Brand transparency and issue advocacy driving consumer choice

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By Cathy Siegner



Dive Brief:

- Almost half of consumers don't feel like they know enough about a product despite reading the label, and twothirds of them think the manufacturer or brand should be communicating important information to help them make an educated purchasing decision, according to Label Insight research reported by Meat and Poultry News.
- "Consumers expect transparency from brands, but brands aren't delivering," Patrick Moorhead, chief
 marketing officer for Label Insight, told the publication. "Only 12% of consumers consider brands as their
 most trusted resource for information about what's in their food. Most consumers turn to their phones, tablets
 or PCs to find more information online."
- Research from West Des Moines, Iowa-based advertising agency Meyocks found many shoppers view
 brands based on the causes or practices they're associated with, according to The Packer. Nearly 60% of
 consumers think brands need to advocate for them and their interests, and 24% said they have refused to buy
 a company's produce when its actions didn't align with their values. The most important issue area was the
 environment, where 71% said produce brands should be active.

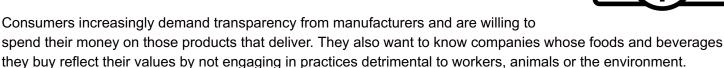
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A year ago, Label Insight found manufacturers who adopt "complete transparency" would be rewarded with loyalty of about 94% of consumers.

Halo Top is among the companies recently who have capitalized on this trend. The ice cream maker has benefited from growing consumer demand for products that contain clean and simple ingredients they're familiar with. Its containers have simple wording and boldly state the number of calories on the front of the package. After launching in 2012, Halo Top has seen tremendous growth, including a 2,500% increase in sales last year. It recently became the #1 selling pint of ice cream in the U.S., beating out iconic brands like Ben & Jerry's and Breyers.

In addition, a recent report from The Hartman Group found about 70% of consumers want retailers to be more transparent about their sustainability efforts. But consumers now demand that sustainability include labor issues, animal welfare and other measures involved during product development. Sustainability, in essence, refers to anything that goes on behind the scenes.

More food companies are recognizing these trends and doing what they can to address them. At the Chicken Marketing Summit 2017, Pilgrim's Pride President and CEO Bill Lovette advocated for better and more transparent communications with consumers, citing the "no antibiotics ever" claim verified by USDA as a best practice example of a simplified message.

Eric Pierce, director of business insights at New Hope Network, said at the Natural Products Expo East conference in September there is a growing awareness among socially minded consumers that they can help change the world by changing the status quo. Increasingly, shoppers are not only considering the functional use of a product, but whether it possesses traits they value personally, including transparency, social purpose, nutrition and environmental stewardship.

"They are the ones that are now poised to drive environmental concerns deep into commerce," Pierce said of those shoppers with environmental expectations. "What we're seeing increasingly now is that consumers are beginning to expect or demand, or at the very least appreciate, and set apart those companies that make [their commitment to the environment] a part of their business"

Surveys show customers want to see companies they do business with go the extra mile to be open and transparent, honest and communicative, and to reflect the ethics and values they support. That's a tall order for the food industry, yet those firms that ignore such deeply held views will eventually lose customers if they don't find practical and tangible ways to respond.

With a growing number of consumers going online, businesses are also going online to promote what's in their products and, when possible, the issues they stand for. Nestle's activity in social media has not been focused exclusively on promoting its products. Instead, it has taken stances on child labor, supported free water as a human right and touted its commitment to be gender balanced by next year.

