TWC Trends Summer Edition 2022

Sustainability and environmental concerns: what do Scottish consumers think?

SCOTTISH WHOLESALE ASSOCIATION
The voice of the Scottish Food, Drink and Allied Trades

twc Trends

Intro from SWA

- Challenging times for wholesale in Scotland (nothing new) but still plenty of opportunity
- SWA are there to support our members and industry; help them through the challenges and find the opportunities.
  - Undertaken a series of studies to help identify & understand changing consumer demands and habits.
  - Investment in creating a greener and more sustainable wholesale food & drink supply chain.
  - Investment in 'Delivering Growth Through Wholesale' by training & educating suppliers on wholesale as a route to market.

TWC – who we are and what we do

twc | Harnessing data
Empowering wholesale foodservice & convenience

TWC Technology

TWC Consulting

TWC Trends

TWC Trends Summer 2022 edition

TWC Trends

- Purpose: understanding the 'why' behind what is happening in wholesale, hospitality and convenience retail
- A nationally robust and representative sample of 1,000 UK consumers were interviewed online 14-18 June 2022
- The Scotland boost of 400 Scottish consumers were interviewed online 18-21 June 20221

Sustainability means different things to different people – and industries

Local sourcing

Sustainable sourcing

Renewable energy

Recyclable materials

Carbon neutral

Supporting local businesses

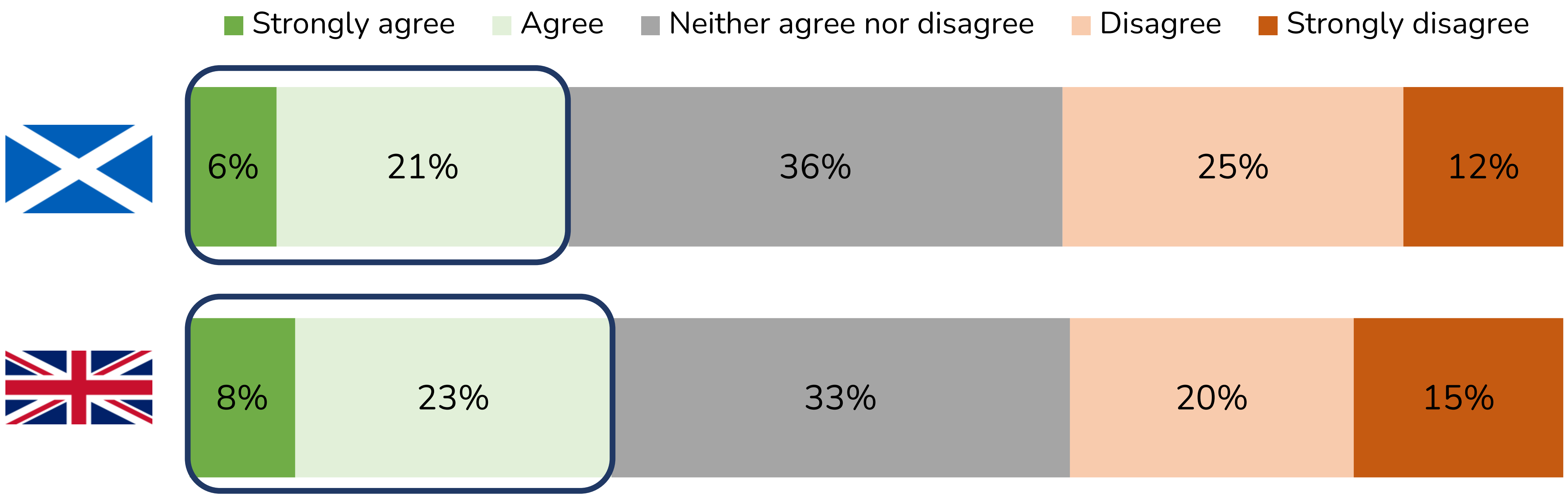
Managing food waste

Food miles

B-corp

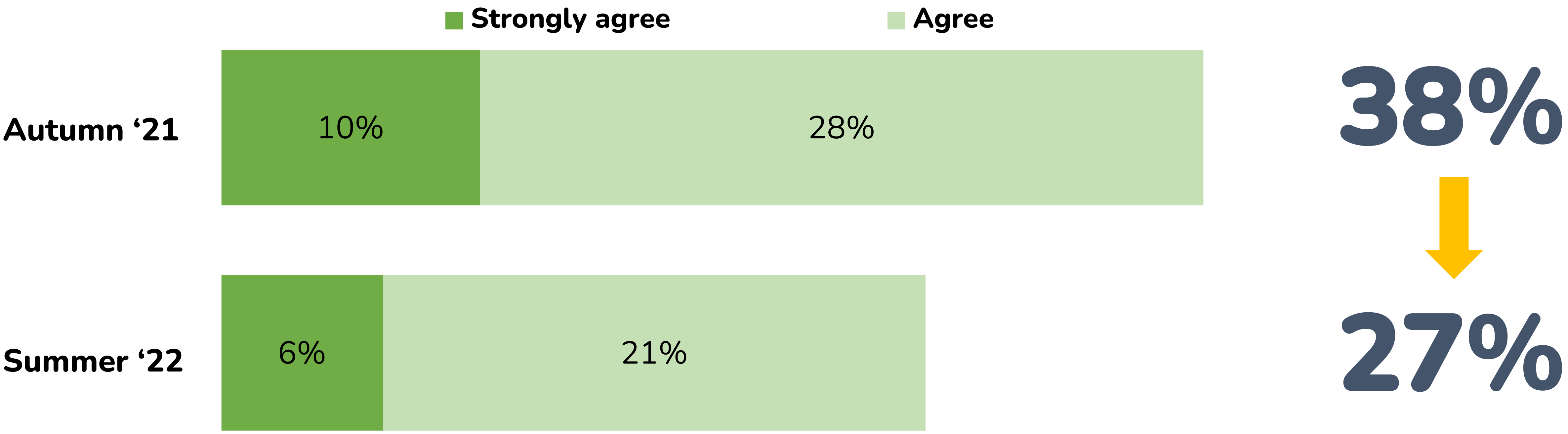
Sustainability is influencing where 3 in 10 consumers are shopping for groceries

"Environmental and sustainability issues are influencing where I shop for groceries"



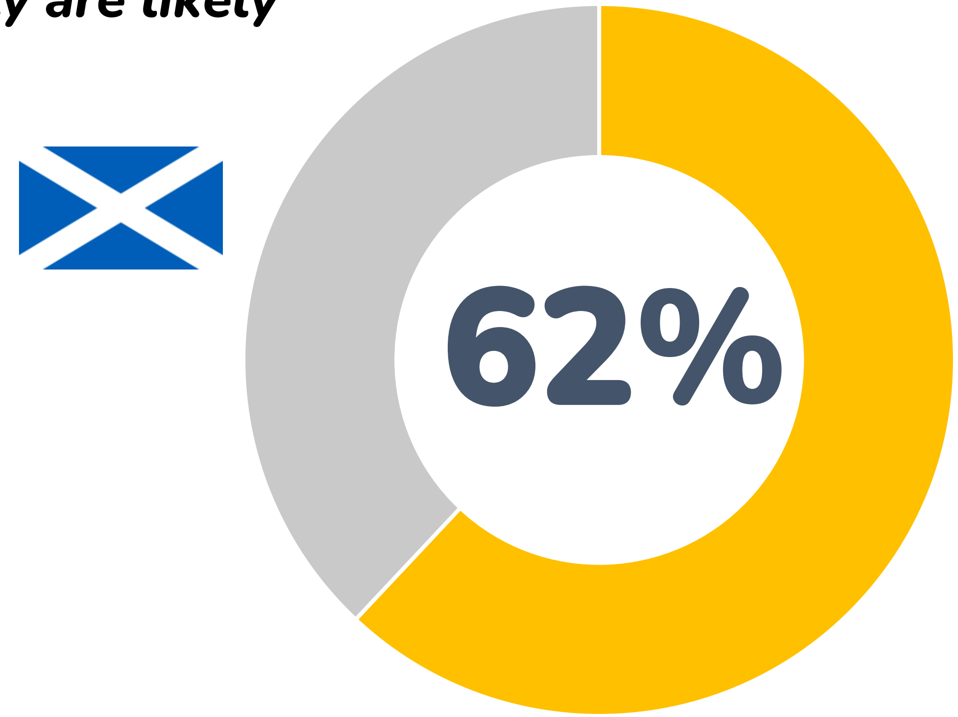
Sustainability influence fallen vs. last year

“Environmental and sustainability issues are influencing where I shop for groceries”



Scottish consumers are more likely to agree that retailers who don’t back sustainability will lose out

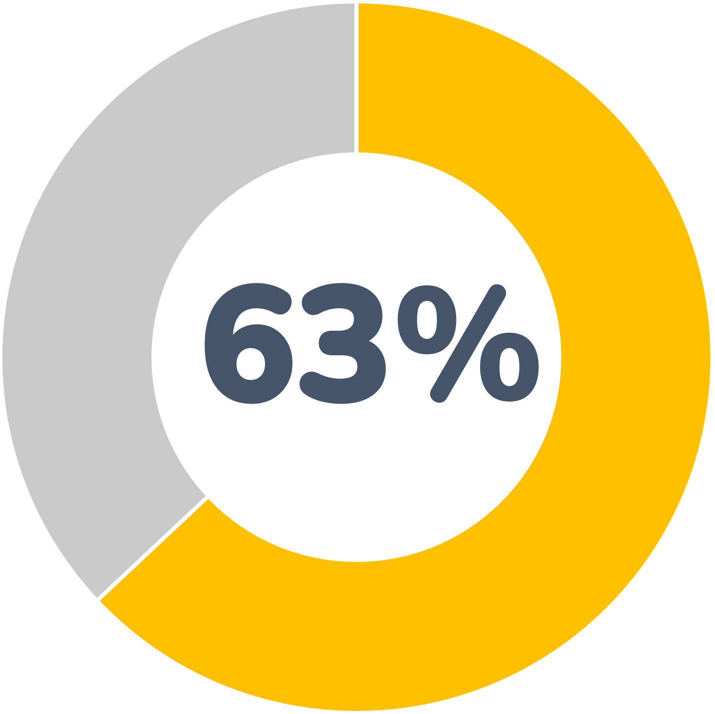
“Food retailers who don’t take sustainability or environmental issues seriously are likely to lose out in the future”



53%

Indeed, there is an expectation that companies are focussed on their environmental impact

"I expect all companies to be focussed on sustainability and their environmental impact"



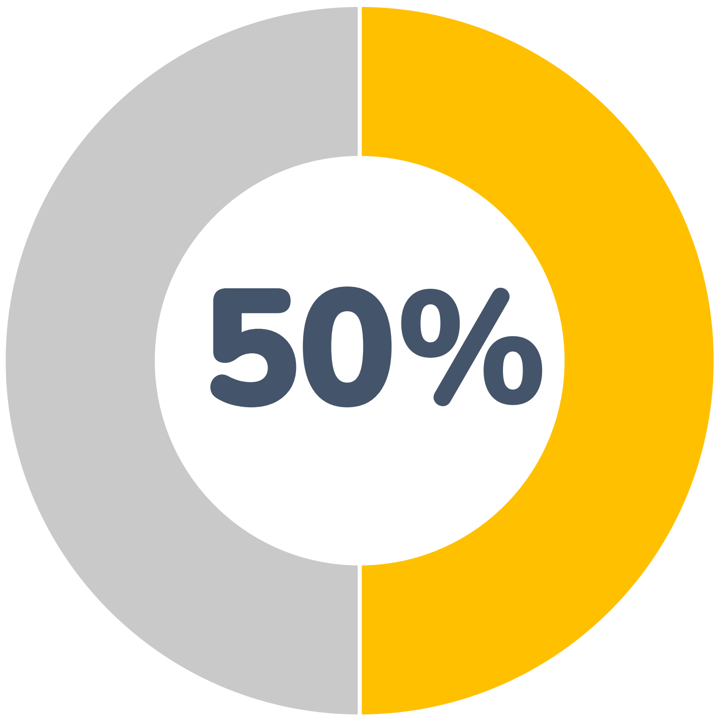
57%

More likely to agree:

- 55+ (67% agreement)
- ABC1 (66% agreement)
- Without children (66%)

Half of consumers are unwilling – or unable? - to pay extra for sustainability benefit

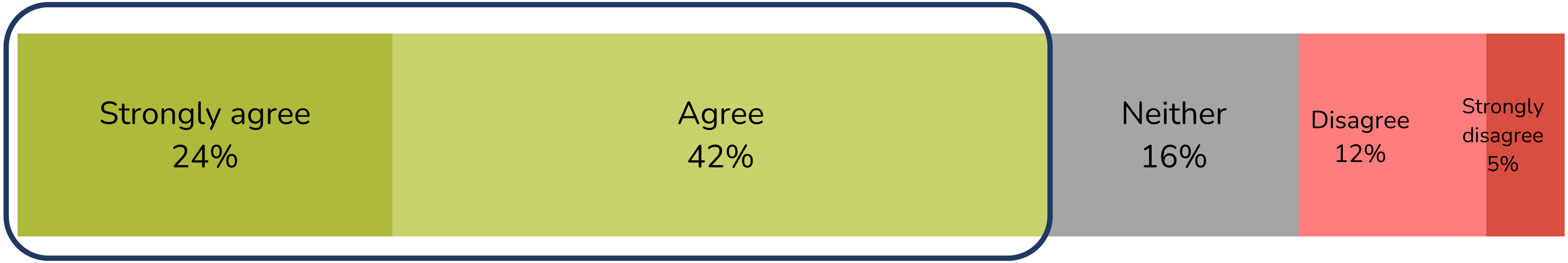
"I want to make sustainable choices but am not willing to pay extra for this benefit"



49%

Perhaps unsurprising given 2 in 3 having to reduce spending

'I am having to reduce my spending to pay my bills"

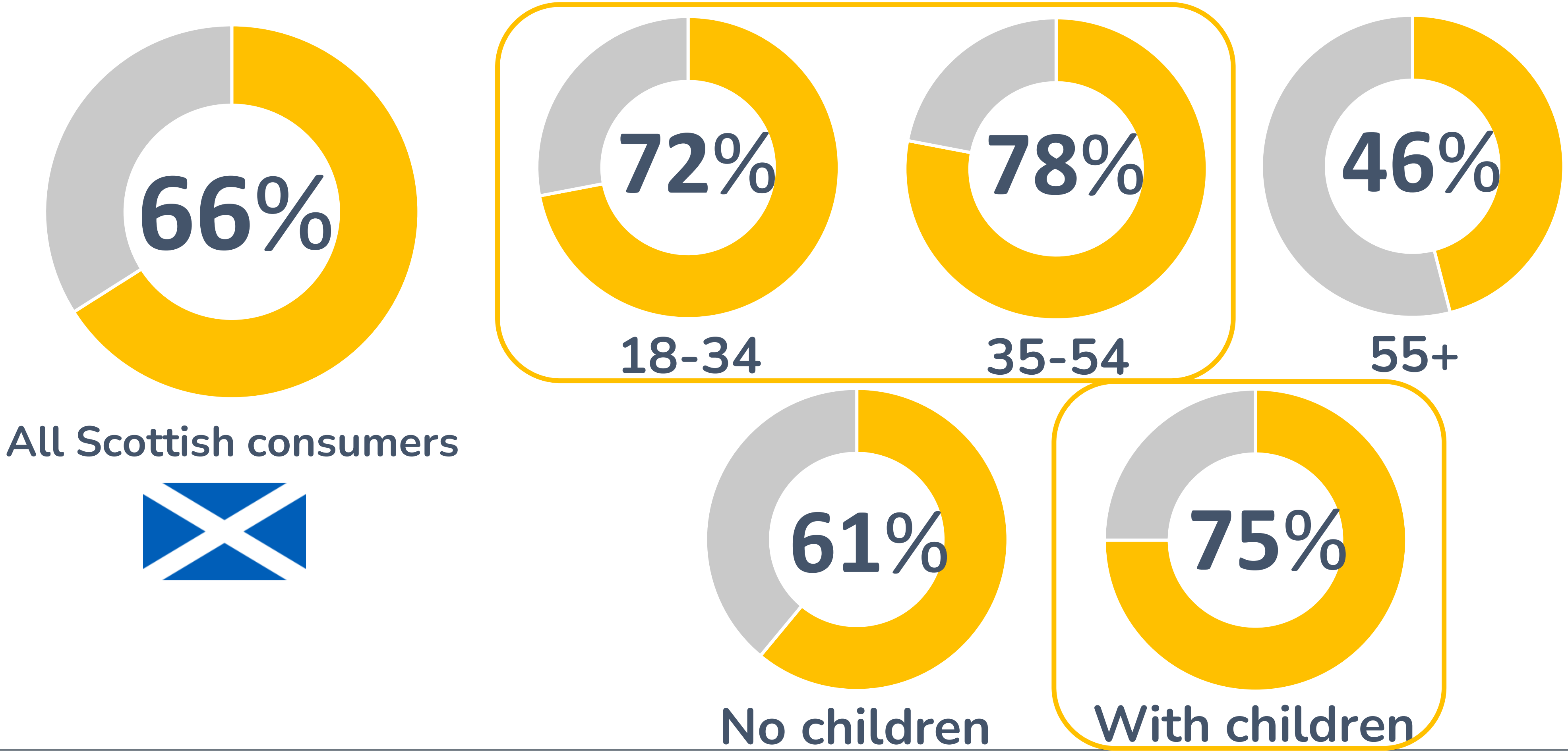


66% **agree**

53%

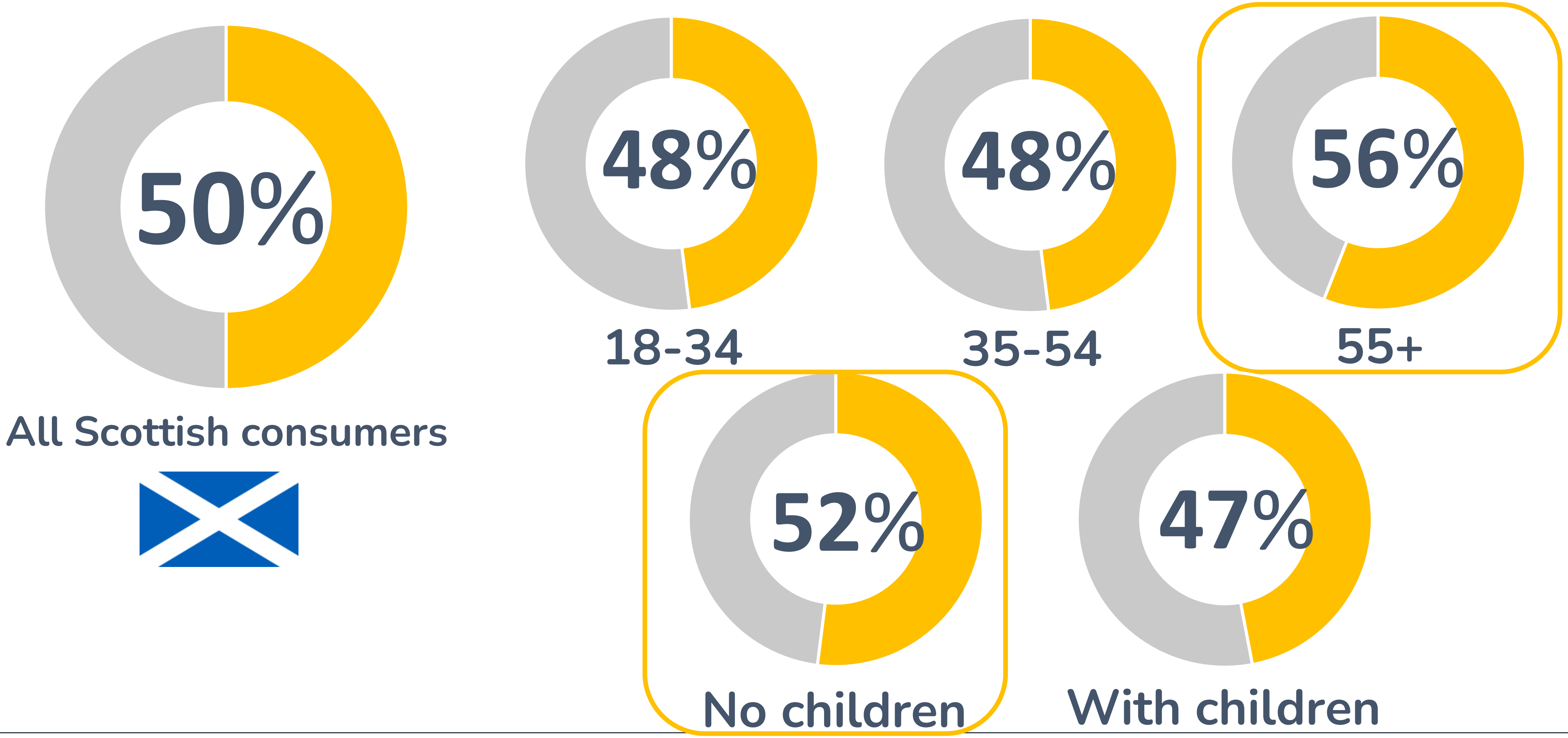
Younger consumers – and those with children – more likely to be feeling the pinch

'I am having to reduce my spending to pay my bills"



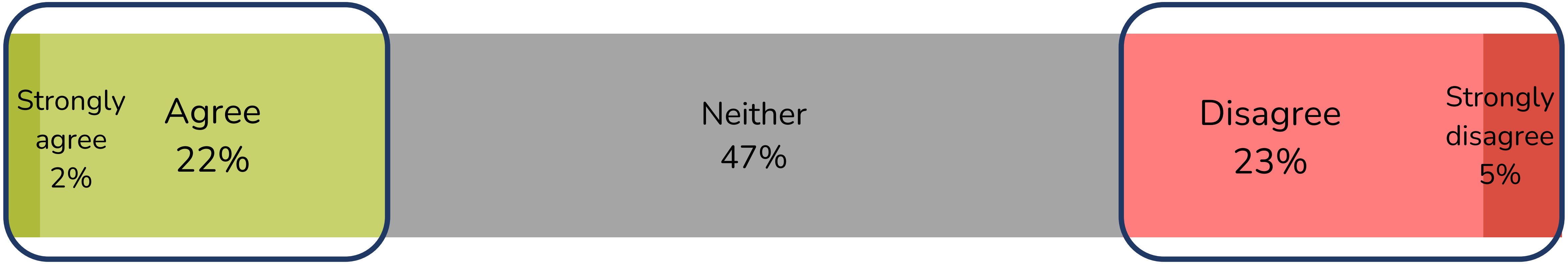
Meanwhile, it is consumers 55+ and without children that are not willing to pay extra

"I want to make sustainable choices but am not willing to pay extra for this benefit"



Mixed views on the environmental impact of shopping at convenience stores

“Shopping in convenience stores is better for the environment”



25% agree

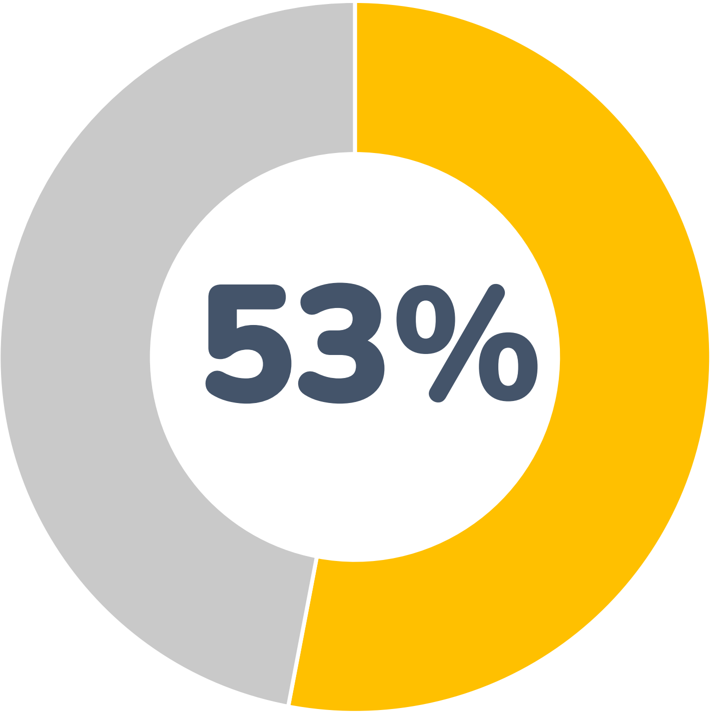
35%

28% disagree

20%

Consumers think c-stores could do more to demonstrate their sustainability credentials

"Convenience stores could do more to demonstrate their sustainable or environmental credentials"



56%

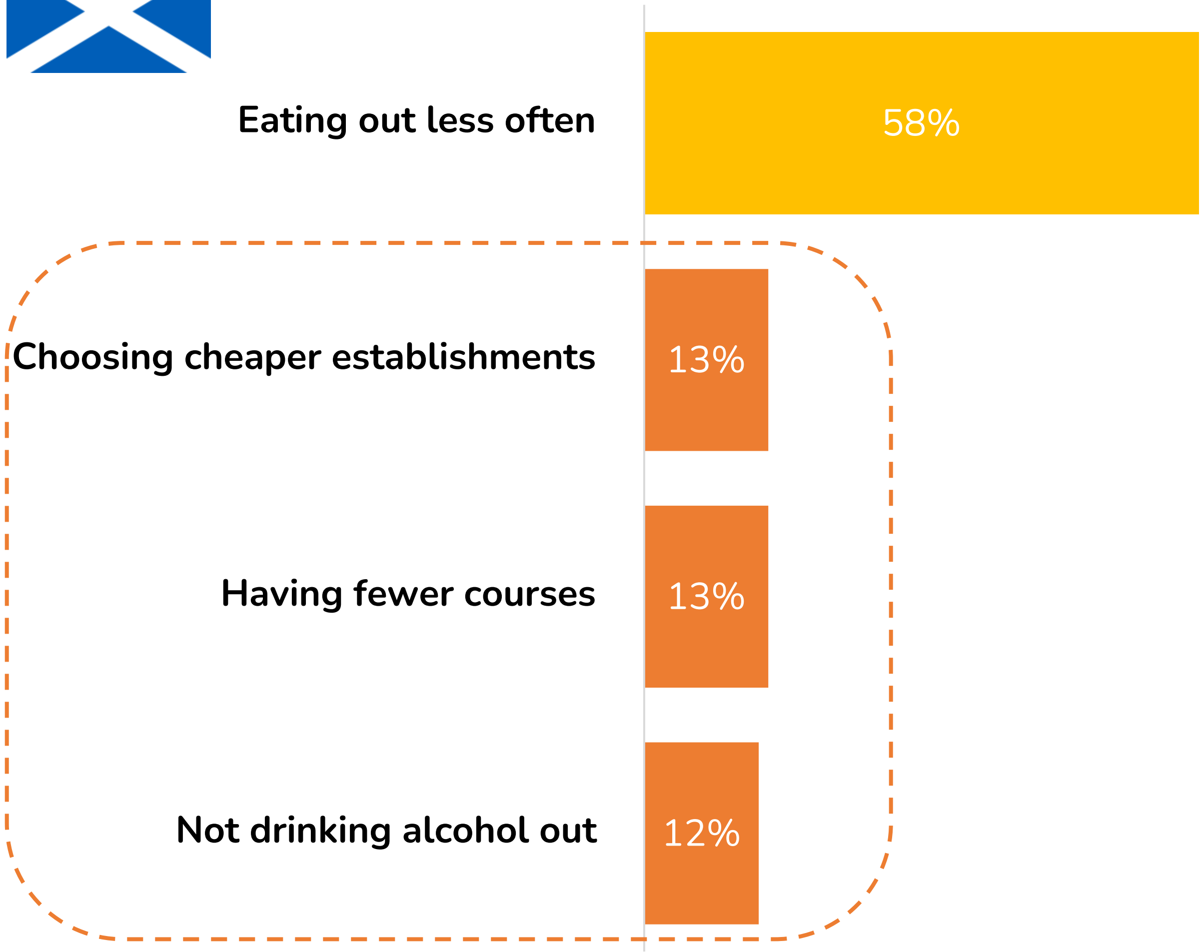
Implications – retail

- Sustainability is influencing where just over a quarter of Scottish consumers are shopping for groceries, a fall from 38% LY. Undoubtedly the hunt for **value** has overtaken as a priority.

- Half of consumers (especially 55+) are not **willing** to pay a premium for sustainability benefits - the expectation is that businesses should be focussed on their impact – and therefore absorb additional costs?

- There are mixed views on the environmental impact of shopping at c-stores (particularly in Scotland) but consensus that the sector could do **more** to demonstrate its sustainability credentials.

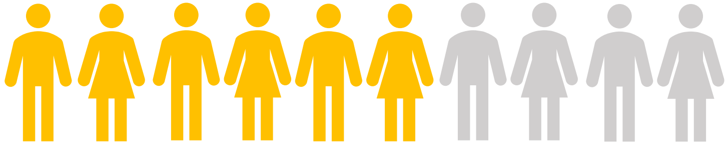
The context – consumers plan to eat out less frequently going forward



Eating out less frequently

58%

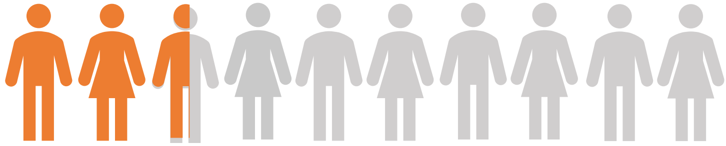
39%



Spending less

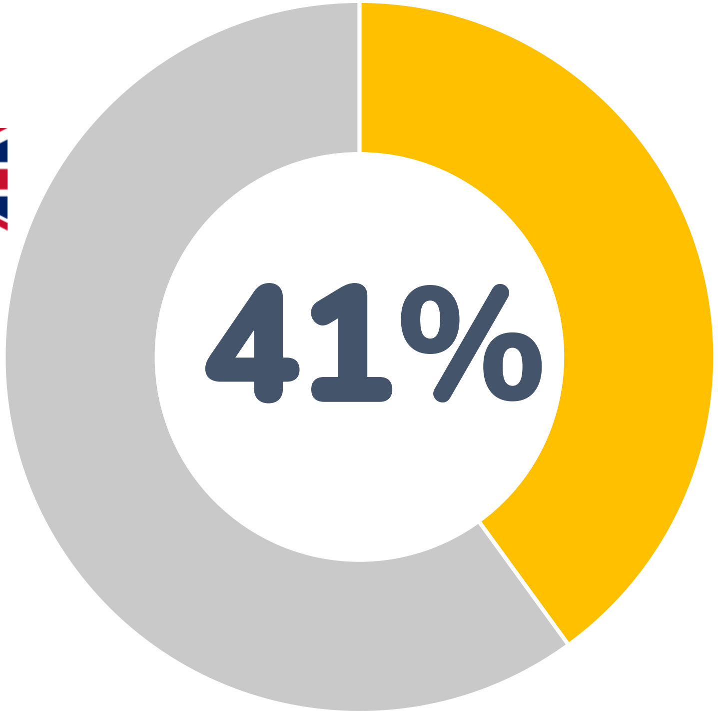
26%

26%



4 in 10 are willing to pay more for a sustainable choice when eating out … but will this be deprioritised as cost-of-living rises further?

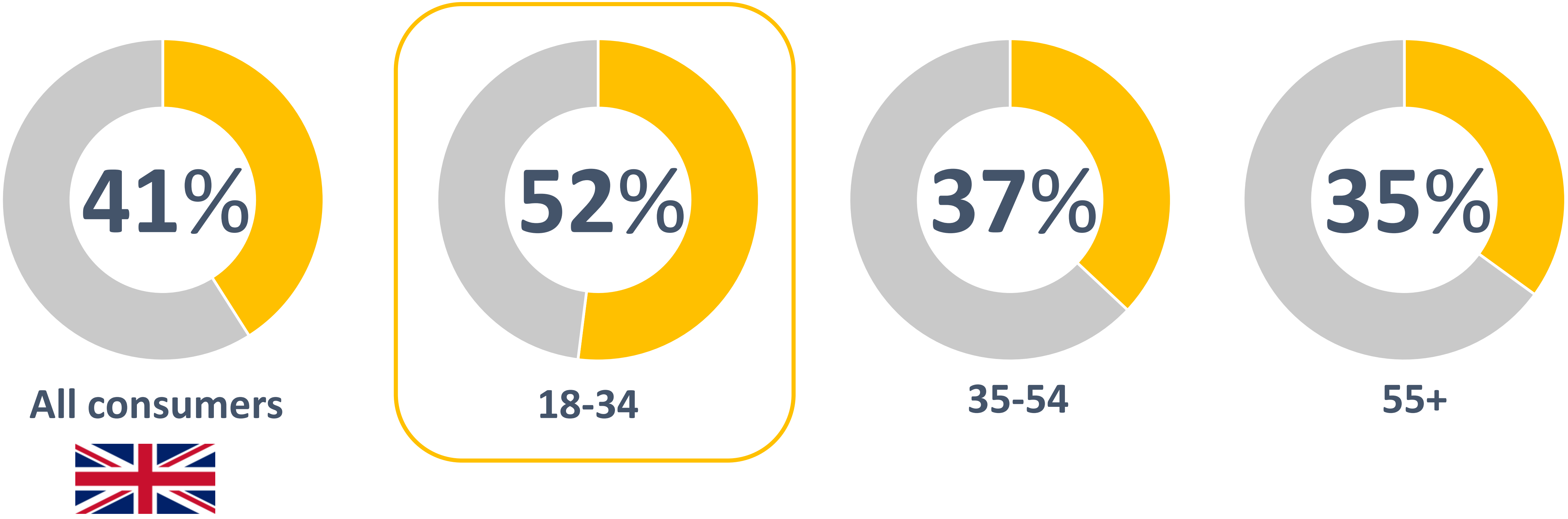
"I am happy paying slightly more if it means making a more sustainable choice when eating out"



39%

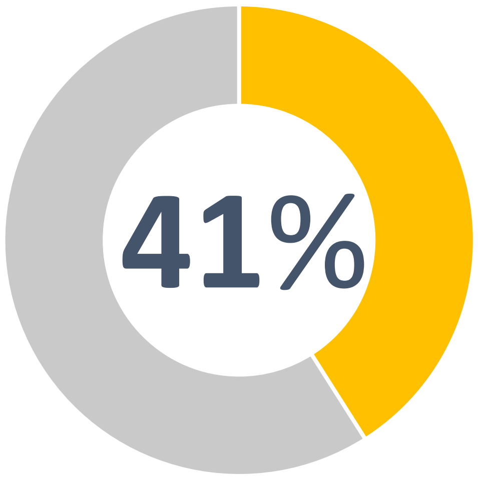
Younger consumers are more willing to pay more for sustainable choices

"I am happy paying slightly more if it means making a more sustainable choice when eating out"

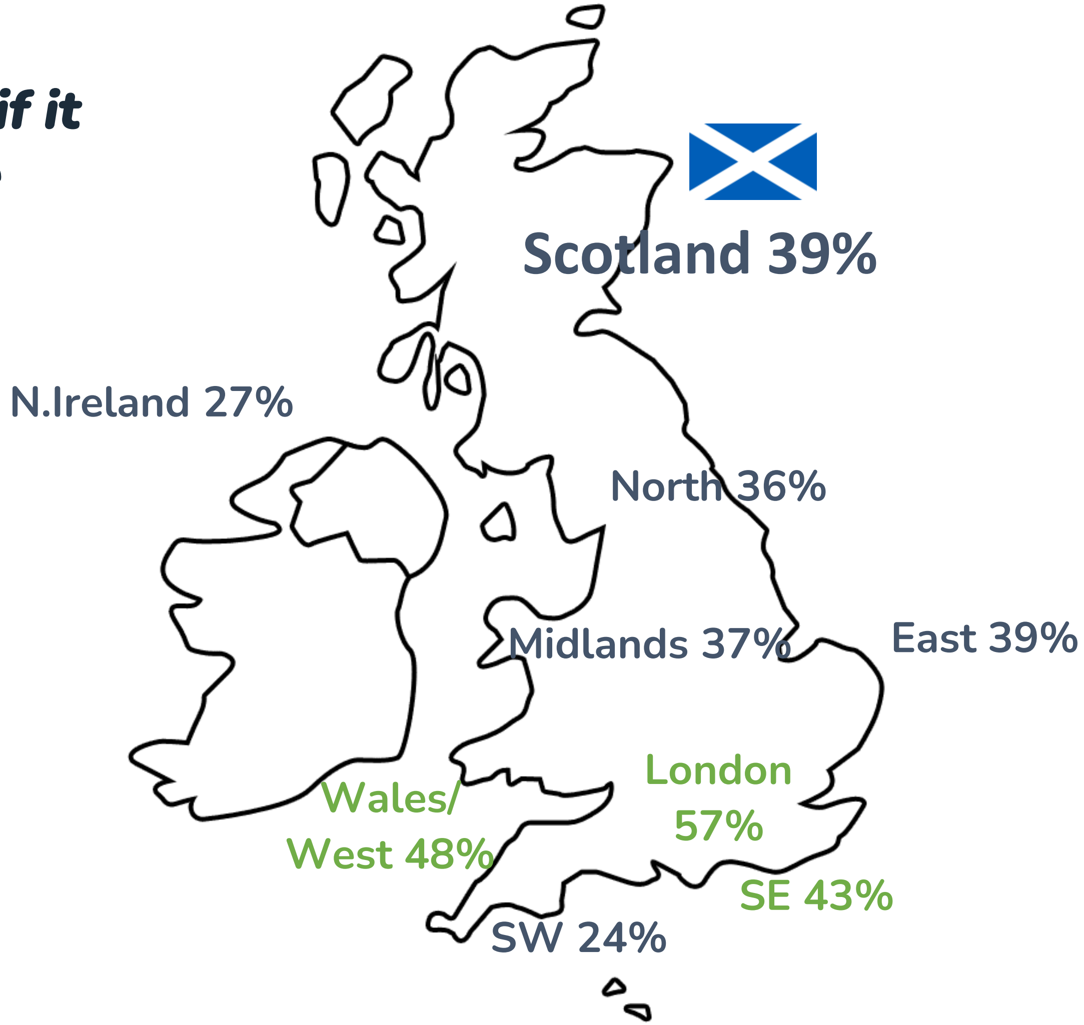


Consumers in London also more likely to pay more for sustainable choices

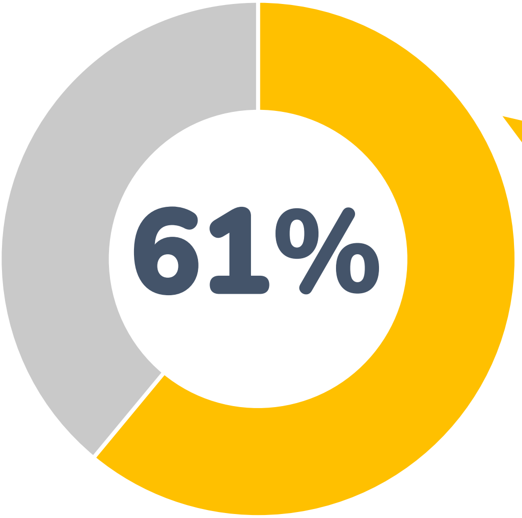
"I am happy paying slightly more if it means making a more sustainable choice when eating out"



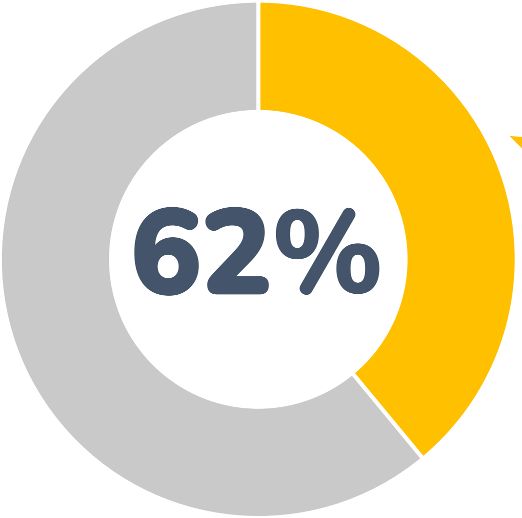
All consumers



Consumers making the link between seasonal and UK sourcing and sustainability



"Choosing seasonal produce is a good way to follow a more sustainable diet"



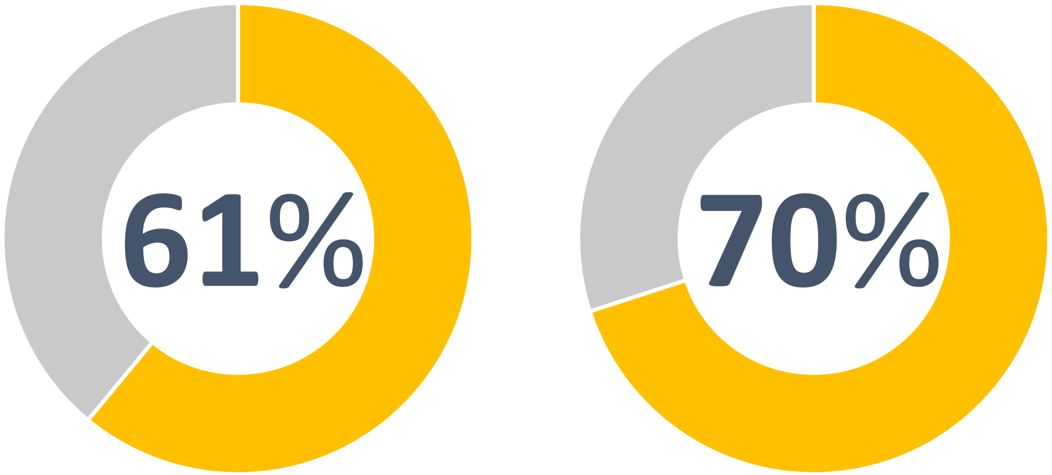
"I believe that produce sourced in the UK is always more sustainable than imported produce"

61%

62%

Older consumers are more confident about knowing what's in season

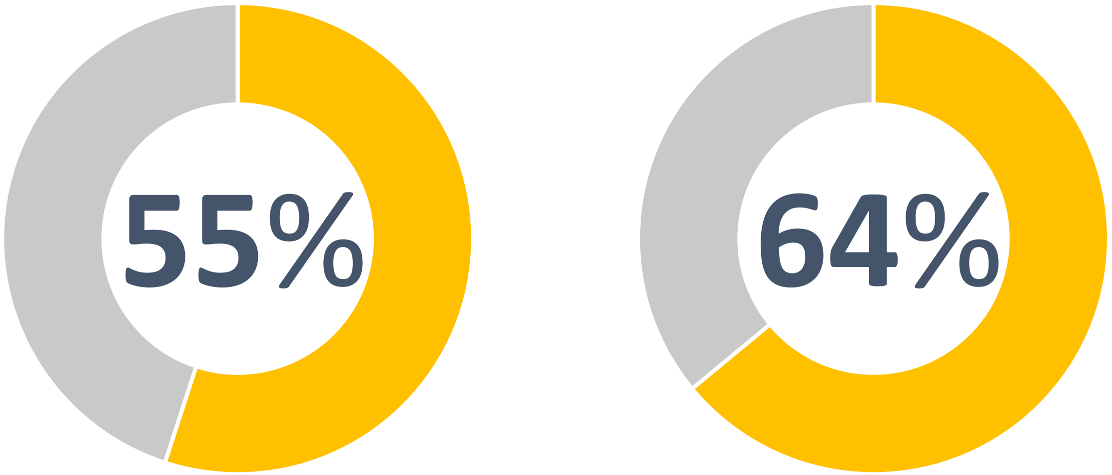
"Choosing seasonal produce is a good way to follow a more sustainable diet"



All consumers

55+

"I am confident that I know what fruit and vegetables are in season at different times of the year"



All consumers

55+

Implications – foodservice

- Eating out will be less frequent so expectations will be high and offering a point of difference/experiences that can't be replicated at home will be key. Sustainability can be a **point of difference** – e.g. London concepts

- However it is fair to assume that – as for grocery – sustainability as a source of added value will be **deprioritised** as the cost of living crisis bites.

- It makes sense for operators to adopt **seasonal** menus, increased **plant-based** options, repurpose food destined for **waste** etc in order to increase efficiency/reduce costs, as well as drive sustainability credentials.

Thank You!

Any Questions?
Talk to Sarah on...

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