What does ‘Clean’ mean?

May 2019

The Thinking House

Purpose

This study was initiated in 2018 by Bord Bia to develop an understanding of what consumers look for in clean labelling.

It sets out to understand how this translates in terms of what consumers are looking for and also what they are looking to avoid both in terms of ingredients and claims for the future.

Ultimately it was designed with the intention of providing learnings to drive future growth platforms in the food and drinks industry.

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Clean aligning with many prevalent consumer trends

Organic, natural

Local Fresh

Less Processed

Raw

$180 Billion

Simple

Non GMO

Gluten Free

Antibiotic Free

Projected to be a multi-billion dollar industry by 2020 with Global sales expected to reach $180BN

Euromonitorm 2019

Clean represents a real opportunity for food and drinks manufacturers

75% of consumers actively seeking out information

Research Methodology

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Methodology

This study was conducted in partnership with Core Research.

A 4 staged approach was developed to gain a deep understanding of what clean means: Core research were are partners in conducting this work.

1) **Desk Research using online and Bord Bia resources**

2) **Two in-depth interviews with an industry expert and a nutritionist**

3) **A five market online research community with forty participants (8 from each country)**

4) **A five market nationally representative online survey with 9000 completed surveys**

Each phase of research contributed to the next. From desk and in-depth research we formulated a series of research tasks for participants in the online community. These research tasks covered the following topics:

- How consumer classify healthy and unhealthy food and drink products
- Understanding ingredients that consumer avoid and are attracted to
- Current experiences with product labelling
- The Ideal label – What are consumers now looking for from different product categories

Findings from the first three phases of research were then tested via an online survey in The Republic of Ireland, The United Kingdom, The United States of America, Germany & Holland. For non English speaking markets the survey was translated and then back translated to English. 2,000 interviews were completed in The UK, USA, Germany and Holland with 1,000 in The Republic of Ireland.

1.

2.

3.

4.

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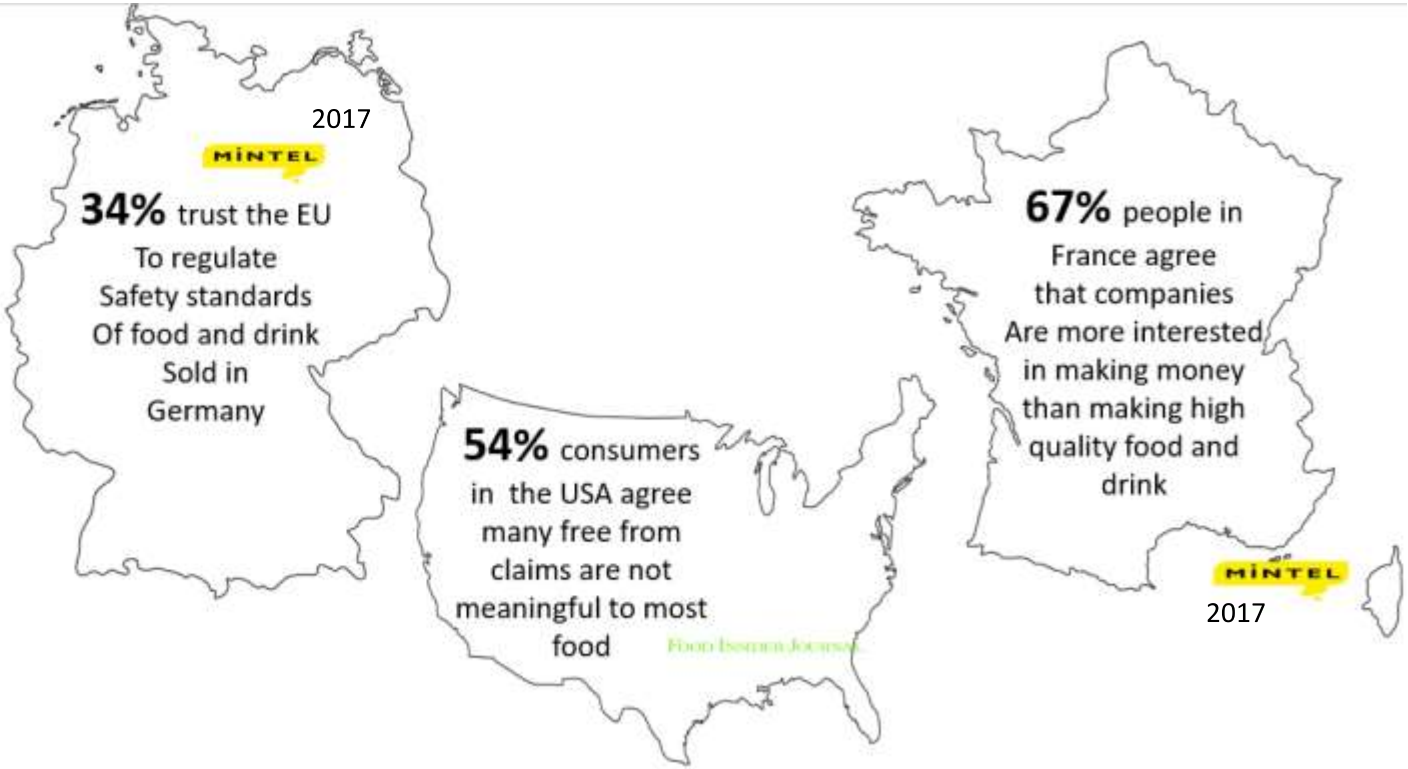
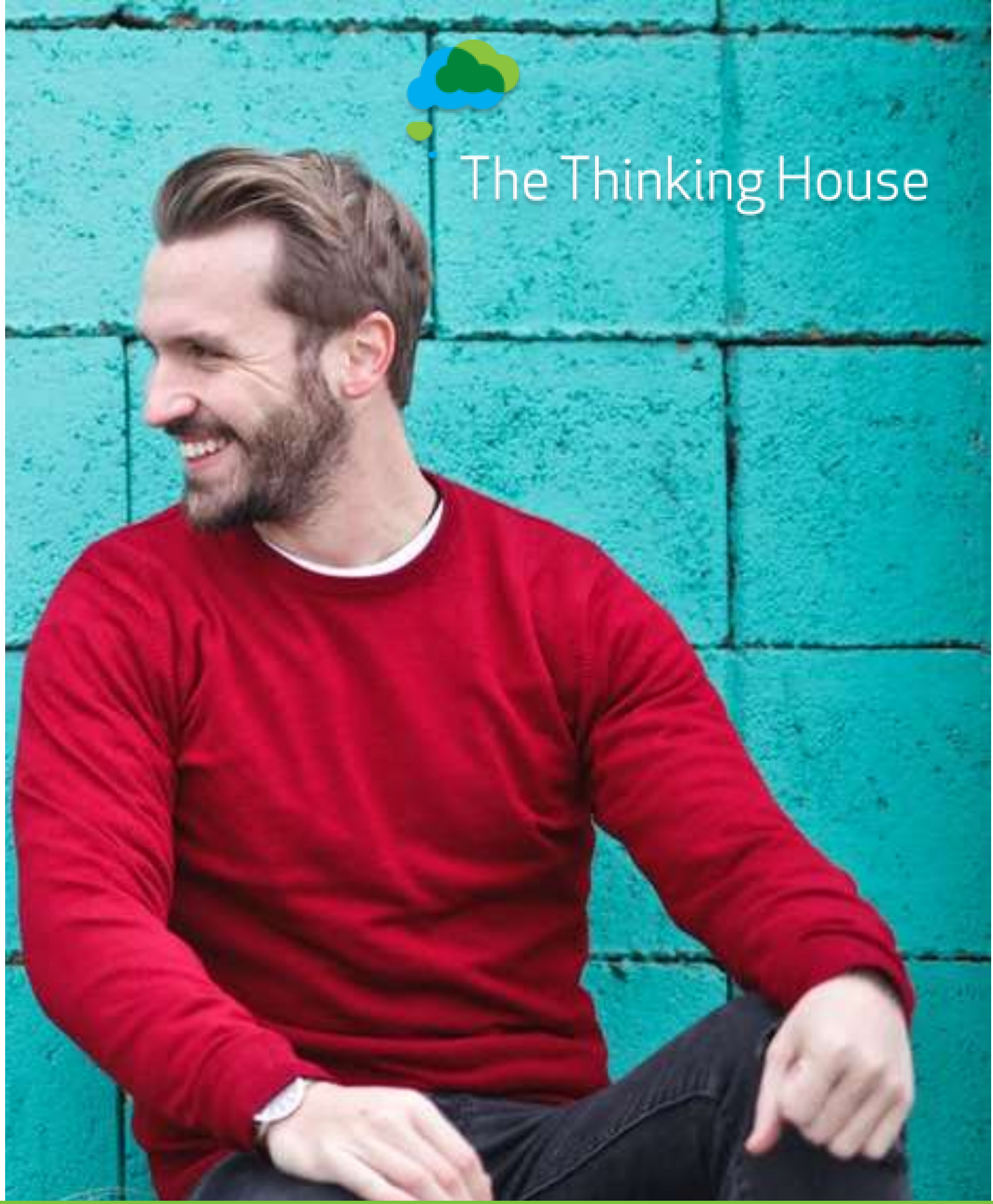
Consumer Trust

With eroding trust, consumers increasingly seek transparency

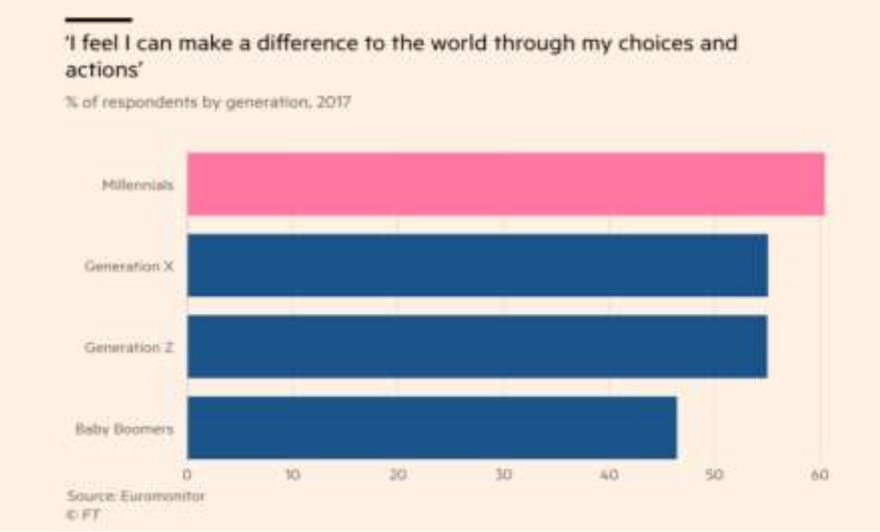


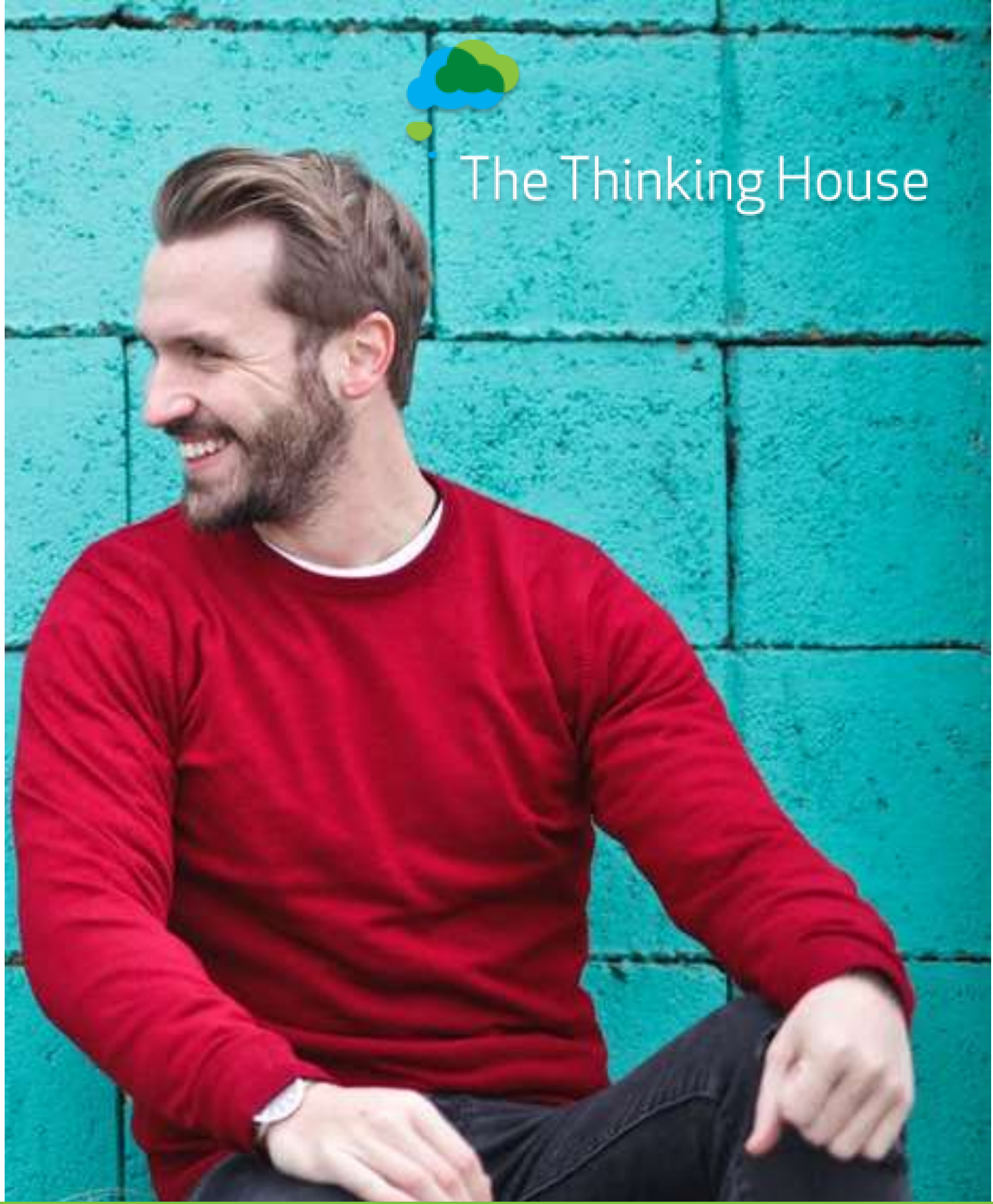


Authenticity is key – led by millennials

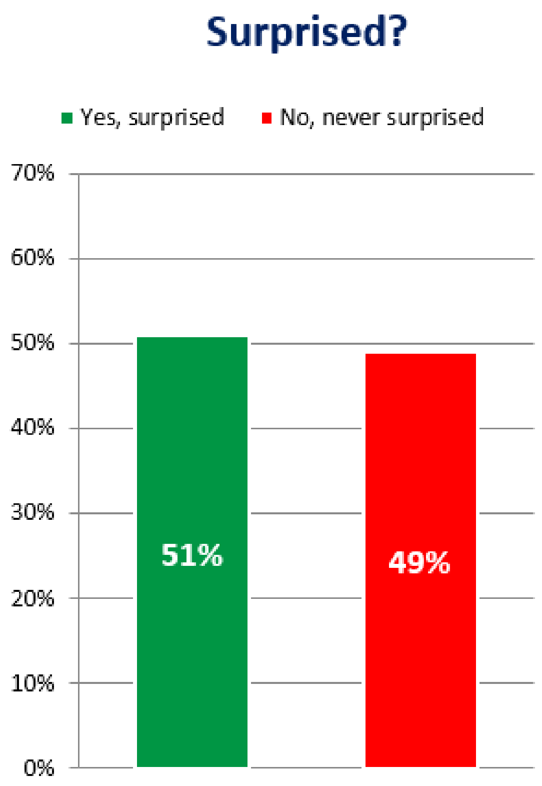
They want committed brands
with authentic products
Natural, Simpler, More local and Small

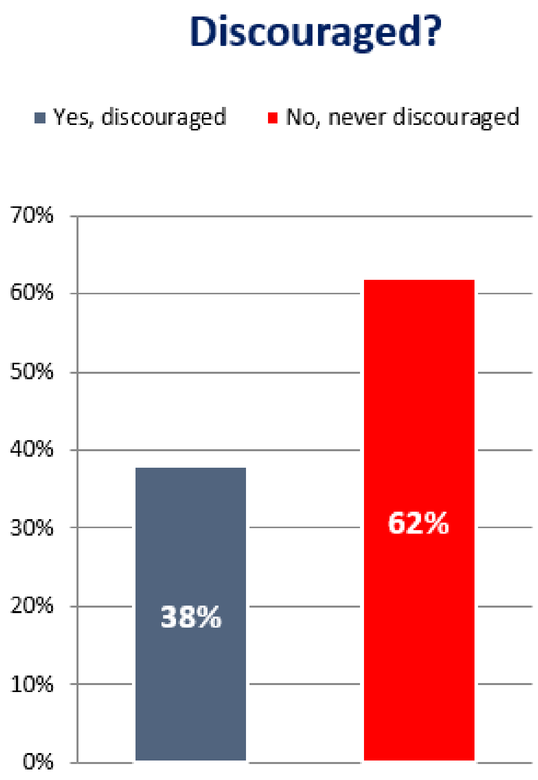
They want to know what's in the products they buy, where they come from, while also demanding curbs on plastic and waste





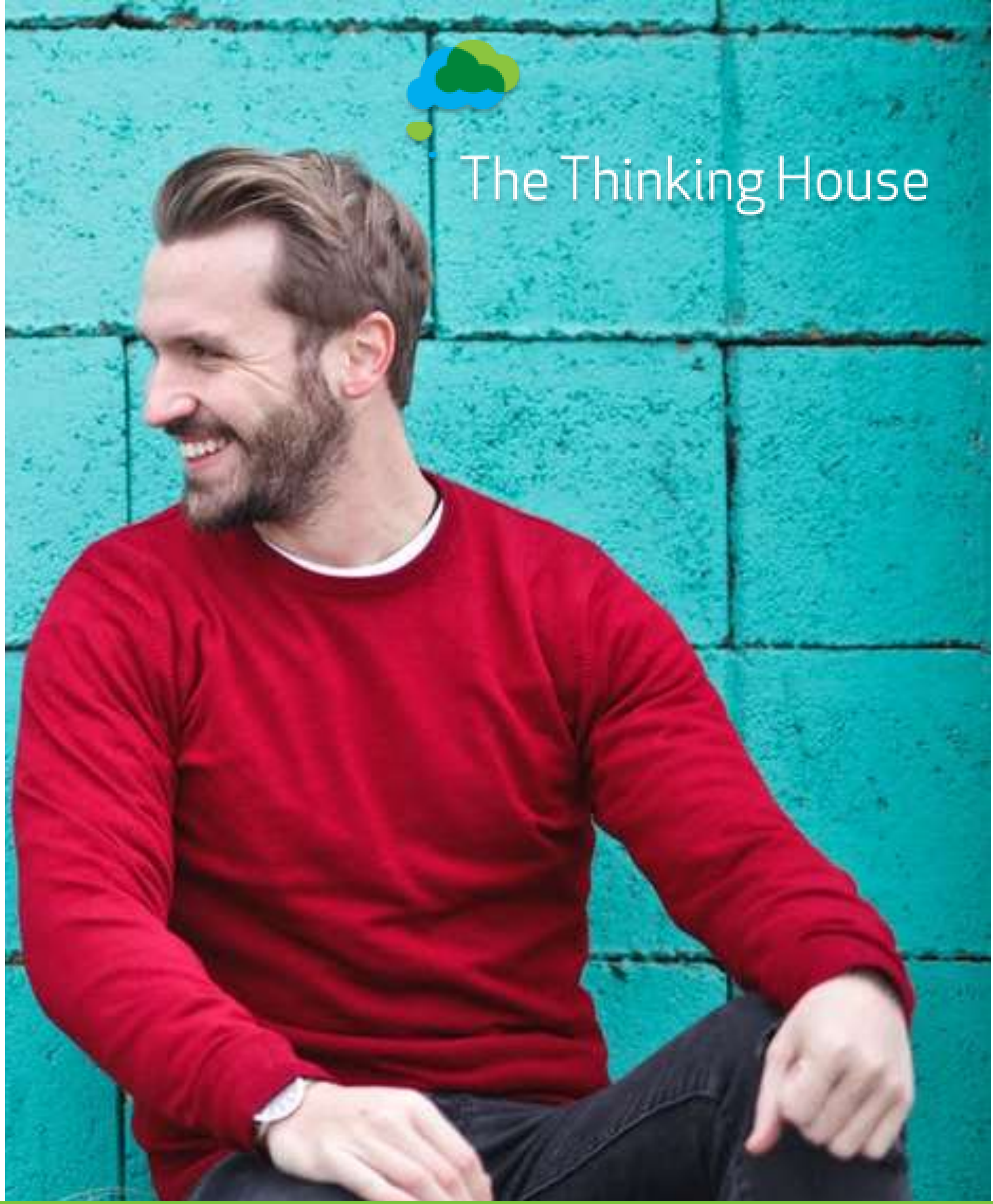
Consumers are often surprised by ingredients





Q. Have you ever examined a CATEGORY'S ingredients and been **surprised**?

Q. Have you ever examined a CATEGORY'S ingredients and found an ingredient that **discouraged you from buying the product**?



Consumer Trends

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Health Labelling is Key

There are many behaviours that suggest that there is demand for strong health labelling.

65% exercise at least once a week

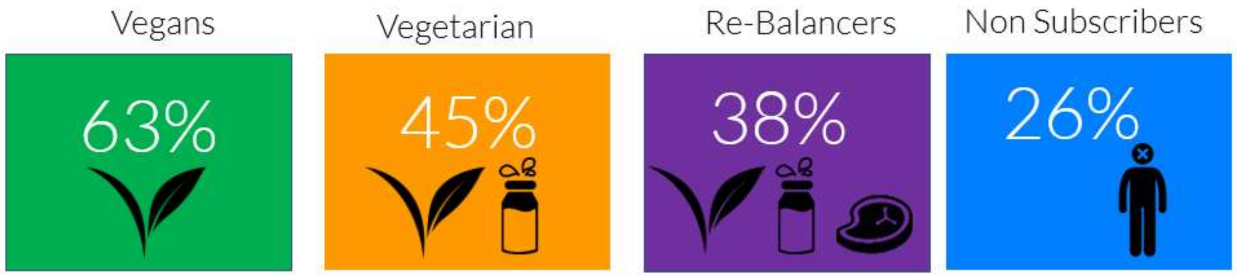
74% monitor food diet

39% are on some kind of diet

Pre industrialised Food

Grain free, dairy free, paleo , keto, alkaline diets all have a take on pre industrialised food

My Food Choices are a Big Part of my Identity

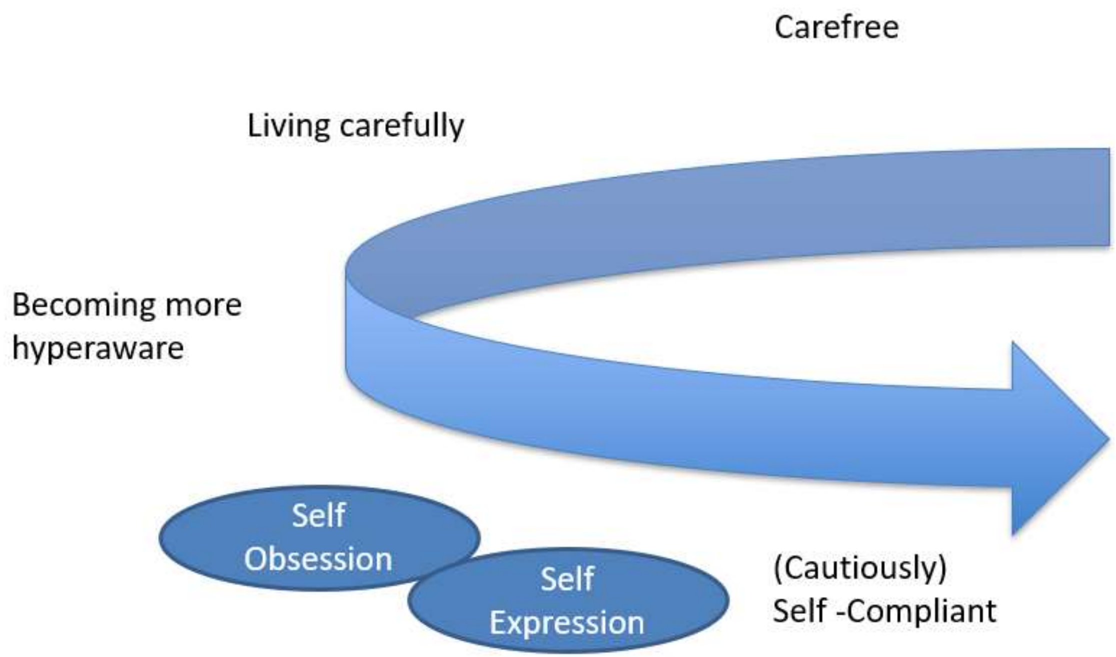


% 8-10 on a 10 point scale; n=8,000

Source: Bord Bia Dietary Lifestyles

How we scrutinize food is getting more complex

Are we moving towards an era of more self-compliant consumerism?



Food Neurosis is driving the "Clean" Conversation

51% Agree that the fewer ingredients in food and drink the better

54% Agree that they are concerned about any ingredients that sound artificial

37% Agree that if a product has ingredients I do not recognize, I tend to avoid it

What is Clean?

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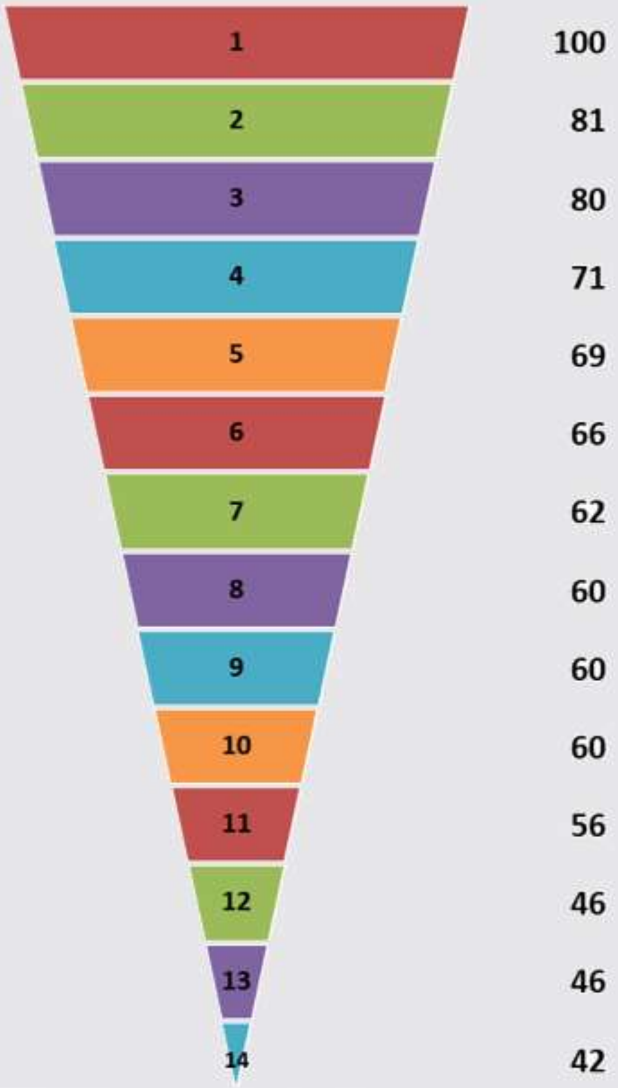
“Clean” is now part of consumer vocabulary

The concept of clean has been used by the food industry for many years but clean has more recently emerged as part of consumers vocabulary as a new way to say “healthy”. We developed a claims index to explore what people look for in clean.



Claims Index

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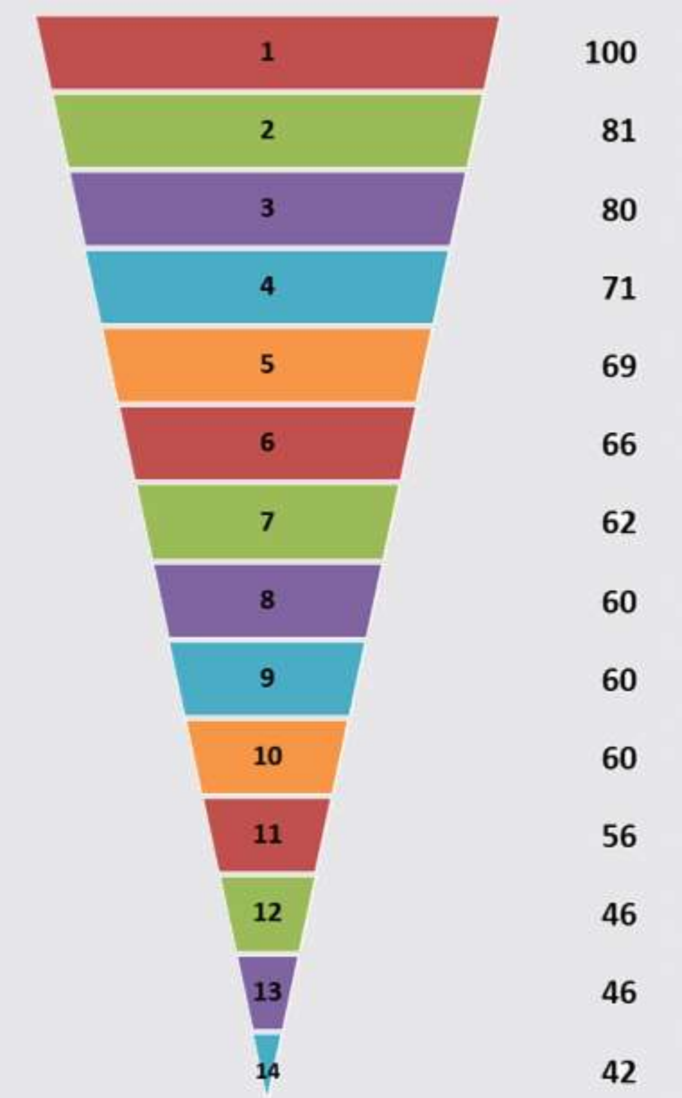
Claims Index

The creation of this index involved the use of a statistical technique which allowed for an understanding of relative differences that exist among 14 different claims.

Results are show at an overall level overleaf.

For by market data please contact

info@bordbia.ie

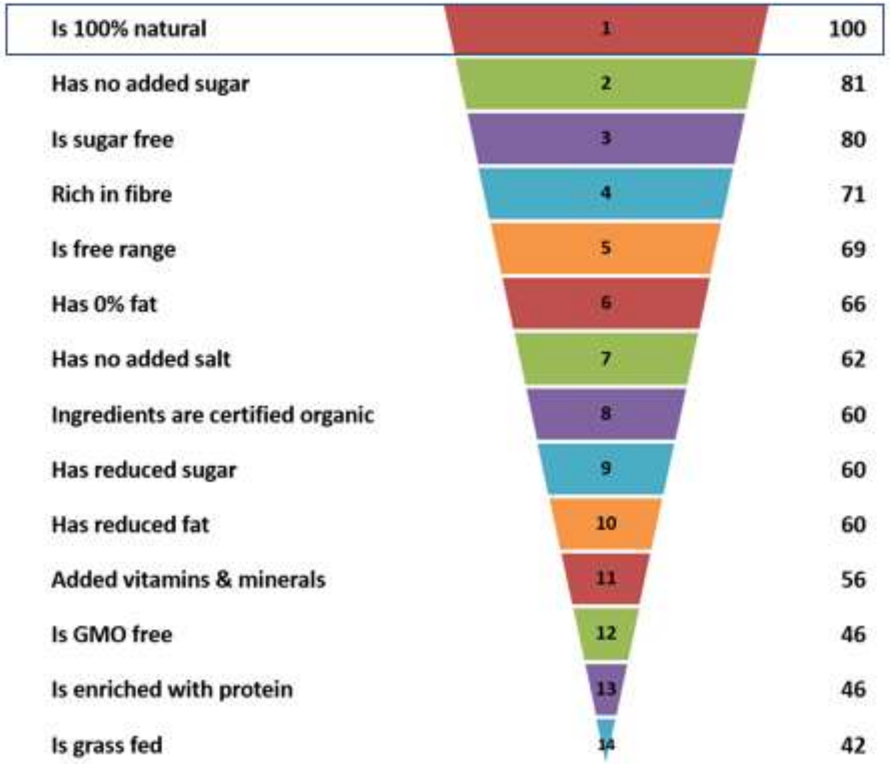


Claims that influence

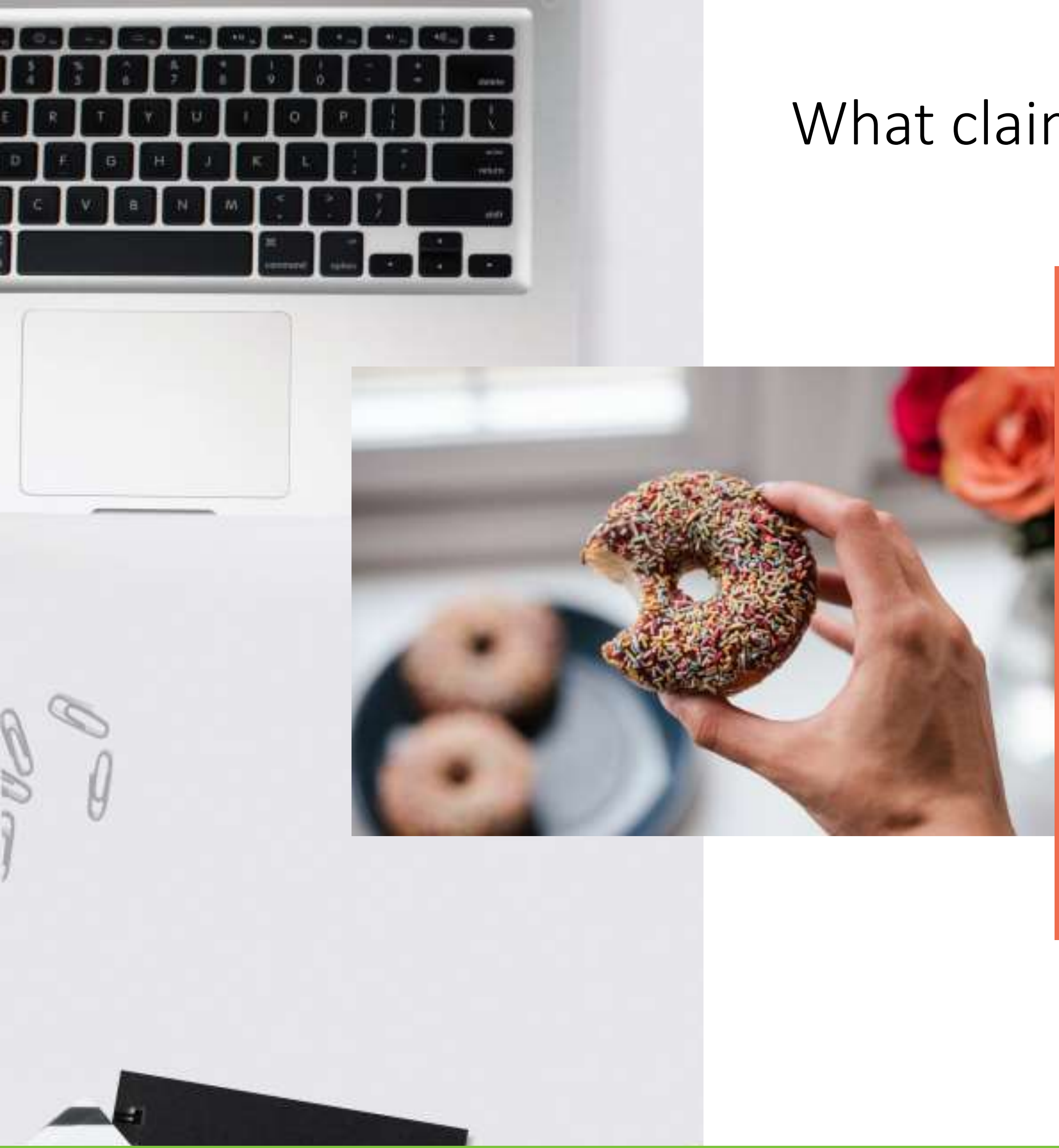
Brands will make claims about the physical product's ingredients, nutrients, production and sourcing. Typically, these claims are not contained in the finer points of a product's label. Rather, they form part of the brand itself and are presented via badges that are highly visible on packaging.

Consumers want to see such badges on the front of packaging to avoid friction. Consumers admit to these claims exerting influence over their buying decision. Of course, there will be some claims that exert greater influence than others, depending on brand, on product type and familiarity. Yet it is essential to understand the hierarchy of influence on the basis of the claim itself.

From a broad range of claims, "100% natural" is by far the claim that exerts most purchase influence across the five markets. Thus it is preferable to have nothing added or naturally



What claims do consumers pay attention to?



55%

Consumers pay attention to Calorie breakdown in Kcals per 100g

57%

Consumers pay attention to the breakdown in product %

51%

Consumers pay attention to Nutritional breakdown in product per 100g

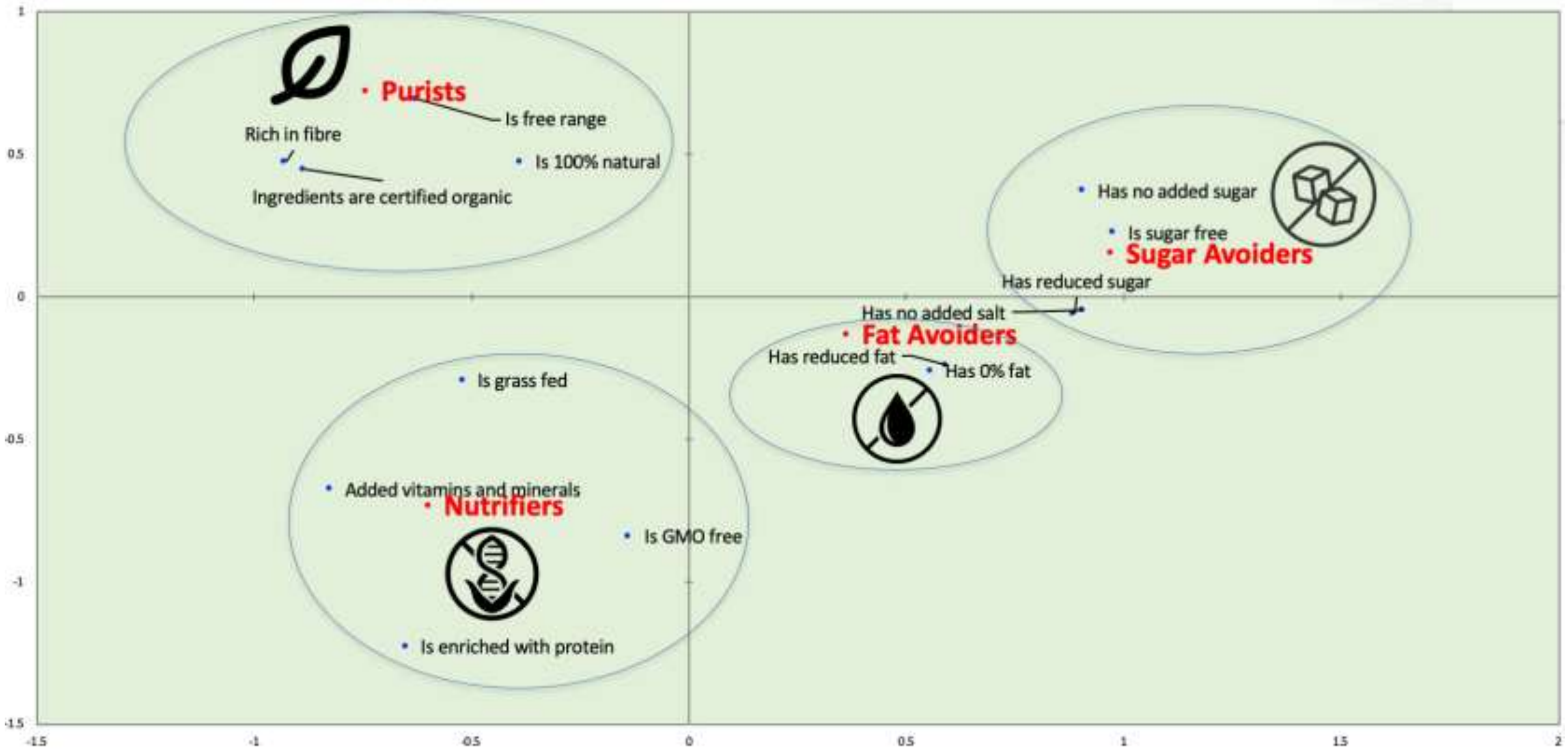
Consumer Segments

Four key consumer segments

Across all five markets we have identified four distinct segments:

Consumer health goals influence choice of food

Dependant on what the consumers health goals are, they will be pulled towards products that contain certain ingredients and likewise will be pushed away from products that contain ingredients that are not aligned with their health goals.



Segment Profile

Sugar avoiders are disproportionately influenced by:

- No Added Sugar
- Is Sugar Free
- Has Reduced Sugar

Fat avoiders are disproportionately influenced by:

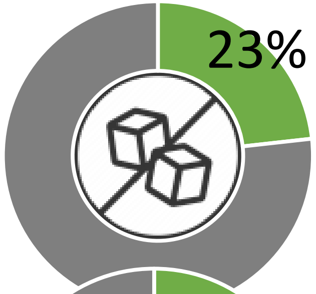
- Has Reduced Fat
- Has 0% Fat
- Has No Added Salt

Nutrifiers avoiders are disproportionately influenced by:

- Added vitamins and minerals
- Is Enriched with protein

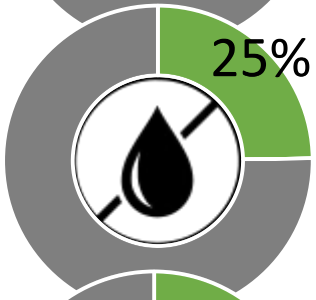
Purists avoiders are disproportionately influenced by:

- Rich In Fibre
- Is Free Range
- Is 100% Natural
- Certified Organic



52%

48%



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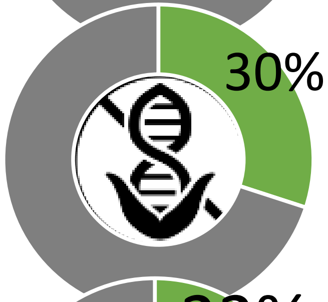
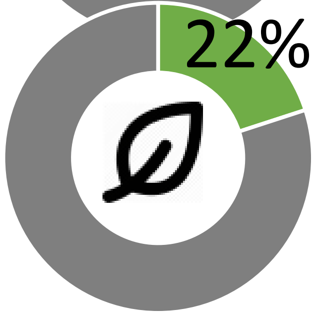


50%

50%



50%

50%

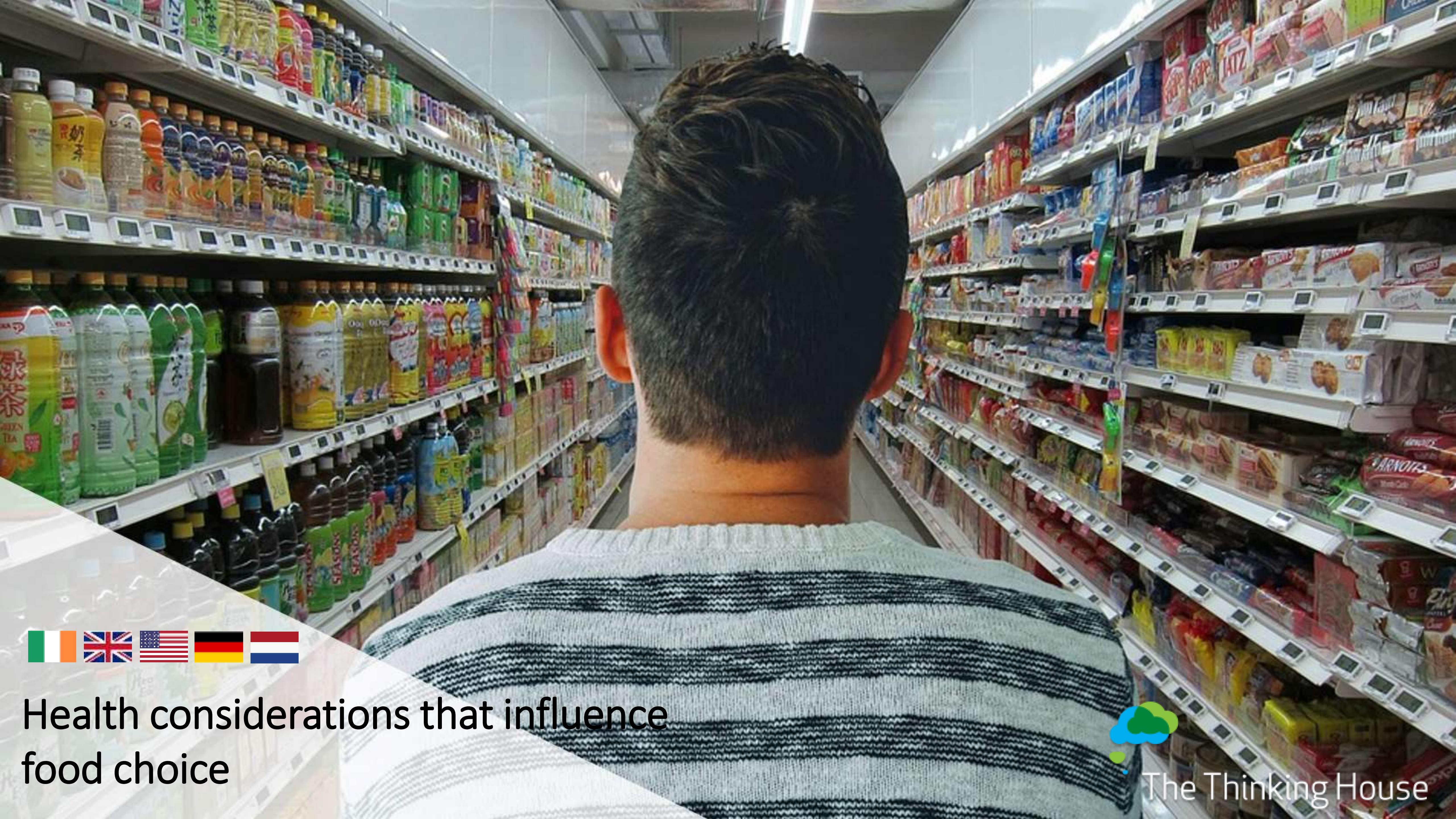
TOP 3 GOALS

SUGAR AVOIDERS	% Big Influence
Weight Management	41%
Heart Health	32%
Energy Levels	31%

FAT AVOIDERS	% Big Influence
Weight Management	43%
Heart Health	35%
Energy Levels	32%

NUTRIFIERS	% Big Influence
Weight Management	39%
Heart Health	38%
Energy Levels	38%

PURISTS	% Big Influence
Weight Management	36%
Heart Health	31%
Gut Health	30%



Health considerations that influence food choice

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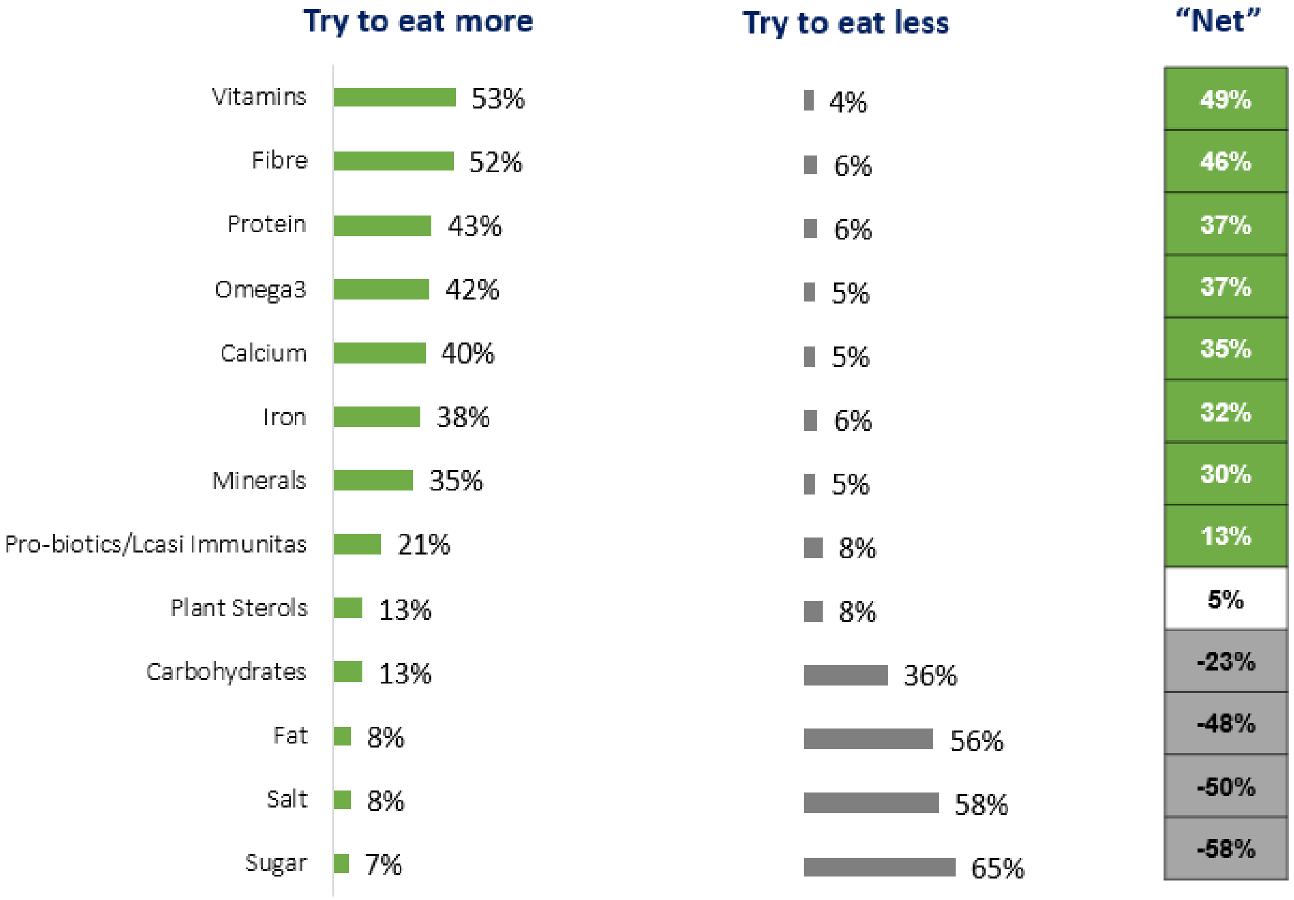
Nutrient focus is pretty universal



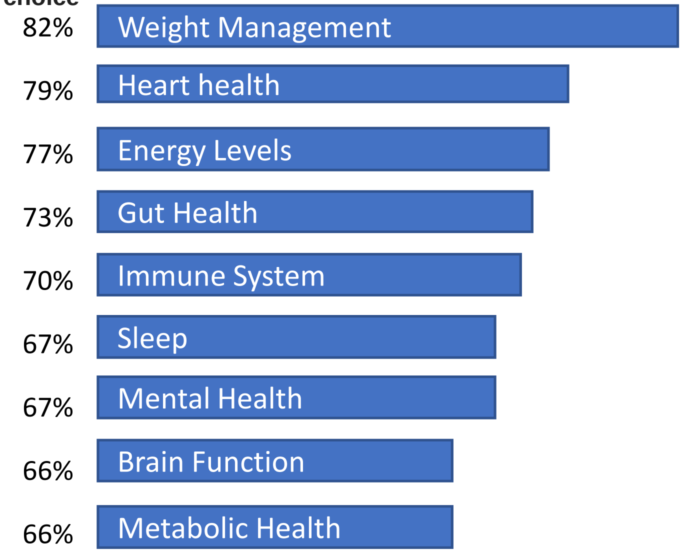
Q. Listed below are a selection of nutrients that are found in food.
For each nutrient, please indicate your attitude to eating food that contains the nutrient?

How health considerations are driving choice

Physical health & body shape will guide food choices

There is a range of considerations taken into account when choosing food. Weight management is the consideration that exerts significantly more influence than others.

Proportion for whom heath consideration exerts influence on food choice



Physical health & body shape will guide food choices

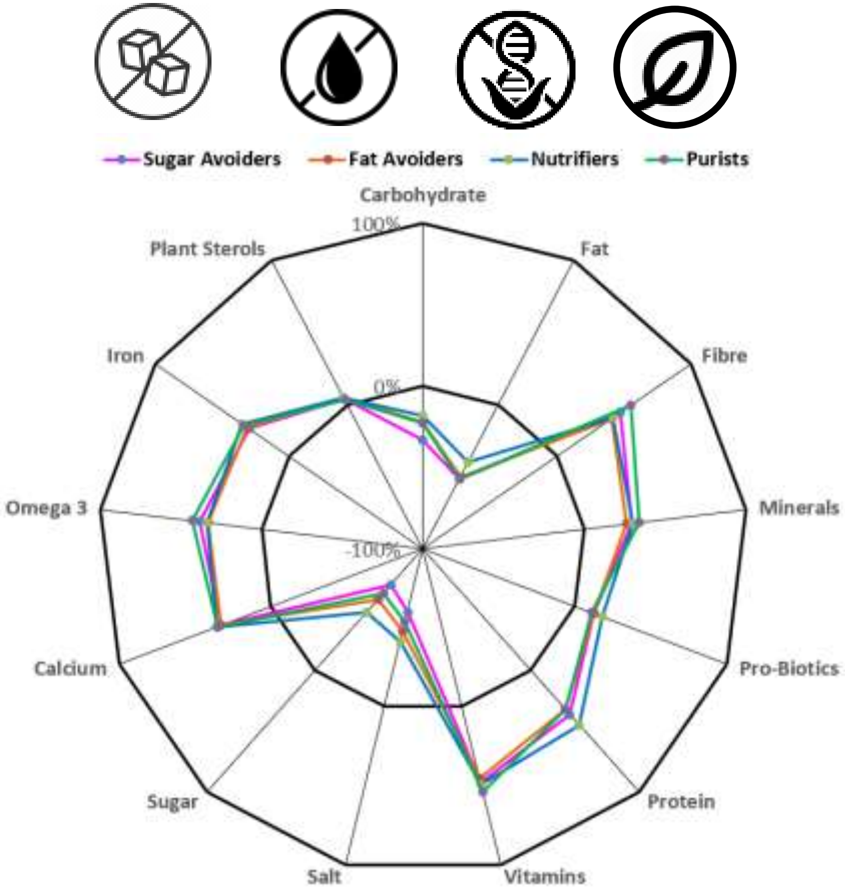
There are differing levels of endorsement of health considerations "strong influence" over food choice between the segments. Weight management, for example, exerts greater influence for Sugar Avoiders and Fat Avoiders than it does for Purists and Nutrifiers. The former two segments are perhaps more concerned with body shape well-being than with a more clinical health. Yet the overall hierarchy is the same – weight, heart and then energy. The one exception is that for Purists, gut health plays a more influential role than energy.

Health Considerations ↓	All markets Total	Sugar Avoiders	Fat Avoiders	Nutrifiers	Purists
	Strong Influence %	Strong Influence %	Strong Influence %	Strong Influence %	Strong Influence %
Weight Management	40	41	43	39	36
Heart Health	34	32	35	38	31
Energy Levels	33	31	32	38	28
Gut Health	30	28	29	32	30
Immune System	28	25	27	32	27
Sleep	26	23	25	32	22
Mental Health	26	22	25	31	23
Brain Function	23	21	22	29	20
Metabolic Health	23	21	22	26	22

However there are some apparent spikes

There is an intent to eat less sugar, salt and fat but not universally equally

There are marginal differences between segments when it comes to eating more or less of a range of nutrients. The most prevalent theme is that, on balance, there is intent to eat less sugar, salt and fat, although not universally equally. Purists is the segment that tends to have the most positive attitude to fibre, minerals, omega 3 and vitamins. Nutrifiers gravitate toward protein and pro-biotics.



Labelling

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Label is essential for demonstrating health attributes

41%

Of consumers are confident that they can tell if a food is healthy by looking at the label

Only 1 in 5

Claim to scrutinise the ingredients panel on average

1 in 3

Claim they can tell if a product is healthy by looking at the packaging

Q13. There are many different attitudes that people hold about food health, ingredients, nutrients and labelling. To what extent do you agree or disagree with each statement?

The Semiotics Of Symbols

50%

Of consumers are more likely to buy if health/nutrition information is on the Front Of Pack

28%

Of consumers report If I am looking at a new product or brand that has information on 'Health Indicators' on the package, I will not read the specific ingredients

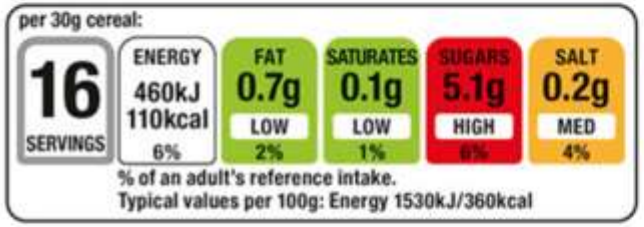
Q13. There are many different attitudes that people hold about food health, ingredients, nutrients and labelling. To what extent do you agree or disagree with each statement?

A strong desire for traffic light labelling

77%

Of consumers would like to see the traffic light system on food labelling

86%	84%	74%	80%	67%



Q13. There are many different attitudes that people hold about food health, ingredients, nutrients and labelling. To what extent do you agree or disagree with each statement?

Ingredients avoided

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No love for –ates and -ites

The concept of clean is not based on scientific evidence but often on consumer perceptions and retailer positioning. Foods with the letter X are generally avoided

- Titanium Dioxide
- Maltodextrin
- *X*antham Gum
- *Nitric Oxide*

nitrite NO_2^{-1}	sulfite SO_3^{-2}	phosphite PO_3^{-3}
nitrate NO_3^{-1}	sulfate SO_4^{-2}	phosphate PO_4^{-3}

44%

Avoid food and drinks that contain preservatives

55%

Avoid food and drinks that contain sweeteners or sugar substitutes

The Future

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Technology will become increasingly important

38%

Of consumers are interested in scanning codes to find out more information

32%

Of consumers say they would use an app to establish if food is healthy

Category dynamics that drive purchase

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Category Dynamics

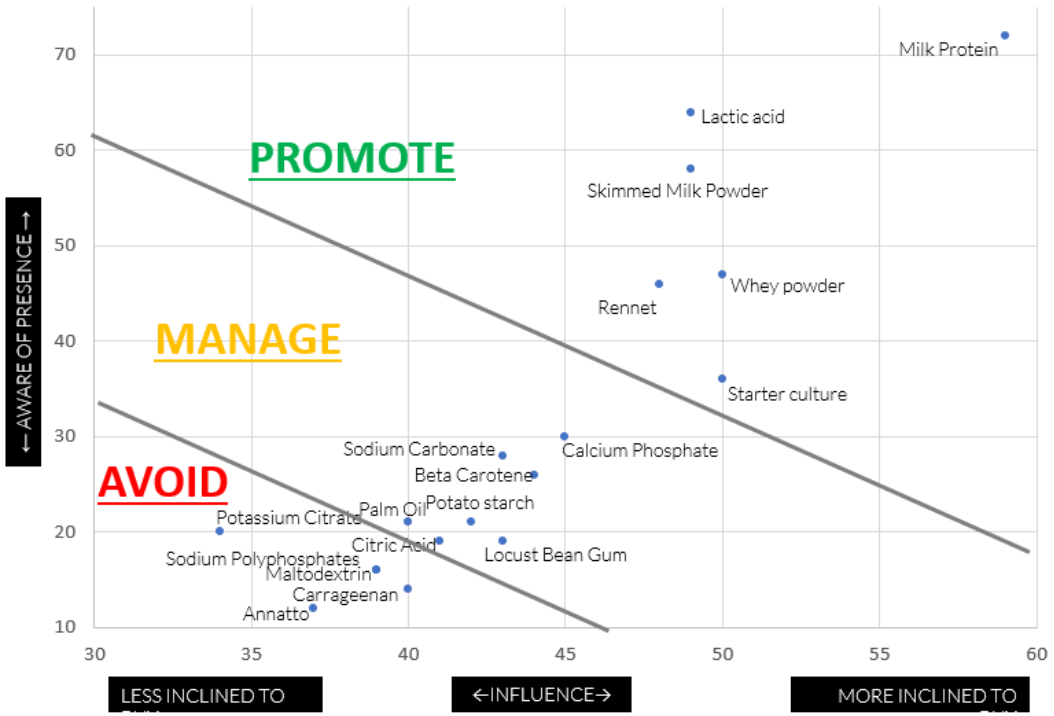
This research examined **20 different products** consumers buy . The maps included here cover all markets. [For by country specific data please contact info@bordbia.ie]

The category map looks at consumers awareness of ingredients in the product and then their willingness to buy knowing that ingredient is present (regardless of whether they were aware of the presence of the ingredient).

The map is then split into 3 – Promote, Maintain and Avoid

- **Promote** – High awareness / propensity to buy
- **Manage** - Average awareness and a willingness to purchase
- **Avoid** – Generally low awareness and a desire to not purchase

Category Dynamics: Cheese



Protein
Lactic Acid
Whey

Calcium Phosphate
Palm Oil
Potato Starch

Annatto
Sodium Carbonate

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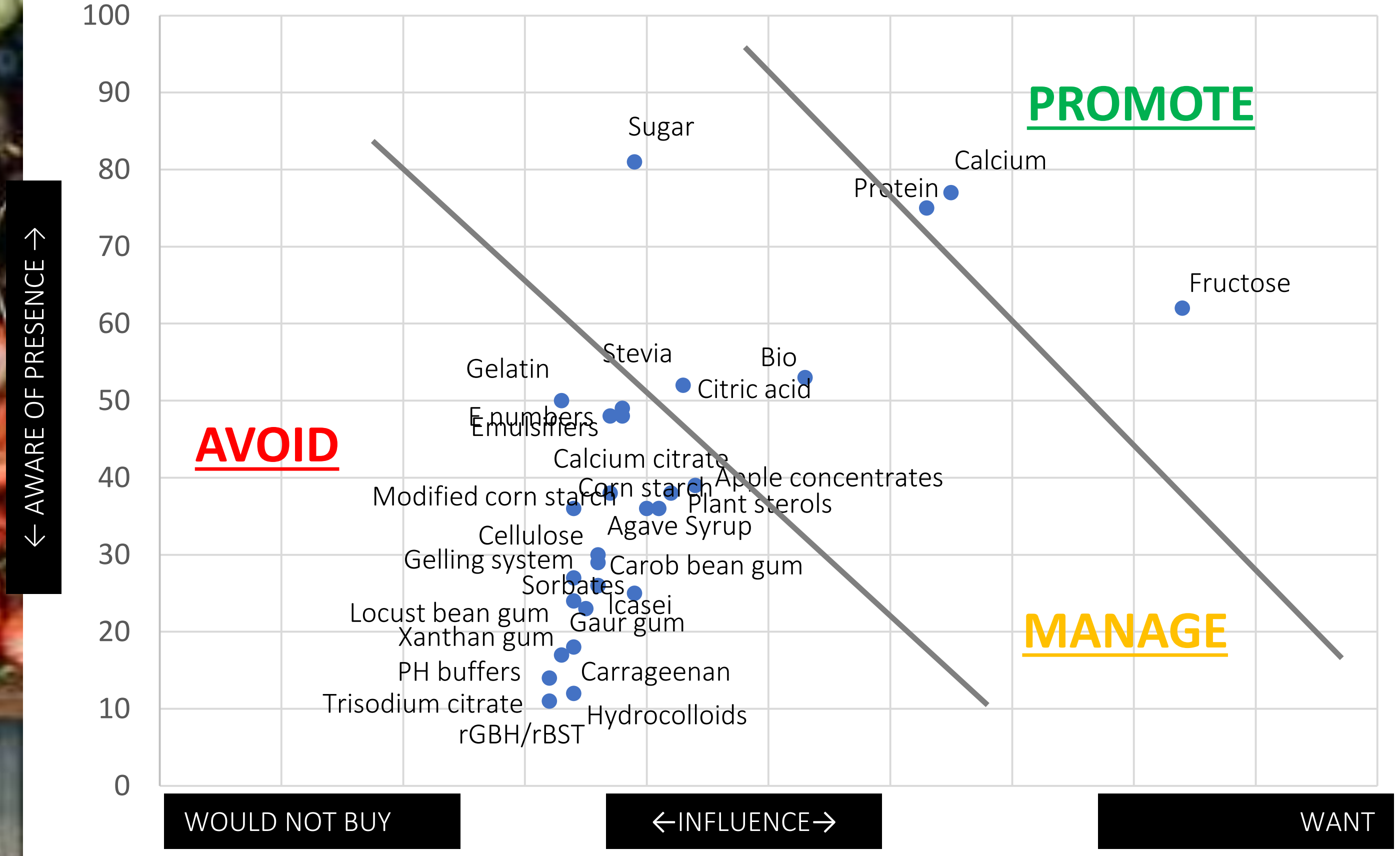
Category Dynamics: Yoghurt

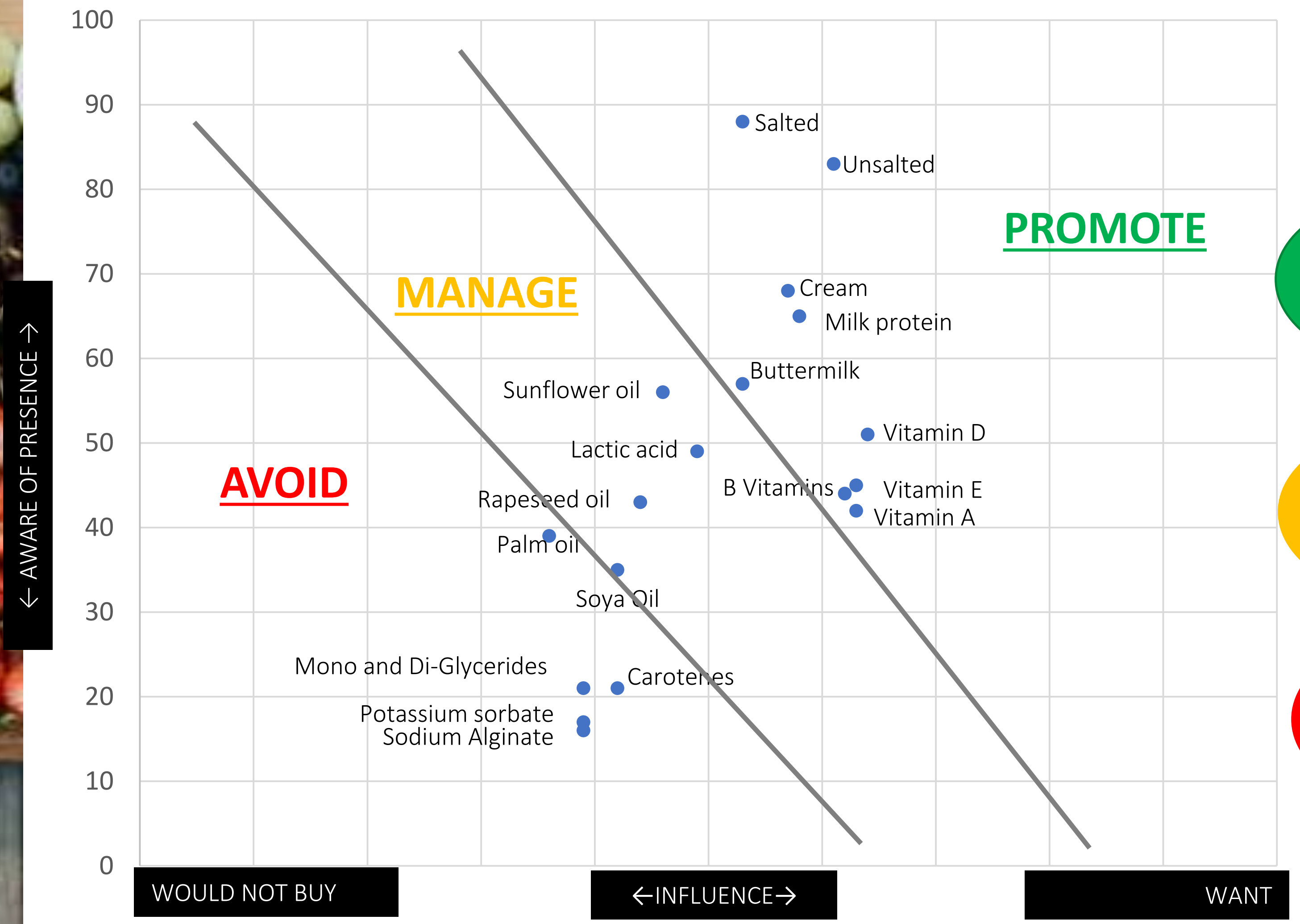


Fructose, Calcium and protein

Manage the sugar content

Avoid the chemical sounding ingredients

Category Dynamics: Butter

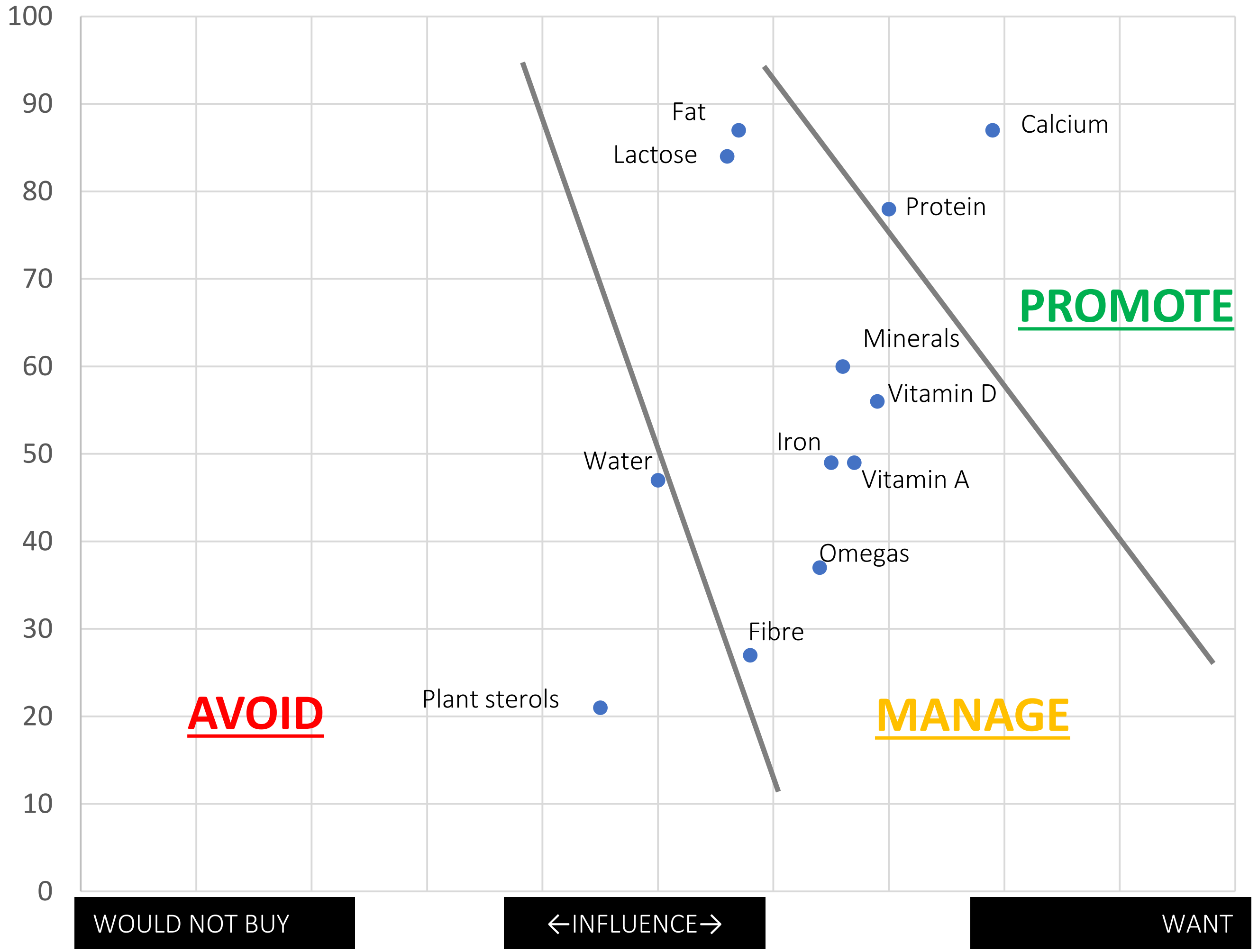


Vitamins

Manage the oils

Palm oil and chemical sounding

Category Dynamics: Milk

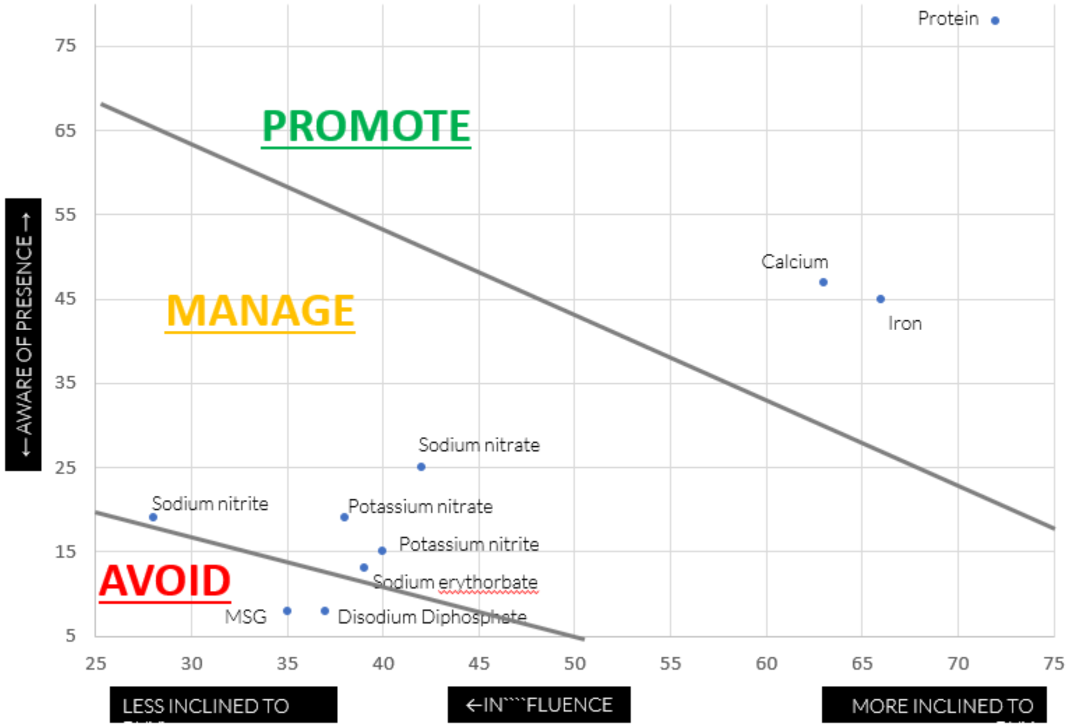


Calcium and Protein

Manage the fat

Plant Sterols and water

Category Dynamics: Chicken (Chicken and Chicken products)

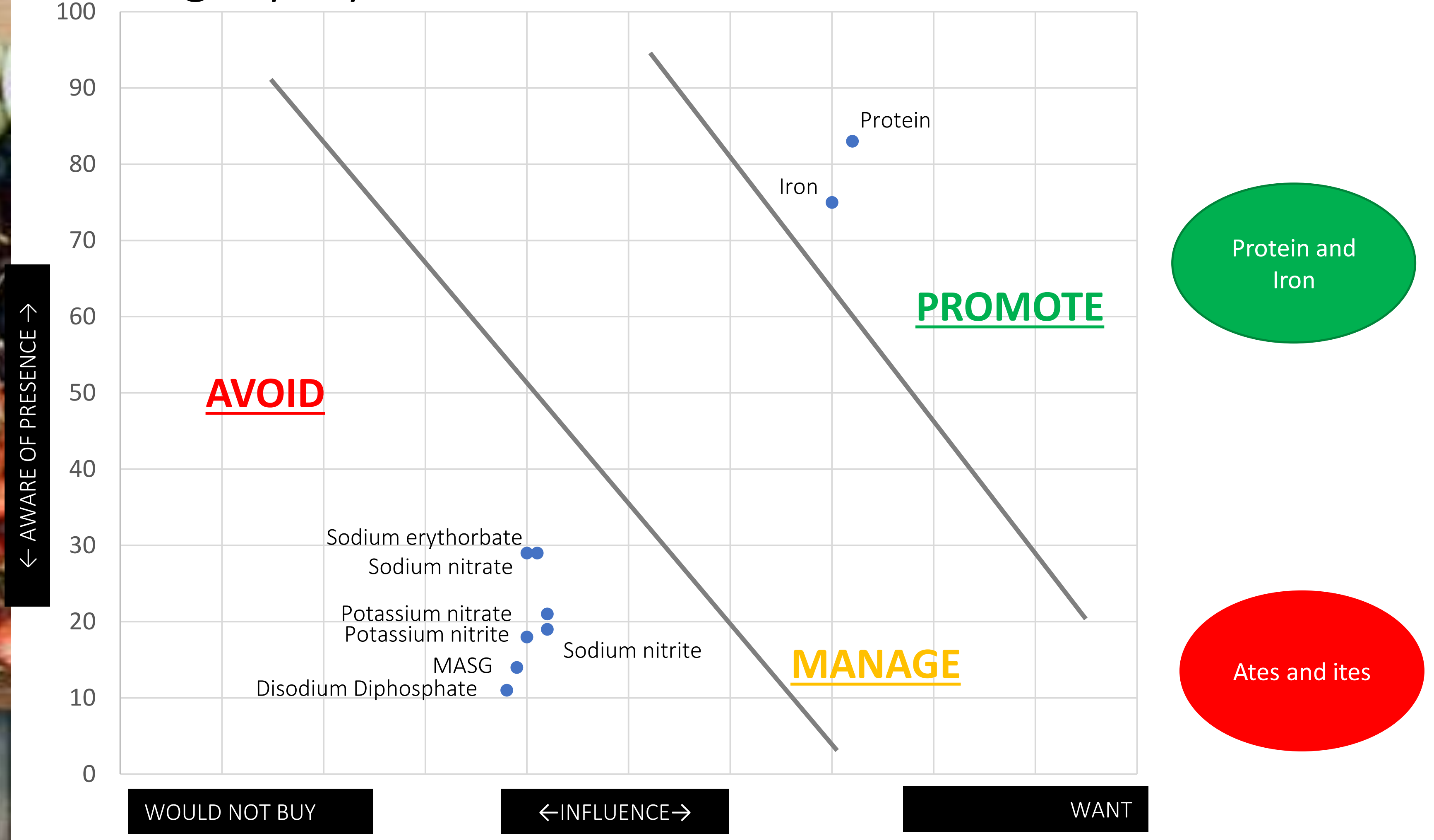


Protein is a natural benefit to promote along with Calcium & Iron….

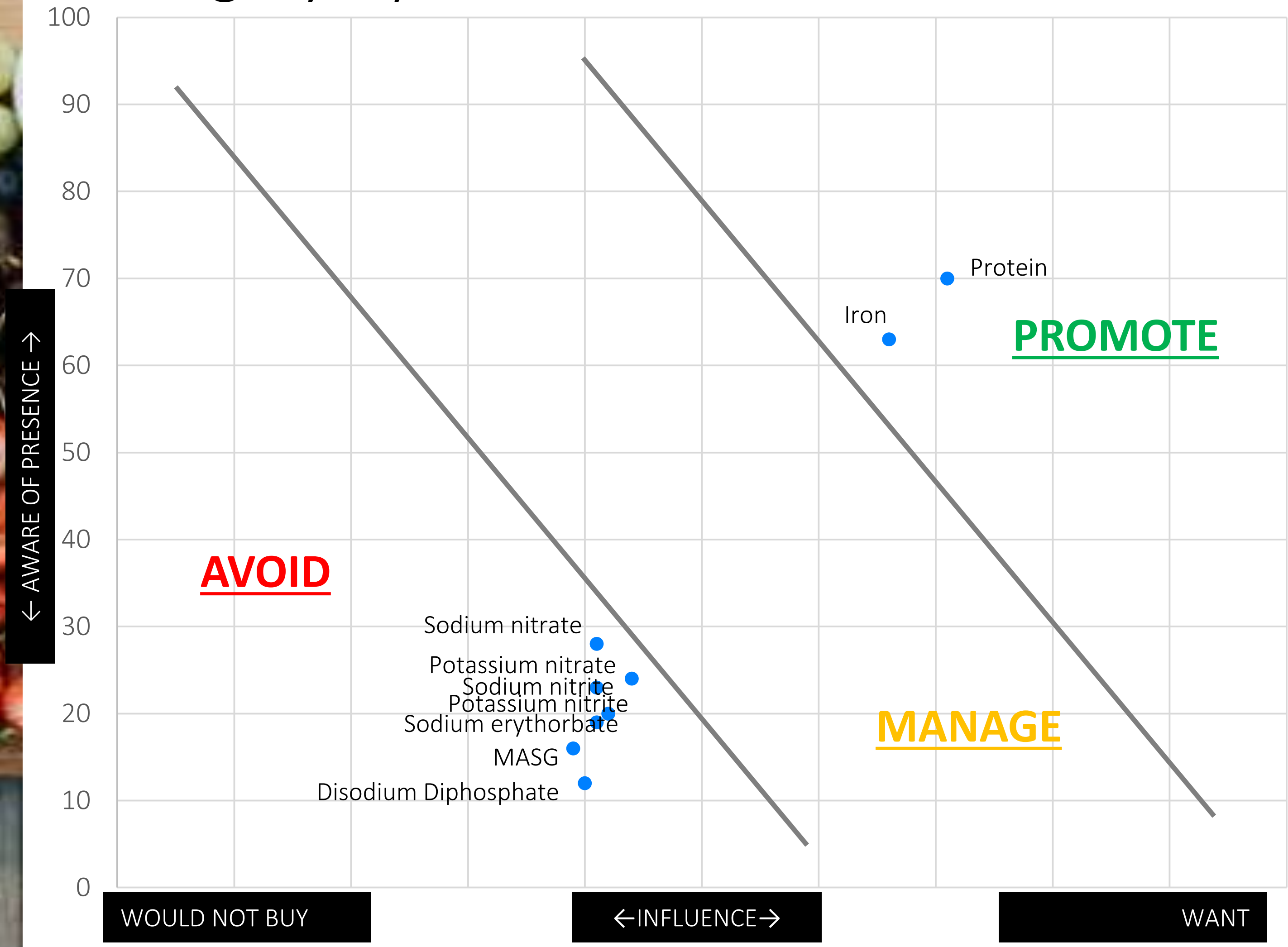
….but Sodium and Potassium could be repositioned…

….and can MSG and Disodium Diphosphate be avoided?

Category Dynamics: Beef



Category Dynamics: Lamb



Protein and Iron

Ates and ites

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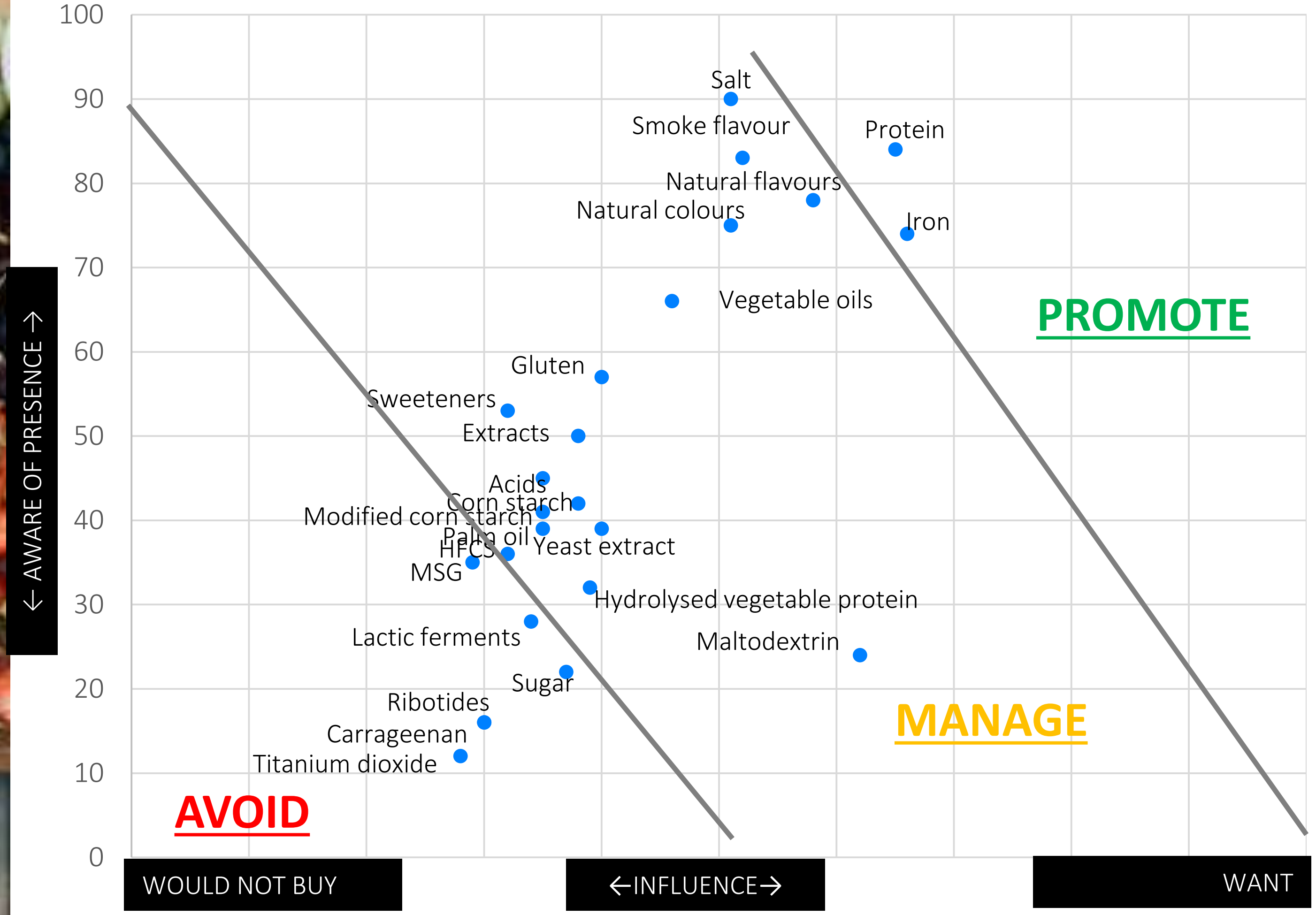
Category Dynamics: Sliced Cooked Meats



Protein and Iron

Salt, sweeteners and oils

Chemical and not well known ingredients

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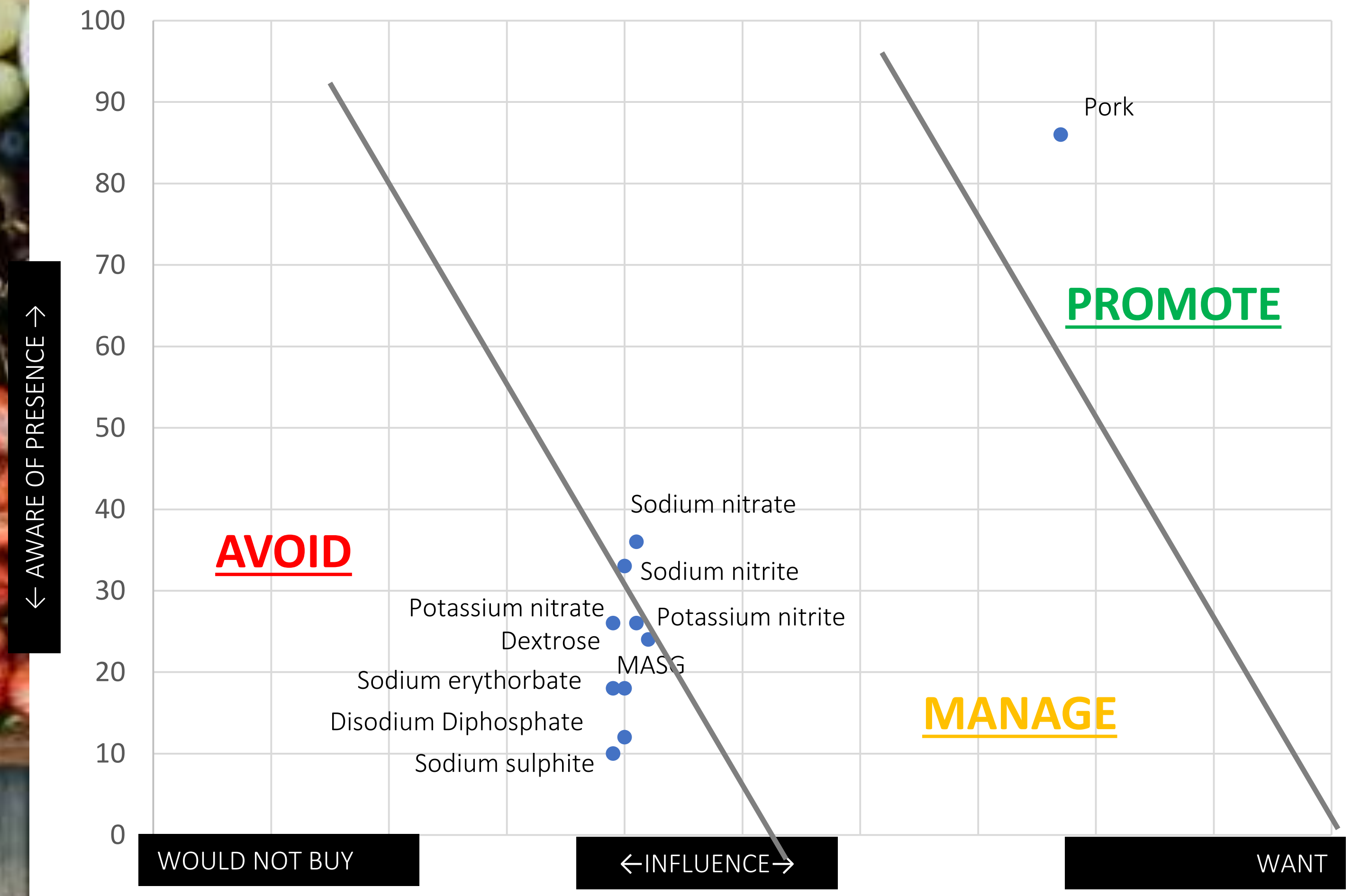
Category Dynamics: Pork

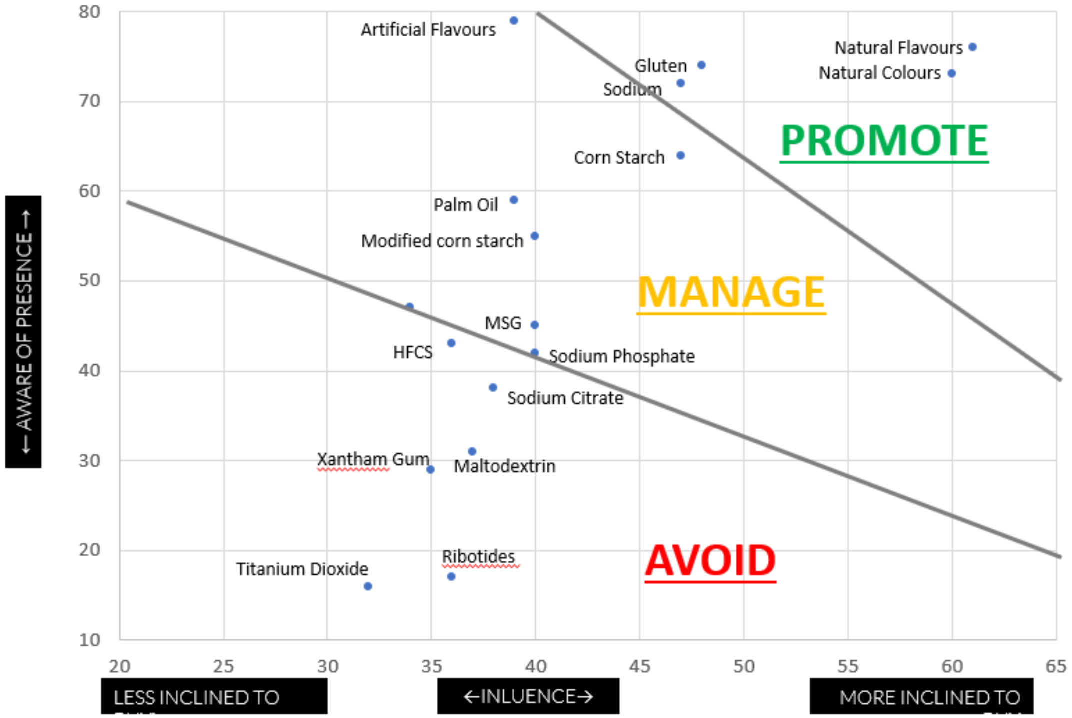


Real Pork

Salt content

Ates and ites

Category Dynamics: Chilled Ready Meals

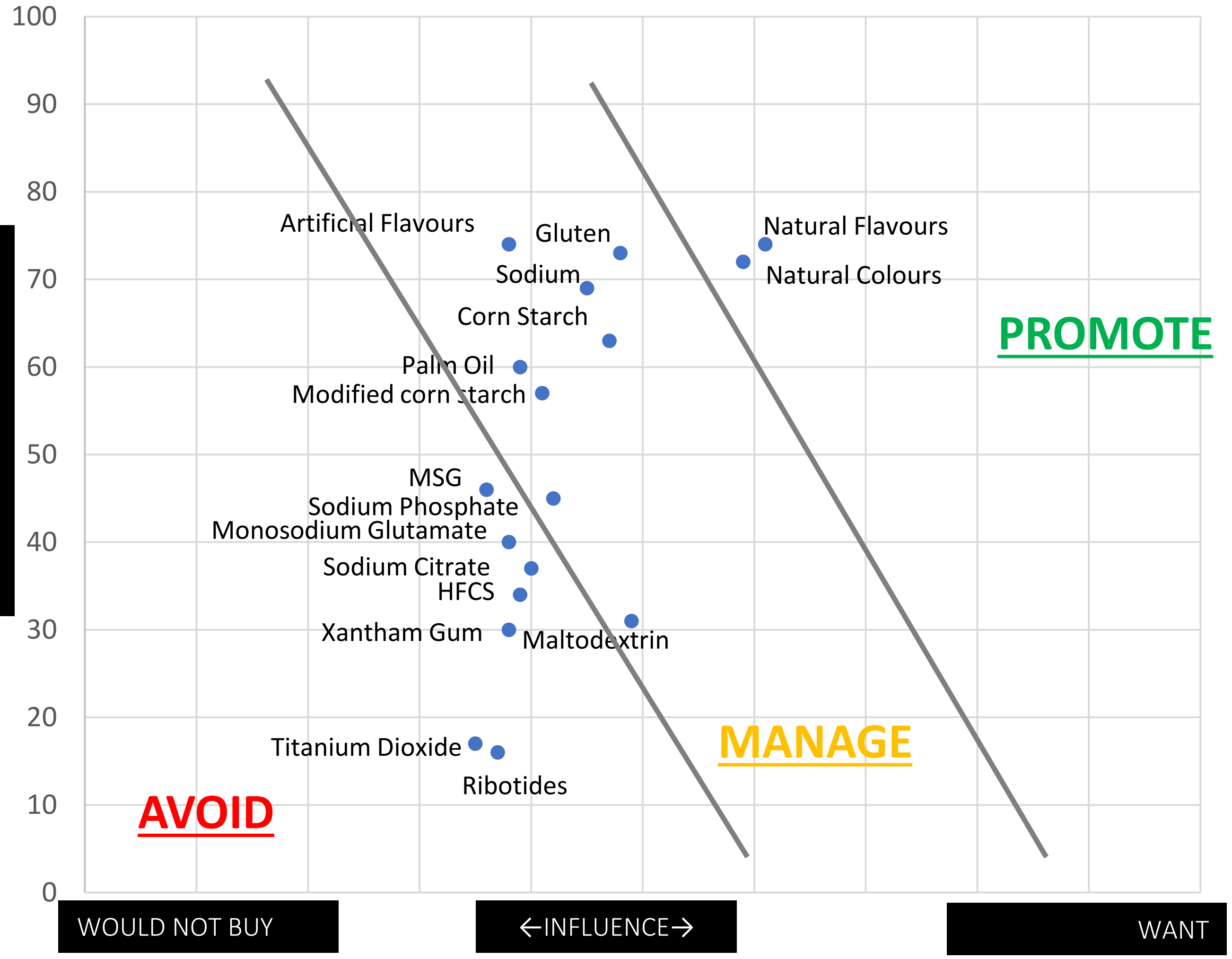


Promote Naturalness whenever possible. Consumers expect some artificiality.

....Manage Palm Oil, Corn Starch & MSG...

....and can you avoid the 'x's', 'ites' and 'ates'?

Category Dynamics: Frozen Meals

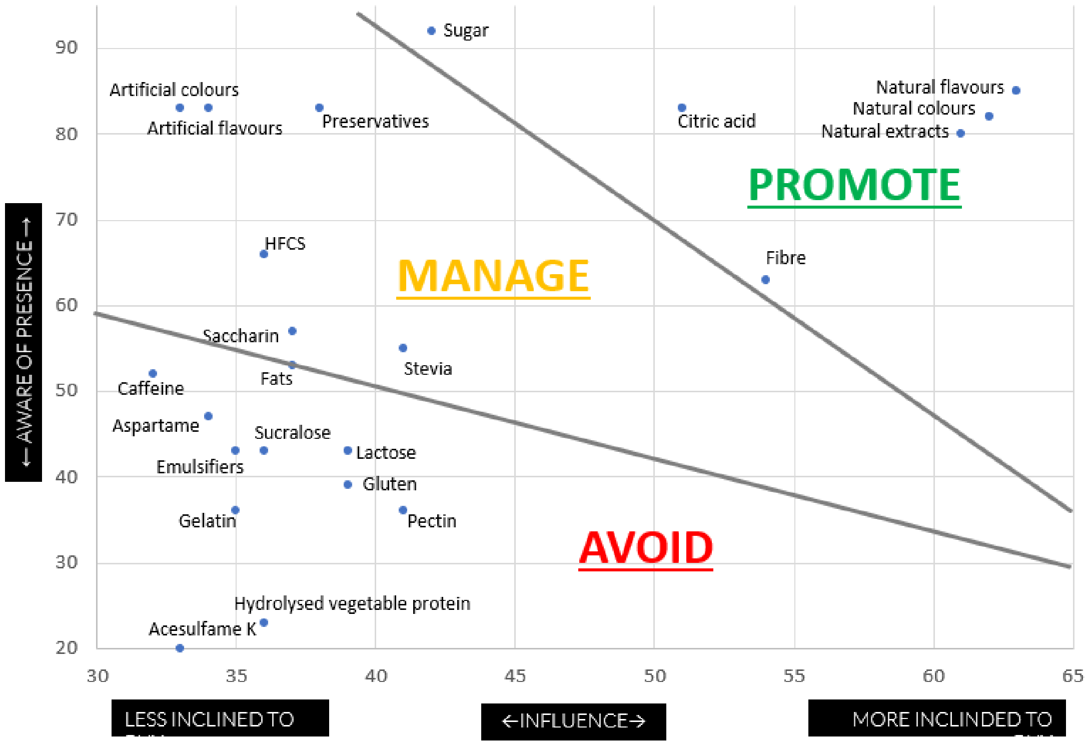


Natural is key

Salt content

MSG and chemical sounding names

Category Dynamics: Juices

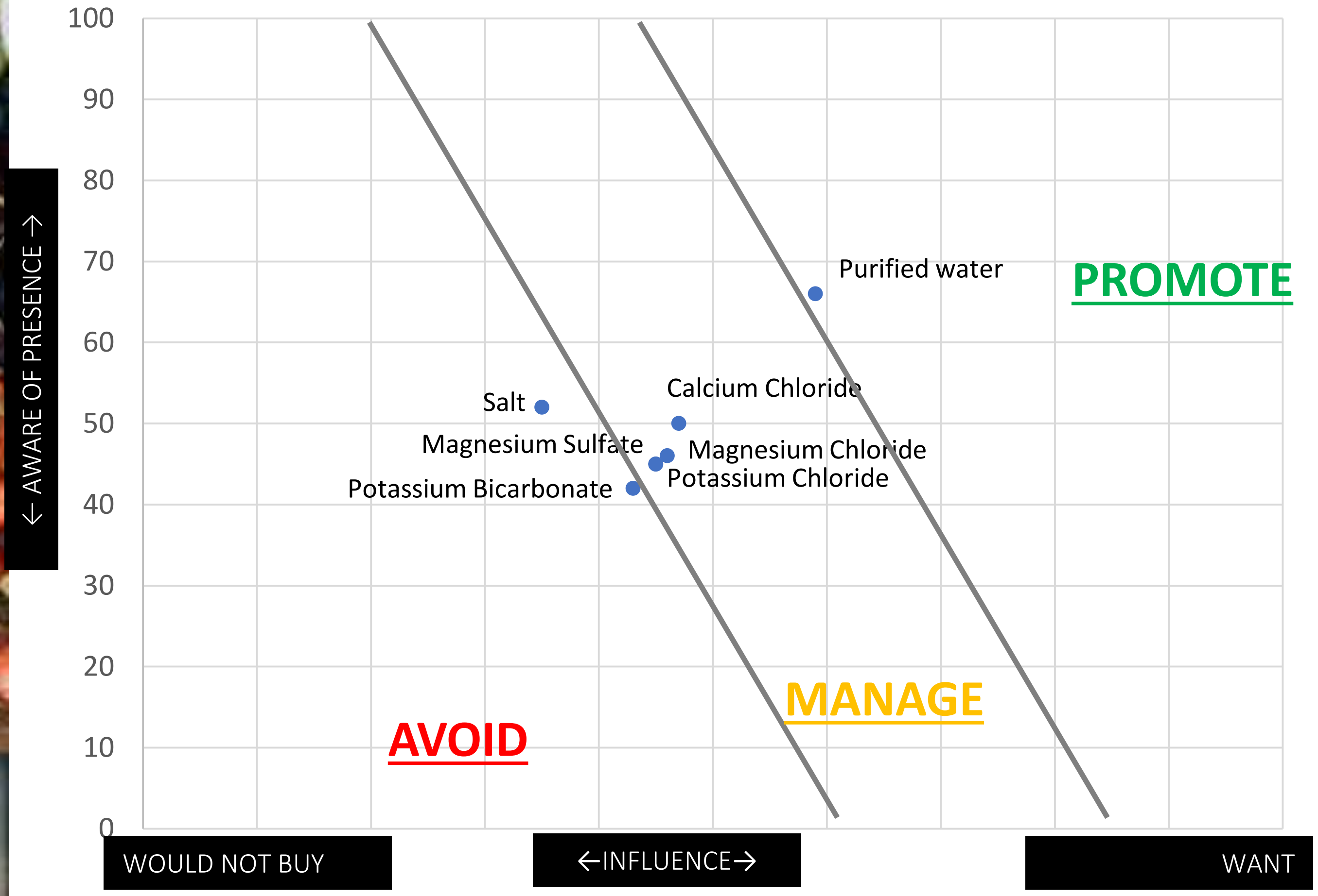


Promote Naturalness again and perhaps just be open about Sugar…

….Manage the sweeteners story, particularly Stevia…

….and can you avoid Acesulfame K?

Category Dynamics: Water

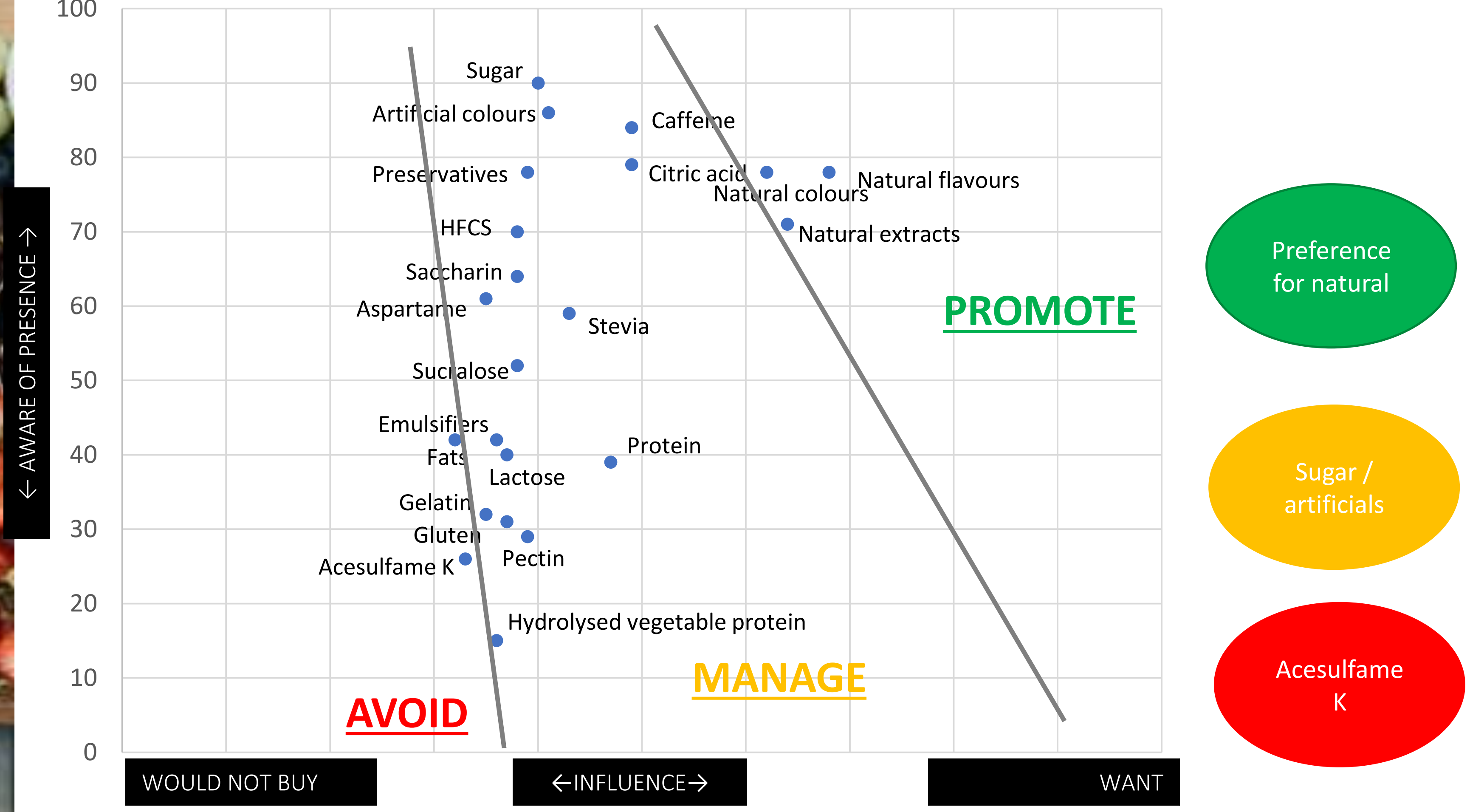


Its all about natural

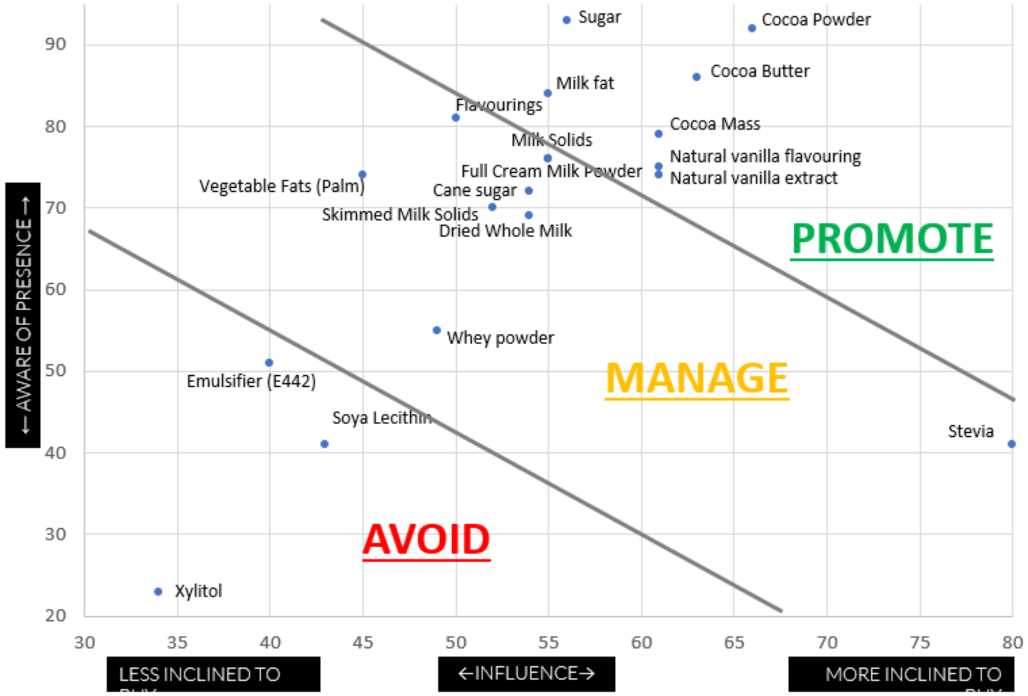
The chlorides

Avoid Salt

Category Dynamics: Carbonated Soft Drinks



Category Dynamics: Chocolate

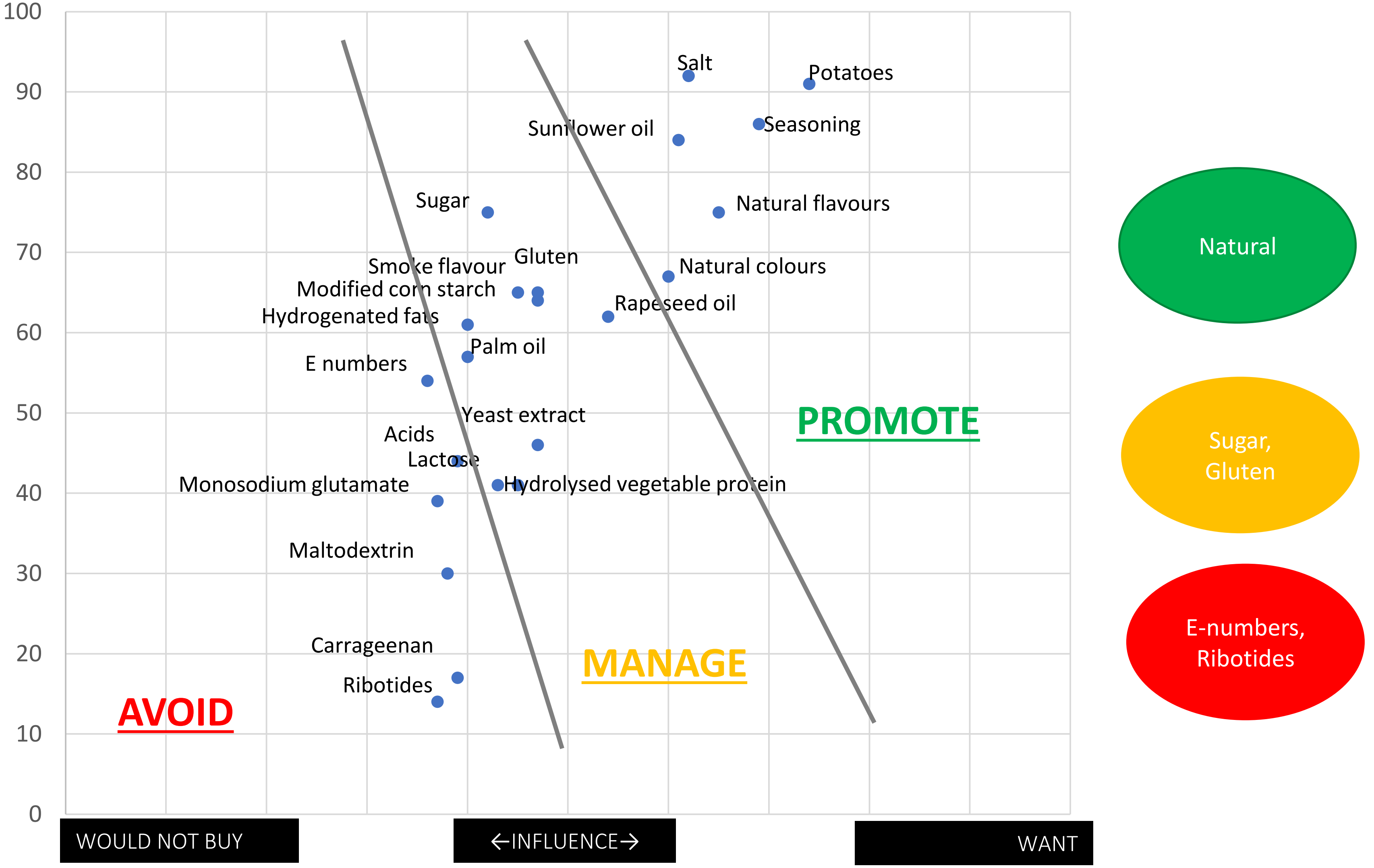


Cocoa content is increasingly king…

….but managing the Vegetable Fats (Palm Oil) message is also important…

….and can you avoid Xylitol?

Category Dynamics: Crisps



Category Dynamics: Bread

Natural / Fibre

Artificails

Aspartame / Datem/ Inulin

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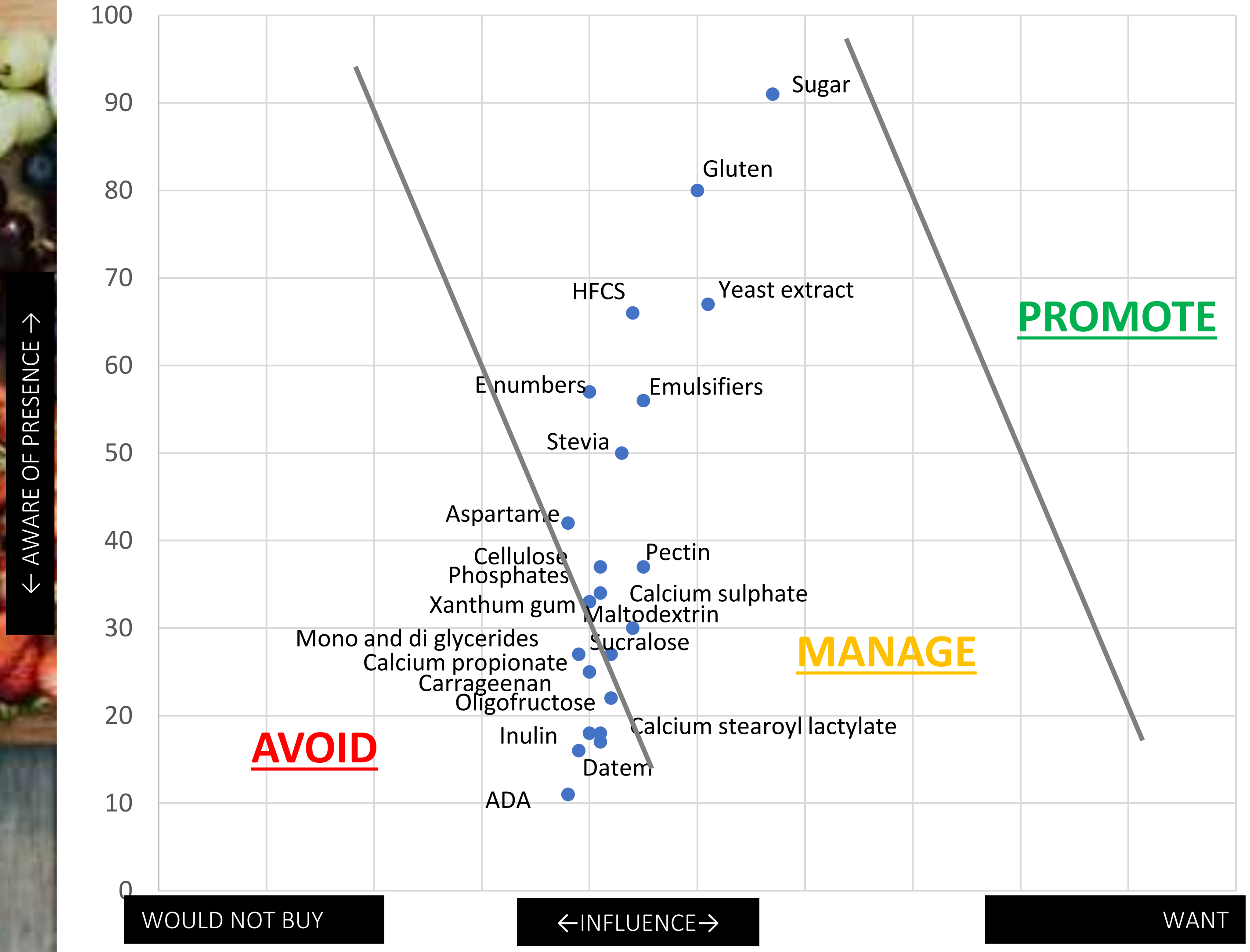
Category Dynamics: Cakes



Sugar / Artificial colourings

ADA, Datem, Stevia

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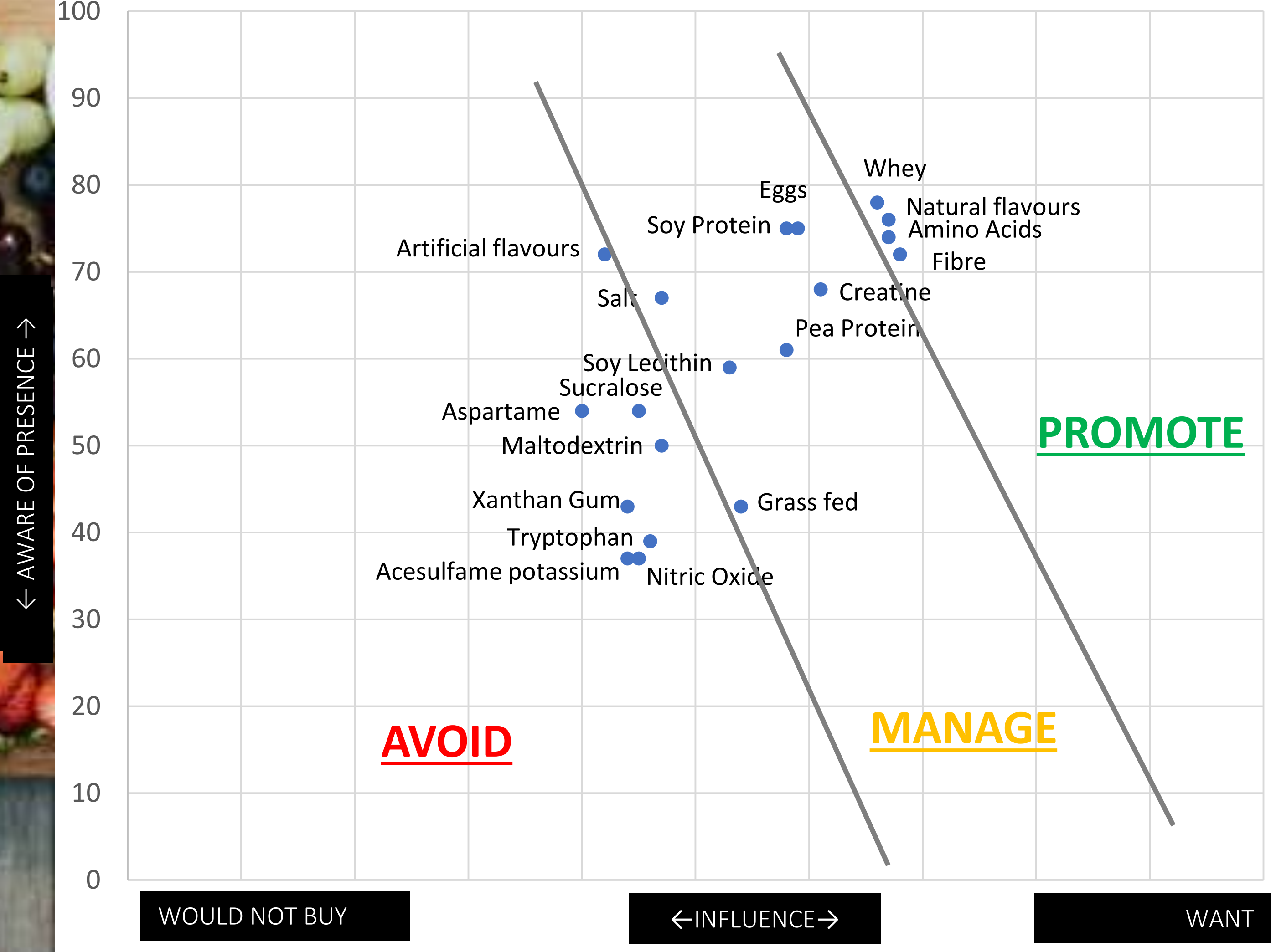
Category Dynamics: Protein Powder

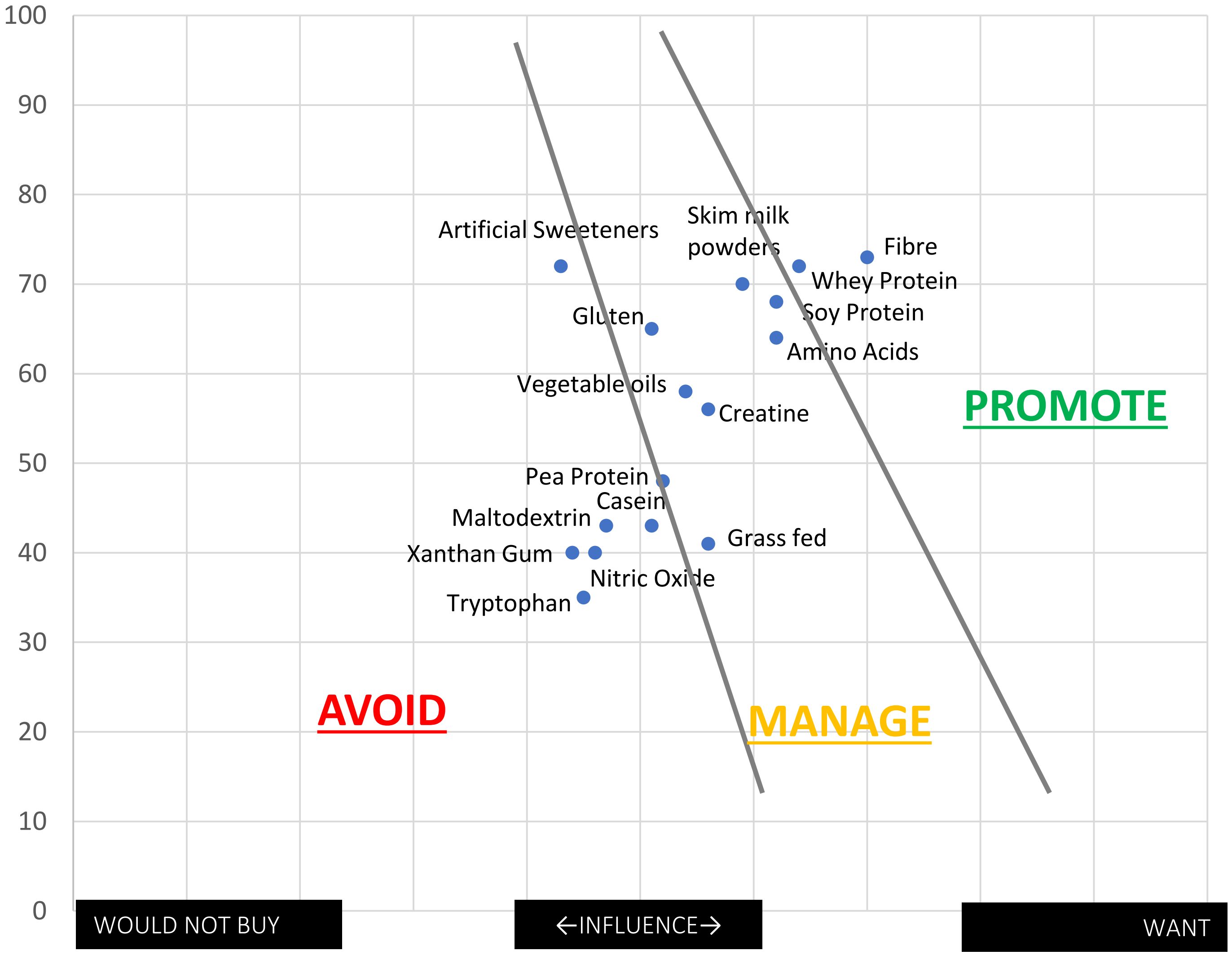


Natural and fibre

Eggs, salt

Artificial ingredients

Category Dynamics: Protein Drinks



Fibre

Gluten

Artificial/ Chemical ingredients

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Platforms
For Growth
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Platforms For Growth

Always be ”Insta”-clean
Build ingredient power
Crack the semiotic code for clean
Develop for Tech Transparency
Embrace the challenge
Fix those weasel words

#1 – Always be "Insta"-clean

Your brand can build on social-media's innate ability to demonstrate 'transparency'. In a world of food-porn and virtual chefs, consumers demand brands that are visibility arresting and 'pop'.

Ask yourself, is your brand busy explaining or busy being understood. The strongest brands need no explanation. Look to other categories for inspiration, like the cosmetics brand Drunk Elephant that builds its comms around communicating clean ingredients visually on social media.

#2 – Build ingredient power

There is power in calling out ingredients visibly on-pack. In fact, some brands make a virtue out of absolute transparency in ingredients.

How can your brand 'hero' the ingredients in your products? What are the innate 'powers' your ingredients have to benefit consumers? And do you have natural Irish ingredients that consumers can believe in?

If your brand has ingredient power, call them out…

#3 - Crack the semiotic code for clean

Your brand can learn from how to crack the semiotic code by looking at how brands in other categories behave.

Look at skincare brands, cosmetic brands, detergent brands or even clothes and car brands to future proof your pack designs. Play close attention to:

- Colours
- Symbols
- Imagery
- Language

#4 – Develop for Tech Transparency

Your brand can leverage its ingredients strengths by embracing consumers’ appetite for greater transparency.

Smart phones and our always on lives make access to information even easier than was ever the case before. In a world of ‘fake news’ consumers are going to demand truth and transparency in the food they eat.

Is your brand ready for the era of tech-transparency? Does your pack enable consumers to understand the detail behind the barcode?

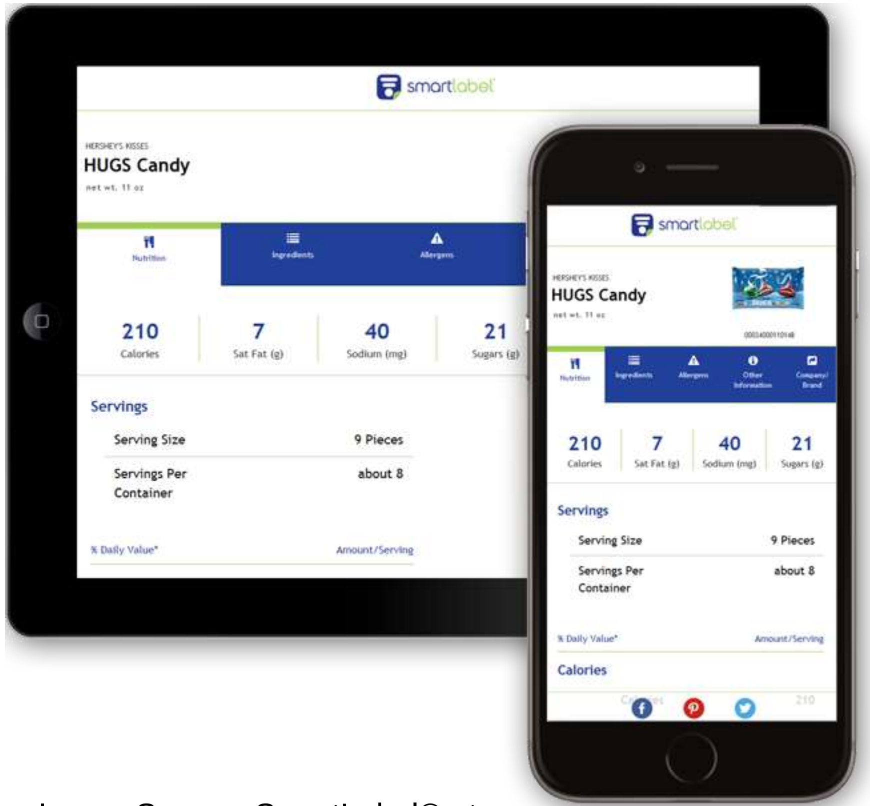

Image Source: SmartLabel® at http://www.smartlabel.org/

#5 – Embrace the clean challenge

Change is possible in any business if the market is demanding it. Embracing the clean challenge is also about embracing the clean opportunity.

Is your brand committed to addressing the consumers of consumers and to moving to a more ‘clean’ ingredient list? What are the simple changes your brand can make? How will those changes allow you to compete against your rivals?

If you are going clean, you have to commit…

Brands that are embracing the clean challenge

#6 – Fix those weasel-words

Your brand can drive credibility by being transparent around its ingredients but can also damage credibility by over-claiming on ingredient benefits.

There is evidence that some big brands have lost consumers faith on ingredient efficacy. Language like ‘Can Help’ to describe functional benefits is beginning to feel tired.

And of course avoide “ites”, “ates” and “x’s”…

nitrite NO_2^{-1}	sulfite SO_3^{-2}	phosphite PO_3^{-3}
nitrate NO_3^{-1}	sulfate SO_4^{-2}	phosphate PO_4^{-3}

What does ‘Clean’ mean?

The Thinking House