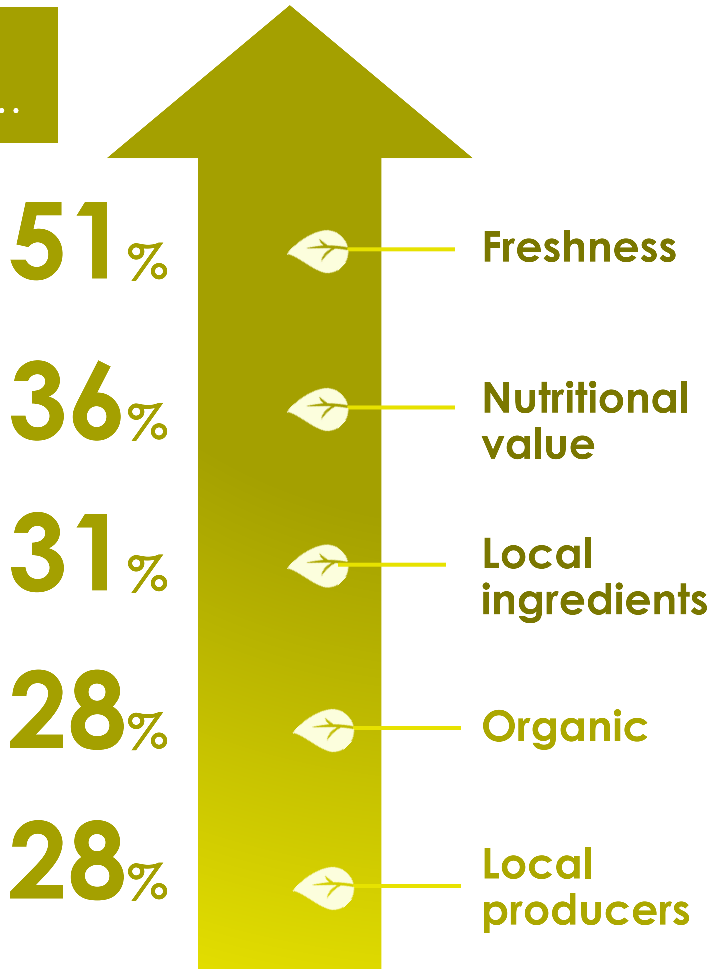
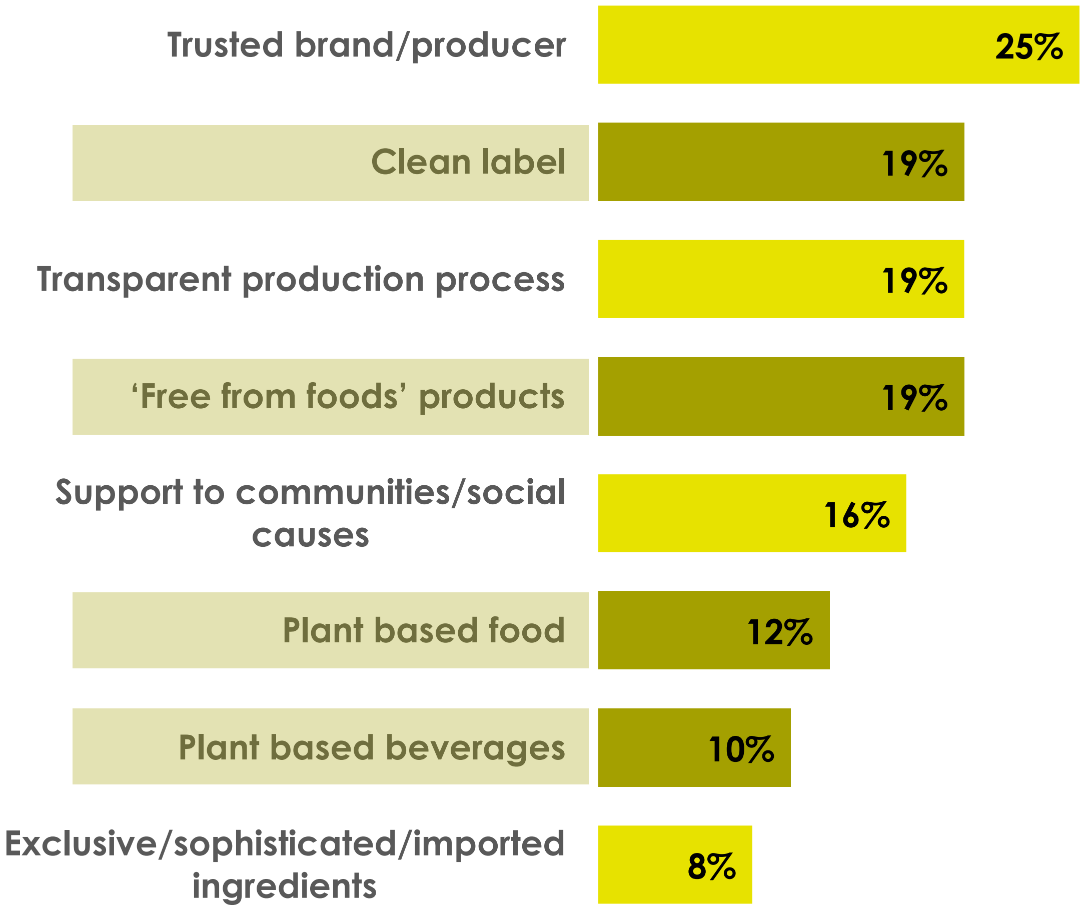
Similarly, consumers in **New Zealand** are most willing to pay more for **freshness, nutrition, and local ingredients.**

Willingness to pay premium for…





Base: All Respondents

Q. Some processes in food production make them more expensive for the producer. Which of these items do you deem the most relevant, for which you would be willing to pay more?

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KEY LEARNINGS

for Brands

Plant-based Dietary Regimen

- 70+% of the plant-based trialists turned out to be carnivores, and most consume plant-based products as an addition to their original diet for health, instead of replacement.
- Australians show higher acceptance of price premium & purchase intent vs. New Zealanders.

'Free from Foods' Lifestyle

- 'Free from food' lifestyle is not yet mainstream. Only ~50% consumers are somewhat interested – an emerging market with great potential.
- Australians expressed higher propensity to pay premium price, compared to New Zealanders.

Organic/Clean Label Demand

- One-third consume clean label and organic food products at least once a week – a moderate demand that can be leveraged for market growth.
- Greater willingness to pay price premium for organic produces compared to clean label products, esp. for New Zealanders.

Growth Formula for Brands

- With the growing conscious consumerism, brands must be transparent about the ingredients used, nutrition facts, production process, etc. and act sustainably.
- Consumers value the importance of fresh, nutritious & local products and are happy to pay extra for it.

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Thank you!