

# HOW DO DIETS AND HEALTH CONSCIOUSNESS IMPACT TRANSPARENCY?

Webinar: March 28, 2019



LABELINSIGHT.



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- No discussion that might be interpreted as a dividing up of territories.

It is important to avoid even the appearance of unlawful activity.

Questions or concerns? Please consult with FMI staff.

# Meet Your Presenters



Thea Bourianne  
Solutions Consultant &  
Registered Dietitian  
Label Insight



Steve Markenson  
Director, Research  
Food Marketing Institute

# Introduction and Methodology

FMI and Label Insight dove deep into how transparency is playing out on multiple levels.

- Built on an update of previous surveys conducted by FMI and Label Insight
- Online survey of nationally representative, random sample of 2,022 U.S. grocery shoppers.

Report underscores the importance of transparency and its direct link to business success.

- Success is more likely to be achieved when industry stakeholders understand the fine points, including shopper motivations and behaviors.
- The food industry has already taken important steps to boost transparency, including with initiatives such as SmartLabel®.

This research points to additional next steps and provides key resources.

# Overview

**Importance and Role of Transparency**

**Understanding Consumer Transparency Preferences**

**Shoppers on Diets**

**Shoppers with Allergies**

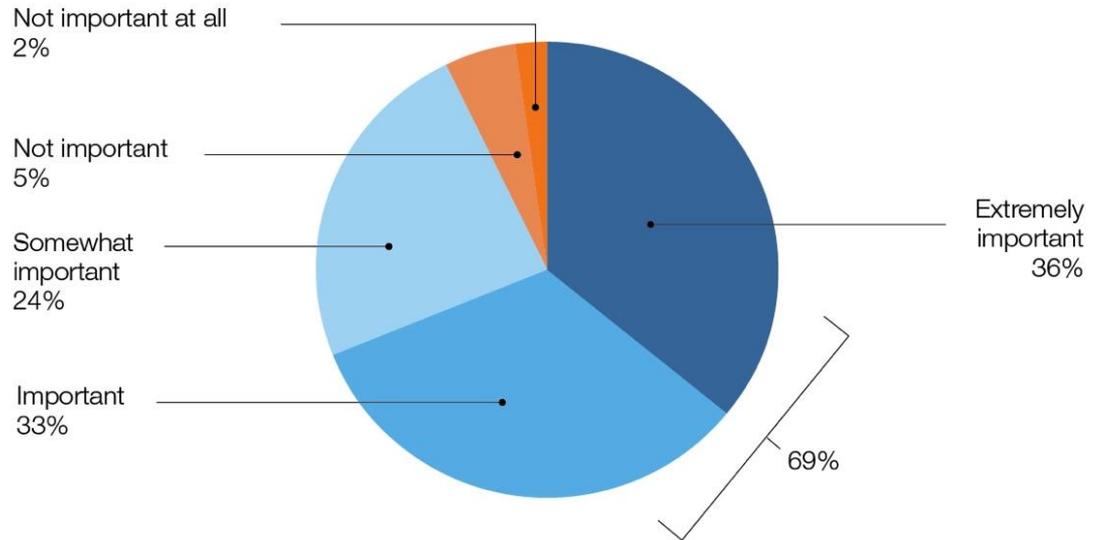
**Key Takeaways**



# Importance and Role of Transparency

# Consumers Emphasize Transparency's Importance

69% of Consumers say transparency is important to them.



**Dieting and allergy-focused shoppers place more importance on transparency**

# How Shoppers Determine Transparency

**65%** say complete list of ingredients

**59%** say easy to understand ingredients

**46%** say in-depth nutritional information

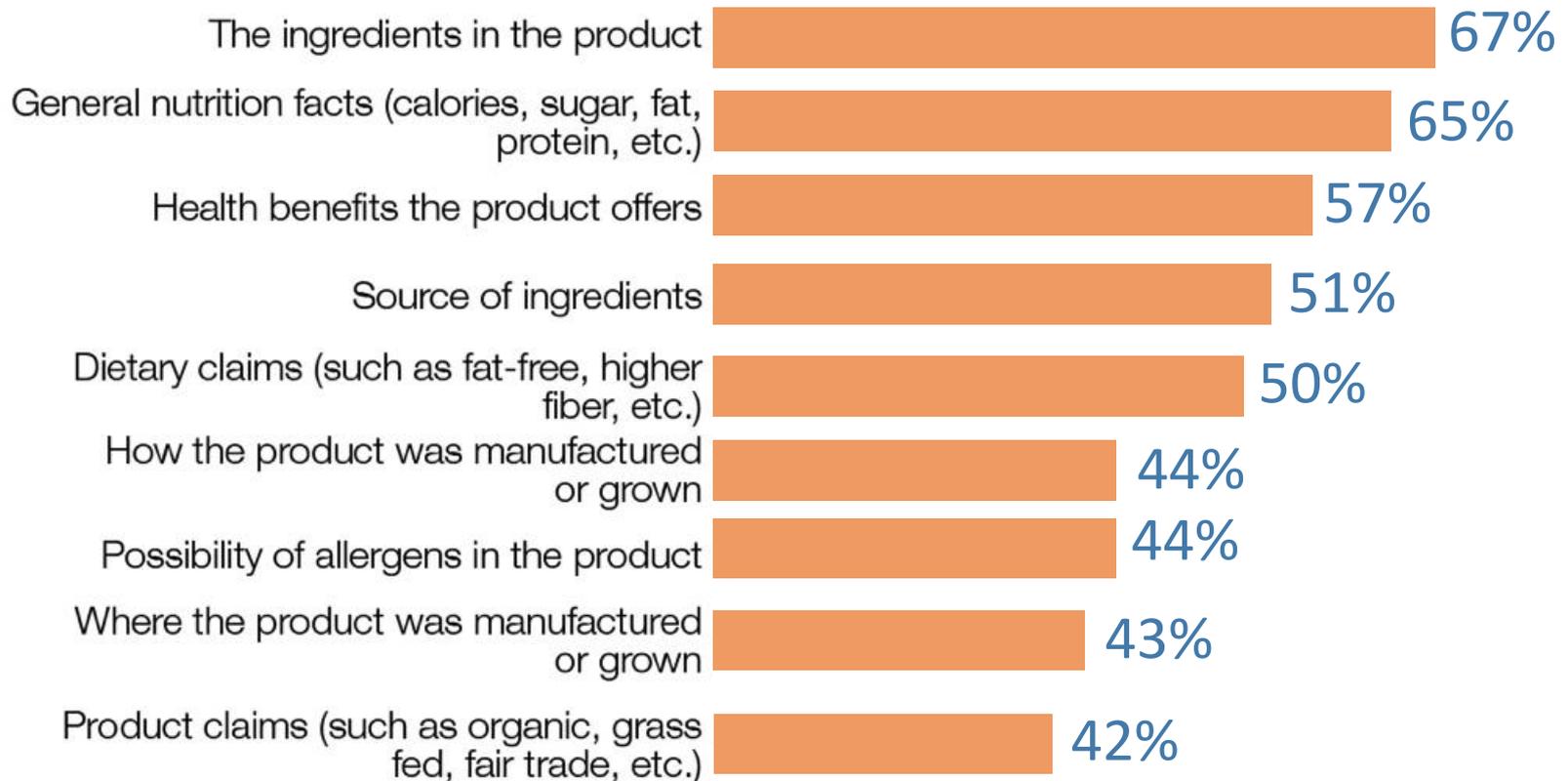
Allergens, production, sourcing, animal welfare and sustainability also factor highly.

**DiETING and allergy-focused shoppers want more of this next tier information**

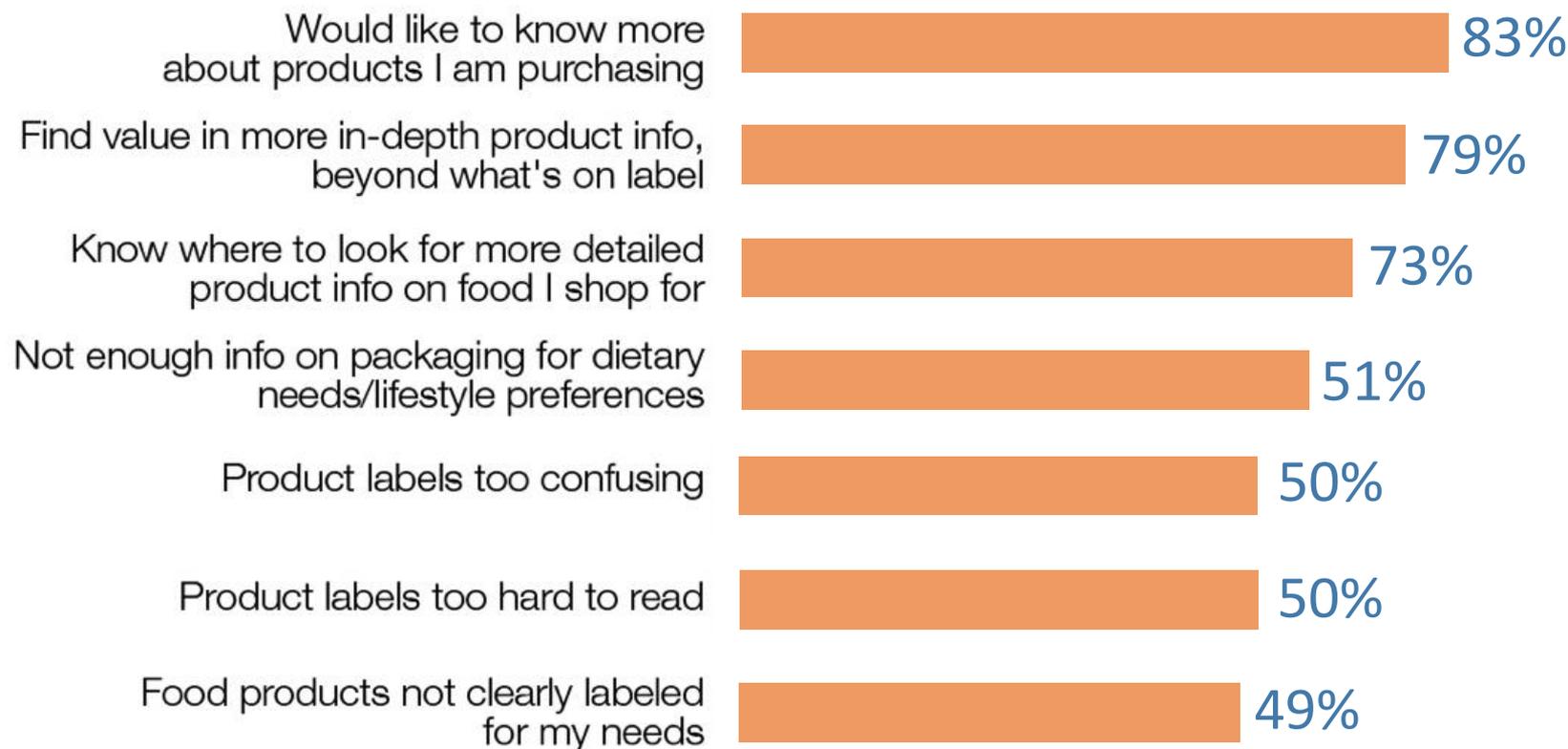


# How Important is Transparency?

## Considerations when buying products



# Perspectives on Product Labels – Being Informed



**83%** Would like to know more about products they are purchasing.

# Transparency Boosts Trust and Loyalty

86%

Are more loyal to a brand that provides in-depth product info, beyond the label.

80%

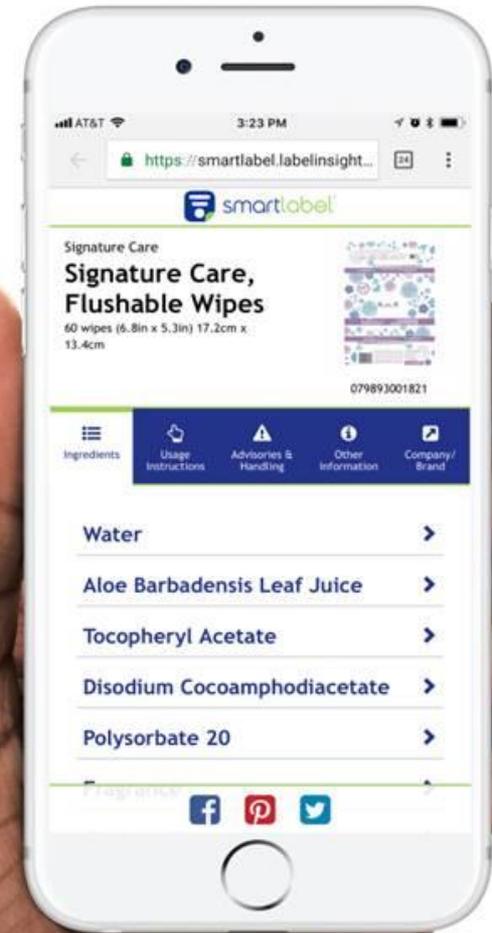
Trust brands and retailers more when they provide ingredient definitions beyond the label.

78%

Are more likely to buy products with in-depth product info, beyond the label.

54%

Are willing to pay more for products that provide information beyond the label.



# Understanding Consumer Transparency Preferences

# Responses to Ingredients Confusion

**67%** Are confused after reading a product label.

When faced with confusion, the most common response is to look to other products.

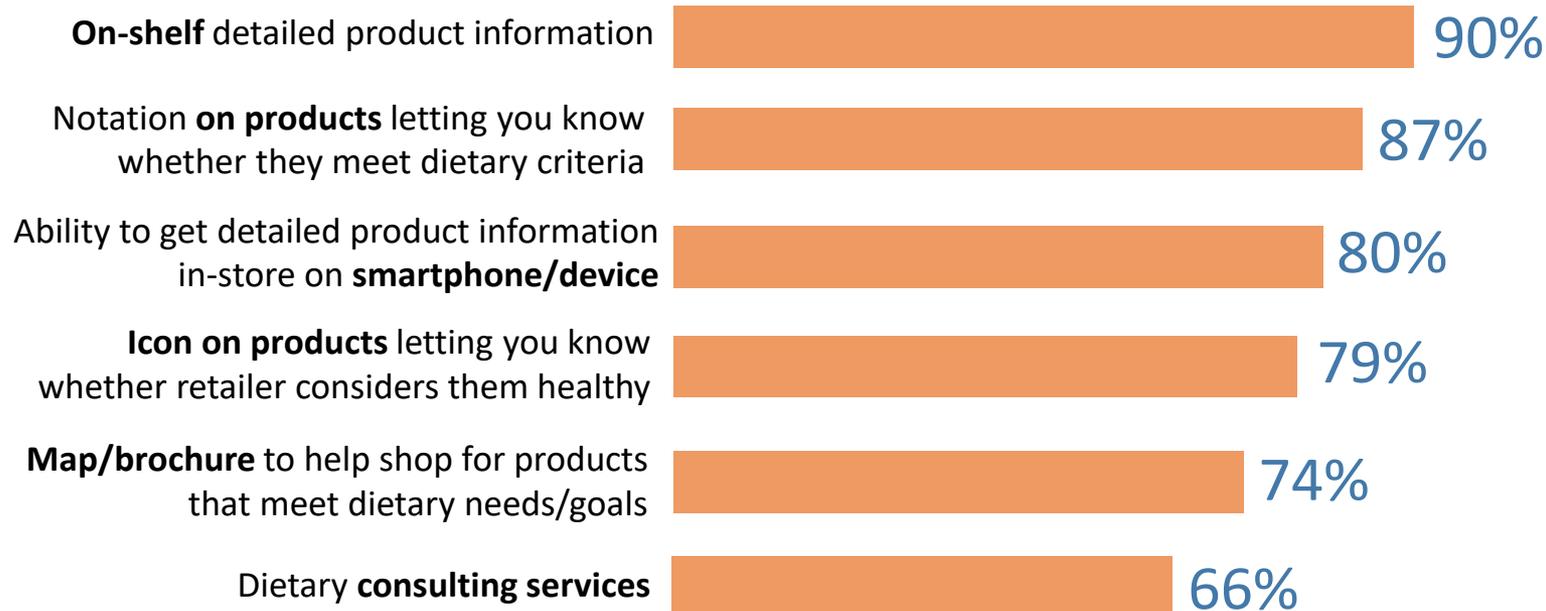
**56%** Look at other products to find better information.

**36%** To try and find better ingredient information.

**30%** Don't buy the product and buy another one they understand better.

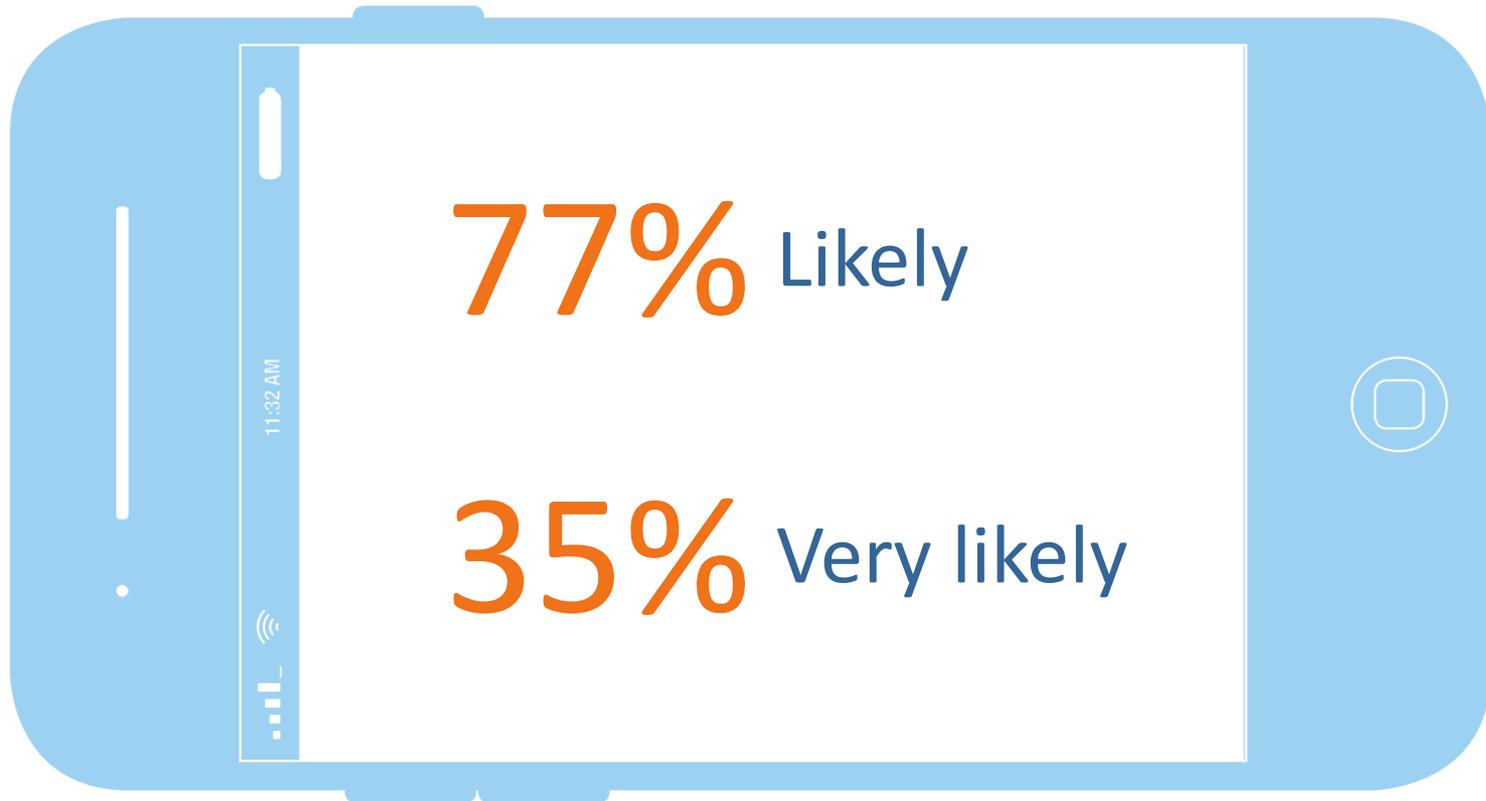
# Choosing the Most Valuable Transparency Platforms

How valuable would each of the following be if offered by your food retailers?



**80%** Would value detailed product information in-store on a smartphone.

# Smart Phones Help Support Transparency



# Smartphone is Preferred for Transparency

**77%** Are likely to seek more information about products via Smartphone.

Interested in learning more about...	
Ingredient definitions	40%
In-depth nutritional info	34%
Sourcing of ingredients	32%
Production of ingredients	31%
Country of origin	26%
Manufacturing process	26%
Animal welfare practices	20%

# Transparency Eyed as Easier Online

**55%** Find it easier to discover new products online.

**51%** Find it easier to learn more in-depth product information online.

Most online shoppers find discovery and transparency much easier online compared to in physical, brick and mortar stores.

Shoppers hold online merchants/commerce to different standards of transparency than they do for their physical store experience. In fact, most online shoppers do have higher expectations of transparency when shopping online.

**76%** Want more detailed information when shopping online.

**72%** Feel it's more important to get detailed information when shopping online.

# Shoppers on Diets

# Specialty Diets Popular with Consumers

**47%** Are following or shopping for someone following a diet or health-related program.

Top Mentions of 30 Diets	
Low carb	14%
High protein	13%
Heart-healthy	11%
High fiber	9%
Gluten-free	8%
Dairy-free	7%
Vegetarian/Vegan	6%
Weight Watchers	5%
Ketogenic diet	4%
Atkins diet	4%

# Specialty Diets Online

**65%**

of online shoppers are themselves or are shopping for someone on a diet or health-related program (vs. 47% overall)

20% High protein

18% Low carb

14% Heart-healthy

14% High fiber

# Specialty Diet Shopper Feel Challenged

84%

Are searching product labels to make sure it meets needs/goals of their diet or health-related program.

79%

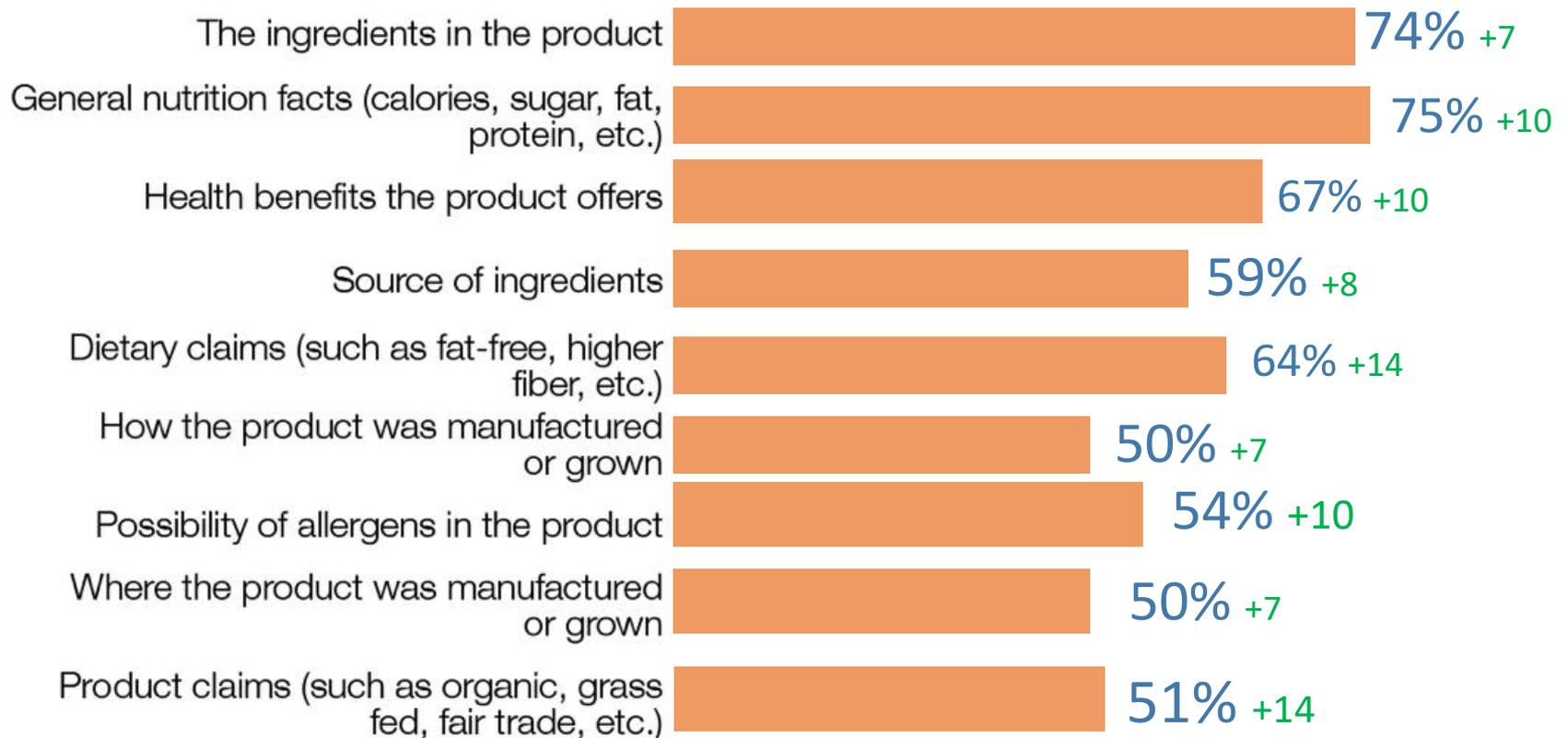
Say it is challenging to make sure that the food products they buy meet their dietary needs or goals by looking at the product's label.

76%

Say transparency is important or extremely important to them (compared to 62% of those not on a diet).

# How Important is Transparency?

## Considerations when buying products -Specialty diet shoppers-



# Transparency Solves Confusion among Specialty Diet Shoppers

82%

Find value in product information beyond what's on the label

58%

Say products are not clearly labeled for my needs or lifestyle preferences

55%

Say product labeling is too confusing



# Transparency Drives Purchase Decision among Specialty Diet Shoppers



**82%** Are more likely to buy products with in-depth product info, beyond the label



**76%** Not knowing what an ingredient is makes me less likely to buy

**61%** Would be willing to pay more for a product that offers more in-depth product info, beyond the label

# Responses to Ingredients Confusion among Specialty Diet Shoppers

**72%** Are confused after reading a product label.

When faced with confusion, the most common response is to look to other products.

**37%** To try and find better ingredient information.

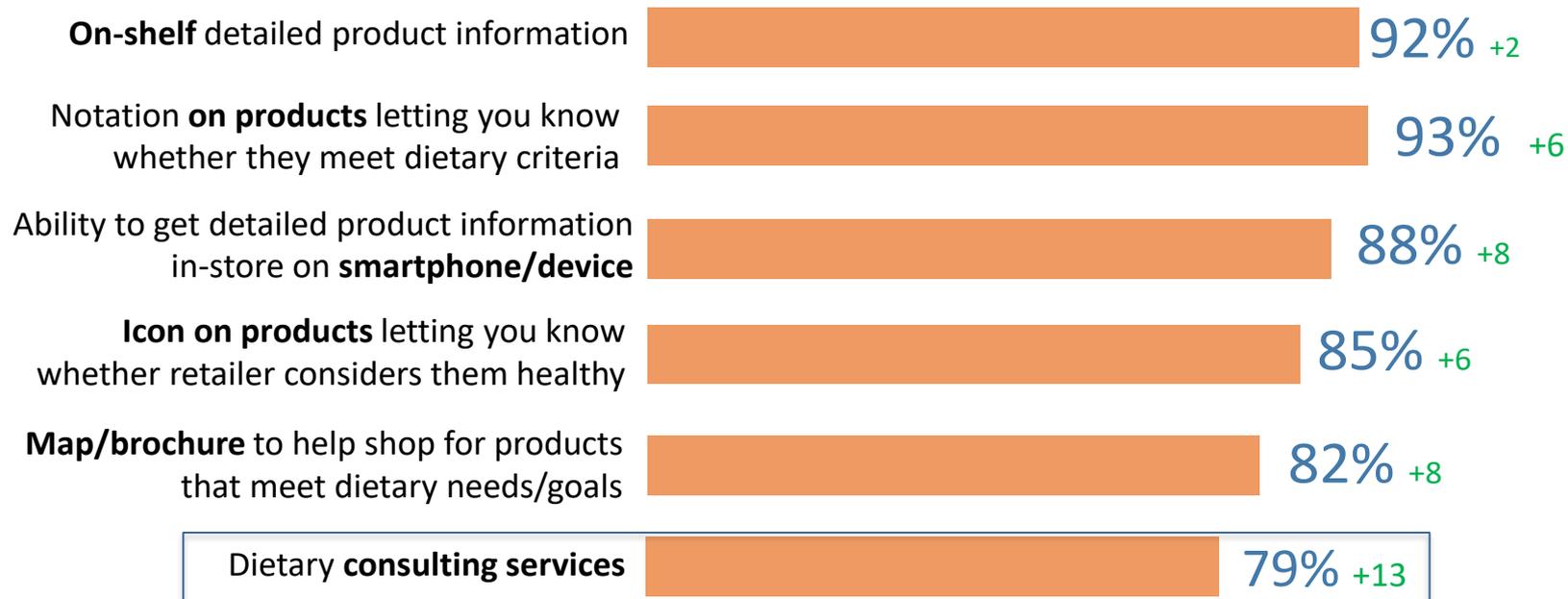
**31%** Don't buy the product and buy another one they understand better.

Another common response is to research ingredients on their smartphone or other device while shopping/in the aisle.

# Choosing the Most Valuable Transparency Platforms

How valuable would each of the following be if offered by your food retailers?

## Among Specialty Diet Shoppers



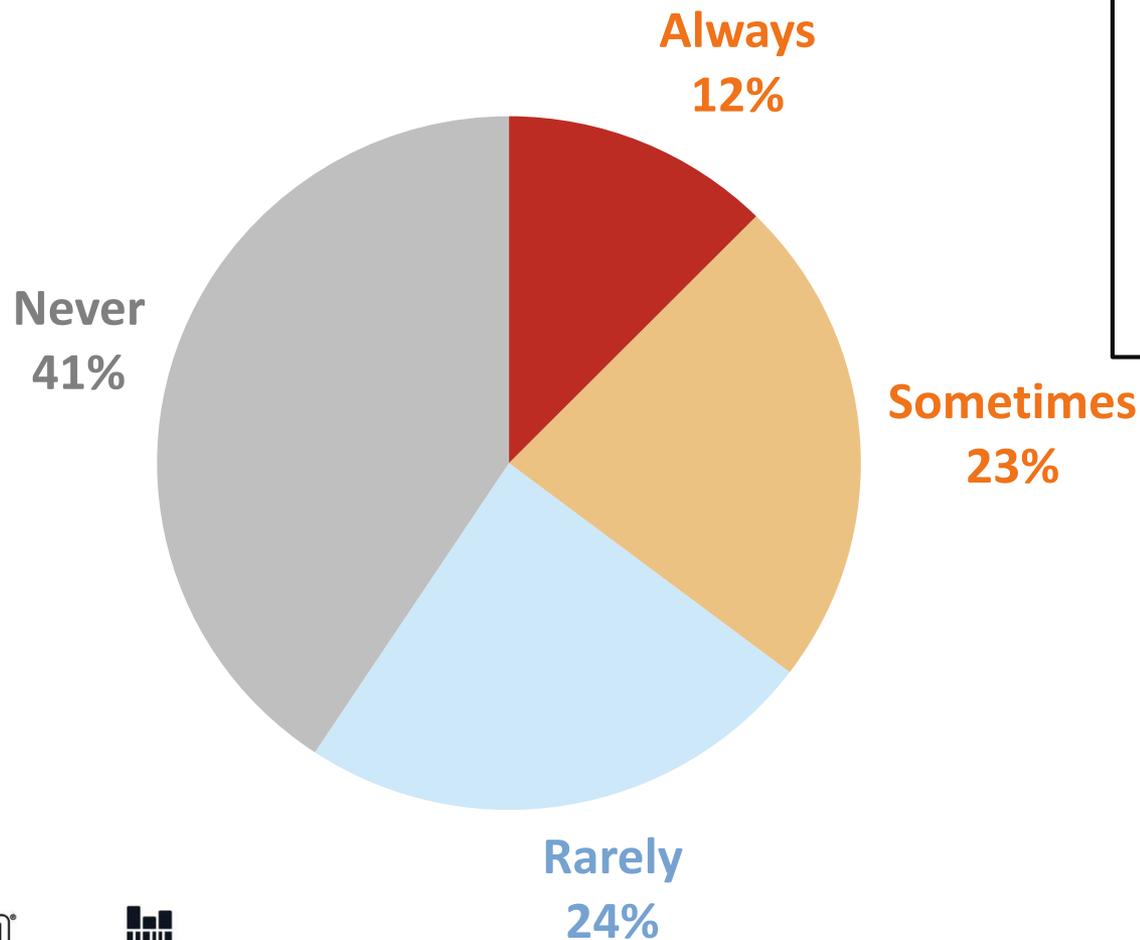
**88%** Would value detailed product information in-store on a smartphone.

# Smart Phones Help Support Transparency



# Shoppers with Allergies

# Food Allergies, Intolerances and Sensitivities



**35%**  
of shoppers say shopping is impacted by a food allergy, intolerance or sensitivity

# Allergies Online

**46%**

of online shoppers are shopping for someone impacted by allergies, intolerances or sensitivities (vs. 35% overall)

# Allergy-Focused Shoppers Feel Challenged

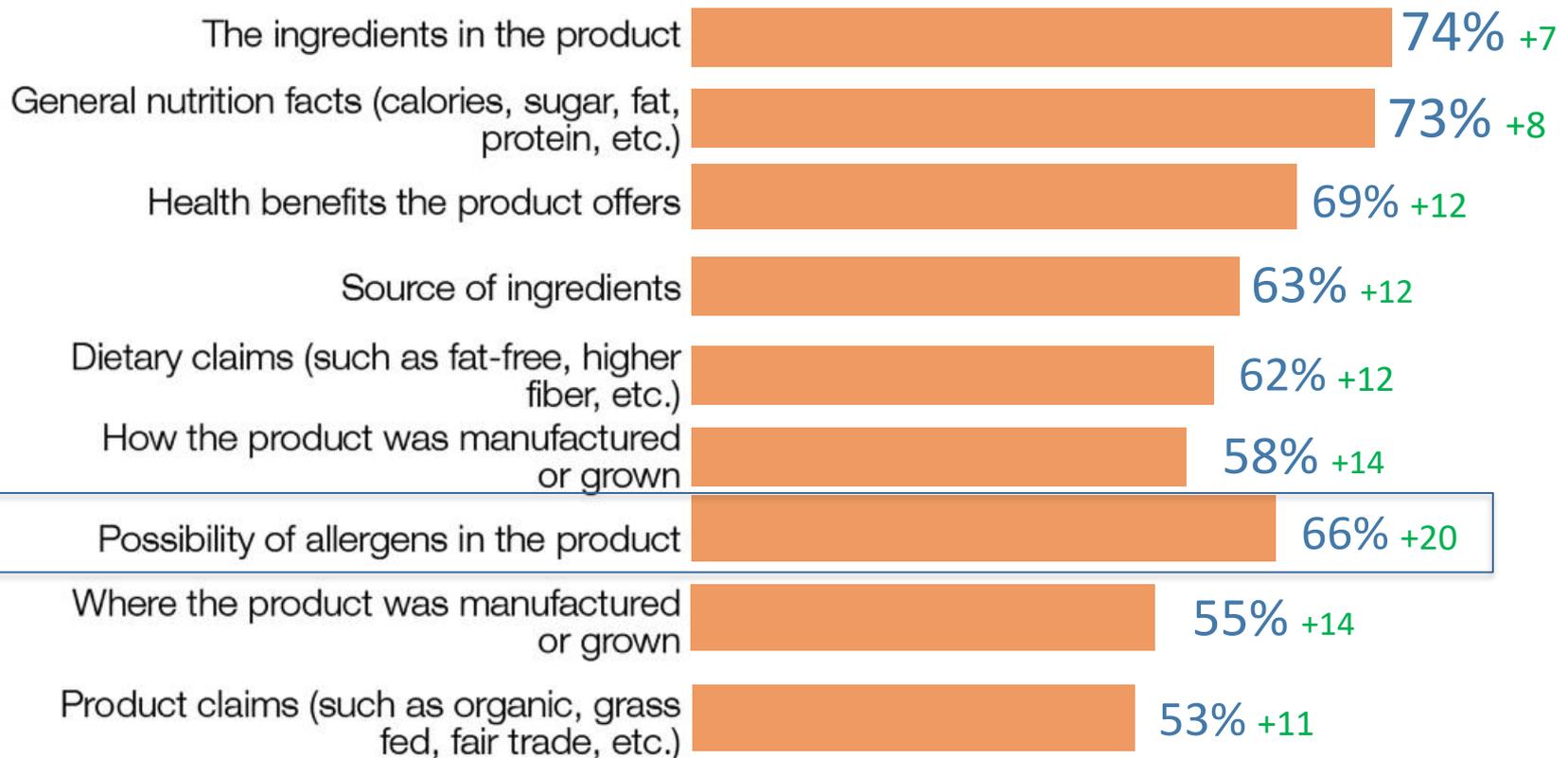
**90%** Are searching product labels to make sure it conforms for their allergies, intolerances and sensitivities.

**83%** Say it is challenging to make sure that the food products they buy conforms for their allergies, intolerances and sensitivities by looking at the product's label.

**78%** Say transparency is important or extremely important to them (compared to less than 60% of those who are not allergy focused shoppers).

# How Important is Transparency?

## Considerations when buying products -Allergy-focused shoppers-



# Transparency Solves Confusion among Allergy-Focused Shoppers

86%

Find value in product information beyond what's on the label

63%

Say products are not clearly labeled for my needs or lifestyle preferences

61%

Say product labeling is too confusing



# Transparency Drives Purchase Decision among Allergy-Focused Shoppers



85%

Are more likely to buy products with in-depth product info, beyond the label



79%

Not knowing what an ingredient is makes me less likely to buy

66%

Would be willing to pay more for a product that offers more in-depth product info, beyond the label

# Responses to Ingredients Confusion among Allergy-Focused Shoppers

**79%** Are confused after reading a product label.

When faced with confusion, the most common response is to look to other products.

**39%** To try and find better ingredient information.

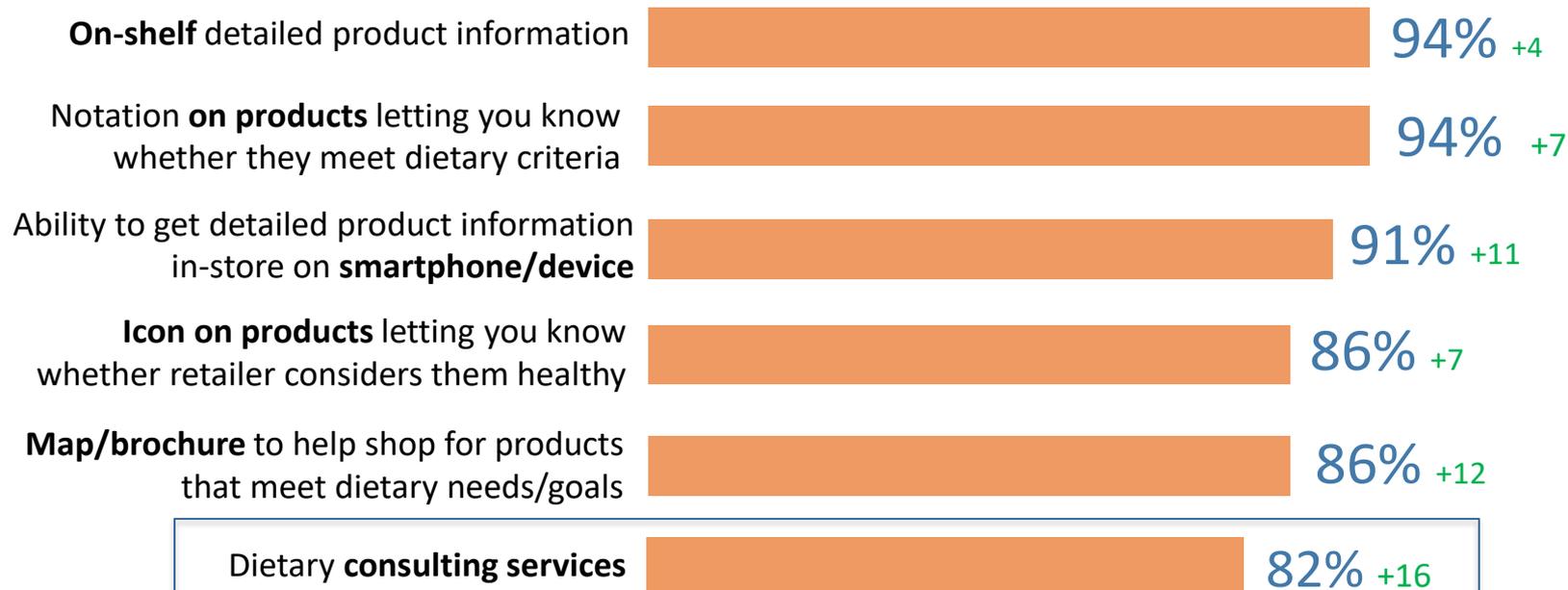
**30%** Don't buy the product and buy another one they understand better.

Another common response is to research ingredients on their smartphone or other device while shopping/in the aisle.

# Choosing the Most Valuable Transparency Platforms

How valuable would each of the following be if offered by your food retailers?

## Among Allergy-Focused Shoppers



**91%** Would value detailed product information in-store on a smartphone.

# Smart Phones Help Support Transparency



# Key Takeaways

## Dieters

- Almost ½ of Americans on diet or health-related program
- Online shoppers more likely to be on diets
- Challenging to know just by the label if/how a product adheres to their diets
- Consider nutrition facts, dietary claims and product claims when buying products
- Willing to pay more for products that provide more product information
- Find high value in any and all platforms for delivering product information, particularly by smartphone

# Key Takeaways

## Allergy-Focused

- More than 1/3 of Americans shopping is impacted by food allergies, intolerances and insensitivities
- Often search labels to make sure products conform to their needs
- Consider many factors when deciding on products to purchase, but possibility of allergens is critical
- Often confused by product labels, saying products are not clearly labeled for needs
- Find value in information being provided beyond what is on the label
- Willing to pay more for products that provide more product information
- Find high value in any and all platforms for delivering product information, particularly by smartphone

# Q&A



# Thank You

Learn more about transparency and download the full report at: **[www.fmi.org/transparency](http://www.fmi.org/transparency)**