Transparency about ethical initiatives and educating consumers about the difference to conventional food/drink will be crucial for brands to win over consumers.

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The Ethical Food Consumer - Germany - 2022

This report looks at the following areas:

- The impact of COVID-19 on consumer attitudes towards and the market for ethical food and drink, with the environment and sustainability being in the spotlight
- Awareness and purchase of ethical food and drink labels, with free-range, organic and fairtrade leading
- Reasons for purchasing ethical food and drink and purchase barriers, with price being the principal barrier
- Ethical issues consumers want the food and drink industry to prioritise, with animal welfare and sustainable packaging leading
- Consumer behaviours related to and attitudes towards ethical food & drink

Animal welfare is the top reason for purchasing ethical food and drink. In addition, 50% of Germans see high animal welfare as among the top priorities for the food and drink industry.

COVID-19 has made the environment a higher priority with 22% of Germans having given greater priority to the environment since the COVID-19 outbreak, rising to 32% of 16-34s. 19% of Germans expect to use more eco-friendly brands or products after the outbreak, which is good news for ethical food/drink.

The price of ethical food and drink is a purchase barrier for 34% of Germans. Therefore, consumers need to be convinced that ethical products, which are often more expensive, are

*These prices are correct at time of publication, but are subject to change due to currency fluctuations.
worth spending more for. However, lack of trust and knowledge about ethical food and drink products represent a challenge.

Buying ethical food and drink makes 64% of consumers feel good. This positive feeling stems in part from consumers' perception that their purchasing decisions have a meaningful impact on the environment. This strong positive emotion offers a key means for companies to drive sales.
EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview

The impact of COVID-19 on ethical food consumer

- COVID-19 puts the environment in the spotlight
- COVID-19’s impact on the ethical food consumer in Germany

Market context

- Graph 1: awareness and purchase of ethical food/drink labels, 2021
- Animal welfare is in the spotlight
- Price is the principal purchase barrier for ethical food & drink

Mintel predicts

- Focus on sustainability will only continue to heighten
  - Graph 2: top three attributes the food and drink industry should prioritise, 2021

Opportunities

- Make animal welfare a top priority
- Animal welfare credentials need to be tangible and evocative
- Increase your efforts to reduce food waste
- Tap into the feel-good factor around ethical food & drink
  - Graph 3: quality, health and taste as reasons for buying ethical food and drink, by age, 2021

MARKET DRIVERS

- COVID-19: market context
- The impact of COVID-19 on the German economy
  - Graph 4: key economic data, in real terms, 2019-23
- COVID-19 makes the environment a higher priority
- Environmental aspects are given greater attention
- Animal welfare is set to rise in importance
- Government and retailer actions to reduce food waste
WHAT CONSUMERS WANT AND WHY

Awareness and purchase of ethical food and drink labels

- Eight in 10 adults have bought food/drink with ethical labels
- Some food and drink labels lack awareness
  - Graph 5: awareness and purchase of ethical food/drink labels, 2021
- Over one third of Germans know nine or more ethical food/drink labels
  - Graph 6: repertoire of ethical food/drink labels known, by age, 2021

Reasons for purchasing ethical food and drink

- Animal welfare and environmental concerns are the leading reasons for buying
  - Graph 7: reasons for purchasing food and drink with ethical labels/certifications, 2021
- Animal welfare is a purchase driver for 1 in 2
- Make animal welfare credentials more tangible and evocative
- Mother-bonded calf rearing
- A need to better communicate eco-ethical benefits of some labels
- Approaching sustainability in a holistic way to stand out
- Scope for organic products to more tangibly communicate their environmental and animal welfare benefits
- Take the next step in carbon footprinting
  - Graph 8: quality, health and taste as reasons for buying ethical food and drink, by age, 2021

Barriers for purchasing ethical food and drink

- Price is the main purchase barrier
  - Graph 9: barriers for purchasing ethical food and drink, 2021
  - Graph 10: barriers for purchasing ethical food/drink, by age, 2021
- Lack of trust in benefits hampers purchase
  - Graph 11: selected factors that would encourage consumers to buy products or services which claim to benefit/protect the environment, 2021
- Tangible information on pack for a better understanding
- Admitting improvement areas can win trust

Ethical issues the food and drink industry should prioritise

- Animal welfare is seen as top priority for the food and drink industry, followed by sustainable packaging
  - Graph 12: attributes the food and drink industry should prioritise, 2021
- Sustainability is set to be a key driver in food and drink packaging
- Sustainable packaging is among the key environmental issues consumers see as important
- Support worker welfare
Behaviours regarding ethical food and drink
• Buying ethical food makes people feel good
  - Graph 13: behaviours regarding ethical food and drink, 2021
• Tap into the feel-good factor around ethical products

Attitudes towards ethical food and drink
• Buying seasonal is seen as environmentally friendly
  - Graph 14: attitudes towards ethical food and drink, 2021
• Boosting eco-ethical image by tapping into positive image of seasonality
• Reducing packaging use vs avoiding food waste – a tricky balance to strike
• Make the fight against food waste a key sustainability commitment
• Food upcycling continues to be a trend

LAUNCH ACTIVITY AND INNOVATION
  - Graph 15: launches of food and drink products, by top three category claims, 2016-21
• "Sustainable" is the leading ethical claim in food and drink launches 2021
  - Graph 16: launches of food and drink products, by ethical claims, 2016 vs 2020 vs 2021
• Leading soft drink brands switch to recycled plastic
• Spell out the green packaging credentials
• Brands approach sustainable packaging solutions in different ways
• Retailers trialling packaging-free aisles
• Expectations for transparency grows
• Feel-good factor around ethical shopping offers opportunities
• German brand Share helps people in need
• Industry leaders look to other materials to reduce reliance on plastic

Advertising and marketing activity
• EDEKA takes responsibility
• Rewe goes for regional provenance
• "Every life is precious"
• German brand Share helps people in need

APPENDIX

Appendix – products covered, abbreviations, consumer research methodology and language usage
• Products covered in this Report
• Abbreviations
• Consumer research methodology
• A note on language
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