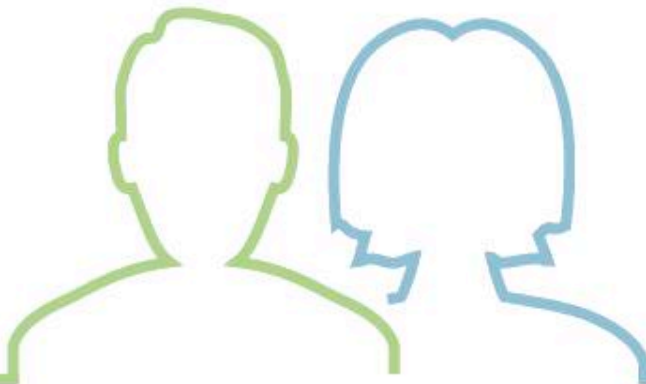




Consumer Packaged Goods: Understanding Food Claims

August 2016



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The packaged food industry is in the middle of a renaissance focused on ingredients. Michelle Obama recently spearheaded a new nutritional facts label specifically calling out added sugars, but CPG companies were already featuring ingredient call-outs to meet this consumer desire. All-natural, organic, non-GMO, free range, no added preservatives, grass fed, protein, whole grain, local... the list goes on when it comes to ways that CPG companies try to communicate “simple ingredients.” *Diet* and *lite* labels are out of fashion and *health* is in, but what do these terms mean and how can CPG companies label their food effectively to capitalize on this growing natural food movement? Moreover, how does the placement in a store, nutrient callouts, packaging colors/design, and imagery impact consumer perceptions of health?

This research focused on understanding how consumers think about a product's wholesomeness in order to help CPG companies more effectively communicate health.

KEY QUESTION:

How can CPG food package labels more effectively communicate health & wellness and overcome any barriers or misconceptions?

- Understand consumers' definitions of healthy
 - Identify language consumers use to describe health and health foods and specific claims or messages they look for when choosing packaged foods
 - Identify misconceptions and barriers, as well as claims that appear to feign health positioning
 - Explore the impact of different specific health messages on brand positioning
- Understand role of grocery stores and POS in purchase of healthy foods
 - Understand perceptions of healthy foods in grocery stores, specifically if there are certain retailers that are perceived as healthy, store/aisle placement, and impact on pricing
- Identify which brands fit well with the idea of healthy
 - Understand what they can do to better appeal to consumers who are looking for healthy foods
 - Identify how brands can lack credibility

Research Method	# of Groups	Total Respondents	Days in Field	Recruit to Report (in days)
Instant Research Group	1	33	2	

This study was conducted via an online Instant Research Group where respondents answered open-ended questions and follow-ups posted by a trained moderator. This technology fosters a dynamic qualitative discussion where respondents are easily able to interact with others in the group.

AUDIENCE

Age	25-45
Gender	Female
Kids in Household	Yes, under 18
Role in purchasing groceries	Fully responsible, Mostly responsible, or Shares responsibility about half the time
Purchaser P6M (Past 6 Months)	Must include Grocery store
Category Rejecter	Cannot include Natural foods

Healthy foods are mostly defined by what they leave out—artificial ingredients, GMOs, etc.

- Sought-after health claims include: no preservatives, non-GMO, no artificial flavors or colors, organic, all natural, whole grains, low fat, low sugar, low sodium, high protein, high fiber
- While many seek out foods labeled non-GMO, about a third of respondents aren't clear on what exactly the term means, often equating it with “all natural” or “organic”
- Some health claims, like low fat and sugar free, often indicate to respondents that other ingredients have been added in their place—many of which tend to be artificial
- “Organic” and “whole grains” are potentially misleading, as it can be true of only some ingredients

Minimally processed foods are seen as healthiest, but healthy items are still pricier

- In any grocery store, the perimeter departments—produce, meat, dairy, and bakery—are the most often mentioned areas to get healthy items, as these items are more minimally processed
- Specific grocery sections or aisles for organic/natural/healthy items are appreciated where they're known, and those who don't have them say their addition would be appreciated
- Most say healthy items are more expensive, and often attribute the difference to more careful handling and shorter shelf life
 - A few see this higher pricing as a way of cashing in on health concerns or as greedy gouging
 - A few say prices for healthy items are lower at ‘healthy’ stores than conventional groceries

No brands are strong standouts in terms of health positioning

- Consumers are able to name healthy brands, but there's no consensus
 - While some mention natural aisle brands, others name traditional brands as healthy overall
- Categories of products seen as healthy are more consistent, with cereals on top followed by protein/nutrition bars and yogurt & other dairy items

Minimal processing is a hallmark of healthy foods for many respondents. Highlighting simplicity of ingredients and manufacturing process will help align packaged goods with this view, increasing consumers' perceptions of the items' healthiness.

Consumers are still learning what “non-GMO” really means, but are nonetheless attracted to this buzzword. Where applicable, featuring this claim prominently will quickly get attention and position products as particularly healthy.

Some mistrust claims like “organic” or “made with whole grains,” saying that unless “100%” is added, these claims may refer to only a portion of the ingredients, which reduces the health benefit. Being careful to specify 100% organic or 100% whole grain, where applicable, will address these concerns and improve confidence in the health of products.

While shoppers of course appreciate lower prices in general, most are used to healthy products costing a bit more, and feel the added price is justified by careful handling and manufacturing along with shorter product shelf life. Further research can help to pin down what level of additional production costs for packaged goods consumers are willing to see incorporated into final pricing.

DETAILED FINDINGS



- When asked about overall impressions of the idea of “healthy,” almost every respondent spoke about food
- Nearly all respondents said healthy eating is very or somewhat important to them, because of the impact it has on them and their family’s overall health
- Appealing health claims included: no artificial flavors or colors, non-GMO, no hormones, no preservatives, no MSG, organic, all natural, minimal processing, and whole grains
- When asked for specific examples, many respondents still focused on organic and all natural foods, but specific nutritional concerns were also mentioned
 - Low fat, low sugar, low calorie, low sodium, high protein, and high fiber claims appealed
 - These qualities are more often found in nutrition fact labels than in front-of-box claims



*Healthy to me is something Natural and full of nutrients. Food that is nourishing my body without added chemicals, hormones, MSG, etc. Talking about Healthy; it’s the fresh produce which comes to my mind first rather than the packaged food which we are being served in ample in stores.
-29, Martinez, GA*



*When I think of “healthy” I think of foods that are natural and contain no artificial ingredients or preservatives. I think of foods that do not contain steroids or artificial growth hormones and GMOs. I always think of organic fruits and vegetables and animals that are raised with natural diets and not diets that are modified with artificial ingredients.
-44, Charlotte Hall, MD*



*I choose non-GMO and organic whenever possible. I always look at the back of labels and make sure that it does not contain any MSG or other ingredients that I can’t pronounce. I try to eat whole-food as much as possible in its natural form.
-42, Hickory Hills, IL*

Healthy foods were defined mostly by what they lacked—no artificial ingredients, non-GMO, etc.



I look for "all natural," "nothing artificial," "non-GMO," but I also check the ingredient label to verify that there isn't anything gross in it. They mean healthy to me cause they are as close to natural as you can get. The less processed something is, the least amount of ingredients that have been added, the better.

-32, Beaverton, OR



Healthy words on packaged food that would speak to me would be things like "organic", "Light", "Nutritious", or "Whole grains". Phrases that I like would include "for a heart healthy diet" or "100% certified organic".

-41, Pueblo, CO



No artificial flavors, no artificial colors, and natural. Because that sounds like really healthy foods to eat that were made of natural, real food, and don't have chemicals on it.

-28, House Springs, MO



If I bought packaged food, I would look for something that says natural or healthy on the package. These claims mean healthy for me because I would expect for natural foods to not have the steroids and chemicals like processed foods. The word healthy speaks for itself.

-27, East Laurinburg, NC



GMO free is one important word I look for but also organic. I look for these words because GMO free means free of genetically modified organism and I don't like the thought of altering foods that way. Also, organic means it's stayed true to its form and has not been touched. I like that.

-35, Erie, PA

Consumers were drawn to claims, but relied on back-of-package details to make their choices

- Bright colors, clear labeling of health claims, and nature-based images stood out as hallmarks of healthy packaged foods
- The most desired claims on healthy food packaging included “organic” and “all natural”
- Suggestions for appealing healthy images included nature scenes and fresh produce
- Many said bright colors will help to attract attention, and green in particular will indicate a packaged food is healthy
- Many specified clear labeling of claims to gain attention, as well as larger lettering for both nutrition facts and ingredient lists, to show transparency
- Where available, featuring certification in labeling will help reinforce claims like organic

These meals are usually pretty healthy. Some have a little too much sodium but for a packaged food these are usually low in fat and have good protein.

-41, Wedowee, AL



This is healthy because it is a fruit, contains lots of fiber, is low calorie, and doesn't have a lot of added sugar. I think the packaging makes it look fresh and satisfying, the images and words indicate to me that this would be a healthy choice for a snack or addition to a meal.

-41, Pueblo, CO



This is one of my favorite packaged foods. I find it healthy and love it for a snack during the day. It's healthy because it is good for you, and it is natural.

-28, Wolf Creek, MT



Most health claim phrases were interpreted uniformly, but “non-GMO” was not as clear

	“ALL NATURAL”	“ORGANIC”	“MADE WITH WHOLE GRAINS”	“NON-GMO”
Consumers’ Definitions	Indicates that nothing artificial has been added, often implies minimal processing	Is based on how the plant was grown or animal was fed, ruling out the use of many pesticides, hormones, or antibiotics	Less processed than other grain-based foods, containing every part of the original grain, which increases nutritional value	Non-modified plants, making them more natural and thus healthier
Potential Barriers	Least well-defined term, with no certifications available	Some mentioned that organic farming still may use alternate pesticides, which might not be FDA-approved	Doesn’t necessarily mean ONLY whole grains were used, unless states “100%”	While many seek out non-GMO foods, about a third of respondents weren’t clear on exactly what non-GMO means, equating it with organic and/ or all natural
Verbatim	<p><i>When I see or hear the words “All Natural” associated with food, it means the maker of the food product is telling me that their product has no added ingredients to make their food taste better. Examples are dyes, flavorings and things like that. To me “All Natural” says that I am eating something that is free of man made ingredients.</i></p> <p>-30, Carthage, TX</p>	<p><i>Though many people think that all natural and organic are the same, they are not. Organic means that there are no pesticides or other means used to help the plant grow or be healthier. It keeps chemicals out, but only certain ones. Some things are okay to use with all natural that are not with organic, and some things are okay to use for organic but not with all natural.</i></p> <p>-28, Wolf Creek, MT</p>	<p><i>Made with whole grains means very little processing and the fiber content is intact in the food. The food will have low GI (Glycemic Index) as it is Whole grains and not the refined ones. It tells me that the product is healthy for eating and will keep me fuller longer and help me reduce weight.</i></p> <p>-29, Martinez, GA</p>	<p><i>To me non-GMO means that the product was grown without splicing the seed with different species etc. GMO food is Frankenstein food. Your body doesn’t know what it is as its not in its natural state. Scientists are splicing DNA from frogs and such and incorporating it into strawberries and corn. Bugs will not eat GMO crops. What does that tell ya?</i></p> <p>-42, Hickory Hills, IL</p>

“Low” or “reduced” sugar or fat claims could be misleading, along with “whole grains” and “organic”

- Despite the appeal of foods with less fat or less sugar, claims of being “low fat,” “reduced sugar,” or “sugar free” were sometimes seen as misleading in terms of healthiness, since these reductions are often replaced with other ingredients, many of which tend to be artificial
- Other misleading health claims included “whole grains” and “organic” when not specified as 100%, since this can indicate varying levels of the ingredients that meet the claim
- A few respondents were skeptical overall of claims on packaging, feeling they could be deceptive or outright lies, regardless of government regulations
- Red flags for unhealthy foods include phrases like “flavored,” high fat or sugar values, and complicated ingredient names that are or seem artificial



Packaging that has low sodium, or less sugar, on the front of the box, or no fat, doesn't always mean it's not in their. Just because they slap a label on it saying new and improved or gluten free, it could be a lie. Learn to look at the back of the box, to really see what they consider to be gluten or fats etc.
-44, Alsip IL



Processed, and even sugar-free and fat-free can mean that chemicals have been used to make these products this way. GMO is another definite red flag.
-44, Charlotte Hall, MD



The types of words or phrases that let me know a food product is not healthy are words like Concentrate, Added Sugars, Flavored, or dyed! Anytime something is made this way it means that the product was made with something “fake”. For example, chips. Doritos are “Cheese Flavored”.
-30, Carthage, TX

Minimally processed foods from perimeter aisles were the go-to for healthy choices

- In any grocery store, the perimeter departments—produce, meat, dairy, and bakery—were the most often mentioned as where to find healthy foods, thanks to the minimal processing and lower ingredient count of these items
- The frozen section was also mentioned by some as a good source of healthy foods
- Specific grocery sections for organic/natural/healthy items were appreciated where they're already in place, and those who hadn't seen them in local stores suggested adding them to make healthy foods easier to find
 - A few also suggested separating out organic from conventional produce to make it more distinct
- More prominent signage in stores or clearer labeling on packages would also make healthy foods easier to locate



Produce, dairy, and meat. Basically you want to shop the perimeter of the store. This doesn't always mean you will get healthy natural products but the inside aisle's are full of processed foods.

-41, Wedowee, AL



If I were on a shopping trip for ONLY healthy foods I would avoid the middle aisles of the grocery store because that is where all of the boxed, bottled and canned foods are. I would stay around the outer perimeter of the grocery area where the fruits and vegetables are. I have also noticed that a lot of organic nuts are sold near the vegetables and fruits.

-30, Carthage, TX



If there is a new section named like "Healthy Region" or "All Natural" where everything kept is natural, organic, and completely healthy trusted and certified then I am sure to go to that region of the store and pick everything I like without worrying to look at content every time!

-29, Martinez, GA

Healthy foods were often seen as more expensive, but the price difference usually seems justifiable

- Most said healthier items are more expensive, and many attributed the difference to more careful growing and manufacturing processes, along with shorter shelf life
 - A few saw this higher pricing as a way of cashing in on health concerns or as greedy gouging
 - A few said prices for healthy items are lower at healthy stores than conventional groceries
- Whole Foods predominated as a healthy retailer, followed by Trader Joe's and Sprouts
 - Some said that they don't see particular stores as healthier than others, as it's the specific products you have to look at, and their individual nutrition facts and ingredients
- Several named Cheerios and Kashi as healthy brands, but there was no real consensus
- Categories of products seen as healthy were more consistent, with cereals on top followed by protein/nutrition bars and yogurt & other dairy items



In general, I do believe that healthier foods are more expensive than foods that are less healthy. I think it is fair to charge more for foods that took longer to produce because it is well worth it. It takes longer to produce our organic and natural foods. I think our healthier foods require extra care as well and I think that is why we are charged more for healthier foods.
-30, Carthage, TX



It depends on the store I think. Stores that specialize in health foods are often cheaper for the same healthy options at a regular store. In a regular store I think they use organic and all natural as a way to make more money.
-41, Wedowee, AL



I feel that almost every grocery store have all types of products some are healthy and some are not. Its consumers who make choices to buy what they want. Still if asked then I would say I find Whole foods store a little healthier than the rest just because they really have very good fresh produce in their stores and we find more healthier options there than anywhere else.
-29, Martinez, GA



APPENDIX



Appendix A: Respondent Profile

Gender	
Female	33
Male	-

Children in Household	
Yes	33
No	-

Age	
25-29	11
30-34	6
35-39	5
40-44	9
45	2

Age of Children	
0-2	11
3-5	13
6-8	12
9-11	10
12-14	8
15-17	5

Appendix A: Respondent Profile, Cont.

Grocery Responsibility

I am fully responsible	30
I am mostly responsible	3
I share responsibility about half of the time	0
Someone else is mostly responsible	-
Someone else is fully responsible	-

Category Rejecter

Natural foods	-
Foods containing MSG	4
Foods containing high-fructose corn syrup	4
Diet or Lite foods	2
Gluten-free foods	1
Organic foods	1
No-preservatives foods	0
Local foods	0
N/A - I would consider purchasing any of these	26

Purchased groceries P6M

Grocery store / supermarket (Kroger, HEB, Whole Foods, Trader Joe's, Safeway, etc.)	33
Mass merchandiser (Target, Walmart, etc.)	33
Club store (Sam Club, Costco, BJ's)	25
Drug store (Walgreen's, CVS, etc.)	22
Convenience store (7-11, ampm, etc.)	15
Specialty/ gourmet food store	13
None of the above	-

Appendix B: Uploaded Images

Packaged Foods Respondents Considered Healthy



42, Hickory Hills, IL



29, Hamilton, OH



44, Silver Springs, FL



28, Wolf Creek, MT



25, Topeka, KS



27, Ewa Beach, HI

Appendix B: Uploaded Images, Cont.

Packaged Foods Respondents Considered Healthy



32, Beaverton, OR



28, Hacienda Heights, CA



44, Alsip, IL



42, Adkins, TX



38, Ellicott City, MD



37, Rockingham, NC

Appendix B: Uploaded Images, Cont.

Packaged Foods Respondents Considered Healthy



33, North Las Vegas, NV



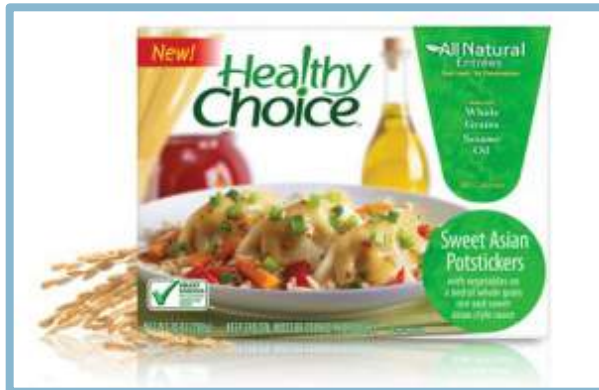
30, Carthage, TX



29, Fort Worth, TX



28, House Springs, MO



27, Cookeville, TN



33, Los Angeles, CA

Appendix B: Uploaded Images, Cont.

Packaged Foods Respondents Considered Healthy



32, Gainesville, GA



36, New Port Richey, FL



44, Charlotte Hall, MD



45, Saint Paul, MN



35, Erie, PA



40, Hawthorne, CA

Appendix B: Uploaded Images, Cont.

Packaged Foods Respondents Considered Healthy



45, Crawfordville, FL



41, Pueblo, CO



41, Wedowee, AL



27, East Laurinburg, NC



34, Sabula, IA



29, Cordova, TN

Appendix B: Uploaded Images, Cont.

Packaged Foods Respondents Considered Healthy



42, Palm Coast, FL



29, Martinez, GA



25, Pell City, AL

(Q3) Importance of healthy

How important or unimportant is it to you that the foods you eat are 'healthy'?

Very important	17
Somewhat important	14
Neither important nor unimportant	2
Somewhat unimportant	0
Very unimportant	0