



Is your brand listening to the conscious consumer? Don't get left behind

From Fair Trade to Free From, brands can learn all about consumers' hearts, minds and wallets by tapping into data that reveals the attributes that inspire them and shows how they buy across an omnichannel landscape.

NielsenIQ



Can retail shopping make a difference in the world?

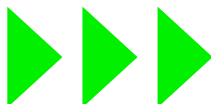
To some consumers, their wallets wield more than just financial power. They're seeking products and consumer goods that give back to the earth and the communities around them.

By shopping for products that stand for sustainability, fair and responsible sourcing, and that fight animal cruelty, many consumers feel like they're doing their part to improve the planet. And they're willing to pay more money for products that meet this mission. At the same time, as shoppers become more omnichannel oriented, they're seeking these products both online and inside stores, and looking to learn about them in both channels.

For brands, their marketing, strategy, and merchandising teams need to understand what attributes are driving sales in their categories—and how that impacts online and offline performance. Retailers, too, need to know if their target shoppers care about one feature more than another, in what channel they're buying, and how to prioritize programs to generate the best ROI.

To get these insights, brands and retailers alike can identify where and how shoppers are searching for products with key attributes such as "cruelty free," "responsibly sourced," "fair trade," and others, by merging important label data alongside omnichannel data to view the power of attributes through the omnichannel lens.

Let's dig deeper: applying attributes data to an omnichannel strategy can help brands meet their shoppers' health claims and drive sales, in-store and online.

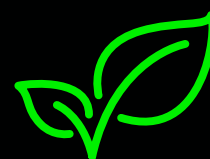


Consumer purchase preference change over last 2 years:



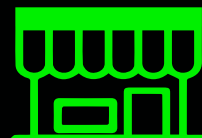
+26%

demand for fresh produce



+17%

environmental/sustainable products



+17%

from my local neighborhood



+14%

make work from home easier

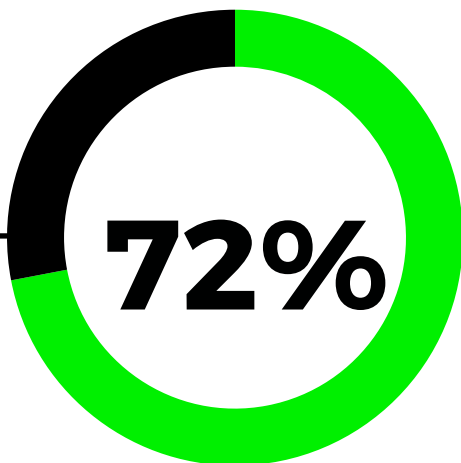


Better together: The benefits of integrated data solutions

A shopper survey and report by NielsenIQ and FMI – The Food Industry Association titled “Transparency in an Evolving Omnichannel World” found two consumer trends amplified by the pandemic. First is a strong desire for brands and retailers to be more transparent about what’s in a product and how it’s sourced. In fact, 72% of US shoppers surveyed deemed transparency from brands as being “extremely important” or “important.”

Second is an increase omnichannel shopping. The survey found that 64% of the respondents admitted to beginning to shop online because of the pandemic.¹

One category where transparency and omnichannel shopping makes a powerful pairing is coffee, where products sourced as fair trade can have a strong impact on sales.



of U.S. shoppers surveyed by NielsenIQ and FMI deemed transparency from brands as “extremely important” or “important.”¹

For both brand and retailer strategists looking to understand the intersection of omnichannel shopping and the conscious consumer, NielsenIQ label-driven data alongside omnichannel insights can uncover new opportunities, help gain shopper loyalty, and grow market share.



Get in touch with NielsenIQ about how to make this happen.





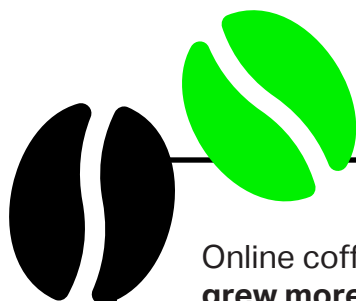
Brewed together: Omnichannel and attribute data in coffee

While the assortment of products claimed to be sourced as fair trade is small in comparison to the total store assortment, products with a fair trade attribute are driving larger dollar figures and growing each year, especially within the coffee category, where fair trade has a foothold.

According to NielsenIQ data, fair trade is indeed a major category within coffee, as sales of coffee products with a "fair trade" attribute increased 27% in 2021 compared with two years ago, and increased 10% compared to 2019.²

Now, factor in Omnisales data to see that sales of coffee online grew more than \$1 billion in 2021 versus two years prior, and that 90% of the online sales were made by omnichannel shoppers. Omnisales data shows online sales of the total coffee category passed \$4.2 billion in 2021 compared to over \$3.1 billion in 2019.³

Of course, omnichannel data can get even more granular within the coffee category, or almost any category, identifying sales rises in ready-to-drink coffee and coffee creamers.



Online coffee sales
grew more than \$1 billion in
2021 vs. two years prior, and 90%
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omnichannel shoppers

Fair trade speaks to younger shoppers

For brands and retailers seeking to reach younger shoppers, fair trade is an attribute that speaks to that demographic. Fair Trade USA released a study in March 2022 that found younger shoppers especially react positively toward seeing a Fair Trade Certification on packaging. The study found that **8 in 10 Millennial-aged shoppers find the Fair Trade Certified label to be trustworthy and that it does impact how they shop**, and half of Gen Z shoppers surveyed said they will pay a premium for Fair Trade Certified products.



¹ Source: FMI, "Transparency, Health & Well-Being: In an Evolving Omnichannel World," 2022

² Source: NielsenIQ Total US RMS 2021 (In-store + Pickup)

³ Source: NielsenIQ Omnisales Total U.S. 12/29/2019-12/26/2020 1/3/2021-1/1/2022

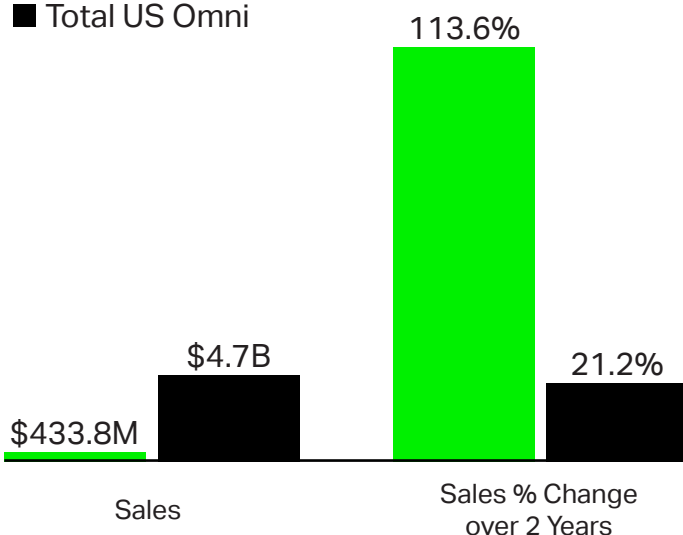


Sales of creamers among omnichannel shoppers reached \$4.7 billion, up 21.2% for the 52 weeks ending June 14, 2022 vs. two years prior, and sales of ready-to-drink (RTD) coffee reached \$20.5 billion for the 52 weeks ending June 14, 2022, up nearly 25% vs. two years ago. Total online-only sales in the two categories grew 113.6% and 98%, respectively, for the same period.⁴



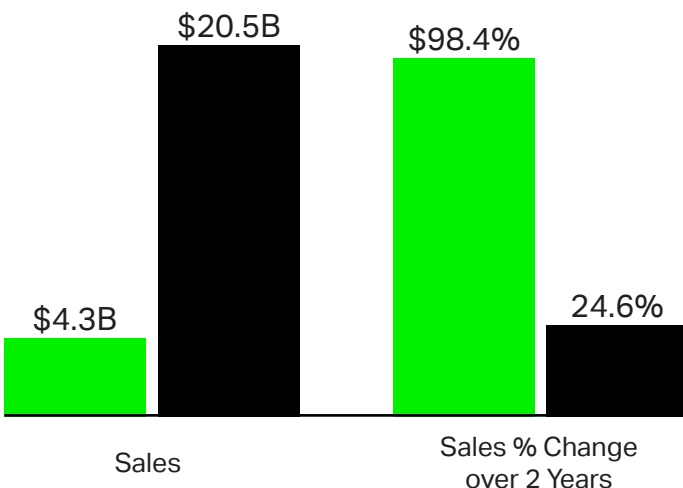
Coffee creamer⁴

■ Total US Online
■ Total US Omni



Ready to drink & packaged coffee⁴

■ Total US Online
■ Total US Omni



Shoppers focused on specific subcategories are buying differently online compared to brick-and-mortar locations, and shoppers with different interests in certain product attributes are researching and shopping with specific goals in mind.

A close analysis of the data can reveal how best to target shoppers in the channel they prefer with messages that emphasize the product attributes they are looking for.

⁴ Source: NielsenIQ Omnisales Total U.S. 52 weeks 14 June 2022



How consumers research attributes

According to the joint report by FMI and NielsenIQ, attribute research starts online. The survey found:



20% of consumers use the internet to learn about a company's sustainability practices...



more than 30% use it to learn about how ingredients are sourced...



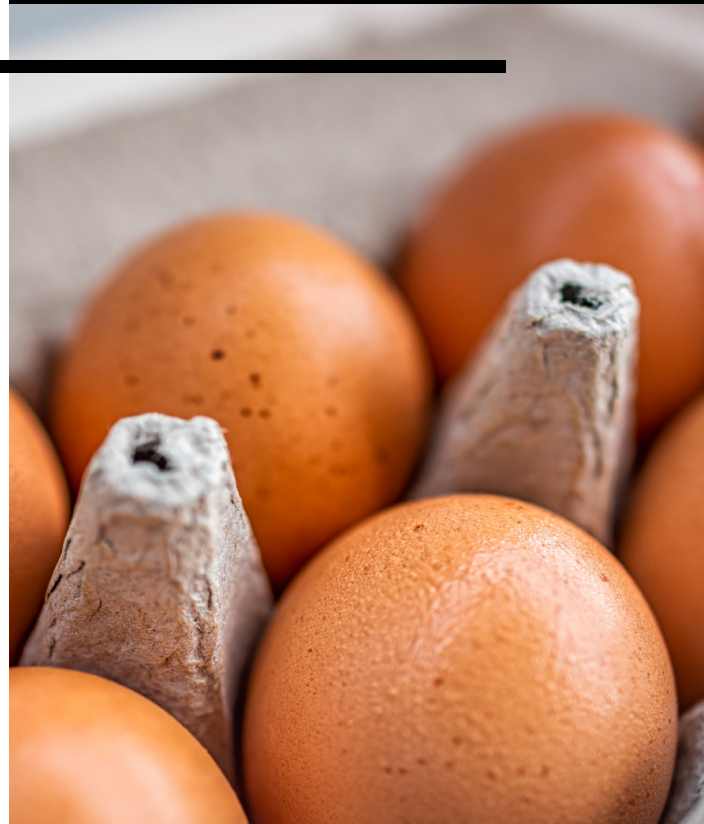
and 16% go online to find out about a company's labor practices.⁵

The FMI and NielsenIQ survey found that 64% of the respondents would switch from one brand to another if it provided more in-depth knowledge of a product beyond what's on the label.

Conscious consumers are going to great lengths to discover products that carry the attributes that matter to them. For brands looking to reach these shoppers, there's opportunity to increase awareness online, making it easier for consumers to find these products on product pages. While store displays and packaging are critical in communicating with consumers about a brand's product, CPGs and retailers can go beyond that and leverage consumer interest in online research and shopping to get more information about these products out there.

Cage free eggs

As part of its overall mission to reduce waste, Kroger partnered with a farm in the Netherlands⁶ that is said to produce the world's first carbon-neutral, cage-free eggs to land on retail shelves in the U.S. Looking at NielsenIQ data that reveals sales of **"Cage Free" products from 2021 compared to 2018 have increased 25%. Additionally, "Cage Free" products earned sales of \$2.8 billion in 2021, up from \$2.7 billion a year prior**, according to NielsenIQ data.⁷



⁵ Source: FMI, "Transparency, Health & Well-Being: In an Evolving Omnichannel World," 2022

⁶ Source: "Kroger to Introduce World's First Carbon-Neutral, Cage-Free Eggs," Winsight Grocery Business, 12/1/21

⁷ Source: NIQ RMS x AOC 2018-2021; includes in-store and pickup



And these are hungry consumers: A recent NielsenIQ Global Health & Wellness study found that 30% of U.S. consumers are more likely to buy products with sustainability claims, while 6 in 10 are willing to pay more for products that support communities and vulnerable groups.⁸

Consumers are making purchasing decisions based on product attributes and features that support the environment, and using information gathered in-store and online to determine how best to spend their dollars.

There are many opportunities for retailers and brands to work together to achieve ambitious goals around reducing carbon emissions, improving recycling, and limiting waste. And consumers expect the stores they rely on—and the brands they buy—to do so.

Sustainability attributes drive sales

The biggest names in retail globally are prioritizing programs to improve sustainability and the health and wellness of their communities in order to earn consumer loyalty. ALDI in the U.K., for example, has big plans in place for supplier partners to reduce plastics in packaging and help achieve ambitious goals around sustainability.⁹

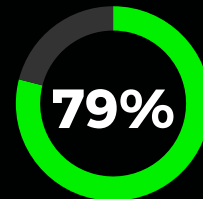
In the U.S., Target, for example, introduced Target Forward,¹⁰ an initiative that includes measures to make 100% of its private-label products recycled, regenerative, or sustainably sourced by 2030 and achieve net zero greenhouse gas emissions by 2040. Kroger's ESG Report¹¹ sets similar goals, including diverting 95% of food waste by 2025, and ensuring all packaging is recyclable, compostable, and reusable by 2030.

On the product side, attribute claims around sustainable packaging are driving dramatic shifts in sales.

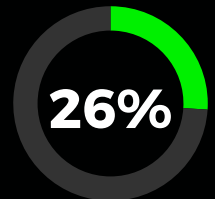
Ethically sourced products



Claims around how products are sourced are on a definitive rise among consumers compared to pre-pandemic levels. Lining up 2021 against 2018, sales of products with a "Cruelty Free" attribute are up 79% and "Fair Trade" products are up 26%.¹²



increase in
"Cruelty Free"
attributes



increase in
"Fair Trade"
attributes



⁸ Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021, US Results
⁹ Source: "How we're tackling packaging and plastic waste," Aldi web page, <https://www.aldi.co.uk/about-aldi/corporate-responsibility/resources-for-our-products/product-packaging-and-waste>

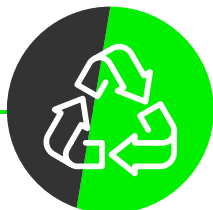
¹⁰ Source: "Target Forward: Our Sustainability Strategy," Target web page, <https://corporate.target.com/sustainability-esg/strategy-target-forward>

¹¹ Source: Kroger's ESG Report, Kroger web page, <https://www.thekrogerco.com/esgreport/>

¹² Source: NIQ RMS x AOC 2018-2021; includes in-store and pickup



NielsenIQ Retail Measurement Services data, powered by Label Insight, show that sales of a product with an attribute claiming to be “Plastic Free” increased by 96.4% in the year 2021 compared against two years prior; products claiming to use “Eco-Friendly Packaging” saw sales increase 21.3% over that time period; and products made from “100% Recycled Paperboard” were up 8.1% for the same period.¹³



For the attribute “Recyclable,” NielsenIQ data shows sales of products with that claim passed \$231 billion in 2021, up from \$227 billion the year before and \$197.5 billion in 2019¹⁴

Just as they care for themselves, it’s evident consumers care for the planet, and it’s an area where brands can dig deeper into omnichannel data and see how products with sustainability claims are being shopped online and in-store.

Brands should ask themselves the following questions:

- Which products with what attributes are growing in sales?
- Are they growing equally online and in-store?
- Who is buying those products in which channels?
- Of those shoppers, what other attributes are increasingly important to them and how will searching for those products impact their shopping behavior?



Products with a “Cruelty Free” attribute generated nearly \$3 billion in sales in 2021, up from \$2.5 billion in 2020. Products claiming to be “Responsibly Sourced” generated nearly \$9 billion in sales in 2021, up from nearly \$8 billion the year prior.

¹³ Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; year end 2021 - 52 weeks W/E 01/01/22 vs 2YA
¹⁴ Source: NIQ RMS x AOC 2018-2021; includes in-store and pickup



Marry the data

More than ever, consumers are shopping with their hearts. Brands and retailers have the opportunity to learn how consumers are evaluating and buying products consciously in order to effectively meet them across channels. By marrying omnichannel data findings with attribute trend analysis, teams in marketing, e-commerce, and merchandising can see how categories and attributes are performing in-store, online, and among omnichannel shoppers. They can discern which demographics—prefer to buy products with these attributes, too.

NielsenIQ's range of data products work together to help highlight what attributes are shining brightest among consumer groups and illuminate how those product categories are performing among online-only shoppers, brick-and-mortar shoppers, and omnichannel shoppers.

Using NielsenIQ omnichannel data alongside its granular attribute-level data, brands that want to share their sustainable and charitable messaging and highlight their products doing good can do so in the most effective way to activate conscious consumers.



**Learn more
about
NielsenIQ
Omnisolutions
products here.**



Learn more about how to optimize your omnichannel strategy.

See how NielsenIQ Omnisales and Omnishopper can give you a leg up in understanding cross-channel shopper shifts in our report “What is your brand’s winning move this year?”



Get the report

NielsenIQ

Who is NielsenIQ?

NielsenIQ, a global information services company, delivers the gold standard in consumer and retail measurement, through the most connected, complete, and actionable understanding of the evolving global, omnichannel consumer. NielsenIQ is the source of confidence for the industries we serve and is the pioneer defining the next century of consumer and retail measurement. Our data, connected insights, and predictive analytics optimize the performance of CPG and retail companies, bringing them closer to the communities they serve and helping to power their growth.

NielsenIQ, an Advent International portfolio company, has operations in 90+ markets, covering more than 90% of the world's population. For more information, visit NielsenIQ.com.