EXECUTIVE INSIGHTS

Sustainability Confirmed as a Key Ingredient for Food and Beverage Consumers

Key takeaways

1. Dietary habits are evolving fast, and sustainability is one of the main drivers behind this change. Our survey shows 68% of consumers have made more sustainable choices in the past 12 months, including reducing meat and dairy consumption, focusing on local foods, and avoiding ultra-processed products to lower environmental impact and boost health.
2. Food waste reduction, sustainable packaging and reusable bags are gaining traction, with 58% of consumers adopting more eco-friendly shopping and disposal habits. Environmental concerns, health and cost savings drive this shift.
3. Around 50% of global consumers declare they are willing to pay more for sustainable food and drink, but premiums vary by category – from 8% for pet food to 32% for packaged goods – reflecting strong intent sometimes curbed by inflationary pressures.
4. Signposting is important, as consumers rely on packaging and labels to guide their sustainability choices. Regional differences exist, with those in developed markets preferring 'locally sourced' labels while consumers in developing economies prefer 'organic'.

Globally, 93% of consumers view sustainability as an important part of their lives and a reflection of their personal values. This increase of 6% since 2019 is confirmed in our Global Consumer Sustainability Survey 2024, showing sustainability as an increasingly important purchase criterion. With the food and beverage (F&B) sector feeling this shift in attitudes particularly keenly, this *Executive Insights* examines how changing eating and shopping habits, increasing environmental concerns, and a newfound willingness to pay a sustainability premium are driving change across the sector.

Concerns about sustainability span categories, geographies and demographics

Our survey results show that sustainability matters to the vast majority of consumers across geographies. Concern is increasing, reflecting the growing awareness and prioritisation of sustainable practices. Of the consumers we polled, 93% told us that sustainability is important to them – a 6% increase in the developed markets of the US, the UK and Australia since our survey in 2019. Age is no barrier to concerns about sustainability, with sentiments shared across age groups, though Gen Z and Millennials report the most interest in the topic. L.E.K.'s Global Consumer Sustainability Survey 2024 covers this trend in depth, with detailed sector-agnostic information.

About the survey

The Global Consumer Sustainability Survey 2024 repeats and builds on the research conducted by L.E.K. Consulting in 2022, looking in detail at how consumer attitudes and behaviours have developed in a period of evolving sustainability trends. With the survey expanded to 10 geographies, the results highlight geographical differences in sustainability perspectives and behaviours, along with insights into consumers' willingness to pay a premium for sustainability across categories.

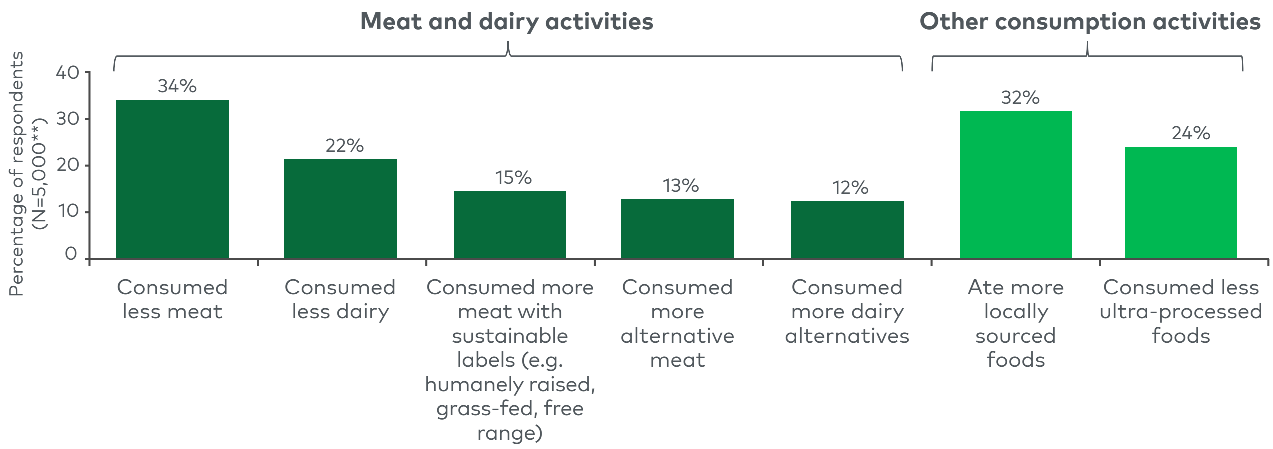
Significant changes to the menu globally

A significant 68% of consumers globally report altering their F&B consumption habits over the past 12 months for sustainability reasons. These changes include reduced meat and dairy consumption, with 34% of the consumers we surveyed making this change (see Figure 1). A switch to more locally sourced foods is another popular sustainable choice, with 32% making this shift. An overall reduction in the consumption of ultra-processed foods is another noteworthy trend driven by consumers searching for healthier eating options.

Figure 1

Meat and dairy consumption declines

Consumption changes in the past 12 months due to sustainability reasons*



	Consumed less meat	Consumed less dairy	Consumed more meat with sustainable labels	Consumed more alternative meat	Consumed more dairy alternatives	Ate more locally sourced foods	Consumed less ultra-processed foods
Australia	31%	19%	11%	10%	10%	26%	19%
Brazil	40%	28%	13%	13%	10%	33%	33%
China	37%	26%	23%	25%	17%	35%	37%
France	47%	22%	13%	10%	8%	41%	29%
Germany	49%	24%	20%	15%	19%	39%	19%
India	42%	37%	21%	18%	25%	44%	23%
Japan	7%	5%	2%	5%	2%	21%	6%
Spain	33%	16%	18%	10%	12%	35%	32%
UK	34%	17%	10%	14%	11%	18%	21%
US	24%	22%	16%	10%	11%	27%	23%

*Survey question: In the past 12 months, have you made any changes due to sustainability and health reasons?
**5,000 participants globally, with 500 per country
Source: L.E.K. Consulting Consumer Sustainability Survey 2024

Consumers are adopting increasingly sustainable F&B shopping and disposal habits

More than half of the consumers in our survey have adopted more sustainable practices for both food shopping and waste disposal. Environmental concerns, personal health and cost-saving measures are combining to effect a significant change in consumer habits, from a desire to reduce food waste to choosing products with sustainable packaging to the use of reusable shopping bags.

A drive for personal health was cited by 62% of people as the catalyst for changes in their consumption habits. Environmental concerns figured strongly, too, with almost 90% telling us that this had altered both their shopping and disposal habits.

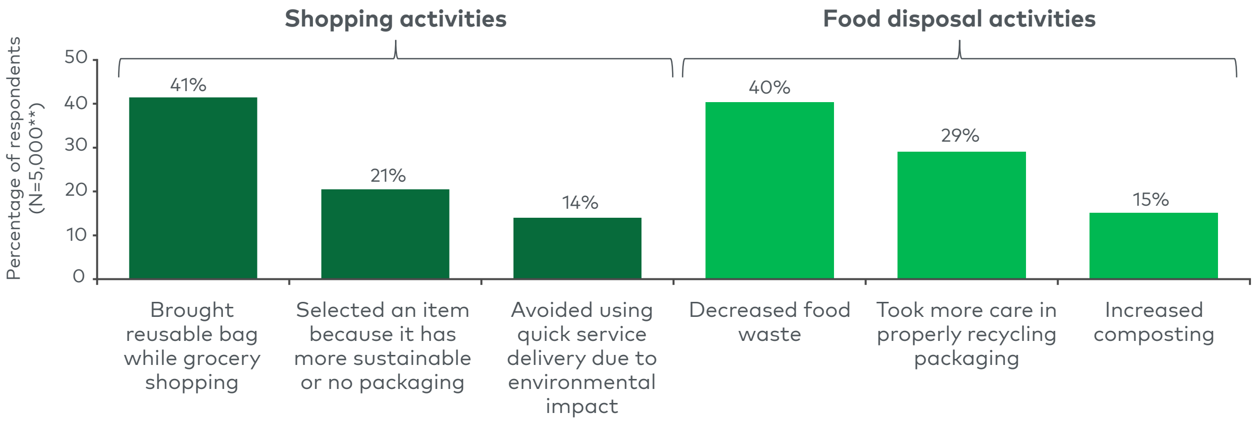
Economic pressures also play their part in reducing food waste, with 64% of consumers globally making cost savings by purchasing less food, and a notable 68% saving leftovers.

Convenience makes a difference, and our survey indicates that, on average, consumers tend to be more actively engaged in sustainable activities that are easy to do. Composting and the correct recycling of packaging are now common practices, and although participation varies significantly by country, these activities have grown by 15% and 29%, respectively, over the past year (see Figures 2 and 3).

Figure 2

Sustainability changes both purchase and disposal habits

Shopping and disposal changes in the past 12 months due to sustainability reasons* (Global – 2024)



	Brought reusable bag while grocery shopping	Selected an item because it has more sustainable or no packaging	Avoided using quick service delivery due to environmental impact	Decreased food waste	Took more care in properly recycling packaging	Increased composting
Australia	41%	19%	11%	42%	34%	24%
Brazil	33%	22%	12%	51%	33%	14%
China	46%	29%	14%	55%	26%	12%
France	38%	18%	21%	34%	25%	24%
Germany	52%	22%	18%	38%	32%	13%
India	40%	26%	23%	49%	25%	26%
Japan	43%	17%	7%	20%	15%	3%
Spain	43%	17%	8%	37%	35%	7%
UK	42%	19%	11%	42%	36%	16%
US	36%	15%	16%	35%	28%	13%

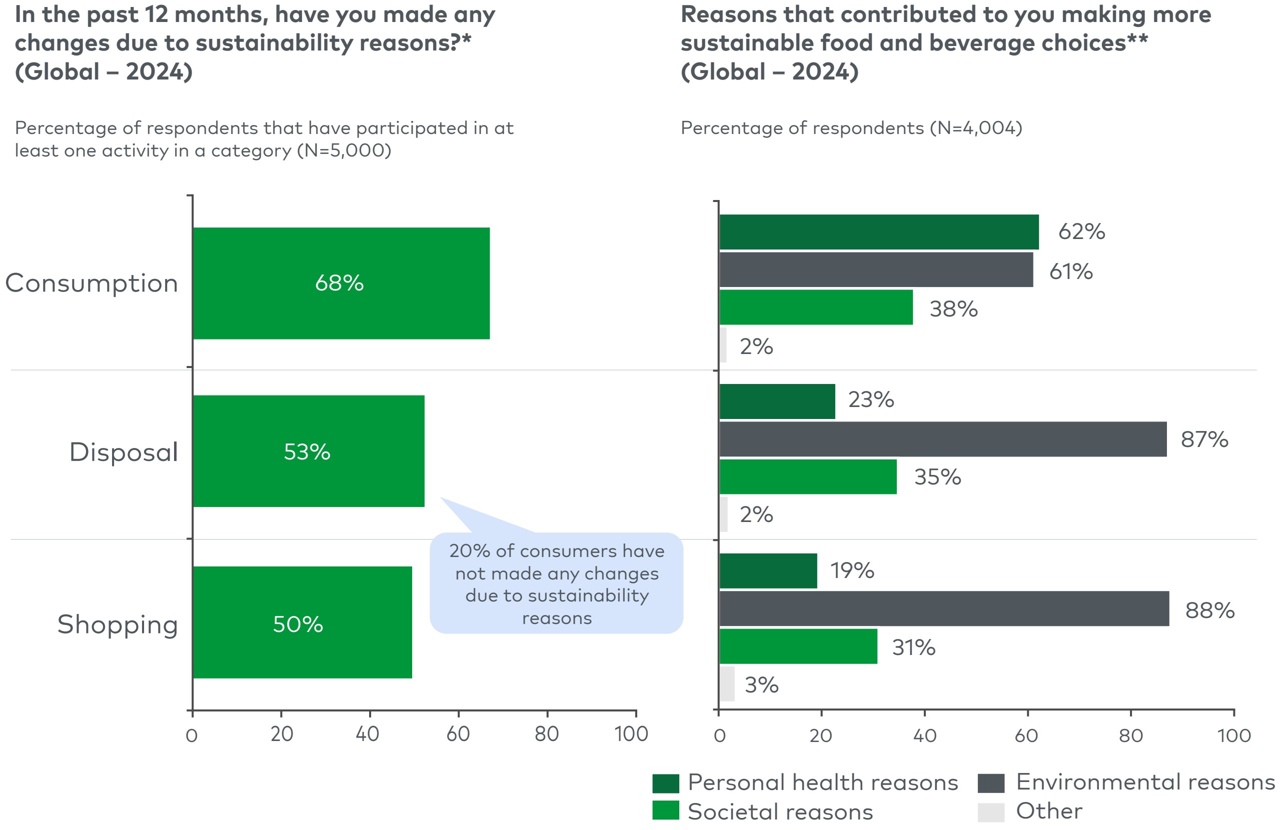
*Survey question: In the past 12 months, have you made any changes due to sustainability reasons?
**5,000 participants globally, with 500 per country
Source: L.E.K. Consulting Consumer Sustainability Survey 2024

"Our Consumer Sustainability Survey offers up some fascinating insights for F&B brands looking to understand shifting consumer preferences. There are key implications for all companies in the sector, as well as tailored strategies to consider for any business wanting to understand and reflect the lasting sustainability trend."

Benjamin Audon, Partner

Figure 3

Health and the environment combine to drive change



*Survey question: In the past 12 months, have you made any changes due to sustainability reasons?
**Survey question: What are the reasons that contributed to you making more sustainable food and beverage choices?
Note: Averages do not include responses for 'Consumed more dairy products with less fat and/or more protein', 'Reduced alcohol consumption', 'Drank more non-alcoholic beer, wine or spirits' and 'Other'
Source: L.E.K. Consulting Consumer Sustainability Survey 2024

Increasing numbers of consumers are willing to pay for sustainability... within reason

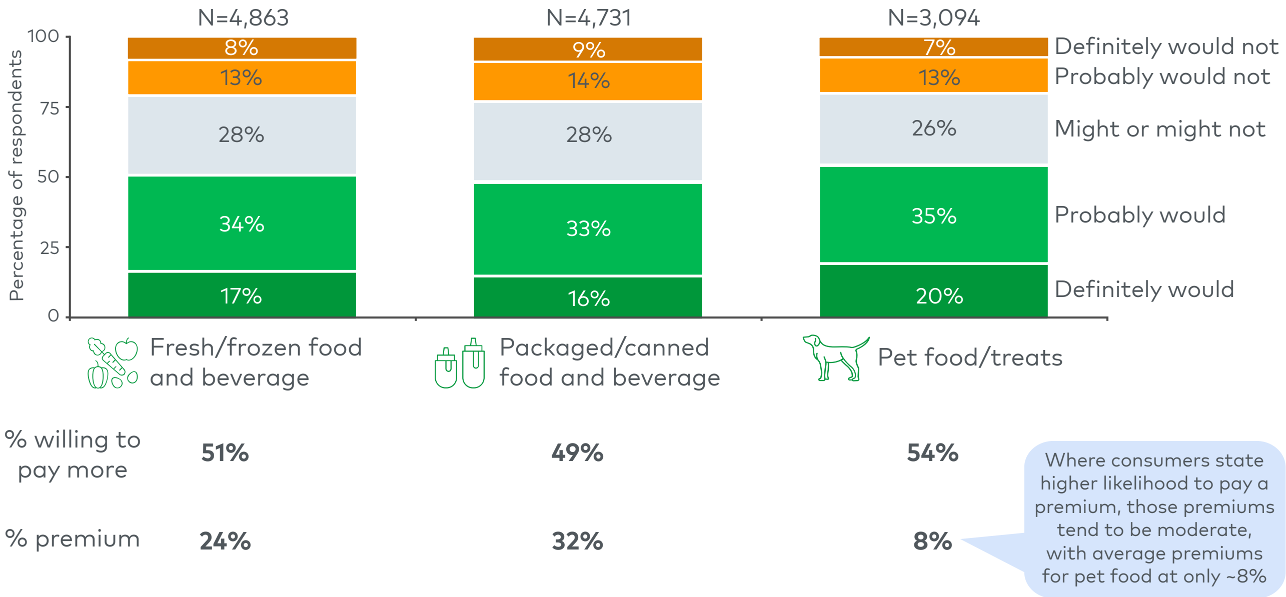
Around half of consumers globally say they are happy to pay more for sustainable F&B products, but the premiums they are willing to pay tend to be moderate and are influenced by economic conditions and disposable income.

The theoretical price premium for sustainable F&B products varies significantly by product category, from 8% for pet food to 32% for packaged food and beverages. But with current inflationary pressures causing a contraction in volume across most F&B categories, this range is likely to reflect a strong intent among consumers rather than an actual increase in consumer spending for F&B companies (see Figure 4).

Figure 4

Paying the sustainability premium

How likely are you to pay more for a more sustainable version of the regular products you buy?* (Global – 2024)



*Survey questions: For each of the following categories, how likely are you to pay more for a more sustainable version of the regular products you buy? Thinking about standard/sustainable product, what price do you think is too expensive/too cheap that you would not consider purchasing?
Source: L.E.K. Consulting Consumer Sustainability Survey 2024

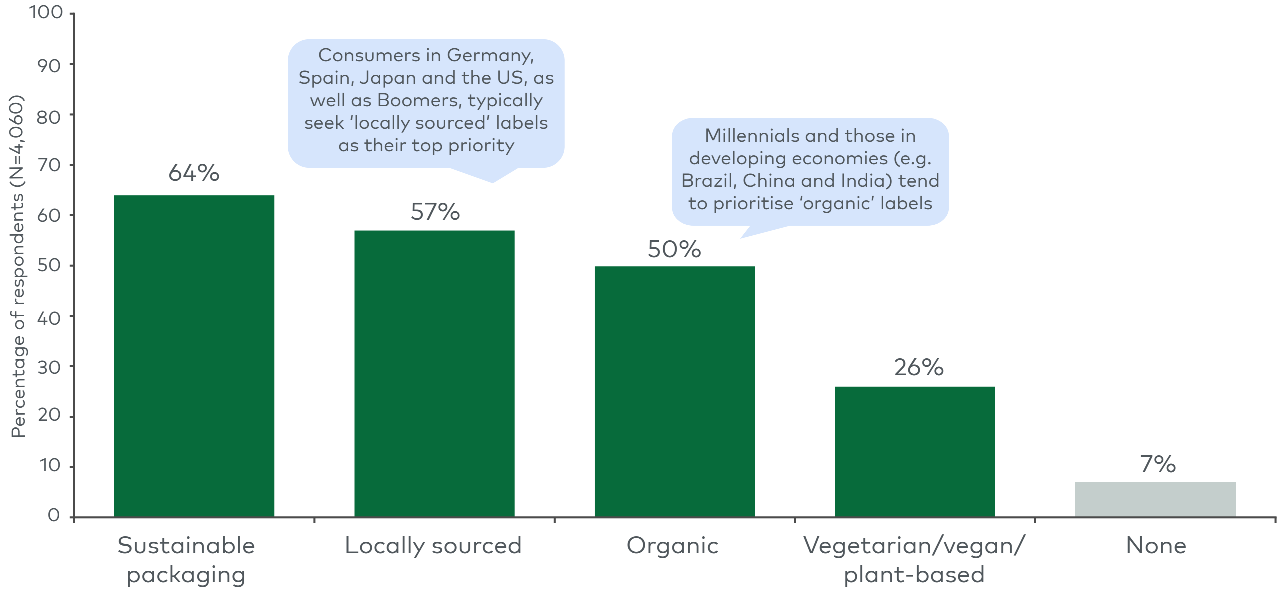
Packaging and labelling play a major role in signalling sustainability

Consumers are looking to product packaging to help them assess the sustainability credentials of food and beverages. While labels such as 'sustainable packaging', 'locally sourced' and 'organic' are major drivers globally for choosing a sustainable product, some regional and demographic variations are worth noting. For instance, Boomers in developed markets prioritise 'locally sourced' while Millennials opt for 'organic'. Sustainable packaging is important, with 64% of people looking for labels indicating this, and 57% focusing on 'locally sourced' labels (see Figure 5).

Figure 5

Packaging labels drive sustainable choices

What labels and disclosures are you seeking from food and beverage brands to be more sustainable?* (Global – 2024)



*Survey question: What labels and disclosures are you seeking from food and beverage brands to be more sustainable?
Source: L.E.K. Consulting Consumer Sustainability Survey 2024

Geography has an impact, too, and we found that for more than 60% of consumers in France, Germany and the US, 'locally sourced' labels are a major proof point of sustainability for F&B products, while a similar percentage of consumers in Brazil, India and China plump for 'organic' labels as their key sustainability indicator.

Statistics like these combine to highlight how crucial it is for sustainable brands to take a regional approach.

What does the shift towards sustainability mean for F&B businesses and brands?

The rise of sustainability has major implications for any business or brand in the F&B sector. Understanding how to interpret and act on the trends is key. We have listed our top five implications below, but with every company, category and market being unique, we are always ready to discuss in detail the sustainability strategy that's right for your business.

1. Keep expanding sustainable product offerings

Sustainability isn't going away. Recent setbacks in alternative meat growth and a slowdown in organic food adoption should not overshadow the rapid evolution of consumer dietary habits. Across geographies, consumers are choosing less meat, fewer ultra-processed foods, and more organic and locally sourced produce. Health is a priority, and healthier and more sustainable alternatives to staple foods remain on-trend and heavily sought after, particularly by younger consumer cohorts.

2. Use packaging to deliver straightforward and impactful sustainability messages

Packaging is a crucial tool for conveying sustainability to consumers and should be a key focus in the marketing mix. Pay particular attention to high-impact labels and clear messaging to cut through the confusing array of sustainability claims, stand out in crowded marketplaces and build trust with consumers. Ensure you know what your consumers are looking for and that your packaging prominently features the most influential sustainability labels.

3. Be prepared to tailor your approach

Consumers in different geographies and from different demographics prioritise different sustainability factors. Customise marketing messages and sourcing strategies to reflect regional preferences – e.g. 'locally sourced' in developed countries versus 'organic' in developing regions. Taking a targeted approach lets you resonate more effectively with regional consumer preferences and drive higher engagement and satisfaction among diverse market segments.

4. Deliver smart value and affordable sustainability

Cost matters, and consumers are willing to pay only a moderate premium for sustainable products. This makes optimising costs and considering product re-engineering focused on key sustainability attributes crucial. Additionally, developing affordable sustainable options will allow those impacted by inflation and reduced disposable income to continue consuming responsibly. Upcycling food waste into new products, using eco-friendly packaging, implementing energy-efficient production technologies, forming sustainable sourcing partnerships and offering subscription models for reusable containers can all contribute to delivering smart value while maintaining affordability.

5. Facilitate sustainable practices

The onus is on F&B companies to embrace and support consumer shifts towards sustainability by simplifying sustainable actions. Changes to consider include implementing user-friendly packaging and clear educational initiatives to guide consumers on reducing waste and recycling effectively. This approach has the potential to strengthen brand reputation and promote a lasting culture of sustainability among both consumers and employees.

How L.E.K. can help you make sustainability part of your F&B strategy

Our insights and data paint a compelling picture of evolving consumer sustainability preferences. Health and environmental concerns combine to make this particularly relevant to the global F&B sector. Staying in touch with consumer sentiment and developing products that reflect changing needs are vital for every F&B business and brand. Our specialist teams help companies across the consumer landscape develop the strategies they need to preserve and grow their businesses. To find out more about our work, please contact a member of the team.

About the authors

Benjamin Audon, Partner | b.audon@lek.com

Benjamin Audon is a Partner at L.E.K. Consulting's Paris office and member of our Consumer practice. He has deep industry knowledge across a number of consumer and retail sectors, notably Food & Beverage and Cosmetics. His core capabilities include growth & efficiency strategy, portfolio management, channel strategy, go-to-market planning, and the design of robust strategy implementation frameworks.

Mark Boyd-Boland, Partner | m.boyd-boland@lek.com

Mark is a Partner in L.E.K.'s London office and is a member of the global Consumer practice, with a particular focus on our work in Health & Beauty and Travel & Leisure. Mark has led a number of high-profile strategy and transformation projects for large corporates and has provided buy and sell-side support on numerous transactions. He has worked on a broad range of strategic engagements including growth and digital strategy, customer segmentation, loyalty and customer experience, and market entry.

Carmen Morales Garcia, Partner | c.moralesgarcia@lek.com

Carmen Morales Garcia is a Partner in L.E.K.'s Madrid office. She focuses on consumer products, retail and healthcare services. Carmen has more than 17 years of consulting experience across Europe, encompassing a variety of disciplines including strategic planning, market entry strategies, pricing strategies and transaction due diligence on both the sell and buy sides.

Philippe Gorge, Partner | p.gorge@lek.com

Philippe Gorge is a Partner in L.E.K. Consulting's Paris office and is a member of the Retail and Consumer practice. He is in charge of the Data & Analytics team in Paris. He has experience across a number of consumer sectors but is focused on the beauty, health and wellness ecosystem. Philippe has expertise with early company strategic issues, such as brand positioning, go-to-market strategy, as well as growth strategy and performance optimisation issues, generally related to digital, for established companies.

Pedro Monteoliva Fernández, Principal | p.monteoliva@lek.com

Pedro Monteoliva is a Principal at L.E.K Consulting's Madrid office and is a member of our European Consumer practice. He has deep industry knowledge across multiple consumer and retail sectors in Spain, notably in Food & Beverage and agriculture-related sub-sectors. His areas of expertise include private equity work in commercial due diligence, value creation plans and strategic portfolio management.

About L.E.K. Consulting

We're L.E.K. Consulting, a global strategy consultancy working with business leaders to seize competitive advantage and amplify growth. Our insights are catalysts that reshape the trajectory of our clients' businesses, uncovering opportunities and empowering them to master their moments of truth. Since 1983, our worldwide practice — spanning the Americas, Asia-Pacific and Europe — has guided leaders across all industries, from global corporations to emerging entrepreneurial businesses and private equity investors. Looking for more? Visit **lek.com**.