



Sustainability claims fortify brands

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Today's consumers want to know the story behind the products they buy, and they want part of that story to be a tale of "doing good" for society and the environment.

According to research from The Hartman Group, Bellevue, Wash., 84 percent of American consumers said they consider sustainability when making purchase decisions, at least some of the time.

"Customers want to feel good about the items that they select, and as such are becoming increasingly interested in ethically sourced products that protect and preserve both the environment and the food source," says Jannah Jablonowski, a spokesperson for Pittsburgh-based Giant Eagle. "While there are many different product designations and certifications related to sustainability, terms like 'responsibly sourced,' 'antibiotic-free' and 'fair trade' have resonated strongly with many customers while also reinforcing our overall environmental commitment to our communities."

Personal benefits

The Hartman Group's Sustainability 2013 report found that consumers typically become interested in sustainability for personal reasons — they feel the products are safer, or healthier or of higher quality.

"As they learn more about how products influence their personal well-being, they become aware of the arguments for the social and environmental implications of their choices," The Hartman Group said in a video about the sustainability research.

These implications include animal welfare, impact on local communities, and employee welfare, among others.

In addition, consumers are interested in companies that embrace "sustainability as a mindset, not just a side project," The Hartman Group says.

Companies such as Unilever reflect that mindset through initiatives that connect sustainability to health and well-being. Unilever's Agents of Change initiative works with retail dietitians and other grocery professionals to communicate the benefits of its products to consumers.

Unilever's Hellmann's brand Blue Ribbon Quality Mayonnaise, for example, is made with ingredients sourced from trusted American farms, including cage-free eggs and responsibly sourced oils, and Unilever's Knorr line of products counts 100 percent of its top 13 vegetables and herbs as being sustainably sourced.

Unilever's commitment to social and environmental responsibility also is evident in its Breyers Natural Vanilla ice cream, which features 100 percent Rainforest Alliance Certified™ vanilla beans, sustainably farmed in Madagascar, and its Lipton tea, which works with the Rainforest Alliance to help provide access to education for families in the areas of its tea plantations. Rainforest Alliance Certified farms also ensure sustainable farming practices and improve quality of life for tea vendors.

Companywide effort

Jablonowski says Giant Eagle is committed to environmentally responsible business practices.

“In addition to a variety of companywide waste reduction initiatives, we are dedicated to delivering to our customers high quality, sustainably sourced offerings throughout the store,” she says, citing as an example the chain’s work with the Sustainable Fisheries Partnership to support sustainable seafood fishing practices.

For consumable products overall, claims around local sourcing and energy efficiency are most likely to entice consumers to spend more, according to Kantar Retail’s April 2016 ShopperScape© survey. In addition, the survey found that 23 percent of shoppers said they would be willing to spend more for products that were transparent about ingredients and sourcing, and 18 percent said they would pay more for responsibly sourced products.

John Rand, Boston-based senior vice president of Retail Insights at Kantar Retail, says sustainable product claims have become a “new form of [marketing](#) competition” for retailers and product manufacturers.

“I think it’s legitimate partly because any consumer who wants to be ... can easily be informed about how valid those claims are,” says Rand. “It is so easy to determine whether those claims are valid, and to take positions on them. Anyone who has access to a smartphone today has access to vast amount of information.”

Many companies have long had a compelling story around sustainability, but haven’t always leveraged it, Rand says. Increasingly, telling consumers a story around sustainability has grown to become a more prominent aspect of a brand’s messaging to consumers.

“It is becoming harder to distinguish products from one another based on functionality, and this raises the conversation to another level,” says Rand. “I think smart companies are learning how to do that, and are learning how to do it in a targeted way, which is really brilliant, because the people who don’t care, don’t care, but the people who do care, care passionately.”

Research from Mintel found that millennials in particular are interested in a wide range of label claims. More than one in five millennial consumers — 22 percent — say they actively look for environmental sustainability claims on product packaging, and a similar number — 21 percent — say they look for ethical claims or seals.

Mintel also encouraged brands to leverage their websites to “become storytellers” about their commitment to ethical business practices.

“A brand that can tell a compelling story about its ethical journey may see more consumers buy into the brand, which also increases the chances that they will encourage others to check the brand out,” Mintel says in a July 2015 report called “The Ethical Consumer.”

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