

DETERMINING WILLINGNESS TO PAY

Euromonitor refined our client's pricing and marketing plan by identifying premium sustainable claims in combination with consumer testing and segmentation.



Challenge

With sustainability being a key differentiator for premium packaged food, a leading industry player sought to reposition their premium sustainable product line to increase profitability. The client was interested in understanding how much more consumers would pay for sustainability, which claims add the most value and which consumer segments and markets they should target and prioritise.

Approach

Euromonitor supported the client in understanding how willingness to pay more for sustainable products, as well as the price dynamics for these products, differ between markets. This involved:

- » Designing and conducting a consumer survey to understand the role that price plays when choosing food and beverage products and to identify which consumer segments are driving the demand for premium products with sustainability claims.
- » Leveraging artificial intelligence and data science to track the price difference between SKUs sold online with and without sustainable attributes in the packaged food industry and monitoring competitor prices across more than 1,000 retailers and over 30,000 brands in 40 countries.
- » Examining the relationship between price positioning and shopper satisfaction of products with sustainable attributes across different markets.

Impact

Euromonitor International helped our client understand which sustainable products consumers are more satisfied with and are willing to pay more for:

- » Exploring and combining consumer purchasing behaviour and disposition to pay (consumer survey) alongside consumer satisfaction with products and pricing data (e-commerce tracking tool) allowed the client to effectively rebalance its sustainable premium product portfolio and optimise its price strategy, resulting in higher revenue margins.
- » Our work enabled our client to better quantify the return on investment across their product portfolio and transform their future pricing strategy.

17% of consumers are willing to pay more for Environmentally conscious or eco-friendly packaged food products

Source: Euromonitor International