

Food & Beverage: An Industry Snapshot

What and how are Americans choosing what to bring to the table? This month, we are using data from a recent Harris Poll survey and QuestBrand data to examine consumers' eating and drinking habits. This report is intended to provide a glimpse into the world of food and drink trends as of July 2024.

The snapshot takes a deep dive into Americans' breakfast preferences and thoughts about organic food. We close with an over-index report, listing 10 food and beverage brands that over-index with each generation of US adults. This indicates that these brands resonate more with that age group than the general population.

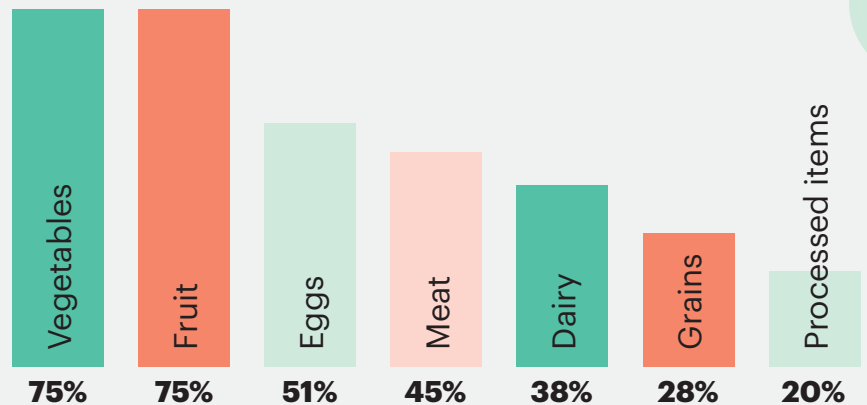
Americans See Organic Foods As A Healthy Alternative, But They Aren't All In

Natural, certified humane, non-GMO, free range, organic. Walking through the grocery aisle, shoppers are bombarded with an array of claims and certifications. In spite of the many nuances between these labels, **73% of US adults agree that they understand the differences between how organic, natural, and conventionally grown foods are produced.**

While consumers are confident in their understanding of organics, many wrongly lump the terms "organic" and "healthy" together. According to a recent Harris Poll survey, **half (50%) of US adults agree that all organic foods are healthy.** Similarly, **67% believe that organic food is healthier than food that is not considered organic.**

Regardless of its health halo, the majority of the food on our tables is not organic. On average, **29% of the food that Americans buy is organic.** The decision to not buy a higher percentage of organic foods may be traced to organics' higher price tag. **Two-thirds (76%) of US adults agree that they would buy more organic foods if they were less expensive.**

"Which types of **organic** food do you typically **prioritize purchasing**?"



Base: US adults who buy organic food, n=684. QS4Q3: Which of the following types of organic food do you typically prioritize purchasing?

Organic purchases are not even across all categories, with fresh products heavily favored over processed. **Those who buy organic foods typically prioritize buying organic vegetables (75%), fruit (75%), eggs (51%), and meat (45%).** Less frequently, organics consumers purchased organic dairy (38%), grains (28%), or processed items (chips, cereal, snack bars) (20%).

When making the choice to buy organic foods, US adults are typically focused on the perceived health benefits of eating organically. This includes key factors such as general **health considerations** (55%), **concerns about chemicals** (e.g., pesticides, hormones, antibiotics) (50%), and **concerns about genetically modified organisms (GMOs)** (43%). The social benefits of going organic are cited less frequently, such as **supporting local farmers and businesses** (39%), **sustainability** (29%), and **ethical considerations** (16%).

Consumers' primary purchase drivers also vary by age. Older adults (ages 55+) more often than young adults (ages 18-34) choose to buy organic foods due to **concerns over chemicals** (62%) and to **support local farmers or businesses** (50%) (39%, 33% of young adults respectively). In contrast, younger adults more often purchase organics due to **dietary restrictions** (20%), while only 11% of older adults consider their dietary restrictions as an influencing factor.

Some of these differences in purchase drivers may be due to differing generational perceptions on organics. **Six-in-10 young adults (59%) agree with the statement that all organic foods are healthy, versus 41% of older adults.** Likewise, **82% of young adults (versus 70% of older adults) agree that they would buy more organic foods if they were less expensive.**

 **US adults agree...**

All organic foods are healthy.



Organic food is healthier than food that is not considered organic.



I would buy more organic foods if they were less expensive.

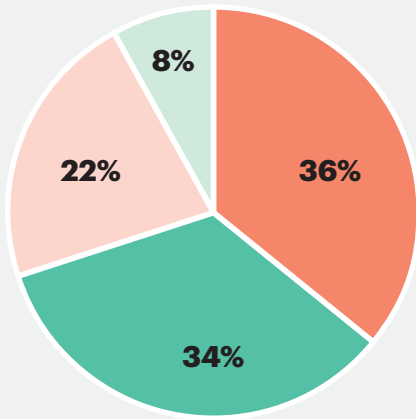


Base: US adults, n=1,101. Q54Q2: How much do you agree or disagree with each of the following statements? Organic food is healthier than food that is not considered organic. I would buy more organic foods if they were less expensive. All organic foods are healthy.

US Adults Value Breakfast, But Hectic Mornings Keep Some Americans From The Breakfast Table

How many times have you been told that breakfast is the most important meal of the day? The idea isn't new. Dr. John Harvey Kellogg and James Caleb Jackson started saying this as a [marketing slogan in the 19th century](#) to promote breakfast cereal.

Americans have taken this sentiment to heart. **Seven-in-10 US adults (70%) agree that breakfast is the most important meal of the day.** Similarly, **71% agree that people who regularly eat breakfast are generally healthier than those that don't.**



"Breakfast is the most important meal of the day."

- Strongly Agree
- Somewhat Agree
- Somewhat Disagree
- Strongly Disagree

Base: US adults, n=1,101. QS2Q5: How much do you agree or disagree with each of the following statements? Breakfast is the most important meal of the day.



There could be something behind Kellogg's early marketing efforts. **Three-quarters (75%) of US adults agree that they generally feel better on the days they eat breakfast** compared to the days they don't. Additionally, **81% agree that they eat breakfast to boost their focus during the first part of the day.**

Perhaps in part due to Dr. Kellogg's early breakfast advocacy, modern day America is largely **a nation of breakfast eaters.** Only 13% of US adults say that they typically do not eat breakfast. **Almost half of US adults (46%) eat breakfast 6-7 days a week,** and a third (28%) eat breakfast 3-5 days a week.

Most regular breakfast eaters dine at home (89%). Other common breakfast spots include restaurants (22%), at work/school (16%), or at a coffee shop (15%). A concerning number (12%) of US adults say that they eat breakfast during their morning commute (e.g., in a car, public transportation). This may explain why there's always at least one accident on the drive into the office.

If many of us believe that breakfast is the most important meal of the day, why are we not all eating breakfast? **Half (49%) of Americans (and 59% of young adults) agree that mornings are the most hectic time of their day.** A quarter (23%) of those who do not typically eat breakfast attribute missing the meal to time (e.g., time it takes to prepare a meal, get ready for the day).

Despite the morning rush, **regular breakfast eaters typically start the day with a homemade meal** (e.g., eggs, bacon, toast) (65%), cereal (53%), or fresh fruit (45%). Fewer breakfast eaters save precious minutes by choosing to start the day with a prepackaged meal (e.g., frozen breakfast sandwich, instant oatmeal, breakfast bar) (29%) or fast food (23%).

Liquid Death's Shocking Marketing Campaigns Continue To Accelerate Brand Growth

What do a fighter jet, NASCAR, and Ozzy Osbourne have in common? They all play a role in **daring beverage brand, Liquid Death's, recent marketing frenzy**. Launched in 2019, Liquid Death (LD) has long turned convention on its head, with marketing campaigns that shock and entertain. These tactics have especially appealed to **young adults**. For three straight years, LD has enjoyed **"triple-digit" growth**. As of March 2024, LD was valued at **\$1.4 billion**.

But it's just water...right? LD started by selling canned still water, and expanded its product line to include flavored sparkling waters, ice tea, and "Death Dust" (electrolyte powder). Customers love LD's products, but the company's creative marketing is even more alluring.

"Many marketers and brand owners undervalue the power of true curiosity. If your brand can truly stop someone in their tracks and make them curious...you have a much better shot as a new brand to convert them into a new customer." - **Liquid Death founder and CEO Mike Cessario**

In May, **LD announced that they were giving away a \$400K fighter jet**. The winner also receives six months of hanger space, a pilot's helmet, and a year's supply of LD. But LD's marketing efforts didn't stop there. In April, LD announced a multi-year deal as the **"Official Iced Tea of NASCAR."** In June, the beverage brand released a new campaign in which rock legend **Ozzy Osbourne warns teens** to not snort Death Dust (after a number of alarming Instagram comments suggesting questionable consumption practices.)

Liquid Death's Sales Conversion Funnel Q1 vs Q2 2024 Among Young Adults

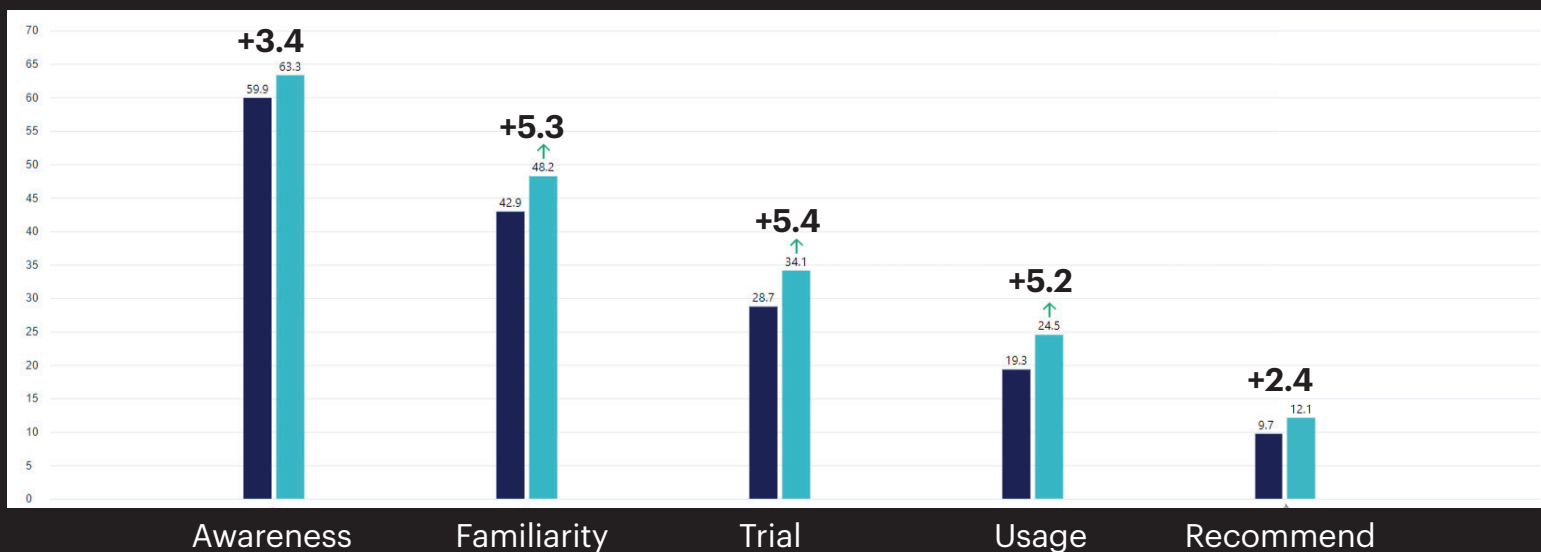


Figure 1. QuestBrand. Base: Millennials + Gen Z Adults. Pre: 1/1/24-3/31/24, n=1,1550. Post: 4/1/24-6/30/24, n=1,195.

Using data from **QuestBrand** by The Harris Poll, we compared LD's sales conversion funnel in Q1 to Q2 2024 among young adults (Millennials and Gen Z adults) amid this marketing onslaught. From the first to the second quarters of 2024, **young adults' brand Familiarity (+5.3), Trial (+5.4), and Usage (+5.2) all significantly increased**. These increases signal that young adults are trying LD more in Q2 than Q1, a positive sign for the brand's continued growth.

From 2022 to 2023, LD's retail sales jumped from **\$110 million to \$263 million**. Liquid Death, let us know when your sales reach \$500 million, and we'll crack open a can of sparkling water to toast your truly impressive marketing prowess.

Over-Index Report: Foods & Beverages By Generation

This month's over-index report provides a unique look into each generation's food and beverage preferences. Using brand equity data from QuestBrand, we ranked 10 food and beverage brands that over-index with each generation. This indicates that US adults from that generation value these brands

more highly than the general population of US adults. To determine this ranking, we compared each brand's brand equity score among the general population of US adults to its brand equity score among members of that generation. Brand equity data was taken from October 2023 - March 2024.

Gen Z

Millennials

1. **PRIME**



2.



3.



4.



5.



6.



7.



8.



9.



10.

1. **NEW AMSTERDAM**

2.



3.



4.



5.



6.



7.



8.



9.



10.



Gen X

Baby Boomers

1.

ABSOLUT
Country of Sweden
VODKA

1.



2.

Post
PEBBLES
CEREAL

2.

Entenmann's

3.


Anheuser-Busch

3.

THOMAS'

4.

Captain Morgan

4.



5.

GOOD HUMOR

5.


GODIVA
Chocolatier

6.


GODIVA
Chocolatier

6.

PEPPERIDGE FARM

7.

FRANK'S
SINCE 1920
RedHot

7.

HELLMANN'S
"BRING OUT THE BEST™"

8.

Hostess♥
BRANDS

8.

 **General Mills**

9.

Coors

9.

BUSH'S
BEST

10.

RED BARON

10.

DANONE

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