

Survey: Millennials are the most likely to prefer 'ethical' snacks

March 19, 2018

Dive Brief:

The millennial generation is the group that places the most value on where their food and beverages come from through things like sustainable farming, fair trade and zero waste, according to a new survey reported by Food & Wine.

The “**Ethics On the Go**” survey found that millennials even hold their snacks to a higher standard compared to other consumer groups. It found that while nearly all participants value responsible food and drink practices, **consumers younger than 35 care the most.**

The survey asked 1,500 U.S. consumers about their thoughts on ethical sourcing and how those beliefs affect their snacking choices while on the go. An estimated 64% of consumers younger than 35 say they there aren't enough “ethical” snacks.

Dive Insight:

Millennials are reportedly the largest living generation in U.S. history and have been said to represent \$10 trillion in lifetime buying power. So it's no surprise they're the focal point of consumer research and that the food industry is doing whatever it can to attract them.

This generation also likes to **experiment with foods and beverages** and aren't as loyal to brands as other age groups, studies have found. If a product is fresher, healthier and more convenient, or they find a brand that appeals to them in a new and innovative way, they may be more likely to switch. They also tend to be more interested in issues such as environmental sustainability, fair trade and zero waste, giving brands that value these topics an advantage with millennials who also often purchase products based on these factors.

With consumers inundated by ad campaigns and labels full of information, Big Food needs to tread carefully, but given the importance of millennial spending both now and in the future, they would be wise to woo them through social media campaigns and even special on-the-product labels.

CPG companies could draw attention to things they're doing that are important to the social consciousness of millennials through promotions and first-hand videos or pictures. As big brands jockey for future positioning, nabbing the ever-fickle millennial becomes more important than ever. It's one thing to make a product more “ethical,” but it's another to promote it to an audience that is increasingly using technology to buy their groceries and is less loyal to brands.

Sustainability in many forms is drawing increased attention from some big food companies. AB InBev, the maker of Budweiser products, has made a commitment to source all of electricity needs from renewable sources by 2025. The beer company is also looking at new crop management techniques, developing seeds that don't need as much water, and generally working to reduce water use. In January, Coca-Cola announced a goal to collect and recycle the equivalent of 100% of the packaging it sells globally by 2030.

On the snack side, the survey found about **64%** of millennials don't think there are sufficient grab-and-go items meeting their ethical standards. Unilever is launching a new brand of plant-based organic snack foods that will help fund urban farming projects. Half of the profits of 'Growing Roots' coconut and corn snacks will go to urban farming initiatives.

At the same time, **consumers of all ages appreciate indulgence**, so it's a balancing act for brands to strike between that and a clean label. When it comes to chocolate, for example, snackers tend to want premium products, but they also want healthier and transparent ingredients, and it can be tough for manufacturers to maneuver their products to meet these changing customer expectations. Some brands may be better off sticking to indulgence than trying to transform themselves into something that won't resonate as well with their fans.

Whether this brand positioning will extend more broadly to all consumer groups isn't clear, but millennial expectations, preferences and buying habits have certainly had a major impact on the industry. Manufacturers that respond to their concerns are likely to be rewarded, according to the **"Ethics On the Go" Survey — 67% of millennials said they would shell out more money for ethically produced, on-the-go foods.**