April 2019 Issue

Clean Label Enthusiasts® & Alternative Proteins

insightsNOW

Clean Label Research Community Behavior Report

InsightsNow

Welcome to the Clean Label Enthusiasts® Monthly Report

The free-from food movement is a multi-billion dollar shift in consumer behavior that is impacting companies within the consumer packaged goods industry. To know how to effectively respond to this movement, InsightsNow has launched a long-term research initiative applying behavioral science to generate insights for faster, more informed clean label decisions. Please read on to find the results of our April 2019 report: **Clean Label Enthusiasts & Alternative Proteins**.

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Clean Label Enthusiasts® & Alternative Proteins

Overview:

Clean Label Enthusiasts (CLE) are a behavioral segment, differentiated by their attitudes and avoidances of products with artificial ingredients and other additives that they believe are unhealthy. They tend to read ingredient labels and avoid brands due to these concerns.

Not only do CLE tend to read labels, they exhibit concern about chemicals and avoid "unhealthy" brands. All CLE shoppers state that clean label concerns impact their shopping choices, versus only 22% of Non-CLE shoppers. 76% state that they avoid buying brands to avoid “bad/unhealthy ingredients” versus 22% of Non-CLE.

Study Details:

In April 2019, we conducted an online survey with 202 Clean Label Enthusiasts (CLE) and 207 members of the general public who are not concerned with clean labels (Non-CLE). Both sets of participants completed a survey and an implicit test that focused on perceptions of non-animal-based proteins* (e.g., tofu, seitan, and insect protein) and compared them to perceptions of traditional meat-based proteins (e.g., beef, chicken, and pork).

**Note: Even though it does not have a high protein content, we included jackfruit in our list of alternative proteins because its texture closely mimics that of meat, and as a result it is commonly used as a protein substitute.*

Summary of What We Learned

- ✓ **41%** of Clean Label Enthusiasts® believe that alternative proteins are the **future of protein**, compared to **28%** of Non-CLE. CLE are lead consumers, so their attitudes indicate that alternative proteins have a bright future on the market.
- ✓ **Awareness of new alternative proteins** was generally higher in the CLE, compared to Non-CLE; CLE also reported that they were more willing to try new alternative proteins, with the exception of insect protein and lab-grown meat.
- ✓ **Implicit scores for traditional meat-based proteins** were fairly high overall. However, pork and beef had lower implicit acceptance among CLE than Non-CLE, suggesting that the popularity of those protein sources may decline slightly in the future.
- ✓ **Nuts, beans, and peas** had very high implicit scores overall, though their scores were slightly higher among CLE; this connotes that those proteins will continue to be viewed as acceptable in the future.
- ✓ **Taste** was the most common reason for accepting a protein in both CLE (**62%**) and Non-CLE (**60%**).
- ✓ Only **8%** of either CLE or Non-CLE would purchase alternative proteins if the proteins didn't **taste as good** as meat products.
- ✓ Very few respondents accepted a protein because it was **good for the environment**; this number was low in both the CLE (**12%**) and Non-CLE (**11%**).
- ✓ Over **80%** of CLE who rejected novel alternatives such as seitan said it was due to **lack of familiarity**.
- ✓ Only **8%** of CLE and **2%** of Non-CLE were willing to **pay more** for alternative proteins.
- ✓ **51%** of CLE who rejected **insect protein** said they thought it was **disgusting**.
- ✓ **48%** of CLE who rejected **lab-grown meat** said they thought it was **unnatural.**
- ✓ **50%** of CLE who rejected **tofu** said it **tasted bad**, while **29%** rejected it because they found it **disgusting**.

Are Alternative Proteins the Future of Protein?

Absolutely the future. Animals are too costly to raise and maintain in a humane way.

CLE: **41%** say yes

No, I'm a Texan, we love our meat!

Yes, because they are healthier and safer to consume and also helps to reduce harming the environment.

They might be but nothing can replace real foods.

No because most people don't like change. They stick to what they know and is already proven.

I think people will always eat meat proteins. I don't think alternative proteins will replace meat.

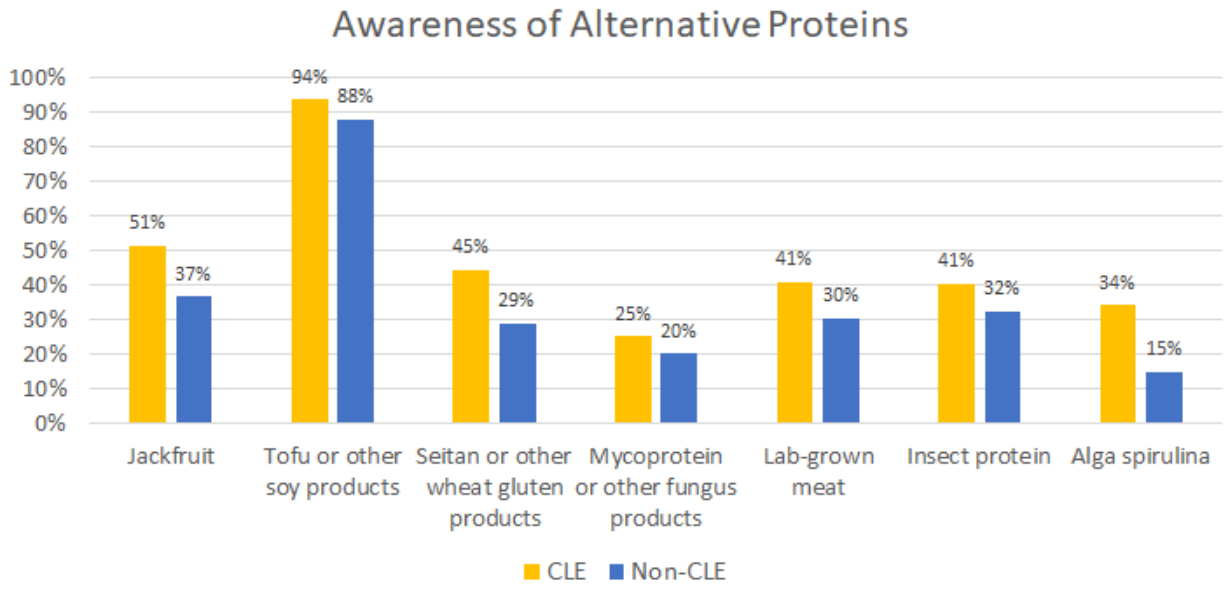
Non-CLE: **28%** say yes

Hard question. It depends on the person. I would never stop eating meat.

No. Alternative proteins do not taste as good as meat.

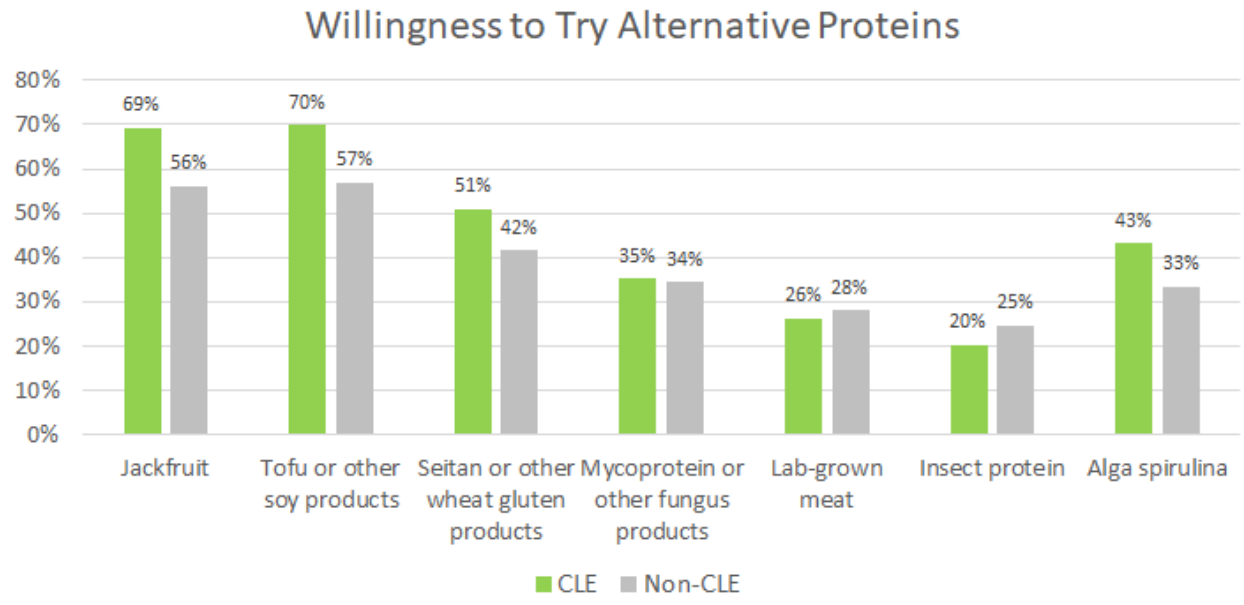
Not for ME = Yuck!

Awareness & Willingness to Try New Proteins



Awareness of new, less common alternative proteins was higher in CLE (vs. Non-CLE); CLE also reported that they were more willing to try most of these new proteins. Even though the vast majority of CLE (94%) are not vegetarians or vegans, our results show that CLE are forward-thinking consumers who are aware of and open to trying a variety of non-traditional sources of protein such as seitan and alga spirulina.

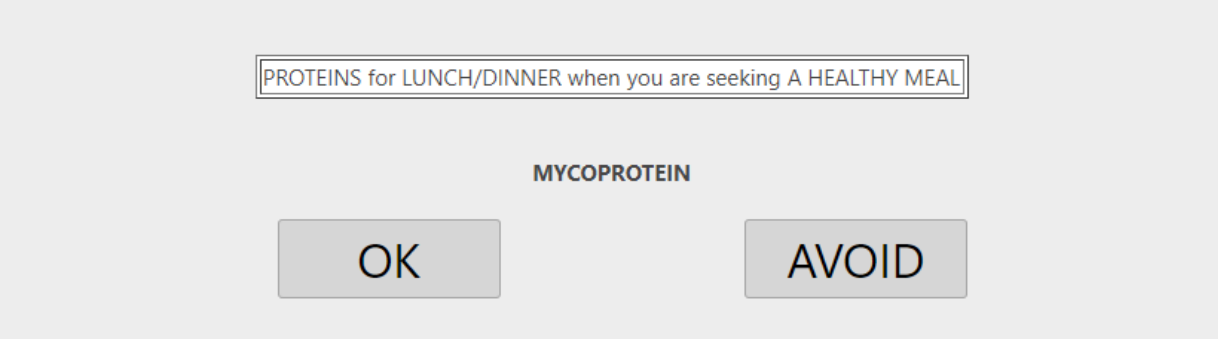
There were some exceptions to this trend, though—namely insect protein and lab-grown meat, which CLE were more reluctant to try (compared to their Non-CLE counterparts). Clean Label Enthusiasts® are lead consumers; thus, if they struggle to accept insect protein and lab-grown meat, this indicates that these proteins may have difficulty gaining wide acceptance in the future.



Implicit Test Methodology

In order to measure CLE and Non-CLE consumers' implicit reactions to various proteins, we conducted an implicit test. In the test, we put respondents into the context of 1 out of 4 consumption moments (see list below). Participants were then shown each protein from the list below and asked to select "OK" or "Avoid" as quickly as possible; their choice and reaction time were used to calculate an implicit score for each protein.

Higher implicit scores indicate that participants were more likely to implicitly accept a protein, while lower implicit scores indicate that participants were more likely to implicitly reject a protein.



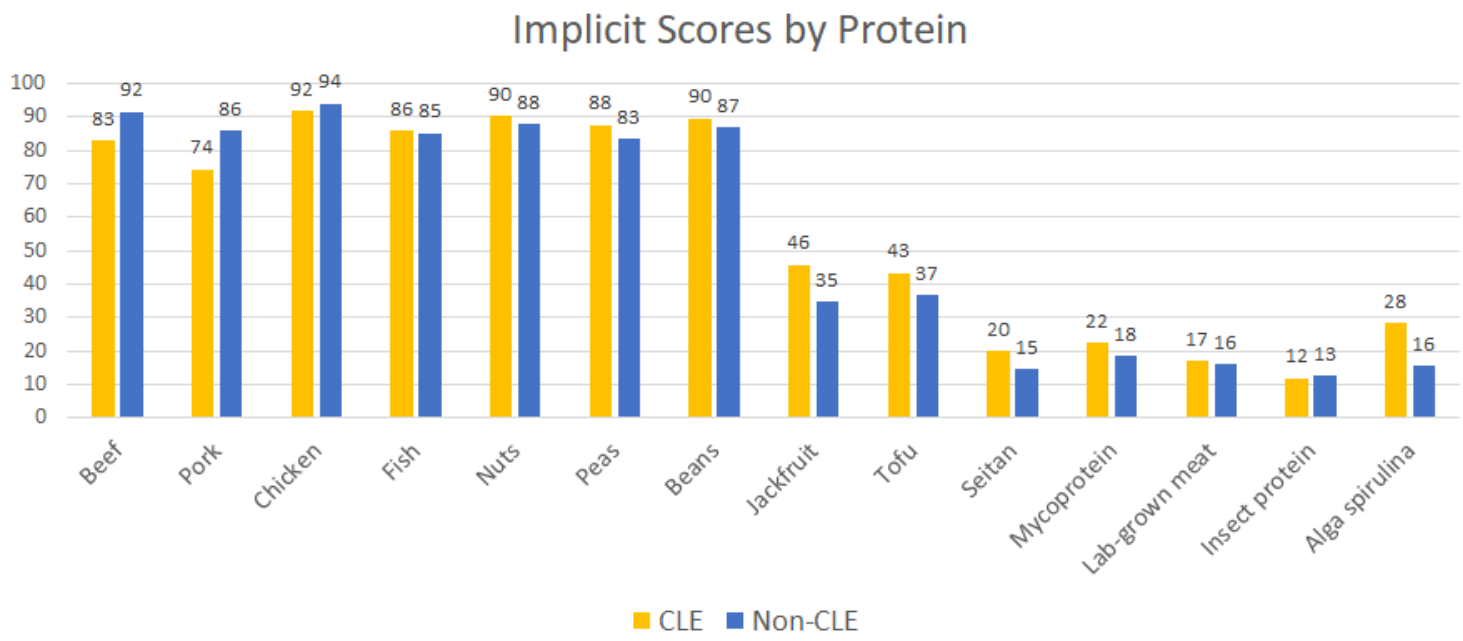
Moments:

- *When you are seeking a **convenient** meal*
- *When you are seeking a **healthy** meal*
- *When you are seeking a **pleasurable** eating experience*
- *When you are seeking a **nourishing** meal*

Proteins:

- *Beef*
- *Pork*
- *Chicken*
- *Fish*
- *Nuts*
- *Peas*
- *Beans*
- *Jackfruit*
- *Tofu*
- *Seitan*
- *Mycoprotein*
- *Lab-grown meat*
- *Insect protein*
- *Alga spirulina*

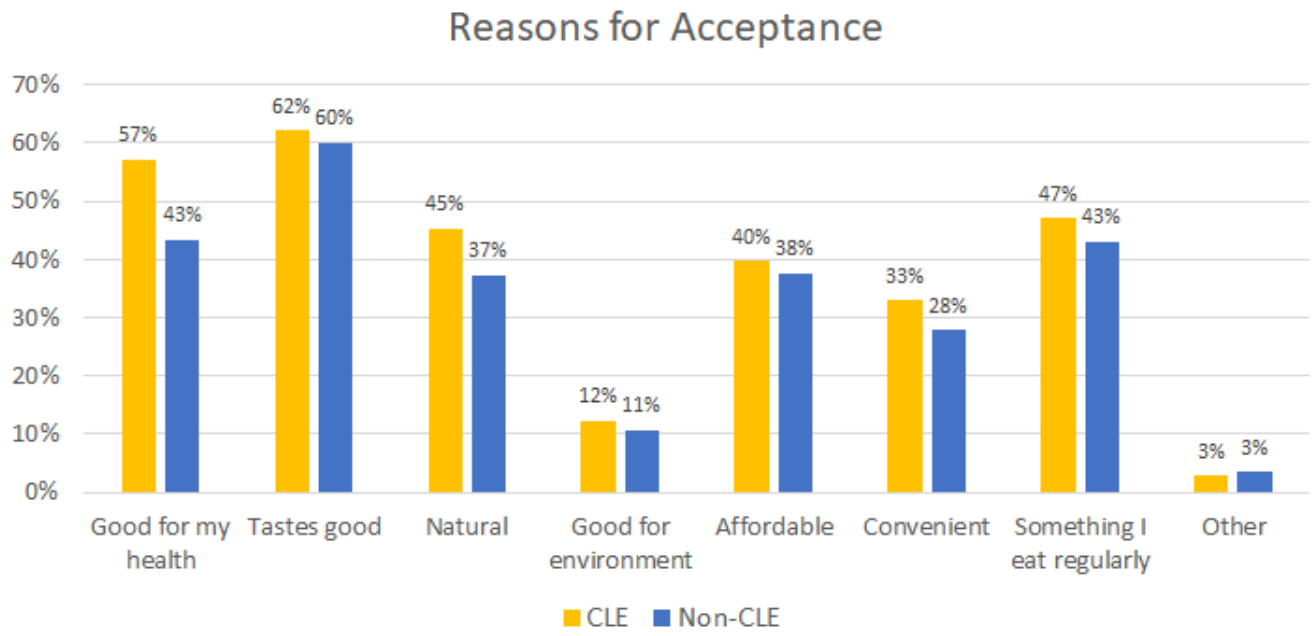
Implicit Test Results



Implicit scores for traditional meat-based proteins were fairly high overall. However, pork and beef had lower implicit acceptance among CLE than Non-CLE, suggesting that the popularity of those protein sources may decline slightly in the future. Nuts, beans, and peas had very high implicit scores overall, though their scores were slightly higher among CLE; this connotes that those proteins will continue to be viewed as acceptable in the future.

Some of the newer protein alternatives such as mycoprotein and alga spirulina had higher scores among CLE than Non-CLE, indicating that consumer demand for those alternatives is likely to increase in the future. However, most of the newer alternative proteins had fairly low implicit scores in both CLE and Non-CLE; this may be due to consumers' general lack of familiarity with those proteins. Reasons that consumers accepted or rejected various proteins are discussed in more depth on the following pages.

Reasons for Acceptance of Proteins



When participants stated that they would be OK with or avoid a particular protein in the implicit test, we asked about their reasons for accepting or rejecting it. Their answers showed that both Clean Label Enthusiasts® and Non-CLE are highly concerned with taste, as it is the most common reason for accepting a protein. However, CLE care more about health than their Non-CLE counterparts: 57% of CLE accepted a protein because they believed it to be good for their health, compared to only 43% of Non-CLE. Clean Label Enthusiasts also care more about consuming natural foods: 45% of CLE accepted a protein because they perceived it to be natural, compared to 37% of Non-CLE. Interestingly, not many respondents accepted a protein because it was good for the environment; this number was low in both the CLE (12%) and Non-CLE (11%).

These findings imply that in order to successfully appeal to lead consumers, alternative protein sellers and manufacturers need to do their best to increase familiarity with their products, emphasize the products' taste and health benefits, and ensure that the products are perceived as natural. Emphasizing sustainability, on the other hand, may not have as strong of an effect.

Protein Pitfalls & Opportunities

Most new protein alternatives scored poorly overall; however, many of the alternatives show the potential for future growth, based on their higher scores among CLE vs. Non-CLE. CLE are the lead consumers of the future, so their acceptance of a protein indicates a likelihood that it will become more popular over the coming years. Conversely, Clean Label Enthusiasts® reasons for rejecting a protein offer insights into why that protein may be unsuccessful on the market in the future.

Insect Protein:

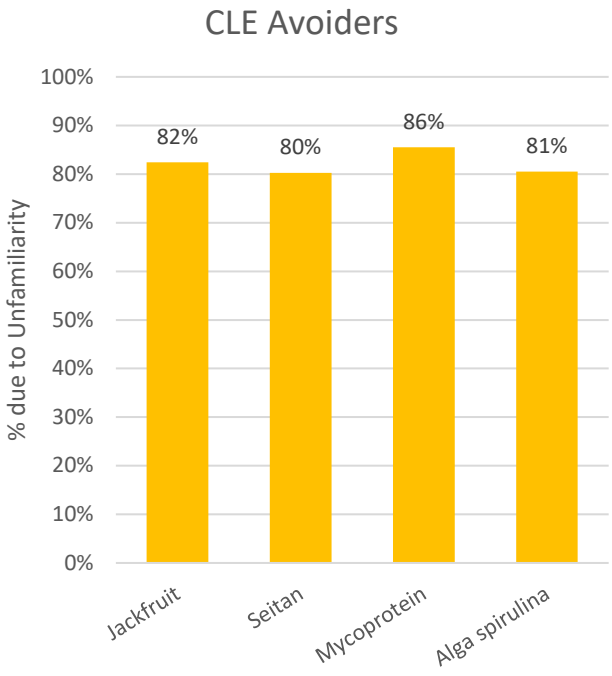
Of CLE who rejected it, 51% said it was **disgusting**

Protein sources such as lab-grown meat and insect protein were not accepted among CLE, suggesting that these alternative sources will have a limited future due to difficulties in overcoming the perception that they are disgusting or unnatural. The fact that these reactions occur so widely, despite over 50% of CLE being unfamiliar with these proteins, suggests a bias which will be challenging to overcome.

Lab-Grown Meat:

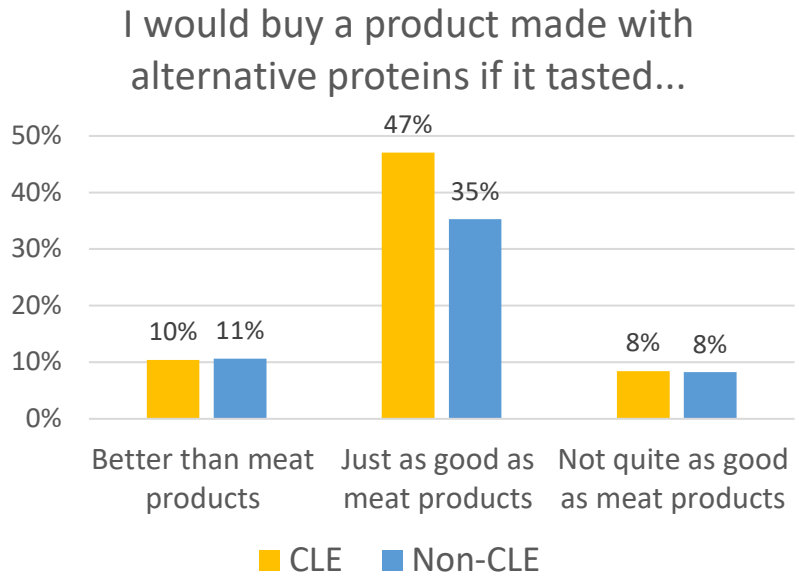
Of CLE who rejected it, 48% said it was **unnatural**

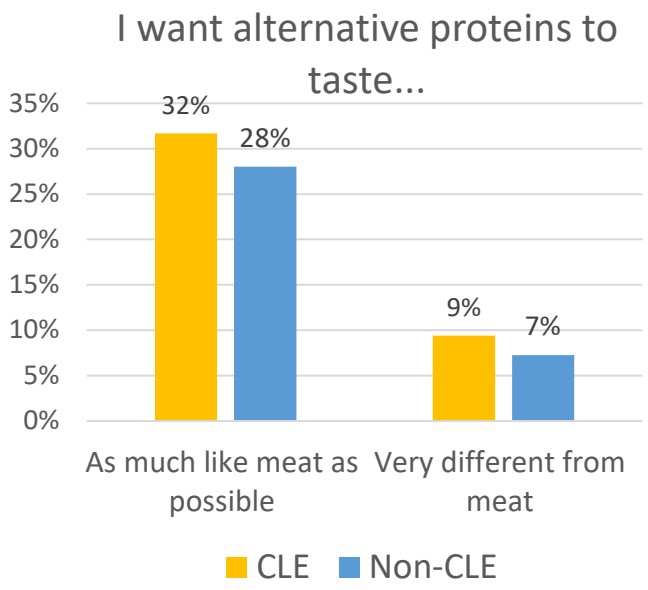
Bad taste is unacceptable: Of CLE who rejected tofu, 50% said it tasted bad; 29% rejected it because they found it disgusting.



The simple lack of familiarity can be a strong driver of avoidance. Of CLE who rejected proteins such as alga spirulina and seitan, over 80% said it was due to lack of familiarity with those proteins. Importantly, however, lack of familiarity should be relatively easy to change, and it provides an opportunity for companies to define the ingredient in the mind of the consumer.

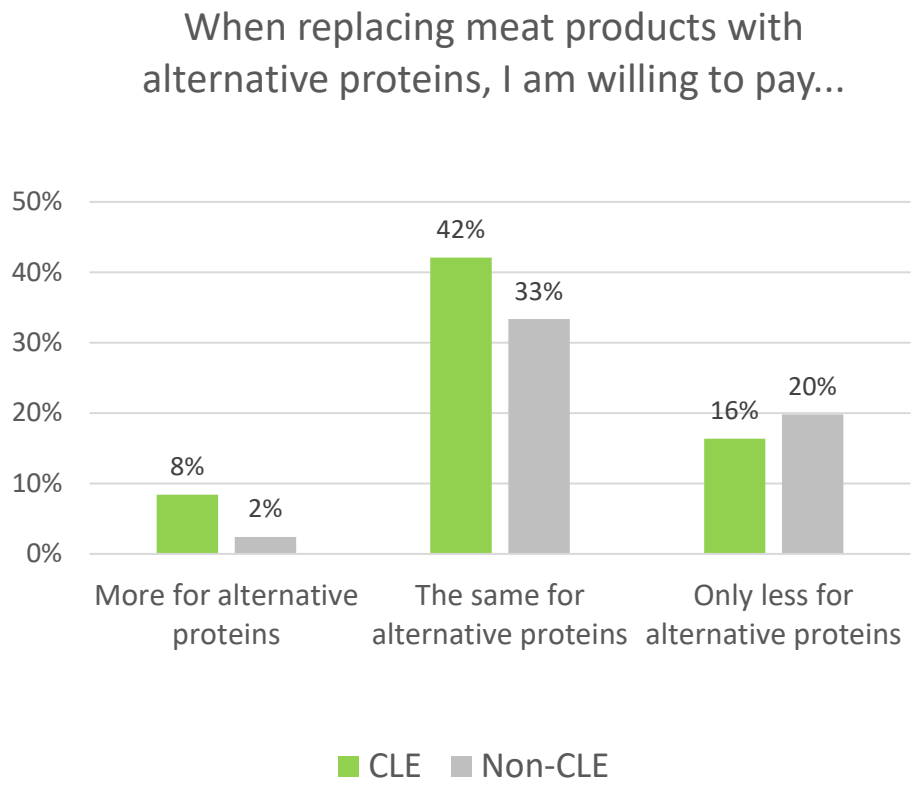
Taste & Price Preferences



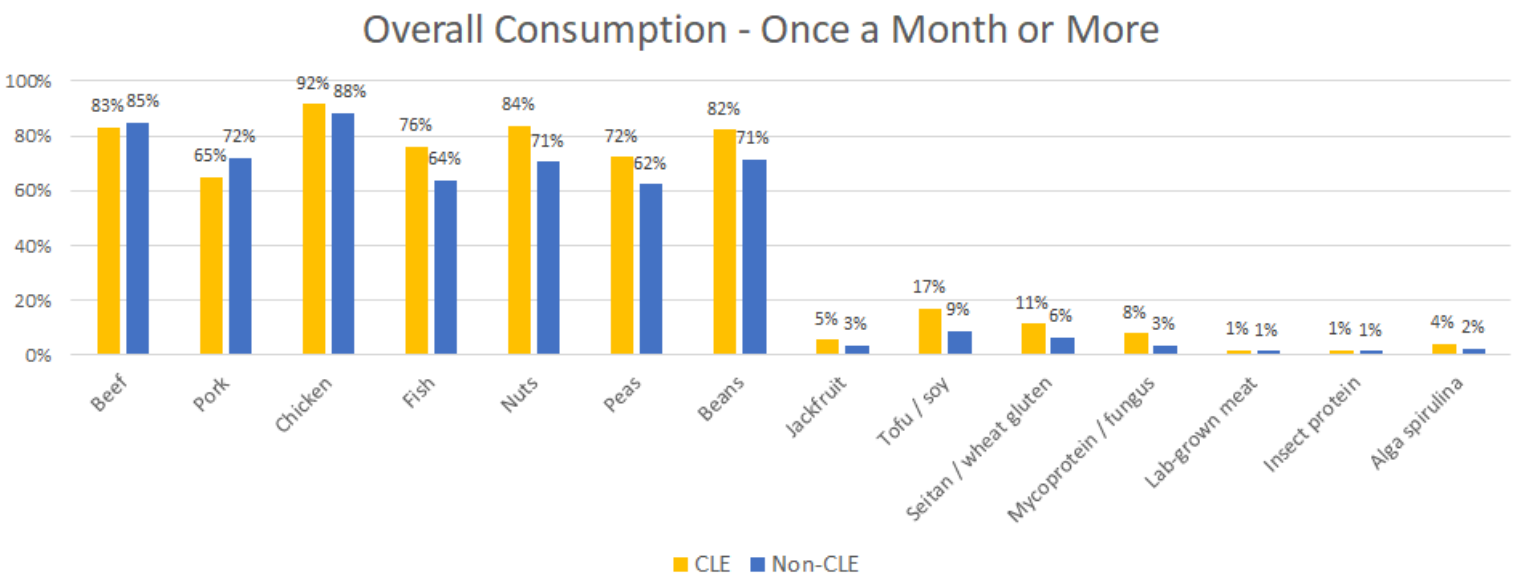


Both Clean Label Enthusiasts® and Non-CLE reported that taste was very important to them; only 8% would purchase alternative proteins if the proteins didn't taste as good as meat products. When asked what tastes appeal to them, both groups agreed that they prefer alternative proteins that taste as much like meat as possible, rather than proteins that taste very different from meat.

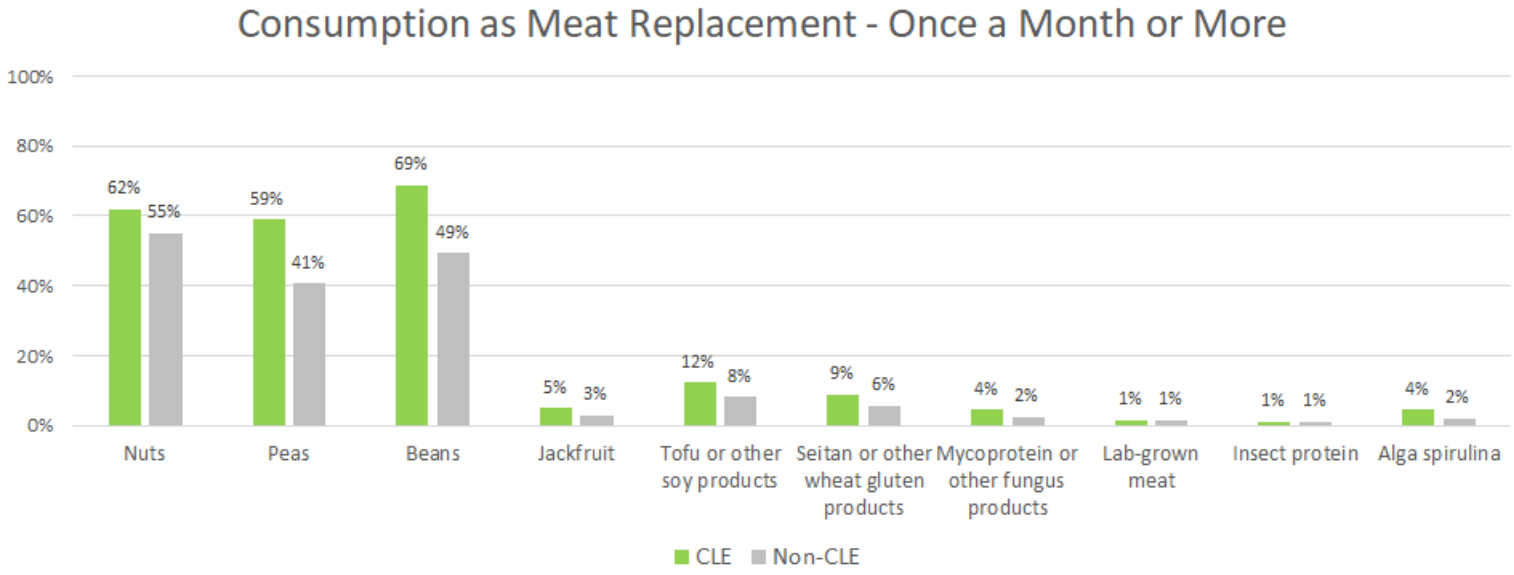
When it came to price, very few respondents were willing to pay more for alternative proteins: only 8% of CLE and 2% of Non-CLE. While taste is important, price is another major concern. Consumers want alternative proteins that are not only healthy and delicious, but affordable as well.



Protein Consumption



Due in part to consumers' lack of familiarity with alternative proteins, overall consumption of novel alternatives such as mycoprotein and alga spirulina was very low in both Clean Label Enthusiasts® and Non-CLE. However, compared to Non-CLE, Clean Label Enthusiasts consumed more alternative proteins such as beans, tofu, and seitan. In addition, CLE were more likely than Non-CLE to consume alternative proteins as a meat replacement (rather than merely eating them as part of a meal that also contains meat). Thus, although overall consumption of some alternative proteins is presently low, the attitudes and behaviors of Clean Label Enthusiasts indicate that many alternative proteins have a bright future on the market.



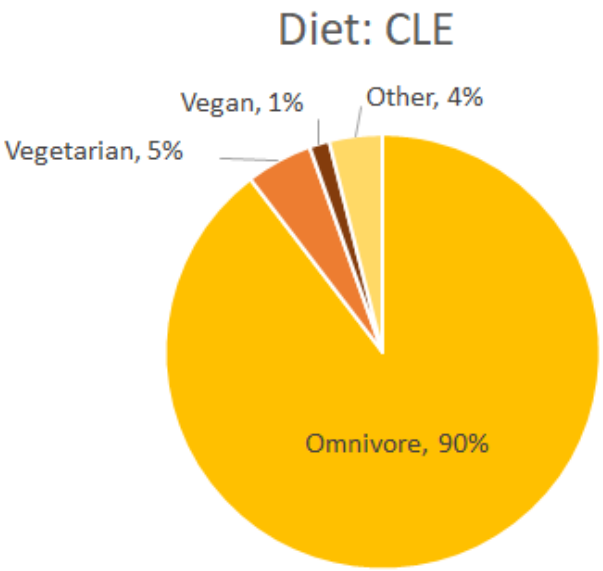
Perceptions of Protein Types

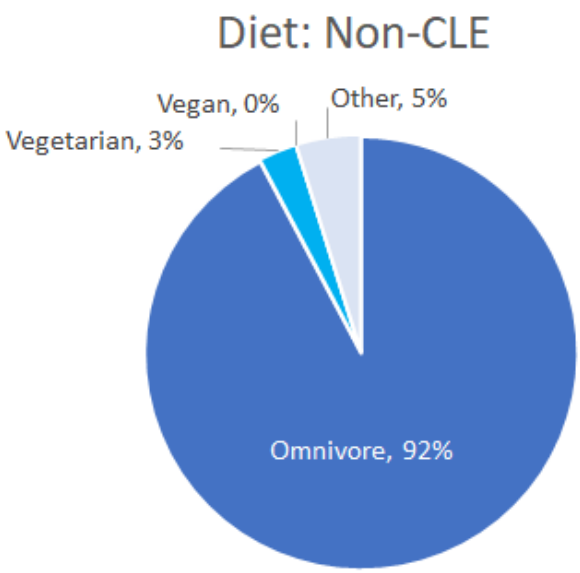
Four broad categories of proteins:			
Meat/Fish	**Fruits/Vegetables**	**Processed Non-Animal Substitutes**	**Novel Alternatives**
• Beef • Pork • Chicken • Fish	• Nuts • Peas • Beans • Jackfruit	• Tofu • Seitan • Mycoprotein	• Lab-Grown Meat • Insect Protein • Spirulina

Among consumers who had tried proteins in the meat/fish category, Non-CLE (vs. CLE) were more likely to believe that those proteins are affordable and good for their health. Among those who had tried proteins in the fruits/vegetable category, CLE (vs. Non-CLE) were more likely to believe those proteins taste good and are good for their health. Among consumers who had tried novel alternatives, more CLE than Non-CLE agreed that those proteins were good for the environment, good for their health, a good source of vitamins and minerals, affordable, and convenient. This data indicates that even though it may be challenging to initially get CLE to accept some products (e.g., insect protein), once they accept a protein, CLE become strong believers in the benefits of it.

Among those who tried: CLE Non-CLE

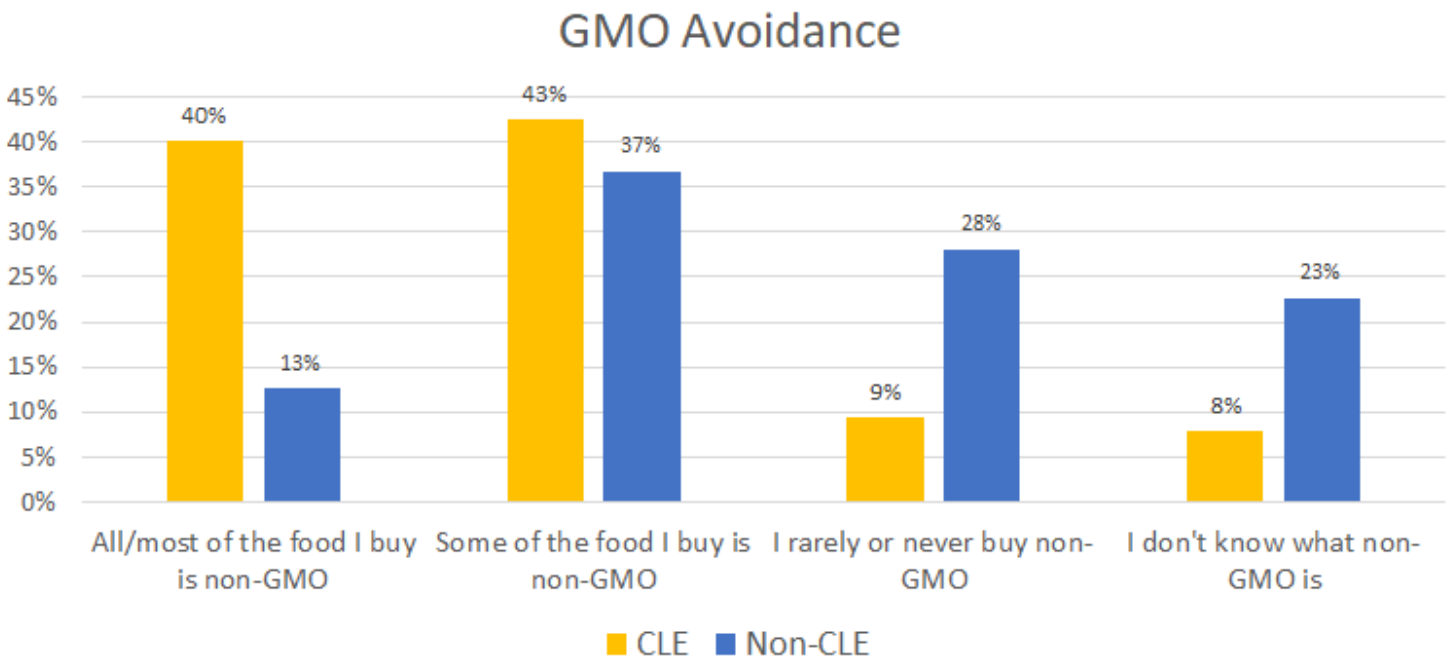
Lifestyle Preferences



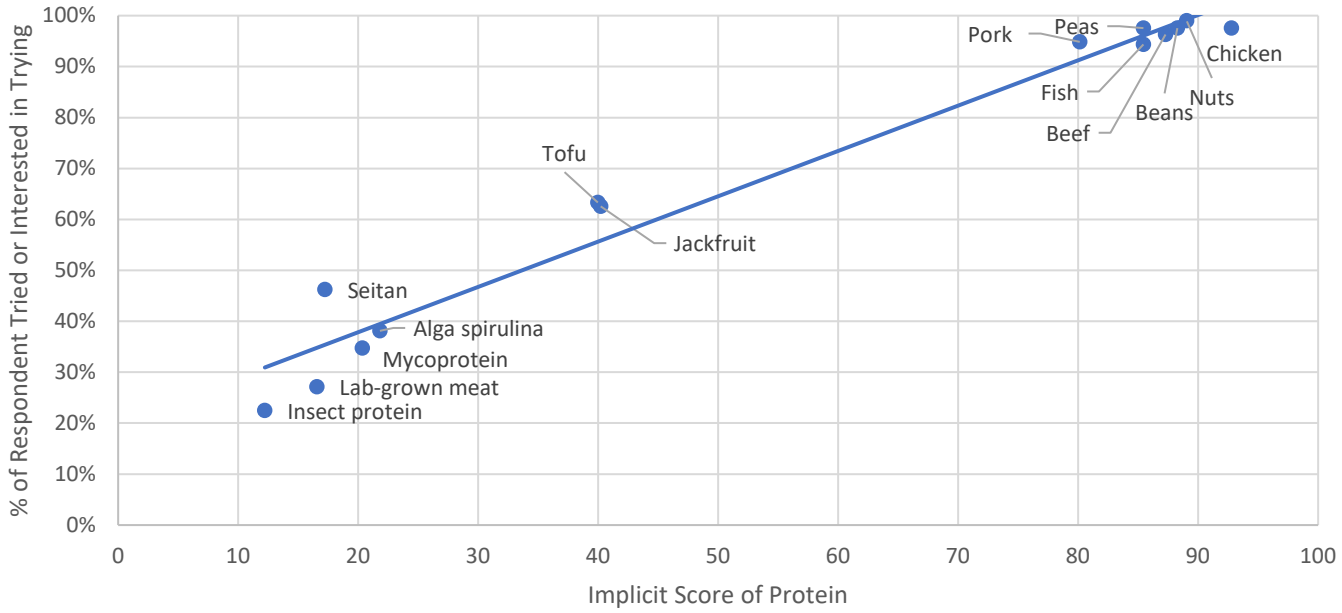


It is important to note that the results we presented in this report were not caused by differing rates of veganism/vegetarianism in CLE vs. Non-CLE: our study found that the prevalence of vegetarians/vegans in Clean Label Enthusiasts® (6%) was around the same as in the general population (3%).

Clean Label Enthusiasts are deeply concerned with consuming only those foods they perceive to be natural. Rates of GMO avoidance were much higher among CLE than non-CLE: 40% of CLE reported that all or most of the food they purchase is non-GMO, compared to only 13% of Non-CLE participants.



Implicit Test as a Behavioral Measure



We looked at the relationship between each protein's implicit score and how willing respondents were to try that protein. The association was very strong, as can be seen in the graph above: the higher a protein's implicit score, the greater the percentage of participants who had tried it or would be willing to try it. These results held for both CLE and Non-CLE. The data demonstrates that our implicit test is a valid behavioral measure that is closely related to actual behavior.

To our valued subscribers:

We thank you for subscribing to the Clean Label Enthusiasts® Behavior Report and we look forward to providing future issues to help you achieve more rapid informed clean label decisions.

One of the hottest topics in foods is alternative proteins. We are excited to provide these very interesting insights. Clean Label Enthusiasts continue to prove themselves as lead indicators of future trends in consumer behavior. Therefore, we found it informative to compare CLE vs Non-CLE to identify future trends in protein alternatives.

Over the next month we will be reaching out to many of you as part of our 2019 annual review of our respective services. We are seeking to understand how you are using these services to access information for insights. We have had requests to publish cases of usability so that others might learn how to make the most of these services. If you would like your usability case included in a future monthly report, please let us know. In addition, we are considering several service expansions to enhance and improve our services. We very much look forward to this dialogue and your valued feedback.

Our upcoming reports in the next few months will continue to look into topics that are relevant to the clean label movement.

May 2019 – Packaging & Sustainability

June 2019 – Label Testing

We welcome your input about how future issues can be of further value in helping you overcome the challenges of the free-from movement.

Sincerely,

Dave Lundahl, Ph.D.
CEO, InsightsNow, Inc.