WHITE PAPER:

Imperative for the Consumer Products Manufacturers and Retailers:

Providing Consumers More Information and Increasing Consumer Trust

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Consumers today want an increasing amount of information about the products they purchase, use, and consume. They seek more transparency as a condition for trusting brands.

A recent study demonstrated that today’s consumer is going way beyond the traditional value drivers of Price, Performance and Convenience in the way they value and purchase brands. Emerging drivers around health and social responsibility are wrapped in consumer expectations of transparency. The study by Deloitte was commissioned by the Grocery Manufacturers Association (GMA) and the Food Marketing Institute (FMI).

It is no longer sufficient to simply list an ingredient. Consumers want to know what that ingredient is, where it came from and why it is in the product they are considering. This is a major behavioral shift that started a few years ago with younger generations, including millennials, but has broadened to a much wider range of consumers, without regard to age, gender, race, income, or geography. At stake are current and future relationships between brands and their consumers.

What’s not always apparent is that most consumers – about 85% – believe they already have access to the food ingredient information they need, per a 2015 report from the International Food Information Council Foundation. What’s more, FMI’s U.S. Grocery Shopper Trends finds that shoppers, for the most part, believe that packaging satisfies their needs for seemingly concrete facts about what is within products – fiber, sugar and sodium content, ingredient lists descriptions and function. However, shoppers want more information and clarity about the meanings and implications of what lies beyond the product, such as sourcing, animal welfare, environmental and ethical practices. In other words, the values of the company are becoming as important as the value of the products they are purchasing from those companies.

And, something else occurs. A consumer sees a news article, reads a blog, views a social media post, or gets information from a friend about a certain product. This leads the consumer to deeper questions about that product.

The answer to the consumer’s questions will not always appear on the product’s package. And when consumers want information, they want it now! Many consumers have turned the word “Google” into a verb.

If consumers search for product information online and find it, they are generally satisfied, even if it’s not the desired answer. On the other hand, if searches fail to turn up information, consumers may start to ask themselves if the industry is hiding something.
Manufacturers and retailers are proactively addressing the consumer’s need for more information. Here’s how Jim Flannery, senior executive vice president at GMA, describes the industry’s perspective: “We recognize that now more than ever, consumers are seeking access to an increasing amount of information about the food, beverage, household and personal care products they use and consume, and we as an industry must find a way to provide it to them.”

Mark Baum, chief collaboration officer at FMI, added: “SmartLabel® is about a company’s ability to be transparent and share information with consumers about their brands. All brand owners; national, regional, local or a retailer’s private brand need to have this capability. Consumers want and have a right to know what’s in the products they purchase, utilize, and consume. For retailers who sell these brands and are the closest to the consumer, SmartLabel® adoption and implementation will ensure their customers’ needs are met.”

That realization drove the creation of the SmartLabel® digital transparency initiative, an effort of unprecedented scope for the CPG/retail industry. SmartLabel® was created by GMA and FMI under the manufacturing companies and retailers parity-based entity called the Trading Partner Alliance (TPA). It was built by over 325 people from 90 different companies convened by GMA and FMI, and the initiative’s working group included entities such as Forum for the Future, The Sustainability Consortium and the Center for Food Integrity.

SmartLabel® was born from a series of high-level discussions at GMA and FMI beginning in 2014. The initiative was officially launched by the TPA in January 2016 with the first generation of the platform.

The industry’s goal is to provide information and an experience that’s credible, trustworthy, memorable and motivational.

SmartLabel® provides a plethora of product details that could never fit on a package label. It doesn’t just tell consumers what ingredients are included in products; it can explain what those ingredients are, why they’re in the product, what they do, and even where they came from. This might include detailed descriptions about how a product was made, how animals were treated during the development process or the environmental impact. The same level of detail is provided for both food, beverage and household products.

SmartLabel® was designed to match how people use information and technology today: consumers can access it at home, on-the-go while creating a shopping list, and while making their way through a store.
SmartLabel® has a wide range of benefits:

> **Hundreds of Attributes:** SmartLabel® gives consumers access to hundreds of attributes across food, beverage, household, personal care and pet care products, vitamins, supplements and over-the-counter drugs. This includes information about allergens, third-party certifications, usage instructions, social compliance programs, and safe handling.

> **Consistent Format:** Each product in SmartLabel® has a specific landing page containing detailed information on ingredients and other product attributes. One of the key advantages of SmartLabel® is that all the information is organized in a consistent format. This enables a consumer to see the same general landing page layout whether researching a container of ice cream, bottle of hand lotion, tube of toothpaste or box of detergent.

> **Easy Access:** SmartLabel® was designed around the principle of consumer choice. It enables consumers to access information by their own preferred method; for example, visiting a website, scanning product codes using a smartphone, calling an 800 number, etc. In particular, SmartLabel®’s focus on digital access is crucial at a time when more than 300 million people in the U.S. have access to the internet. Smartphone ownership is expected to reach 80% by 2018, and 89% of consumers use search engines for purchase decisions. Google Chrome includes a QR code reader as a standard utility. Apple’s mobile operating system, iOS 11, gives iPhone cameras a built-in utility to read QR codes.
There are the many ways consumers can find SmartLabel® information, and the choice depends on the individual user’s preference. Here’s a lineup of methods for accessing this information:

> **SmartLabel® Website:**
Search for wide variety of brands or products on [http://www.SmartLabel.org/](http://www.SmartLabel.org/)

> **Brand Website:**
Click on SmartLabel® logo in a brand’s website. The SmartLabel® logo is found in multiple places on brand websites. For example, Procter & Gamble (P&G) has launched SmartLabel® on febreze.com to help consumers better understand what is in the products and drive reassurance of the safety of the product. https://www.febreze.com/en-us/products/air-effects-meadows-rain-air-freshener

> **Landing Page:**
A product’s SmartLabel® web landing page is the point of access for most SmartLabel® information. Examples: [https://smartlabel.labelinsight.com/product/4051740/nonFoodIngredients](https://smartlabel.labelinsight.com/product/4051740/nonFoodIngredients) [http://SmartLabel.hellmanns.com/product/2676446](http://SmartLabel.hellmanns.com/product/2676446)

> **QR Code:**
Scan the product code on pack with a smartphone using any downloaded QR Reader or use the latest iPhone Camera. Three examples of products that have a QR code on the package are Albertsons’s O Organics Crushed Tomatoes in Tomato Puree [https://smartlabel.labelinsight.com/product/4485843/nutrition](https://smartlabel.labelinsight.com/product/4485843/nutrition) and Coca Cola Simply Orange Juice 100 Calcium [http://smartlabel.coca-colaproductfacts.com/servlet.SimplyOrangeJuice100Calcium115fluidounceNon-RefillablePlasticotherBottleSimplyCarafe-025000000355.html#nutrition](http://smartlabel.coca-colaproductfacts.com/servlet.SimplyOrangeJuice100Calcium115fluidounceNon-RefillablePlasticotherBottleSimplyCarafe-025000000355.html#nutrition)

> **SmartLabel® App:**
Search by downloading the free SmartLabel® App on a smartphone. The app, which is in the Apple and Android stores, reads QR codes and barcodes, and will adapt for future technology.

> **1-800 Number:**
Call the 1-800 number listed on a product package. Participating brands must make every SmartLabel® attribute available via the product’s 800 number.

> **Online Retailer:**
Search by popular online retailer. As an example, this could include purchasing a Private Brand item on Peapod, Giant or Stop & Shop. [http://giantfood.com/shopping/our-stores/our-brands/](http://giantfood.com/shopping/our-stores/our-brands/)
Let’s look at what happens when someone seeks product information using the SmartLabel.org website. The site’s main page has information on SmartLabel®: [http://www.SmartLabel.org/](http://www.SmartLabel.org/).

When the consumer clicks on “product search,” he or she is taken to a page with drop-down menus. These menus show which companies, brands and products are participating and available to be searched. [http://www.SmartLabel.org/products](http://www.SmartLabel.org/products).

Let’s search for a food product. Choose Land O Lakes Alpine Lace Reduced Fat Yellow Cheddar Cheese, 8 oz. That brings us to the SmartLabel® main landing page for that product: [https://smartlabel.landolakes.com/productdetails/00042634771024/](https://smartlabel.landolakes.com/productdetails/00042634771024/).

The page has different tabs in the top menu. All food items in SmartLabel® have the same five main tabs: Nutrition, Ingredients, Allergens, Other Information and Company/Brand.

Looking at the tabs, Nutrition includes information such as serving size, calories and fats. Ingredients, in the case of this product, lists cultured reduced fat milk, salt, enzymes, color, and Vitamin A Palmitate. The Allergens section cites milk as a common food allergen in this product. Other Information mentions the product is an “excellent source of calcium,” and Company/Brand provides more detail about Land O’Lakes.


Let’s search for a personal care product: P&G’s Crest Pro-Health Advanced Active Strengthening toothpaste. Here is the SmartLabel® landing page for that item: [http://smartlabel.pg.com/00037000976691.html#ingredients](http://smartlabel.pg.com/00037000976691.html#ingredients).

The page has SmartLabel® tabs for personal care products that include Ingredients, Usage Instructions, Advisories & Handling, Other Information, and Company/Brand.

The Ingredients tab for this product shows active ingredients as well as inactive ingredients. The Usage Instructions tab includes information on frequency of use. Advisories and Handling explains how long to use the toothpaste for sensitivity and what to do if too much is ingested. Other Information relays claims on features and benefits. Finally, Company/Brand takes consumers to additional details about Crest and P&G sustainability information.

A big advantage of SmartLabel® is that the detailed information available within its product landing pages is far more information than can fit on a product label. Here are some examples of information on specific product pages:

**CERTIFICATIONS:**

*Simple, Broad Spectrum SPF15 Sunscreen 4.2 fl. oz. (124 mL).*

The “Other Information” tab includes details about the Forest Stewardship Council (FSC) certification, which ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. [https://smartlabel.labelinsight.com/product/2700814/other/certifications](https://smartlabel.labelinsight.com/product/2700814/other/certifications).
Taking a Tour

Bumble Bee Chunk White Albacore in Water, 5 oz.
In “other information” tab, relays information about animal welfare (wild caught), dolphin safety, and sustainability.
http://smartlabel.bumblebee.com/index.cfm?product=8660000020#other

> ALLERGEN DETAIL:

Q-Tips, Beauty Rounds, Cotton Rounds, 75 Count.
In the “Other Information” consumers learn that this item includes products making a claim of being hypoallergenic.
https://smartlabel.labelinsight.com/product/2746810/other/claims

Flowers Foods – Dave’s Killer Bread – Organic Epic Everything Bagels
Shows “contains” and “shared facility.” This shows that the product is made in the same facility as products composed of the allergen, which is soy in this product.
https://smartlabel.labelinsight.com/product/4212164/allergens

Hershey Mounds Milk Chocolate Bar 10.35 oz.
Shows “contains,” “shared equipment” and “shared facility.” This shows that the equipment used to make this product was used to manufacture products that contain the allergen, in this case peanuts.
http://smartlabel.hersheys.com/00034000070534-0001#allergens

PASCHA Organic 70% Cacao Dark Chocolate Bar, 3.5 oz.
States that the product is free-from specific, common food allergens, and provides details about its “allergen-friendly” manufacturing facilities.
https://SmartLabel.labelinsight.com/product/2756449/allergens

> GMO-FREE & GMO DISCLOSURE:

GMO-Free Disclosure
Mondelez Nabisco Triscuit Crackers Organic 9 oz.
GMO Disclosure tab shows that the product does not include ingredients sourced from genetically engineered (GE) crops, commonly known as GMOs.
https://smartlabel.mondelezinternational.com/44000047764

GMO Disclosure
Mondelez Nabisco Pinwheels Marshmallow Cookies 12 oz.
Contains a GMO disclosure with a link to more information.
https://SmartLabel.mondelezinternational.com/4400006655#

> FRAGRANCE INGREDIENTS

Unilever and P&G have announced that they will use SmartLabel to disclose fragrance ingredients in personal care products. Here is an example of this disclosure in Nexxus conditioner:
https://smartlabel.labelinsight.com/product/2746781/nonFoodIngredients/nonActiveIngredient/fragrance-(parfum)/?order=0008
Taking a Tour

> **PARABEN DISCLOSURE**

Parabens are compounds commonly used as preservatives in a wide range of health, beauty and personal care products.

*Simple, Ultra-Light Gel Moisturizer 1.5 fl oz (44 mL).*

Disclosure explains that the product is free of parabens.

https://smartlabel.labelinsight.com/product/2700811/other/claims

> **WARNINGS AND ADVISORIES:**

*Pepto-Bismol Caplets 5 Symptom Medicine - Including Upset Stomach & Diarrhea Relief 24 Count*

The Product Warning in the advisories and handling tab about Reye’s syndrome explains that children and teenagers who have or are recovering from chicken pox or flu-like symptoms should not use this product.

http://smartlabel.pq.com/00301490039908.html#allergens

> **NUTRITION RESOURCES:**

*Kellogg Corn Flakes cereal, 43 oz.*

Provides links to information about USDA MyPlate, Health.Gov Dietary Guidelines for Americans, and brand information.

http://SmartLabel.kelloggs.com/Product/Index/038000991400#company

> **INGREDIENT ATTRIBUTES:**

*Crest 3D White Mild Mint Whitening Toothpaste, 4.8 oz.*

Sodium Fluoride 0.243% is an anti-cavity active ingredient that helps to strengthen weakened enamel and prevent cavities.

http://smartlabel.pg.com/00037000982678.html#ingredients

*Simple, Dual Effect Eye Make-Up Remover 3.38 fl. oz. (100 mL).*

Formulated with multivitamins, such as Pro-Vitamin B5 and Vitamin E which is known as a potent antioxidant.

https://smartlabel.labelinsight.com/product/2790973/other/claims

> **INGREDIENT ORIGINS:**

*Campbell’s Cream of Mushroom Soup, 10.75 oz.*

Says about its mushrooms, “Many of the mushrooms we use are grown in Kennett Square, Pennsylvania, called the mushroom capital of the world.”

http://www.SmartLabel.whatsinmyfood.com/00051000012616/

*Head & Shoulders Classic Clean 2-in-1 Anti-Dandruff Shampoo + Conditioner 13.5 Fl oz.*

Country of Origin Statement: Made in USA of U.S. and/or imported ingredients.

http://smartlabel.pg.com/00037000062035.html#otherm
Positive Consumer Engagement

It’s still early in the process of companies implementing SmartLabel® on products. So far the primary way consumers are getting SmartLabel® information is via a search directly from a brand’s website or by scanning the on-pack QR code.

At this early stage of SmartLabel®, much of the information about consumer usage is still anecdotal, and the news is encouraging. Brands are getting started by making the landing pages available and following-up with use of the on-pack QR code as they are making label changes.

Consumers are engaging in SmartLabel® already, prior to any broad marketing efforts. For example, between January and March 2018:
> There were more than 1.3 million visits to SmartLabel® landing pages
> More than half (54%) of visits are coming via smartphones.

By comparison, in June-August 2017:
> There were more than 444,000 visits to SmartLabel® landing page
> Consumers accessed SmartLabel® primarily via links on brand websites and QR codes on packages
> Nearly six in 10 (58%) of visits came via smartphones.

FMI’s 2017 Grocery Shopper Trends found that 72 percent of Millennials indicated they were somewhat to very likely to scan a QR code to find out more specific product details. The high level of interest in this tech-comfortable age category bodes well for teachability and acceptance in other age categories.

In the early stages of company implementation of SmartLabel®, most of the promotion of SmartLabel® is being done by participating brands and companies directly to their consumers. Here are examples of how companies are talking about SmartLabel® with their consumers:
> Coca-Cola: https://www.youtube.com/watch?v=jdpIBK7BsSo
> Colgate-Palmolive: https://www.youtube.com/watch?v=bb3Vr0Ub12I
> Unilever: https://www.unileverusa.com/brands/smartlabel/
> Kellogg: http://www.openforbreakfast.com/en_US/content/nutrition/Smart-Label.html
> Hershey: https://www.youtube.com/watch?v=xlmA400XQNA

With about 44,000 products in the average grocery store, broader marketing and promotion of SmartLabel® will begin once implementation reaches critical mass in the marketplace so consumers will see SmartLabel® on a wide range of products throughout the store. Currently, projections are that SmartLabel® will exceed 30,000 products in June, 2018.
How Brands Participate

While each SmartLabel® landing page has a consistent format and look, the pages and information are under each company and brand; there is no overall inclusive SmartLabel® database. SmartLabel® is a template that resides on the brand’s website. SmartLabel® requires brand owners to store and maintain their own information and publish to their SmartLabel® landing page templates. Participants are encouraged to simultaneously publish out via the Global Date Synchronization Network for those trading partners who might also use the information with consumers. Consumers searching for information are connected to web pages owned by each participating brand.

Information contained on SmartLabel® landing pages may be subject to regulation as labeling and advertising under federal and state law, including laws administered by the Food and Drug Administration, the U.S. Department of Agriculture, and the Federal Trade Commission, and their implementing regulations and guidance documents. It is the responsibility of the participating brand to ensure that the information provided on SmartLabel® landing pages is complete, accurate, and provided in accord with applicable regulatory requirements.

For brands participating in SmartLabel®, there are “required” and “voluntary” attributes. All required attributes in the first generation of SmartLabel® were those required to be available to consumers by U.S. law. A company can decide which of the voluntary product attributes to disclose, and when it does so, it must use an industry-recognized standard definition. SmartLabel® is focused on delivering information to consumers that is beyond the “required” information, so it is important that companies as quickly as possible rollout voluntary product attributes.

Typically, a consumer would drill down a bit further to find the voluntary attributes. For example, a consumer would see that a product’s ingredients include soy lecithin, and by exploring further will find answers to questions like: What is soy lecithin? Why it is in my food? What is sorbitol, and why is it in my toothpaste? What does it do? Where does it come from?

There’s another aspect to SmartLabel® disclosure. It enables brands to engage in a dialog with consumers on topics for which the industry hasn’t yet developed a fully consistent approach. Examples include what a brand means by “environmentally friendly” or by its “diversity efforts.” For these kinds of topics, there is a clear visual cue that the consumer is leaving the SmartLabel® landing pages to engage further with the brand.
Digital Disclosure

SmartLabel® is a key tool for compliance with the new federal disclosure law for bioengineered (BE) food (commonly known as genetically modified organisms or GMOs) that was passed by Congress and signed into law in July, 2016. The U.S. Department of Agriculture (USDA) has until summer 2018 to complete implementation of the regulations. A draft rule was released by USDA in early May. It calls for companies to comply with the labeling requirements by January, 2020 once the final rule is complete.

The federal law requires brands to disclose BE information in one of three ways: text on a package, a symbol, or through a digital link – such as SmartLabel®. A brand using a QR code would include a call to action such as “scan here for more food information.”

Digital disclosure enables consumers to learn more than text or a symbol that only says “Bioengineered food” or “contains a bioengineered food ingredient.” SmartLabel® enables brands to speak to consumers about GMOs, including what they are, why they are used in food production, and where they come from.

This information can answer questions about uses and safety. Consumers will be more satisfied if brands and the industry can provide answers to these questions.

GGMO information is listed in the “Other Information” tab in SmartLabel®. Eventually, that tab’s name will be adapted to make clearer that consumers can find GMO disclosure information under that tab.

Here’s a link to a product landing page for General Mills’ Corn Chex cereal that shows a GMO disclosure (by clicking the Other Information tab), a deeper explanation about genetically modified foods, and a link to more detailed information from the brand manufacturer: http://SmartLabel.generalmills.com/BNM/3501441105

Digital disclosure is a cost-effective and efficient way to provide detailed information about the hundreds of food and non-food product attributes included in SmartLabel®. And, those attributes and other information are constantly being reviewed and updated to ensure that consumers are receiving current, complete, and accurate information directly from brand owners.
Growing SmartLabel®
Involvement from Brands

SmartLabel® has been a success story when it comes to growing brand participation. As of May 25, 2018, there were more than 26,500 products, a notable gain from 2,500 at the start of 2017. After five years, the total is projected to reach 60,000 products. That represents more than 80% of the food, beverage, pet care, personal care and household products that consumers buy.

SmartLabel® products already are provided by more than 700 brands and are part of 45 manufacturers and retailers such as Mondelez, L’Oréal, Campbell’s, Conagra, Hershey, Unilever, Flowers Foods, Coca-Cola, General Mills, Kellogg, Kraft Heinz, Land O’ Lakes, McCormick, Nestle, PepsiCo, Smuckers, Procter & Gamble, Clorox, Colgate-Palmolive and S.C Johnson & Son. The list includes private brand products of retailers such as Ahold, Albertsons, Hy-Vee and Topco, and smaller brands such as Food for Life, Arctic Apples and Naked Bacon.
What’s most important right now in the industry’s SmartLabel® journey? Observes GMA’s Jim Flannery:

“The best thing we can do at this stage is accelerate implementation and demonstrate our industry’s commitment to transparency.”

As an industry, we need to deliver on our promise to provide consumers with easy access to more information than could ever fit on a label. This is a journey. Brands should get started now. Speed of adoption is crucial. The success of the initiative relies on critical mass with the largest possible group of brands.
How to Get Started

Companies not yet involved with SmartLabel® will benefit from all the work already being done by the industry. Getting engaged is easier because other manufacturers and retailers have paved the way.

Here is a checklist of a typical route to initial brand/manufacturer/retailer involvement:

☑ Most companies begin with a brand or two that can most benefit from consumer transparency.

☑ Once brands are selected, the next step is to identify attributes to share.

☑ All companies must disclose the required attributes but this second step seeks out the attributes that are most important to the brand’s consumers. This step enables companies to slowly expand the attribute information, going well beyond the label, while learning and building the back-end systems to accurately capture, store and maintain the information.

☑ Once the first brands are set, companies typically expand involvement across their portfolio.

☑ While timing varies, a company’s first brand efforts can take about six months, and succeeding brands often go much more quickly.

☑ Brands should get started by building out the SmartLabel® landing pages and bring the QR Code and logo along in the course of normal labeling changes. Few companies are executing artwork changes just for the SmartLabel® QR code.

☑ Use of QR codes on-pack are highly recommended but not required, except in the case of the GMO disclosure law. Brands employing QR codes will link a URL link to the brand’s SmartLabel® landing page, making it easy for consumers to access the information.
SmartLabel® is an initiative with great potential to help solidify the connection between brands and consumers. Here are some key resources for further understanding and implementing SmartLabel®.

> SmartLabel® Website: [http://www.SmartLabel.org/](http://www.SmartLabel.org/)

> SmartLabel® FAQs: [http://SmartLabel.org/faq](http://SmartLabel.org/faq)

> Product Search Info: [http://SmartLabel.org/products](http://SmartLabel.org/products)


> For Interested Brands: [brands@SmartLabel.org](mailto:brands@SmartLabel.org)

> Media contacts: Roger Lowe, [rlowe@gmaonline.org](mailto:rlowe@gmaonline.org)  David Fikes, [dfikes@fmi.org](mailto:dfikes@fmi.org)

> Introductory video for consumers: [https://www.youtube.com/watch?v=R1qqOKYrL_E](https://www.youtube.com/watch?v=R1qqOKYrL_E)