

The Impact of Inflation on Consumer Desire for Sustainability in Europe



Ujwal Arkaigud

EVP & Group Director



The
Deciding
Factor

The products you offer are a direct reflection of your decisions, and consumers are **more aware and mindful** of these choices than they've ever been before.

Key Challenge



Inflation is driving an emotional reaction from consumers in Europe.

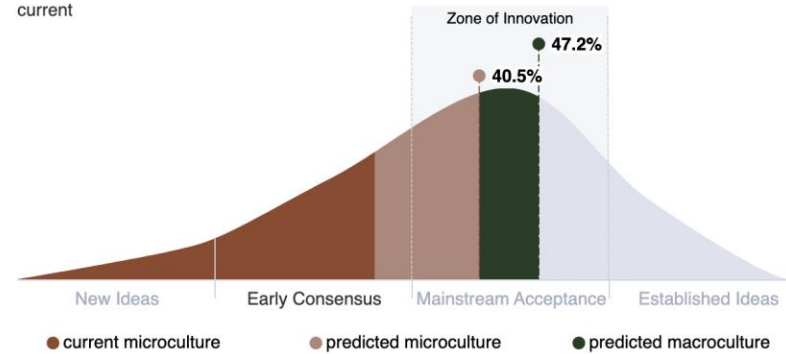
NOT JUST ABOUT COSTS:

Products reflect the choices made by corporations. The consumer is more attuned to these choices than ever before.

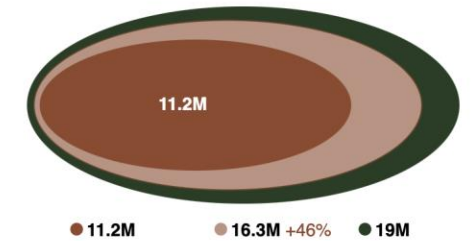
Maturity

Macroculture: corporate responsibility Microculture: sustainability, inflation

Maturity Curve
27.8%
current



Population

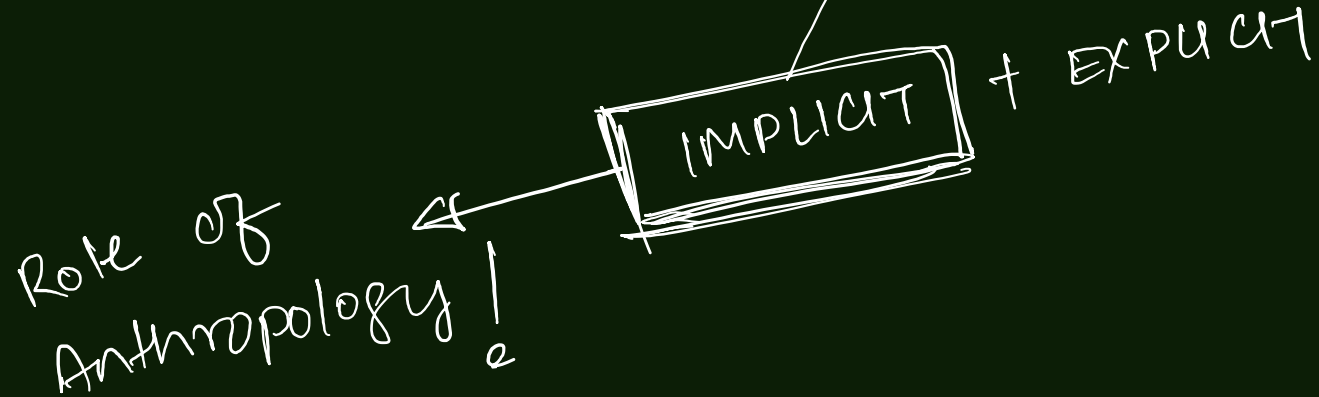


This topic scores 27.8% on the maturity curve and is expected to expand to 40.5% in 12-24 months.

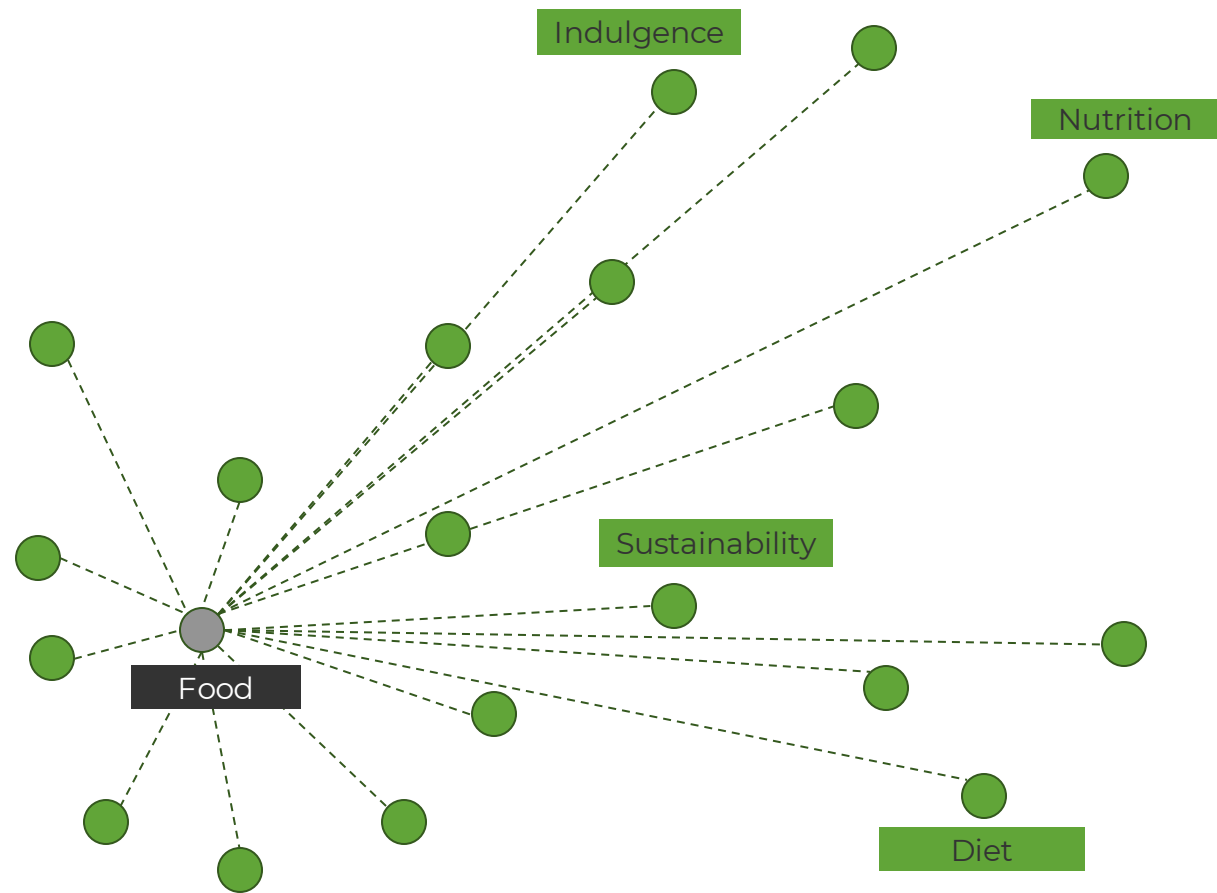
This culture is currently relevant to 11.2M people and is expected to grow by 46.0% in 12-24 months.

How do we know this?

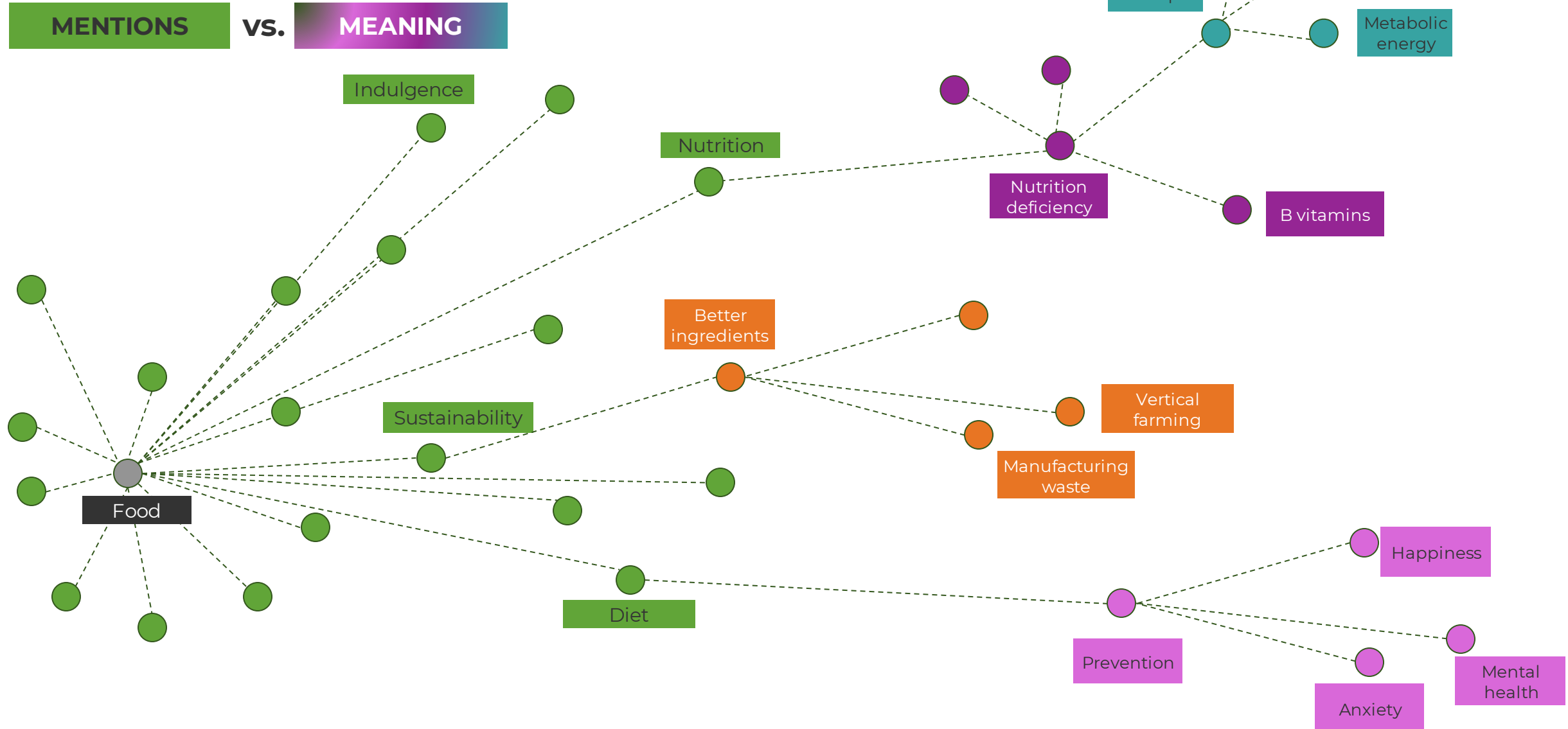
Humans act toward things on the basis of the meaning they ascribe to those things.



Without contextual meaning, we're seeing only a small and inaccurate part of the narrative



See how meaning in the broader context of food transforms our understanding of the space





The impact of inflation on our desire for sustainable solutions

Inflation is having a broad impact on four key trends that are impacting FMCGs in Europe.

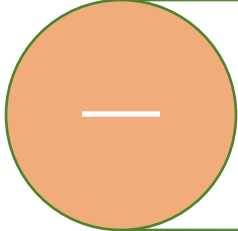
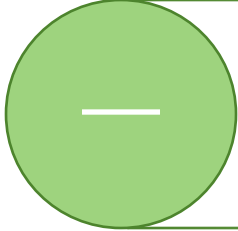
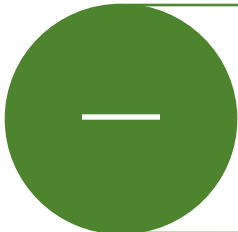
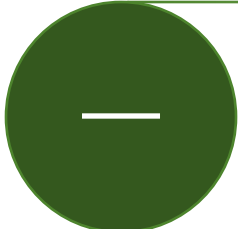
Challenge



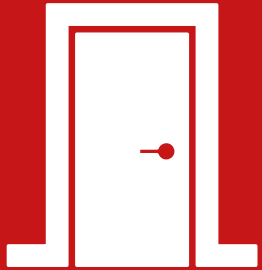
Consumers believe corporations should bear the financial burden of sustainability, now more than ever.

MATURITY:



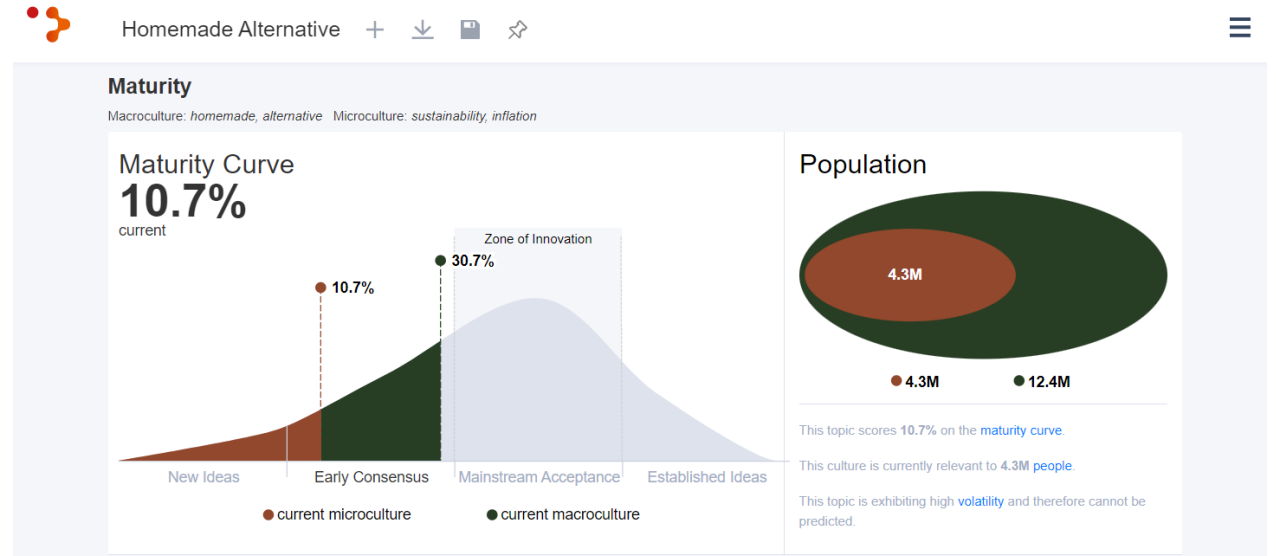
-  **Elevate In-Home** Homemade alternatives and homebound experiences
-  **Local Impact** Support of brands that prioritize local
-  **Healthier Choices** Adoption of healthy habits eases the strain on healthcare systems
-  **Fewer Aesthetics** Cost effectiveness is being prioritized over aesthetics

Elevate In-Home



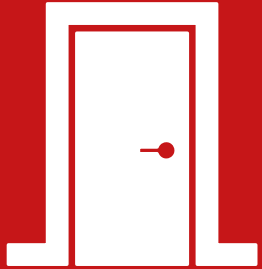
The impact of inflation and the desire for sustainability are having a lesser impact in this space than one would have expected.

IMPACT:



The feeling of self-sufficiency is the natural, emotional byproduct of choosing to elevate one's in-home experiences.

Elevate In-Home



Solutions discussed:

1. Growing their own food:

Space-efficient vertical gardening solutions, allowing consumers to grow their own food, even in urban settings

2. DIY cleaning & personal care products

DIY kits and recipes for making environmentally friendly cleaning and personal care products at home

3. Upcycling & repurposing:

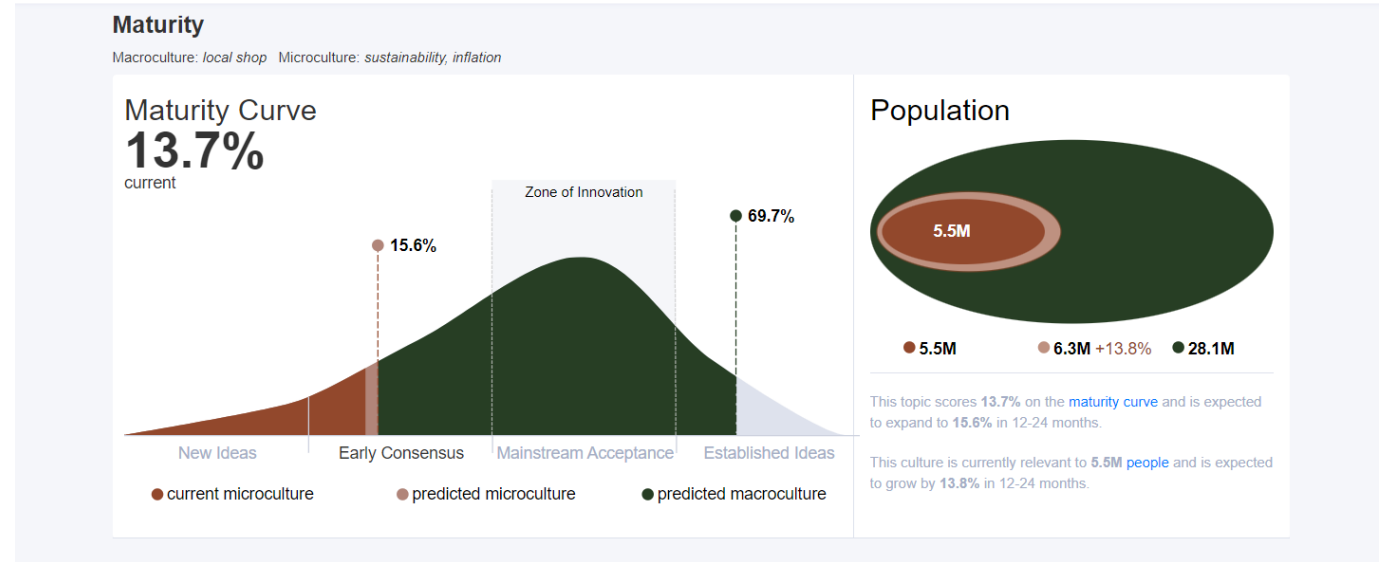
DIY upcycling kits and workshops, empowering consumers to transform old or unused items into unique and functional pieces

Local Impact



It's not just about sourcing locally, it's also about having a positive impact on communities and local environments.

IMPACT:



Consumers want to see DTC models, localized distribution, and the impact of seasonality on what corporations offer (especially in food).

Local Impact



Solutions discussed:

1. Promoting Local Sourcing

Communicating the origins of their products, highlighting local sourcing wherever possible

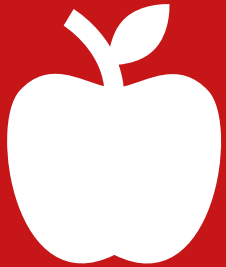
2. Embracing Local Craftmanship

Creating collaborations with local craftspeople across various disciplines

3. Having Better Distribution Models

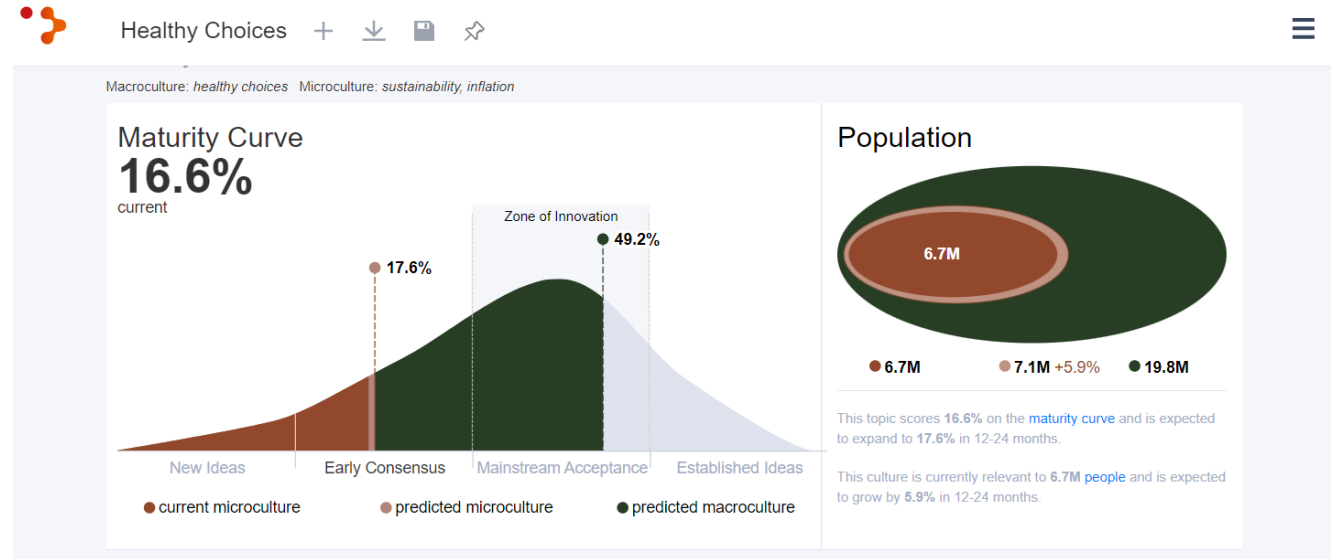
Having localized distribution to reduce carbon footprints and stabilize prices; or DTC to reduce middlemen and costs

Healthier Choices



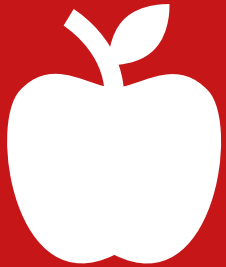
A deeper focus on health is a result of people navigating inflation in the midst of their *desire for* conscious consumption.

IMPACT:



This reflects the consumer belief that healthy consumption is important for sustainability and easing societal burdens, particularly during times of inflation.

Healthier Choices



Solutions discussed:

1. Incorporation of better health

Wide range of plant-based, organic, and sustainably sourced food products, more open nutritional information, healthier home — including focus on air quality

2. Ethical Clothing

Ethically produced garments made from organic and recycled materials, including fair trade, ensuring fair wages for workers and reducing environmental impact

3. Zero-Waste Products:

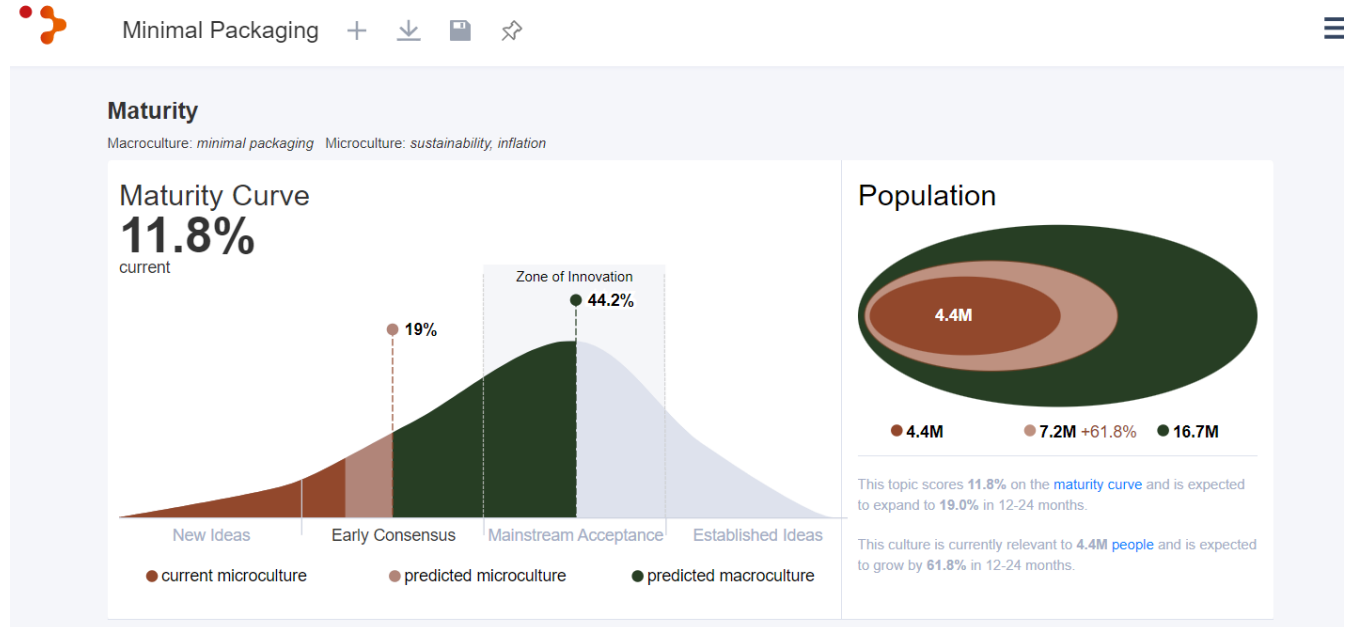
Zero-waste and reusable products to encourage a waste-free lifestyle

Fewer Aesthetics



By prioritizing *other things* over aesthetics, consumers believe they'll contribute more to sustainability.

IMPACT:



Consumers are changing their expectations of aesthetics in this environment, opting for less aesthetically pleasing packs and designs as a proxy for sustainability.

Fewer Aesthetics



Solutions discussed:

1. Bulk Shopping

Allows customers to use their own containers, promoting waste reduction and affordability

2. Refill Stations

Refilling containers with ecofriendly cleaning and personal care products, promoting sustainability, and reducing packaging waste

3. DIY Appearance

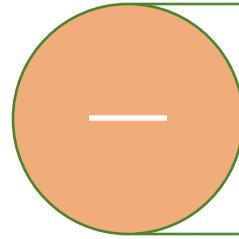
Products that look like they could be homemade, creating the allure of something more natural and sustainable without losing the convenience



The opportunity

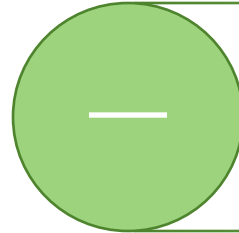
A lessened focus on aesthetics and a revised approach to health is just what the doctor (and the economist) called for.

MATURITY:



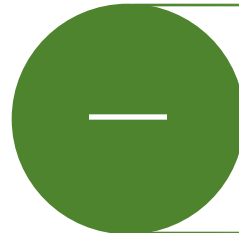
Elevate In-Home

Homemade alternatives and homebound experiences



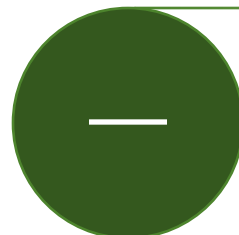
Local Impact

Support of brands that prioritize local



Healthier Choices

Adoption of healthy habits eases the strain on healthcare systems



Fewer Aesthetics

Cost effectiveness is being prioritized over aesthetics

Key Takeaways

1 **The onus is on you**

The products you launch and sell are a direct reflection of your choices as a corporation.

2 **Focus less on aesthetics**

Turn ugly into beautiful. Flip the script to benefit from potential cost savings and translate it into better outcomes.

3 **Health is about much more than food**

It's about people. It's about the way we choose to live our lives and the impact we have on those around us.

Thank you

A link of the webinar recording will be emailed within 24–48 hours.

UPCOMING WEBINARS

JUNE 8

**Net-Zero: The Emergence
of an Ammonia Economy
in Europe**



EMAIL

questions@luxresearchinc.com



VISIT

www.luxresearchinc.com



READ

<http://www.luxresearchinc.com/blog/>



[LuxResearch](#)



[@LuxResearch](#)



The
Deciding
Factor