

Ethical Alcohol

Environmental and social drivers of purchase in the Alcohol industry

April 2022





Sustainability is becoming more important to consumers, to companies, and to the world

BASES wanted to understand:

- 1) What is sustainability overall and in the context of the alcohol industry?
- 2) Why is sustainability important to consider?
- 3) How can manufacturers successfully bring sustainability to consumers?
- 4) How can BASES help?





What is sustainability overall and in the context of the alcohol industry?

What is sustainability?

- **Sustainability** can be defined in different ways.
- For this analysis, it's defined as meeting our needs without compromising the ability of future generations to meet their own needs*

Sustainability includes:

- Environmentalism
- Fair trade
- Gender equality
- Racial equality
- Workplace safety

*Our Common Future: Report of the World Commission on Environment and Development". UN Documents. < <http://www.un-documents.net/ocf-02.htm> >



More and more corporations are committing to sustainability in packaging & product development



Diageo – Sustainable packaging targets for 2030

- Reduce total packaging weight by 10%
- Make 100% of packaging widely recyclable
- Ensure 100% of plastics will be designed to be recyclable, reusable or compostable in countries where we operate



Molson Coors – 2025 Imprint Goals

- Ensure packaging is 100% reusable, recyclable or compostable, and consumer-facing plastic packaging is made from at least 30% recycled content
- Reduce carbon emissions by 50% in our direct operations
- Make products with 22% less water hl/hl



ABInBev – 2025 Sustainability Goals

- 100% of products will be in packaging that is returnable or made from majority recycled content
- 100% of purchased electricity will be from renewable sources and will have a 25% reduction in CO2 emissions across value chain
- 100% of communities in high stress areas will have improved water availability & quality

Sources: Diageo.com; MolsonCoors.com; AB-InBev.com

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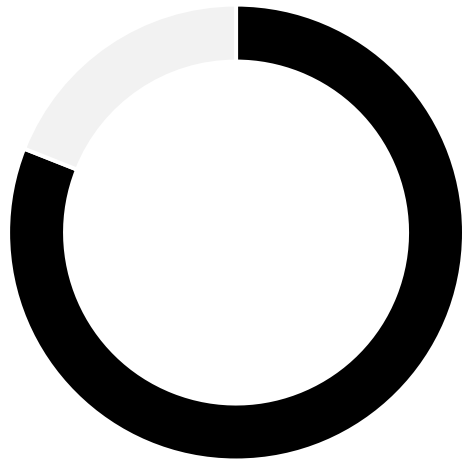


18 of the top 20
largest Alcoholic
Beverage
manufacturers cite
Sustainable efforts as
a key focus area for
their organization



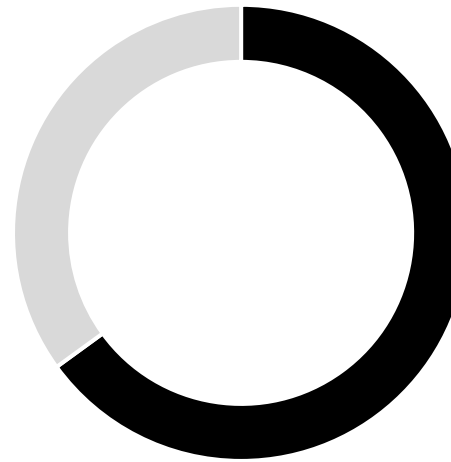
Why is sustainability important to consider?

Consumers value sustainability



81%

Global consumers say that it is “very” or “extremely important” that companies implement programs to protect the environment*



72%

Global consumers say they would be willing to pay more for products with sustainable attributes or features



**How can
manufacturers
successfully bring
sustainability efforts
to consumers?**

Consumers perceive a variety of packaging types as environmentally friendly, leading to multiple options for “better for we” package innovation; some barriers still exist

Barriers & opportunities to overcome by packaging type: *(among packaging perceived as most environmentally friendly)*

Glass

Most generally appealing, very giftable, innovate to increase portability



Recyclable / recycled plastic

Overcome potential gifting concerns with premium packaging



Cardboard / Tetra

Develop packaging that will maintain taste & quality of drink



Growlers / refillable

Offer ways to sanitize and streamline portability



Source: BASES 2021 BIR Survey (In your opinion, which of the following materials used for 'packaged alcohol products' are environmentally friendly? What other types of packaging would you like to see from alcohol manufacturers? Which reasons, if any, would prevent you from purchasing alcohol products packaged in alternative packaging)



Leverage your pack to ensure shoppers and consumers understand your sustainability story

Remember....

81%

Global consumers say that it is “very” or “extremely important” that companies implement programs to protect the environment*

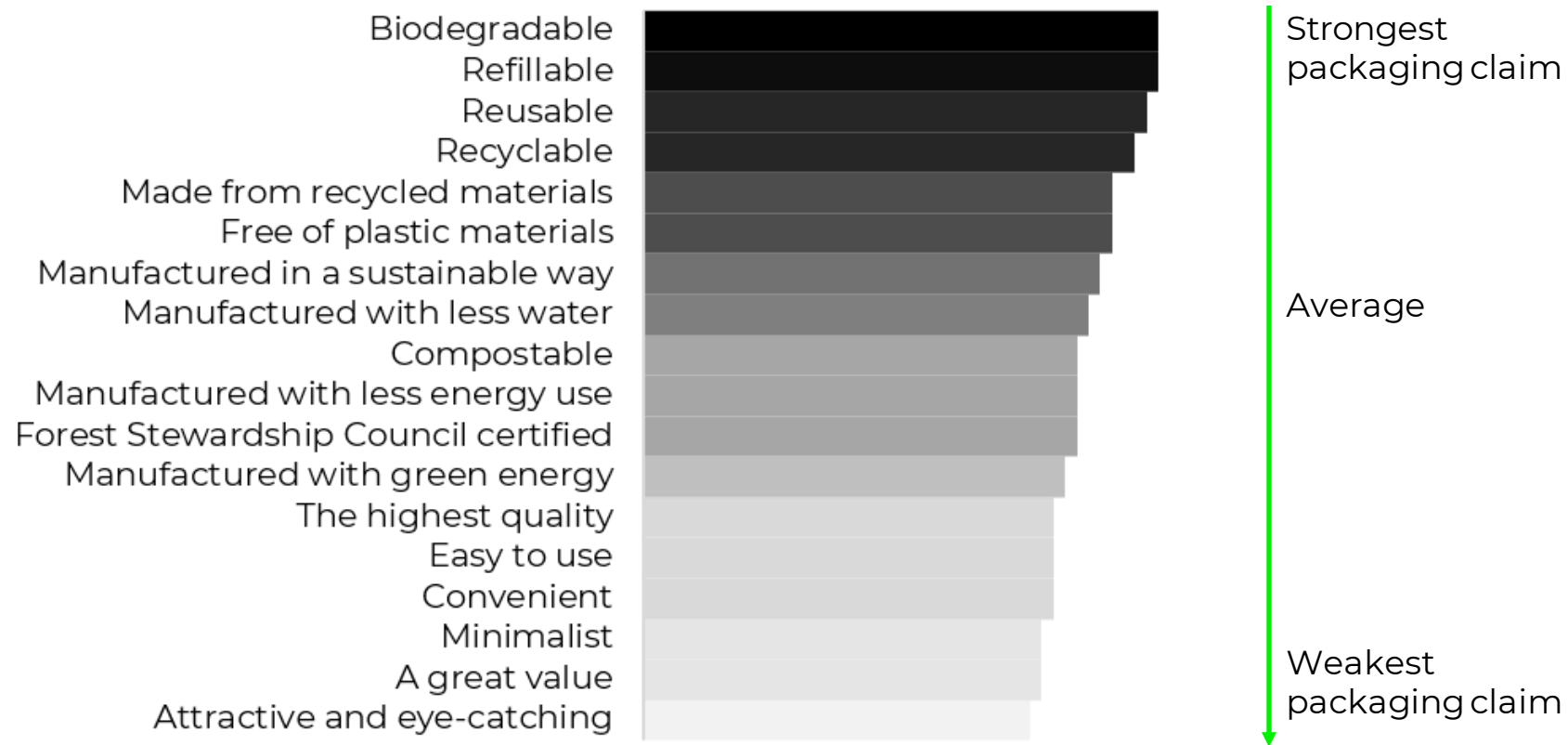


100%

Packaging is the only piece of marketing collateral that is **guaranteed to reach 100%** of shoppers and consumers

Among packaging claims, 'Biodegradable' and 'refillable' motivate consumers the most

Top **packaging** claims globally, from strongest to weakest



* Source: NielsenIQ Answers On Demand latest 52 weeks ending September 2021

**Source: Label Insight consumer search data from Amazon, Target & Walmart. April 2020-March 2021

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Simple and easy to process call outs best resonate with shoppers

Green colored call-outs naturally connect to a sustainable benefit while concise benefits allow for quick comprehension



If a behavior change is needed, intuitive placement of simple messaging is key



Bota Box instructs shoppers to see the bottom of the box for instructions on how to open to ensure freshness – delivering this message at the moment of desired behavior



Coca-Cola instructs shoppers to keep the cap on when recycling – delivering this message at the moment of desired behavior

Help shoppers understand the personal benefit of the new forms / packaging



3x

Sustainability drivers are more likely to drive preference when associated with other benefits



Three principles to successfully land a sustainability message

BASES Consumer Neuroscience principles to keep in mind when developing pro-social communication:

#1 Empower the viewer

#2 Keep it simple & personal

#3 Mind the brand

Landing a sustainability message

BASES Consumer Neuroscience

Empower the viewer

Emotional withdrawal is an automatic response to negativity.

Although some negativity may be required to motivate, pay attention to the balance and try to empower the viewer with a solution to engage **reward circuit**, (ex: illustrate the difference consumers are/will be making by purchasing sustainable goods over non-sustainable).

The Reward Circuit:

- Circuit in the brain that enable pleasure associated with a reward.
- Important for learning, motivation and "leaning in" to a message or a cause.



Landing a sustainability message

BASES Consumer Neuroscience

Keep it simple & personal

Big numbers & big issues can create **emotional distance**, a state of mind occurring when a topic is too complicated or difficult to connect with.

Focus on a personal story to engage empathy and minimize executional complexity to leave space for the viewer to process key messages and emotionally engage.



[Watch here](#)

Landing a sustainability message

BASES Consumer Neuroscience

Mind the brand

Brands are networks of associations; fitting sustainability in can be difficult without existing **connection points**, links that establish relevance between entities.

Fit between brand and issue can make an initiative much more powerful, minimizing skepticism or risk of activating other brands.





How can BASES help?



Final thoughts on driving purchase with sustainability

Do's and don'ts of sustainable execution

Do

- ✓ Promote preservation of natural resources on your products and messaging, if applicable
- ✓ Advocate for environmental consciousness/preserving resources
- ✓ Consider developing biodegradable or multi-use packaging
- ✓ Lead with optimism and empowerment
- ✓ Stay on brand and select causes with relevant messaging to your products

Don't

- Sacrifice quality for sustainability
- Promise to make a broad, non-specific social impact
- Use pessimistic messaging as a primary motivator for your cause
- Overwhelm consumers with large data sets
- Complexify your communication to the consumer
- Stray far from your brand's core identity



Capitalizing on the sustainability opportunity

Key questions & how BASES can help

What sustainability benefits fit best with my brand and matter most to consumers?

- Quickly understand if the benefits associated with your brand are seen as desirable and unique to consumers with **BASES Quick Screen**

Does my package meet the needs of my consumers and clearly communicate sustainable benefits?

- Ensure your package succeeds in-store and drives desired behavior change through **BASES Design** suite of solutions

Is my creative landing while driving engagement and activating my brand?

- Ensure your ad is ready for air with **BASES Neuro Ad Optimizer***: predictive non-conscious performance measures and granular second by second diagnostics

*Available only in certain markets with plans for global expansion



Thank you.