

People don't want "green" anymore

And that may come as a shock to food companies that are deeply invested in sustainability claims.

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by [Dan Mitchell](#)

Do we care whether the food we buy was produced "sustainably?" Not very much, according to a lot of recent research on consumer behavior. Or at least, we care about other things, such as price and quality, a lot more.

That's not necessarily what we say when we're asked by market researchers what motivates our food-buying choices, however. And there is a political analogue to this: voters will often try to present themselves to pollsters as concerned citizens, and then go on to vote based on their perceived self-interest, or based on their various cultural resentments. Similarly, we might tell a researcher that we buy barbecue potato chips made by Kettle Foods because of that company's heavily marketed sustainability efforts. That makes us sound better than if we told the truth: that we buy them because they're a tasty indulgence.

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This presents something of a dilemma for companies that are themselves motivated largely by sustainability concerns. If they emphasize that aspect of their business too much, they risk coming off like a nanny telling us to eat our spinach. But they also don't want to downplay their sustainability credentials, which attract not only a large (and loyal) minority of consumers, but also (in some cases) investors.

As a rule of thumb, according to The Hartman Group's Shelley Balanko, food companies would do well to get their "sustainability" message across in subtler ways.

"Consumers are self-serving," says Balanko, senior vice president for business development at Hartman, which focuses exclusively on demand-side trends in the food industry. "Their concern is about their own health and safety first," and the health and safety of all humankind second, at best.

This basic conundrum for many businesses in the new food economy (including Big Food companies that are moving into "sustainable" businesses) will be taken up later this month at the Future Food-Tech investment conference in San Francisco (of which The New Food Economy is a media sponsor).

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Rather than emblazoning food labels and advertisements with slogans about how “sustainable” products are, food marketers should try to “lead consumers to where they were already headed,” says Arif Fazal, the founder of Blueberry Ventures, who will lead the panel discussion, [“Creating Consumer Demand for Healthier and More Sustainable Ingredients.”](#)

The “healthier” brand message isn't a hard sell. Consumers are increasingly concerned about that anyway, and food companies don't hesitate to hype the health benefits—real or perceived—of their products. That's been true for some time. But “sustainable” messaging—it turns out—barely registers with consumers, in large part because environmental issues often seem too abstract. There's no immediate, easily recognized payoff to, for example, replacing palm oil with oils derived from algae, even though it would help save rain forests. But if consumers can be convinced that algae oil is better for their health, the better for rain forests.

In a 2015 study, the Hartman Group found that fewer than a third of consumers were motivated by environmental concerns in their food-buying decisions. The number one concern, “quality,” motivated nearly two-thirds.

You've likely eaten algae without knowing it.

Companies interested in pushing sustainability claims should keep that in mind, says Balanko. “They have to think about quality first. If they can connect sustainability to that, then great.”

A more [recent survey](#) by Hartman bears this out, finding that 43 percent of consumers cited “safety” as a reason they buy organic products, while only 25 percent cited the environmental benefits. It may be true that organic farming can yield safer products, but the primary reason for its methods are environmental. Whatever consumers' reasons for buying organic, though, the outcome is a positive for the environment: In 2014, 37 percent of consumers said they bought organic foods at least occasionally. That number rose to 44 percent in just two years.

And it's likely to continue to rise. While “sustainability” might not be a winning message in general, it does appeal more to younger people than to older ones, Balanko says. It works, she said, “for more educated, younger people with higher incomes.” But that's a pretty small segment of the population, and if you're aiming for mass appeal, “the quality of your product has to stand on its own.”

This use of language makes for another political analogue. As we [reported](#) last month, in a political context, words like “sustainability” just don't fly with large segments of the population. But if companies note the particular *benefits* of sustainability—like, say, “clean water”—they can still get the message across. The idea is for them to make clear what's in it for the consumer. And to get very specific.

Just 5 percent of consumers cited “sustainability” as the most important factor in their food-buying decisions.

Consider TerraVia, maker of products derived from algae. Many of those products are sold to food producers as ingredients. You’ve likely eaten algae without knowing it. Last year the company started selling a Thrive Algae Oil product in retail stores. And while the company gets high marks for “sustainability,” the oil is sold mainly on its convenience and health benefits. The product’s slogan is “The Best Oil For Your Heart,” and reviewers have noted its neutral flavor and high smoke point.

“When talking with our [manufacturer] customers, and the consumer, it’s imperative to tell the complete story of algae,” says Jonathan Wolfson, who will take part in this month’s panel talk. The company doesn’t play up the environmental benefits of algae (such as its use as a replacement for palm oil), but it doesn’t play them down, either. TerraVia tries instead, “from a nutrition and sustainability perspective, to drive home the value proposition and benefits,” Wolfson says.

Another example: Hampton Creek, which was launched chiefly to address environmental concerns through the creation of plant-based products, often meant to replace meat and dairy foods. Like TerraVia, Hampton Creek has never shied away from bragging about its sustainability credentials, but at the same time, if its Just Mayo product weren’t tasty, it wouldn’t be on the shelves of 7-11s in Tuscaloosa, Alabama. But it is.

“A phrase like ‘better for the environment’ is hard for people to picture.”

None of which is to say that people don’t care at all about sustainability. They do, but when they’re in the grocery aisle, it’s not at the top of their minds. A 2014 [study](#) by Cone Communications on food issue trends found that 77 percent of consumers considered “sustainability” to be somewhat or very important, while more than 90 percent cited quality and health. Another question on the survey revealed the giant gap between those considerations: just 5 percent of consumers cited “sustainability” as the most important factor in their food-buying decisions.


In other words, consumers think sustainability is important, but it’s easily trumped by other, more personal factors.

“We all want to do the right thing, but people are busy,” says Josh Balk, a co-founder of Hampton Creek who is now a vice president at the Humane Society of the United States, where he works on issues surrounding farm-animal welfare.

And that—inhumane treatment of animals—is a food issue consumers are concerned about. The Hartman Group’s 2015 survey found that 47 percent of consumers made buying decisions based in part on that concern, which tied for number two with worker safety. Here again, as with personal health and safety, people are driven by product qualities that seem to affect them directly. “We all have animals in our homes,” says Balk, who also will be on next month’s panel. Unlike, say, a slowly dying rain forest, “we can picture suffering animals in our heads, and it’s visceral. A phrase like ‘better for the environment’ is hard for people to picture.”



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