CIVIC SCIENCE

A Tasty Consumer Insights eBook:

Food, Beverages, and U.S. Consumers

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Introduction

Food. Drink. We all need it. At times we even crave it. We definitely buy it. It's relevant to all of us.

If you look at social media chatter and online published content, you'd think that we are all buying organic, non-GMO, locally grown, free range products – and that we're shrinking our meal sizes in favor of more frequent, healthy snacking. (Or if we're not doing those things, we will be very soon or risk being social pariahs.) Not to mention, you'd predict that Chipotle and Panera will be taking over the world, McDonald's will be shuttering every store in about two years, and unsold boxes of sugary cereals will be filling dumps instead of tummies.

The reality is that today's consumption preferences may indeed be changing, but not necessarily at a rapid speed or among the headline-making consumer segments that we're led to believe. Millennials overall care far less about healthy eating than do older adults. Price is still the big factor when purchasing food – along with deep product loyalty. There are reasons why Whole Foods is struggling, and Burger King (helped by its new Chicken Fries) is rebounding.

In this eBook, we compile a number of interesting findings excerpted from an extensive series of Food & Beverage Industry reports we published from January through July 2015, using our "always on" collection of poll responses to questions in our core consumer insights library. Hundreds of thousands of respondents are represented here.

We hope you enjoy – and please contact us to get a demo showing how you can access our real-time InsightStore™ platform, including combining your own custom questions with our massive data set.

- Jennifer Sikora, Chief Marketing Officer, CivicScience
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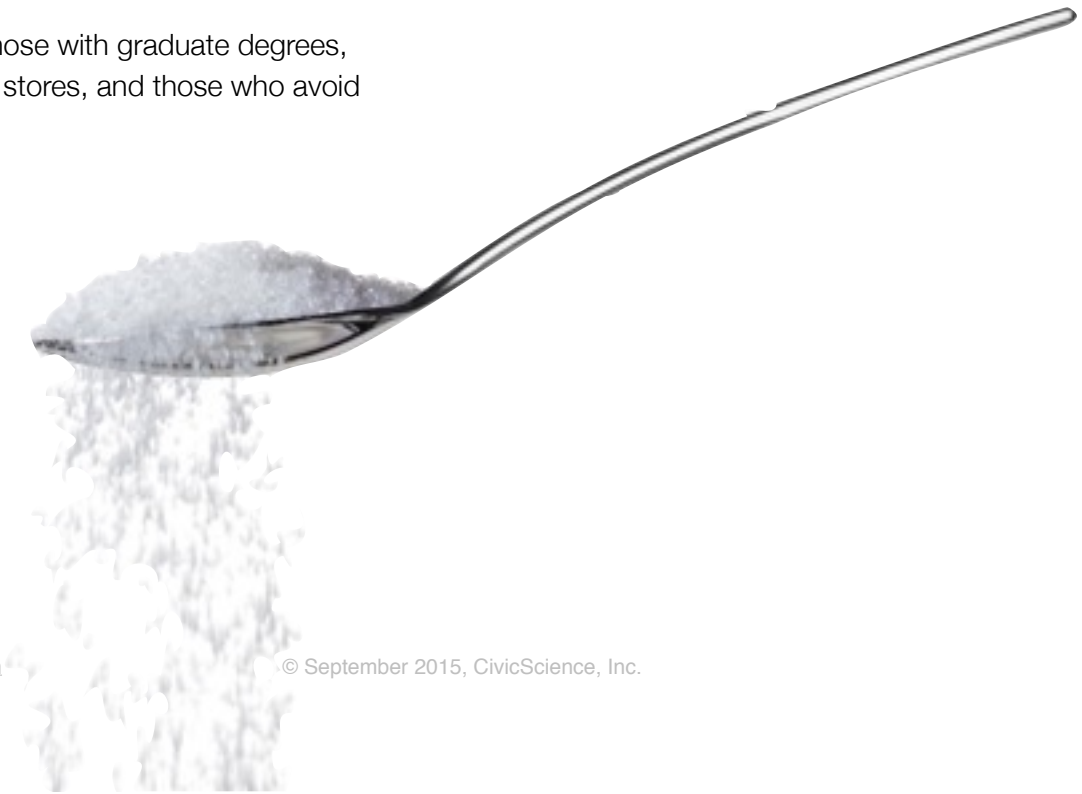
CLEAN EATING

Harmful Food Ingredients

35% of U.S. adults believe that preservatives / chemicals are the **most** harmful to their nutritional health, over sugar, saturated fats, sodium, carbs, and GMOs.

Who fears what?

- Preservatives / chemicals is more likely flagged by women, those who don't use social media, and those who avoid GMOs in grocery purchases.
- Sugar is more likely answered by those earning over $75,000 annual household income (HHI).
- Saturated fat is more likely picked by men.
- Sodium is more likely picked by those aged 55+ and who are parents or grandparents.
- GMOs is more likely answered by women, Millennials, those with graduate degrees, those who mostly grocery shop at smaller, independent stores, and those who avoid GMOs in grocery purchases.



GMO Conscious Buyers

When compared to the general population, people who say the presence of GMOs influence their food purchases are...

Demographics

- They are 15% more likely to be women.
- They are 17% more likely to have a graduate degree or PhD.

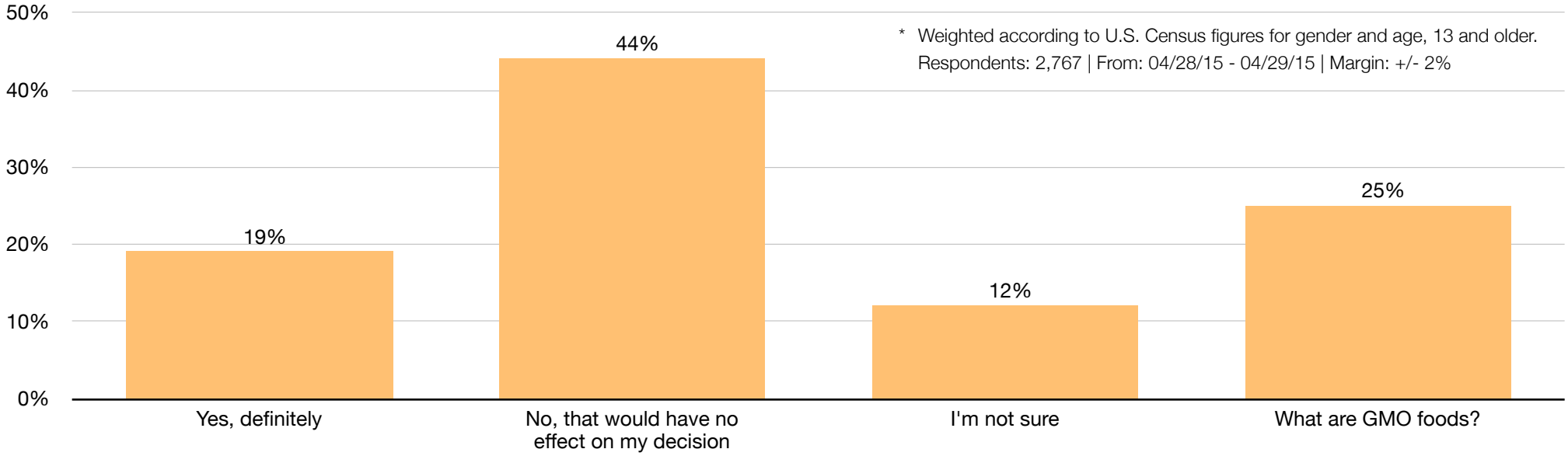
Health & Wellness

- They are 2x as likely as the general population to be avoiding or limiting their gluten intake.
- 31% say they buy organic every chance they get, which is 2x more than the general population.
- They are 88% more likely to purchase locally grown food every chance they get.
- 77% of them read the nutritional information on most of the food items they purchase at the grocery store.
- They are 68% more likely to make it a point to purchase environmentally friendly products or services.
- They are 76% more likely to say they try to adjust their lifestyle where they can to help the environment.
- They are 47% more likely to donate over $100 to environmental / animal non-profit organizations.
- They are 28% more likely to follow events and trends in food and cooking.

GMOs and the Chipotle Fan Base

In early 2015, Chipotle announced it was banning GMO foods from its menu. So, CivicScience had to ask consumers more broadly:

Are you more likely to eat at a restaurant that does not use GMO foods?



* Weighted according to U.S. Census figures for gender and age, 13 and older.
Respondents: 2,767 | From: 04/28/15 - 04/29/15 | Margin: +/- 2%

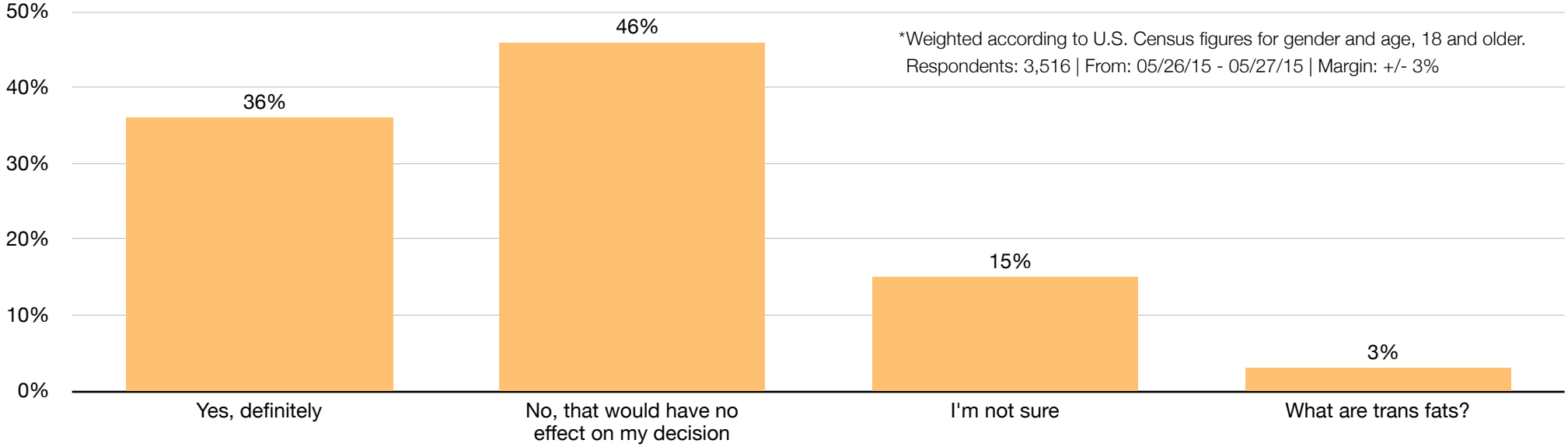
- 19% of U.S. consumers said “yes, definitely”
- Chipotle fans are 65% more likely to say they are “well informed or experts” on the topic of GMO foods.
- Chipotle fans are 50% more likely to say the presence of GMOs affects their grocery purchase decisions.

Restaurants' Banning of Other Ingredients

Taco Bell and Panera Bread are just a few food service chains who in 2015 so far have announced fairly broad ingredient bans.

- More consumers say they'd be more likely to eat at a restaurant banning artificial colors, flavors, and added trans fat than those who say the same about restaurants banning GMOs (36% vs. 19%)
- This is consistent with our earlier data point on what ingredients consumers see as most harmful.

Are you more likely to eat at a restaurant that does not use artificial colors, artificial flavors, and added trans fats?



Organic Food Buyers

Demographics

- 61% are women.
- 42% are 25-44 years old, which is 20% more likely than the general population.
- They are 40% more likely than the general population to have a graduate degree or PhD.
- They are 29% more likely to have a household income over $100k.

Health & Wellness

- They are over 2.5x as likely to buy local food every chance they get.
- They are 2.5x as likely to say they value quality ingredients most when dining out and are 2x as likely to say healthy meal options are most important.
- 67% say GMOs affect their food purchases at least the majority of the time, which is almost 3x more likely than average.
- They are 53% more likely to eat at independent, locally owned restaurants.
- They are 32% more likely to exercise at least several times a week.

Organic Food Buyers

(continued)

Social Media Usage

They are 36% more likely to actively (daily or weekly) use Pinterest.

They are 29% more likely to actively use Instagram.

They are 25% more likely to actively use Twitter.

Media Consumption & Entertainment

- They are 24% more likely to use a smartphone.
- 48% say their purchases are most influenced by social media chatter, which is 26% more likely than the general population.
- They are 41% more likely to say they primarily watch TV shows via online streaming services.

Fresh Food Purchases

Many consumers still spend the majority of their money on packaged, prepared foods.

- 54% of U.S. adults only spend a quarter or less of their bill on fresh ingredients.
- 20% of consumers say fresh food made up more than half of their grocery purchase.

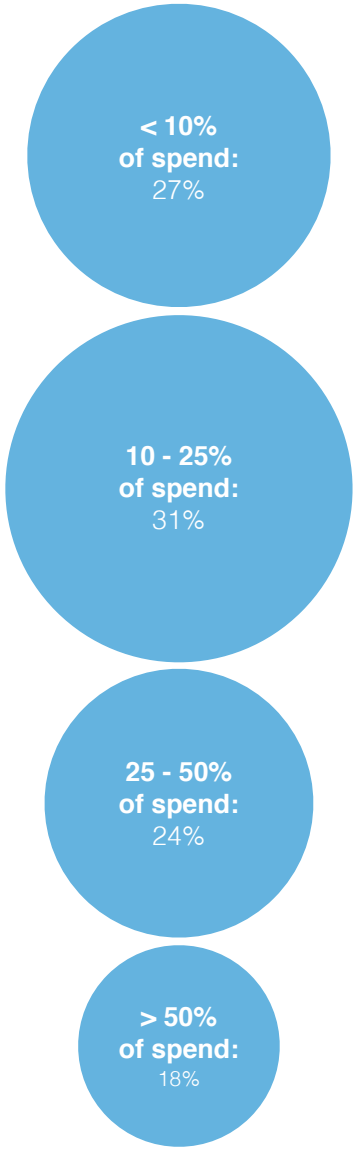
Who are these "fresh food" buyers? (Those who spend more than 50% on fresh foods)

- They are 22% more likely to be women than the average.
- They are 39% more likely to have a graduate degree or PhD than the general population.
- They are 89% more likely to purchase organic food at every chance.
- Fresh food buyers are 39% more likely to say the presence of GMOs affects their grocery purchases the majority or all of the time.
- They are 29% more likely to say a company's social consciousness and overall kindness is very important when choosing where to shop and what to buy.

Who are the likely packaged food buyers:

They are slightly more likely to be men, 45 and older, with a household income that mirrors the general population. Their purchases are more influenced by TV ads than the general U.S. adult population.

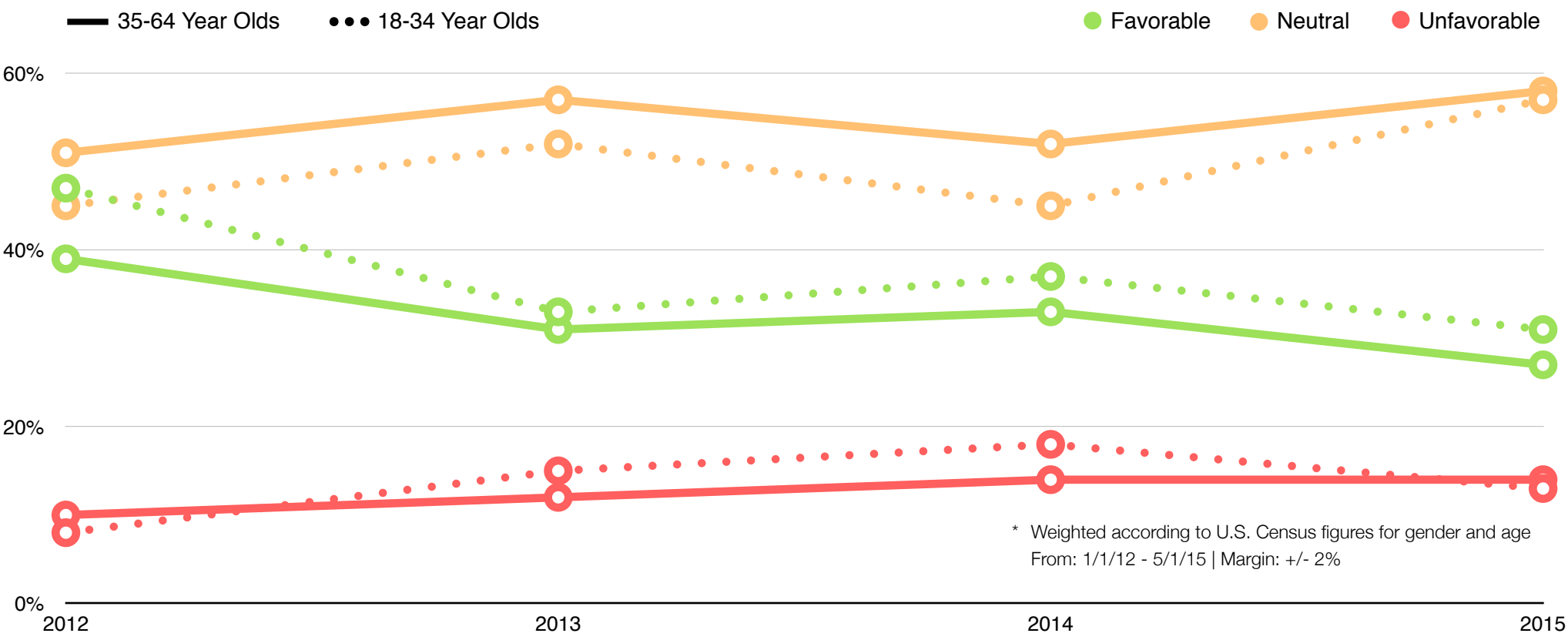
Percent of grocery spend on **fresh foods** in the past week:



Whole Foods and Millennials

By tracking consumer sentiment toward shopping at Whole Foods over the past several years, we found that favorability toward the brand has dropped among both Millennials and shoppers aged 35-64.

So is Whole Foods smart to plan new store concepts aimed at capturing Millennial shoppers? You decide…



Whole Foods and Millennials

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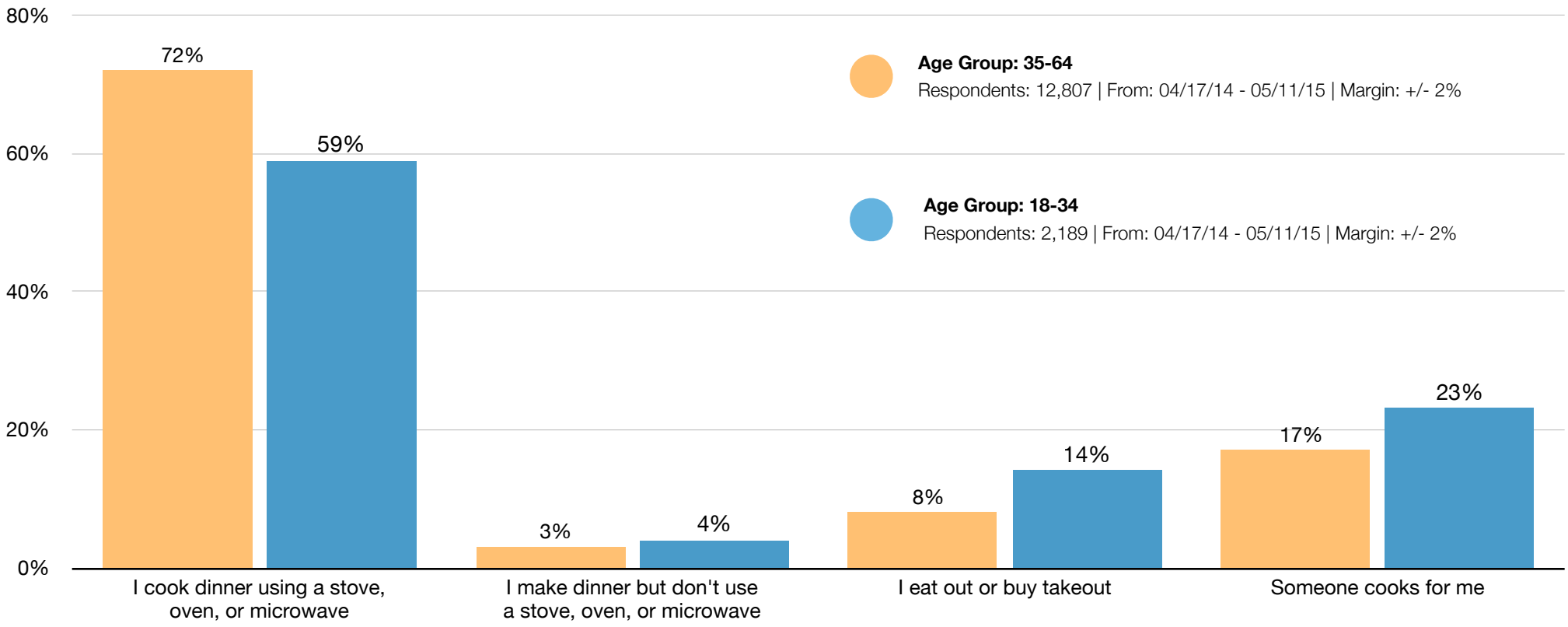
Older adults are 22% more likely than Millennials to most often cook their own dinner.

Which of the following describes how you eat dinner most often?



Whole Foods and Millennials

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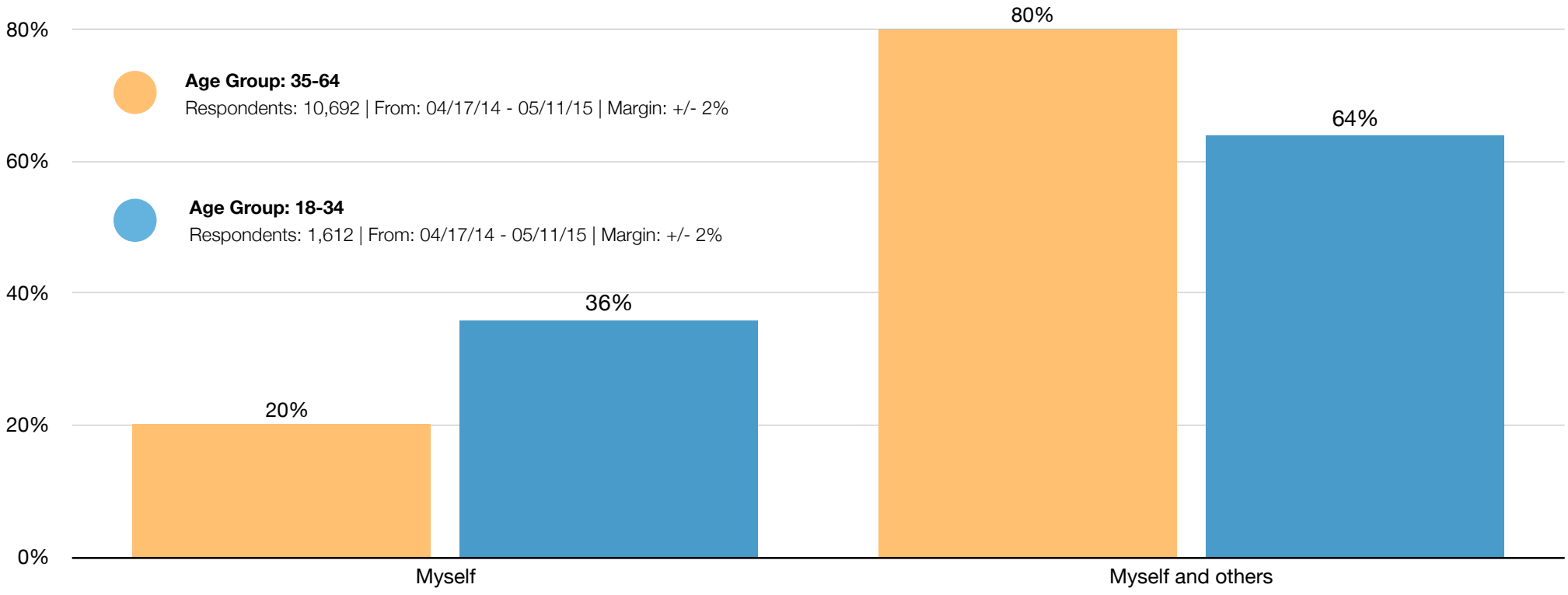
And, older adults are 25% more likely than Millennials to prepare meals for more than one person.

How many people do you typically cook dinner for?



GROCERY PRODUCT LOYALTY

Grocery Product Loyalty

Nearly half (49%) of U.S. adults are fiercely loyal to the specific grocery product they want - and when that product is out of stock, will either go to another store to purchase the exact item or wait until their next trip.

How do these loyalists compare to the general U.S. population?

- They're 12% more likely to be over age 45 and 19% more likely to be grandparents.

How do these loyalists compare to non-loyalists?

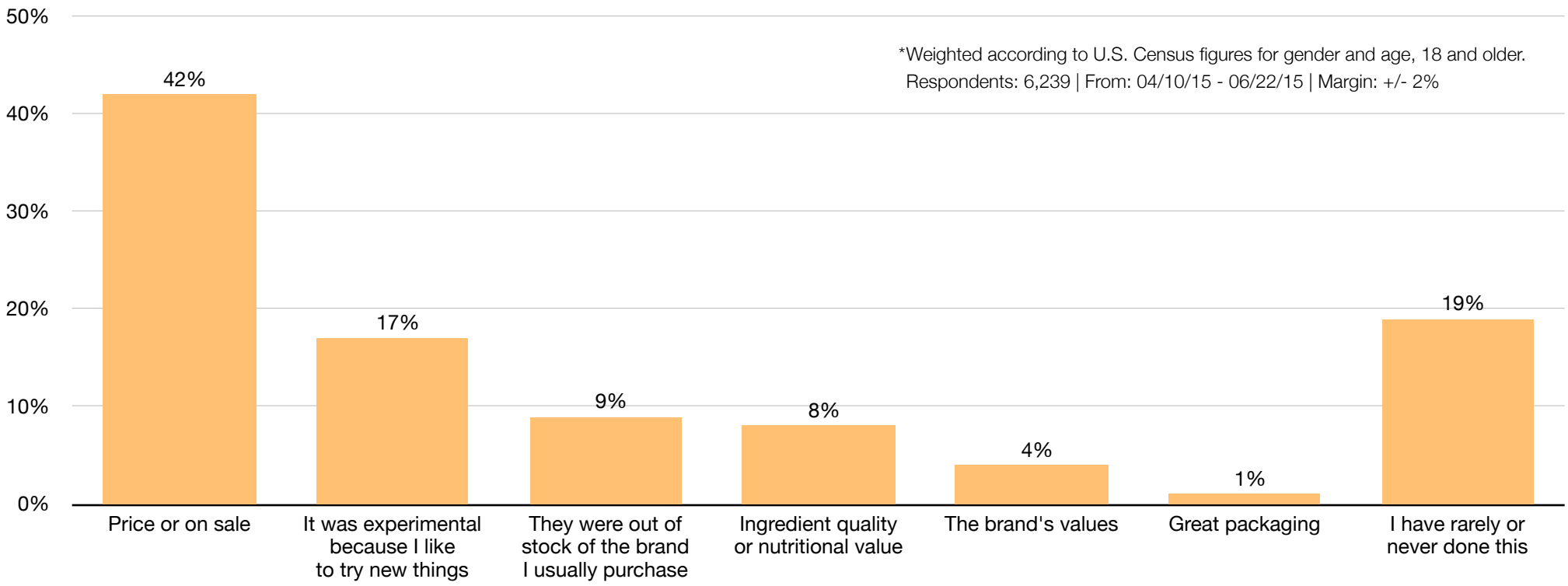
- They're 77% more likely to say a food's brand is more important than its price.
- They're 70% more likely to value quality ingredients when dining out.
- They're 45% more likely to use grocery coupons every chance they get.
- They're 20% more likely to avoid GMOs in grocery purchases when they can.

Grocery Product Loyalty

What drives new brand experimentation?

Price (at 42%) leads the pack as the primary reason U.S. adults have recently purchased an unknown, lesser-known, or new brand product at the grocery store.

What is the primary reason you recently purchased an unknown, lesser-known, or new brand product at the grocery store?



C-STORE FOOD & BEVERAGE CUSTOMERS

Weekly C-store Food & Beverage Customers

23% of U.S. adults make food or beverage purchases at convenience stores at least once a week.

- Weekly customers are more likely to be 18-29 year old males, who have a similar income to the general population.
- Weekly C-store food or beverage customers are more likely than average to spend less than a quarter of their grocery budget on fresh items, and they are 43% more likely to prepare a frozen entree at least three times a week.
- C-store loyalists are 33% more likely than other U.S. adults to say they are not eating healthier because they would have to cut back on things they like.
- They are 22% less likely to read nutritional information before making their food purchases.

MARKET MAVENS

Market Mavens' Food and Beverage Preferences and Behaviors

Defining Market Mavens

Market Mavens are those who try new products before others (early adopters) AND tell others about new brands or technology (evangelizers).

When compared to the general population, Market Mavens are:

- 59% more likely to experiment and purchase an unknown, lesser-known, or new brand product at the grocery store.
- 38% more likely to say the presence of GMOs affects their food purchases the majority of the time.
- 29% more likely to make most grocery purchases at a speciality natural / organic grocery chain (such as Trader Joe's or Whole Foods) or a small, local independent grocery store.
- 25% more likely to love spicy foods.
- 25% more likely to say they prefer to eat healthy snacks like fruit or nuts (vs. sweet or salty snacks).
- 19% more likely to read the nutritional information of most items they purchase at the grocery store.
- 17% more likely to cook dinner for multiple people in their household (themselves, their spouse, and/or children).
- 17% more likely to buy locally grown food every chance they get.

SNACKING

Profiling the Various “Snackers”

Sweet, Salty, or Healthy Choices?

Sweet Snackers

Sweet snackers are slightly more likely to be women, 29 and younger, who live in the Midwest. 45% spend more than an hour on social media each day and they are more influenced by social media than the other snacker types. 52% say they are addicted to their digital devices. Although 55% of sweet snackers enjoy cooking, they are more likely than the other groups to eat fast food at least once per week.

Healthy Snackers

Healthier snackers are more likely to be well-educated parents or grandparents who own their own home in the West and have a household income over $100K. Over half (53%) are over 45 years old. They are on social media less and watch TV less often than the other snacker segments. 58% believe they do eat healthy, 69% enjoy cooking, and they are more likely to actively purchase organic. They are at least 76% more likely to exercise several times a week and at least 73% more likely than other snacker groups to follow trends in health and fitness.

Salty Snackers

Salty snackers seem to fall somewhere in the middle of the other two segments when it comes to demographics. They are more likely to live in the suburbs and in the Northeast. Like sweet snackers, 52% say they are addicted to their digital devices. They are the least likely to exercise several times per week.

Frequent Snackers

- 51% of U.S. consumers age 13+ snack more than once on an average day.
- Snacking two or more times per day happened at a higher rate on a Saturday.

Who is the Multi-Snacker?

- Skews slightly towards women (55% vs. 45% men)
- Those 18 and under are 26% more likely than average to be multi-snackers. Among adults, those aged 18-24 and 35-44 are more likely to snack multiple times a day.
- The more often someone snacks, the higher their overall preference for sweet snacks.
- 25% of multi-snackers say that TV is important or a passion of theirs, vs. 15% of non-snackers who say this.
- They are 2X more likely than non-snackers to say that the reason they don't eat healthier is: "Not enough time / too much work."



NUTRITIONAL BEVERAGES

Nutritional Beverages

Juices, Nutritional Shakes, or Smoothies

- About half (49%) of respondents 13 and older never or rarely consume such beverages.
- 36% of respondents consume nutritional beverages several times a week to once a month.
- 15% of respondents consume them on a daily or multiple-times-a-day basis.

Additional Insights

- Daily consumers are 57% more likely to buy organic foods every chance they get and 56% more likely to choose healthy snacks over other snack options. Aside from their diets, they are less patient overall (46% more likely to only wait in line 5 minutes before leaving), and they're 30% more likely to visit YouTube every day.
- Weekly and monthly consumers skew a bit younger; they are 43% more likely than average to be aged 13-24. They are 62% more likely to listen to Pandora Internet Radio on a regular basis and 62% more likely to spend 2-4 hours per day on social media.
- More frequent consumption of nutritional beverages and an interest in music seem to go hand in hand; those who consume these beverages are 88% more likely to have spent over $75 in music-related purchases in the past year.
- Those who never drink these products are 3.7X more likely than the daily nutritional drink consumers to consider themselves overweight.

BEER

Beer Drinker Insights

Draft, Bottle, or Can?

58% of U.S. adults, 25 and older, drink beer.

- 44% prefer drinking beer from a bottle.
- 33% prefer draft beer.
- 8% prefer cans.
- 15% have no drinking preference.

Additional Insights

- Women are more likely to favor bottles; men, drafts.
- Draft beer fans are more likely than can or bottle fans to live in the suburbs. 45% of them live here.
- Draft beer fans prefer either national or regional craft beers or small, local beers.
- Those who most often eat at casual dining / sit-down chain restaurants are most likely to prefer beer from a bottle. Those who favor eating at locally-owned, independent establishments are much more likely to prefer draft beers.
- TV ads are more influential among bottle and can fans, while social media is more of an influencer on draft fans.

References

List of CivicScience report sources used for this ebook:

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Clean Eating Trends, two collection samples from U.S. adults, 18+: 69,467 responses from 3/13/2014 to 3/1/2015 (buy organic food), and 114,655 responses from 10/2/2013 to 3/11/2015 (presence of GMOs).

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