HUNGRY AND CONFUSED: THE WINDING ROAD TO CONSCIOUS EATING



PREPARED BY Food Distribution Guy

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Consumers want to live a healthy life more than ever before. Their expectations concerning health continue to evolve, but food always plays an important role in a healthy lifestyle. Though consumers understand the role manufacturers play in shaping their diets, many do not trust them to do what they say on the issue, and they support stringent Government regulations to promote healthier diets and make healthier food options more available and
affordable.
McKinsey and Company are a global management consulting firm for many of the world's most influential businesses and institutions. This report summarizes McKinsey and Company research study titled:

Hungry and Confused: The Winding Road to Conscious Eating!

SUMMARY

- 50% of consumers prioritize healthy eating; 33% prioritize sustainability.
- Healthy eating means: consuming more fresh produce and less processed foods and sugar.
- Flexitarian is becoming the most popular diet.
- About 25% of consumers ate more plant-based products during the pandemic.
- Most consumers are confused about what is healthy and sustainable.
- One in two consumers said the pandemic changed the way they eat.
    - Generation Z: 61% have changed their eating habits (major change / some change) since Covid began.
    - Millennials: 68% have changed their eating habits (major change / some change) since Covid began.
    - Generation X: 60% have changed their eating habits (major change / some change) since Covid began.
    - Boomers<65: 50% have changed their eating habits (major change / some change) since Covid began. Of those Boomers over 65, 40% have changed their eating habits.

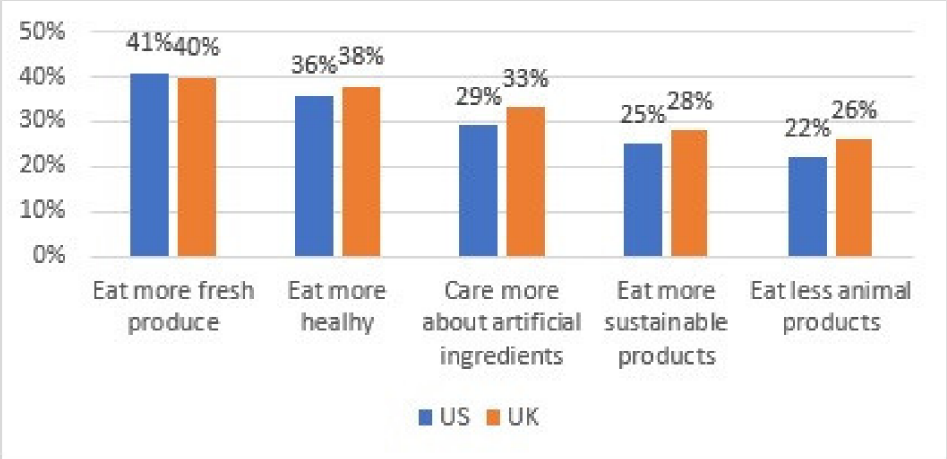
- Table 1 outlines the top 5 products consumers have cut back in the past 12 months.

Table 1
Reduction in Consumption of Products (% of Respondents)

	SUGAR	PROCESSED FOOD	SALT	FAT	RED MEAT
US	44%	43%	43%	40%	37%
UK	46%	43%	43%	40%	43%

- Chart 1 outlines the top 5 changes in eating habits since Covid began.

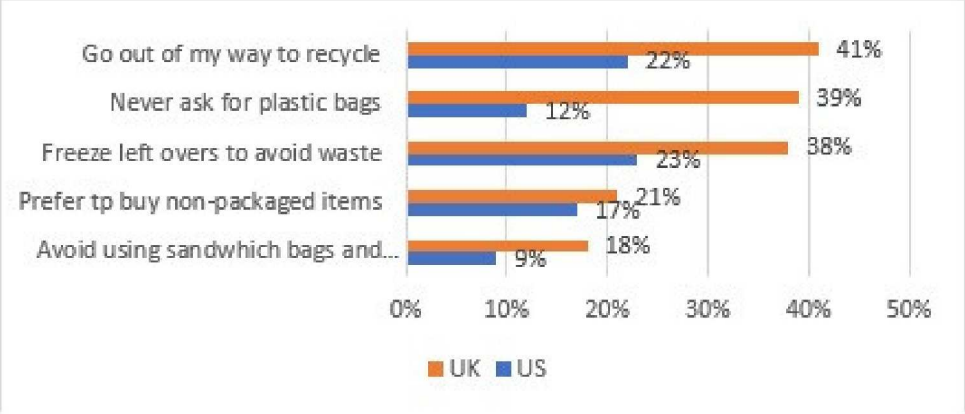
Chart 1
Change in Eating Habits Since Covid Began (% of respondents)



HEALTH & SUSTAINABILITY

- Health trumps sustainability. Most consumers prioritize eating healthy over limiting their impact on climate change. This gap is especially pronounced among consumers 65 and older. Younger consumers are the most motivated to limit their impact on climate change.
- In the US, sustainability ranks high as a consumer goal (64%). Yet, only about 28% report eating more sustainable products, and less than 30% are willing to pay more for options designed to protect the environment. Across the countries studied, about 33% of consumers under the age of 44 would pay more for foods in plastic-free packaging; only 20% of their elders agree.
- Consumers are more likely to shop sustainably if doing so requires no changes to their lifestyle and there are no added costs. Chart 2 outlines the Top 5 degrees of sustainability by the level of effort required by US and UK consumers.

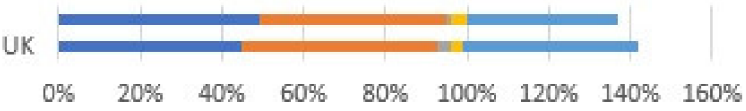
Chart 2
Top 5 Degrees of Sustainability by Level of Effort (Applies Strongly) Required



DIETARY TRENDS

- Two dietary trends loom especially large today— flexitarianism and the consumption of plant-based meat alternatives.
- Flexitarianism has gained popularity as conscious consumers aspire to eat little or no meat. Often called casual vegetarianism, flexitarianism centers on eating plant-based food, with only occasional consumption of meat.
- Three percent to six percent of consumers identify as vegan or vegetarian. Meanwhile, more than half of consumers globally identify themselves as flexitarians.
- Close to 25% of consumers ate more plant-based products during the pandemic. 33% of consumers call themselves consumers of plant-based products. Another 15% expect to start consuming plant-based products in the next year.
- Most survey respondents, consume plant-based products to benefit their health much more than the health of the environment.
- Though consumers are eating more plant-based foods, close to 50% still greatly prefer the taste of animal protein products over their plant-based alternatives.

Chart 3
Current Diet by Nation – US and UK



	UK	US
No Meat Restrictions	45%	49%
Flexitarian	48%	46%
Fully Vegetarian	3%	1%
Fully Vegan	3%	4%
Less / No Red Meat in past 12 months	43%	37%

- Health is the top reason consumers consume plant-based alternatives as below.

Table 2
Top 5 Reasons for Consuming Plant-based Alternatives

	US	UK
Is it better for my health?	40%	35%
I love the taste	27%	25%
Better for the environment	18%	26%
Better nutritional value	20%	15%
Wished to try something new	20%	20%

- Despite their desire to do better, almost 50% of consumers admit to having difficulty understanding what they need to do when it comes to choices on health and sustainability.
- When asked the following questions:

    1. I find it hard to understand what foods are best for myself:
        - 40% of US consumers agreed / somewhat agreed
        - 42% of UK consumers agreed / somewhat agreed.
    2. I find it hard to understand what I should do to be more sustainable:
        - 42% of US consumers agreed / somewhat agreed
        - 52% of UK consumers agreed / somewhat agreed.

CONCLUSION

- Consumers face tough choices about the food they buy and consume as a result of inflation. Close to 74% of all consumers have changed their shopping behaviour to get more for their money.
- Consumer commitment to conscious eating is strong. Consumers of all ages have begun to translate that commitment into healthy, sustainable habits. Yet consumers need help from food companies and retailers to get easy-to-understand product information and ready access to the right stuff.

FOOD DISTRIBUTION GUY PROFILE



Richard Baker, President

Food Distribution Guy's mandate is to ensure our principles success is sustainable long-term. Providing our clients with market insights, and industry expertise, we champion the sales procurement process in which our principles' break through the competitive landscape to "Getting and Staying" listed in Canada's grocery sector.

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416-768-7648
www.fooddistributionguy.com
richard@fooddistributionguy.com
@richardecbaker