

# Emerging Trends in Consumer Food TRANSPARENCY

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THE VOICE OF FOOD RETAIL

Feeding Families  Enriching Lives



**Exactly what and who is FMI?**

# THE TRADITIONAL CONSUMER FOOD EQUATION HAD 3 FACTORS

How much  
does this  
**COST?**

Is it  
**CONVENIENT?**

How does it  
**TASTE?**

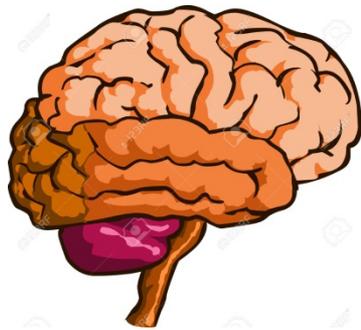


# THE EQUATION IS MORE COMPLEX



# TRANSPARENCY DEFINED

Transparency may be *rationally* defined as truthful information, but perhaps more importantly, it translates to an *emotional* feeling of confidence.<sup>1</sup>



A head and heart proposition



Elements of REASON

and

Relational CONNECTION

# TRANSPARENCY INVOKES AN IDEAL OF TRUTH IN A CULTURE OF COMMERCIAL SKEPTICISM.

While consumers may not always use the word itself, its associations reflect a growing expectation that businesses should be open and honest about their products and practices



# TRANSPARENCY IS THE CURRENCY OF TRUST IN THE DIGITAL AGE ...

**In a world of shopping options and fast moving information, consumers demand transparency as a shortcut to confidence in a complex food system**



# ...AGAINST A BACKDROP OF SKEPTICISM

***“Food companies aren’t interested in being transparent. They’re interested in giving the appearance of transparency.”***

***Kevin, 32***

# TRANSPARENCY - WHAT CONSUMERS ARE LOOKING FOR...

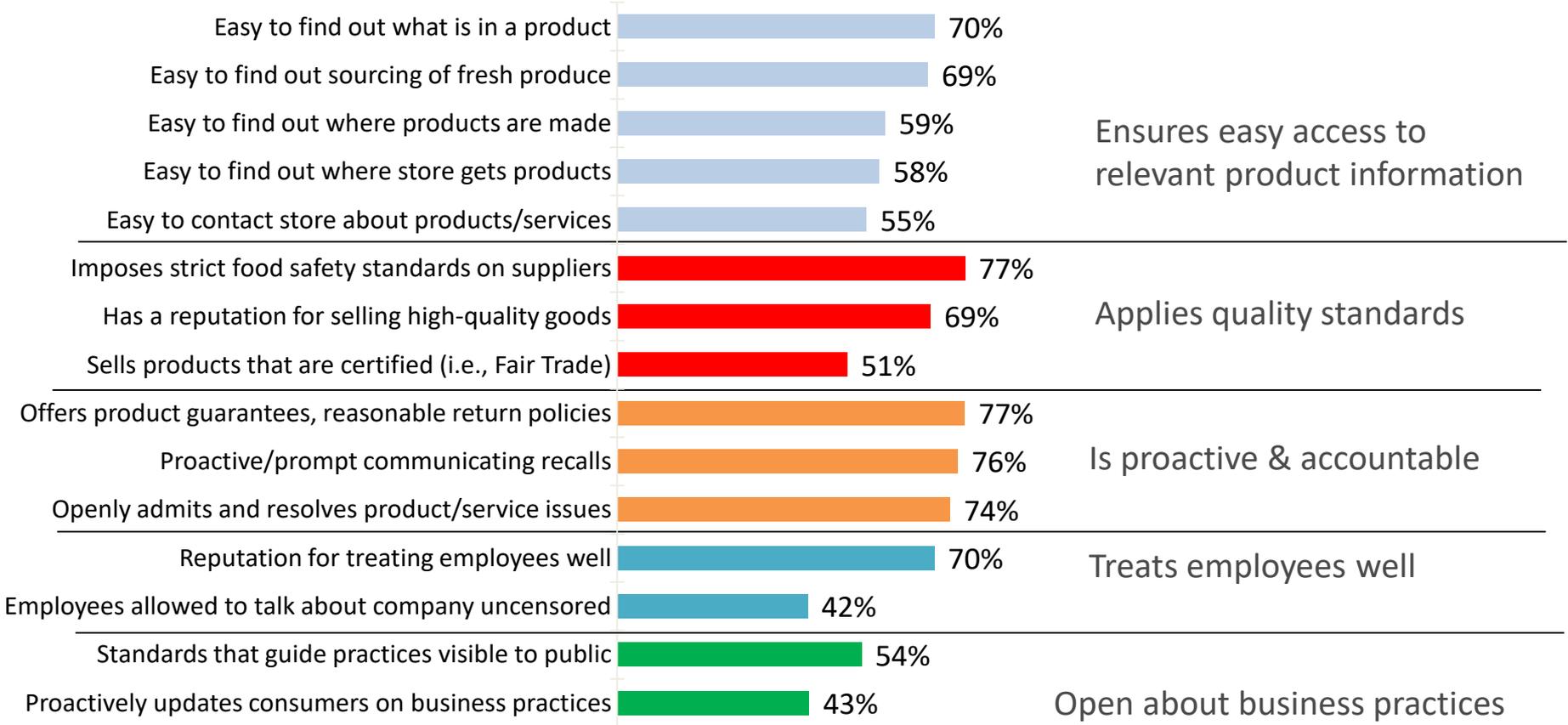
**39%** “look for store-brand products from stores I trust” when deciding which food or beverages to buy



# SHOPPER TRUST AND LOYALTY ARE ESTABLISHED WITH RETAILER EFFORTS TO INFORM, CONNECT AND REVEAL

Which of the following would make you more likely to shop at a particular food store?

## Dimensions of Transparency

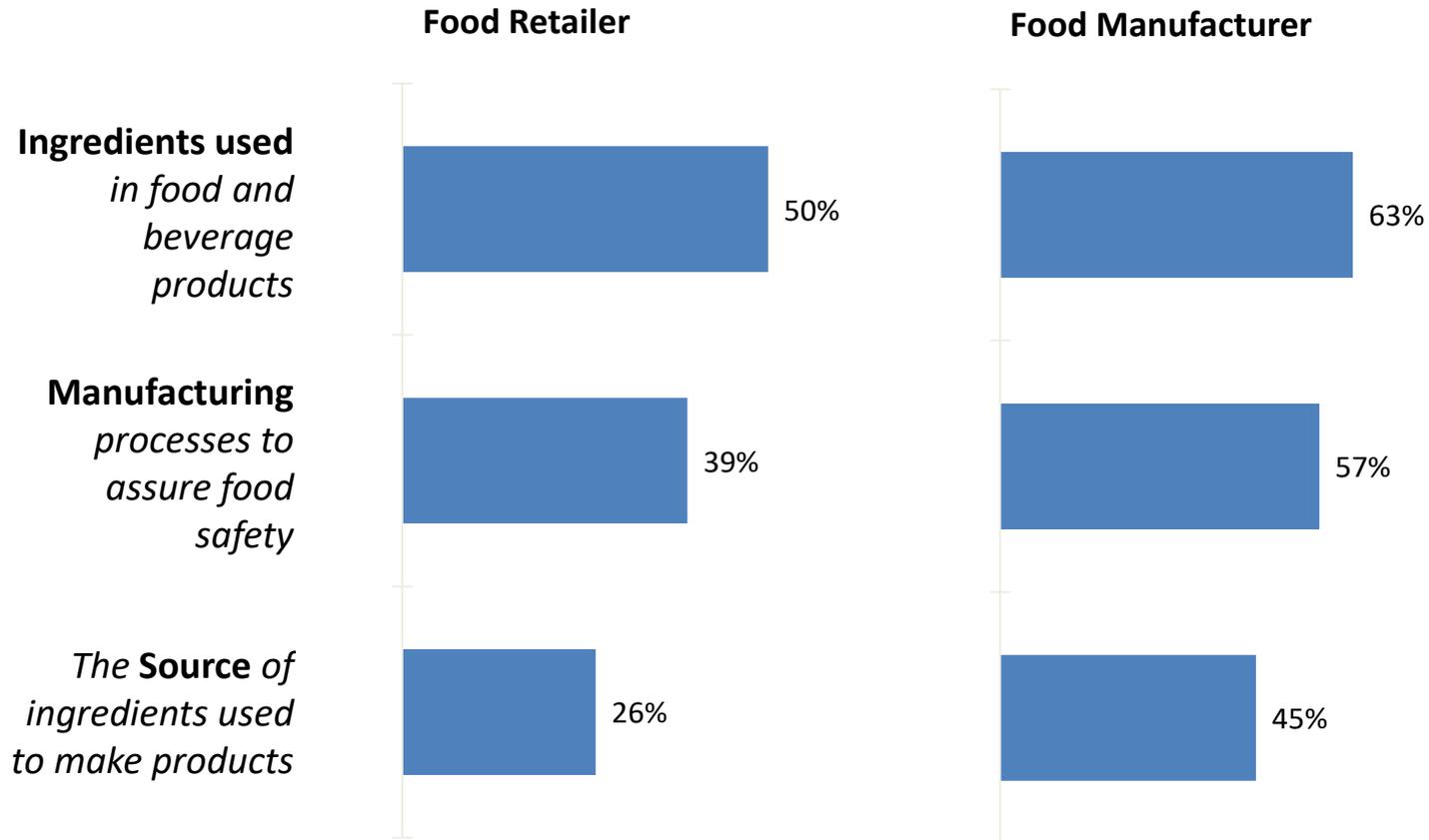


Source: FMI U.S. Grocery Shopper Trends, 2017. T5: "In your opinion, which of the following would make you more or less likely to shop at a particular food store? (More likely to shop)." Shoppers n=1,084.

# THE TRANSPARENCY TEST: DOES THIS HELP ME MAKE INTENTIONAL, INFORMED SHOPPING DECISIONS?

Information around what is **WITHIN** products, how safely they are made and from where ingredients are sourced is at the top of shoppers' priorities.

What Shoppers Want Openness and Honesty About From Their...



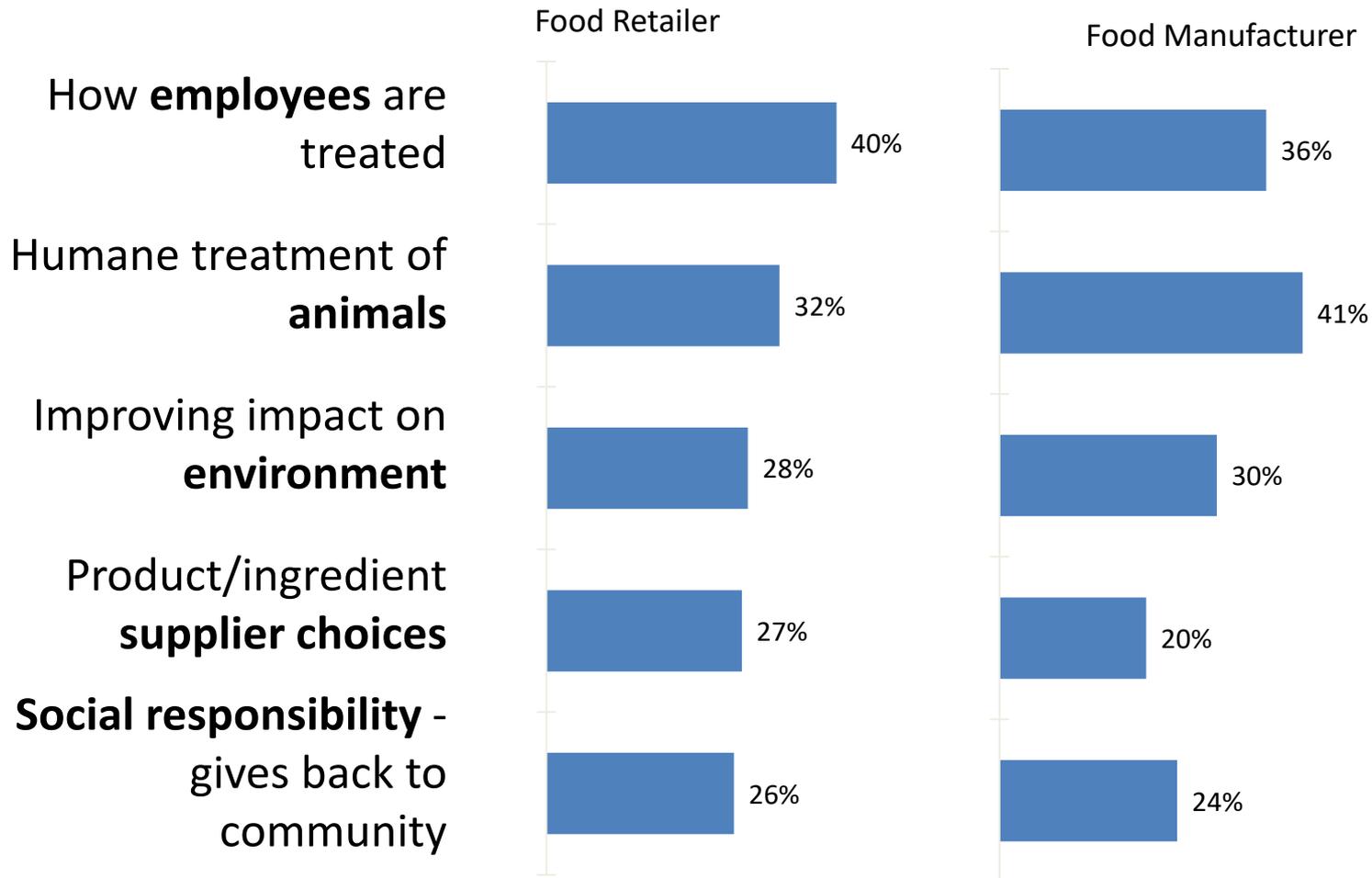
# BEYOND BUSINESS, BEING HUMAN AND EARNING TRUST

*“I would like to support a business that is a good corporate citizen. If there is a kind of story or humanizing aspect to a particular business, that helps earn some trust and lets me know that, ‘hey, we’re not just a food company.’”*

—Alex, 36

# THE CREDIBILITY HALO OF A COMMITMENT TO EMPLOYEES, ANIMALS AND THE ENVIRONMENT

For these elements that extend **BEYOND** what is tangibly inside of food products, retailers are held as accountable as manufacturers.



## A VOICE FROM THE ETHICS AISLE

*“I want to feel good about what I eat. It always feels nice if a store or company does good. There’s no downside to buying cruelty free.”*

Kevin, 32

# HEALTH & WELLNESS AS A POWERFUL TRANSPARENCY TOOL FOR CONNECTING



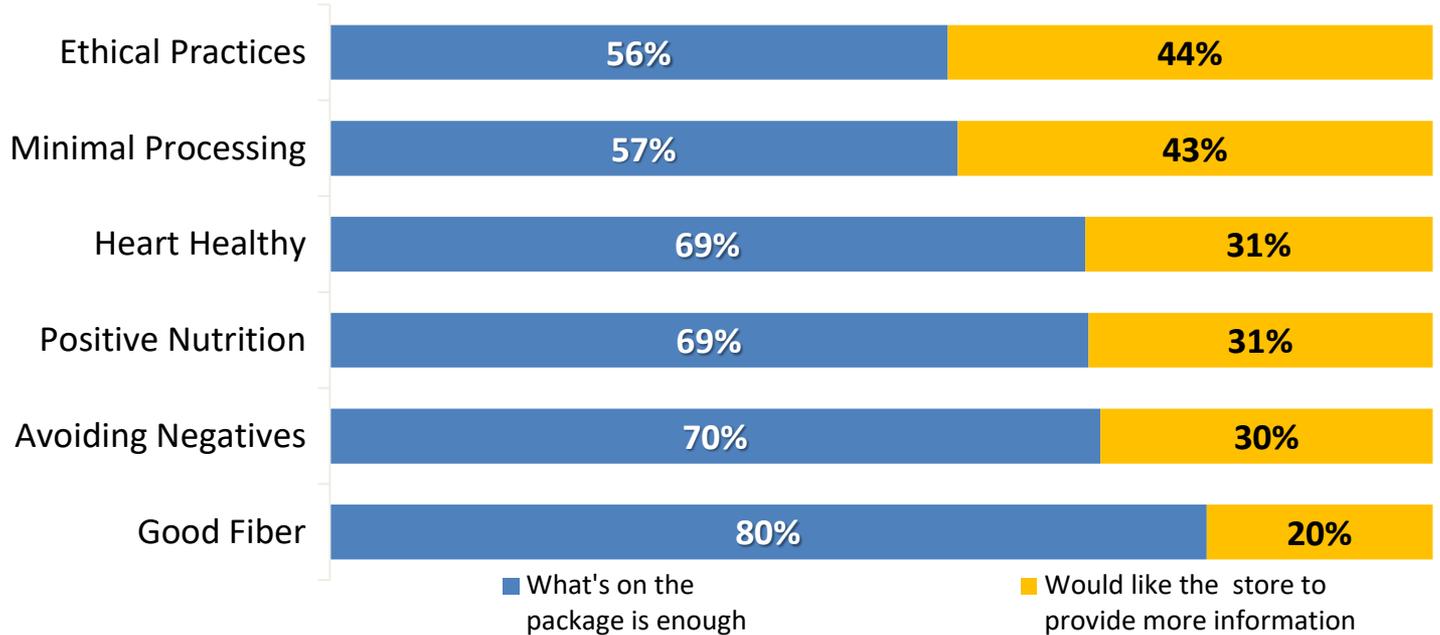
***“We’re in a transition. We’re trying to change our habits, and we’re taking the time to learn. You learn a lot just by being in stores, looking at and reading ingredients, and having to make decisions about what to buy.”***

—Forrest, 48 & Tanya, 45

# RETAILERS HAVE OPPORTUNITIES TO GUIDE AND INFORM SHOPPERS AS THEY TURN TO FRESH CATEGORIES

On-pack labels are relatively sufficient for facts about what is **WITHIN** the product; shoppers want stores to provide more information about what lies **BEYOND**. Manufacturers are on the hook for product transparency, but retailers have opportunity to fill in the gaps in shopper knowledge regarding sourcing, certifications and production purity.

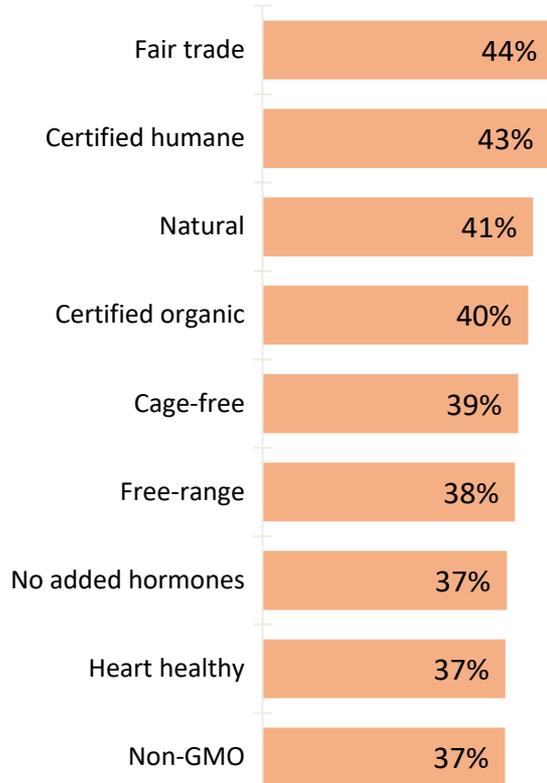
**Product claims where shoppers would like more information**



Source: FMI U.S. Grocery Shopper Trends, 2017. A12a: "Which of these would you like a store to provide more information beyond what is printed on the packaging? (Select all that apply)." Shoppers n=varies (237-686). Note: individual product claims rolled up into overarching groupings for analysis.

# SHOPPERS NEED ADDITIONAL INFORMATION ABOUT PRODUCT ATTRIBUTES BEYOND THE LABEL

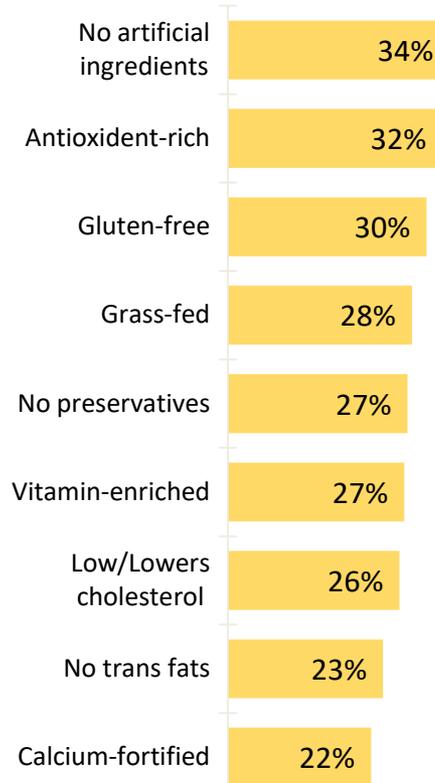
When Is the Label Not Enough?



Shoppers need more info

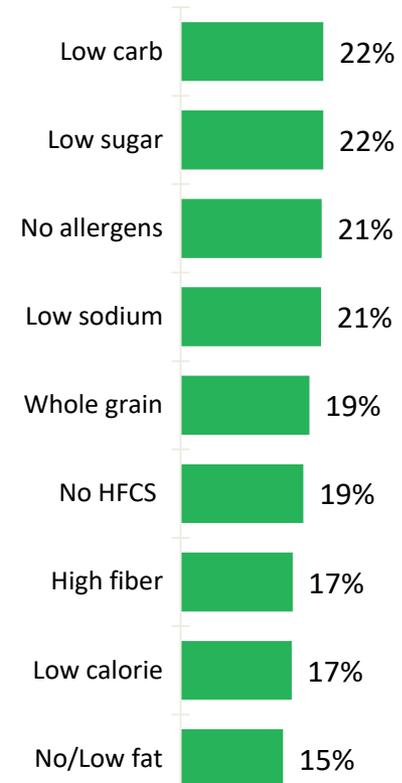
Uncertainty whether these issues **BEYOND** the product affect what is **WITHIN**

More info sought, as % of shoppers seeking claim



Some shoppers need guidance

Label claims are questioned, perhaps because contentious or have different meanings to different shoppers



Label is often good enough

**WITHIN** product presence is clearly defined

# A VOICE FROM THE MEAT DEPARTMENT



*“For meat and chicken and produce, it’d be awesome to have more information. Like, just saying more than ‘100% grass-fed.’ What does that mean compared to something that isn’t?”*

Jenny, 32

# FOOD RETAILERS SCORE HIGHER ON EXPOSING WHAT'S WITHIN PRODUCTS THAN ENGAGING BEYOND PRODUCTS

## How Shopper Rate the Stores They Shop on Transparency Practices



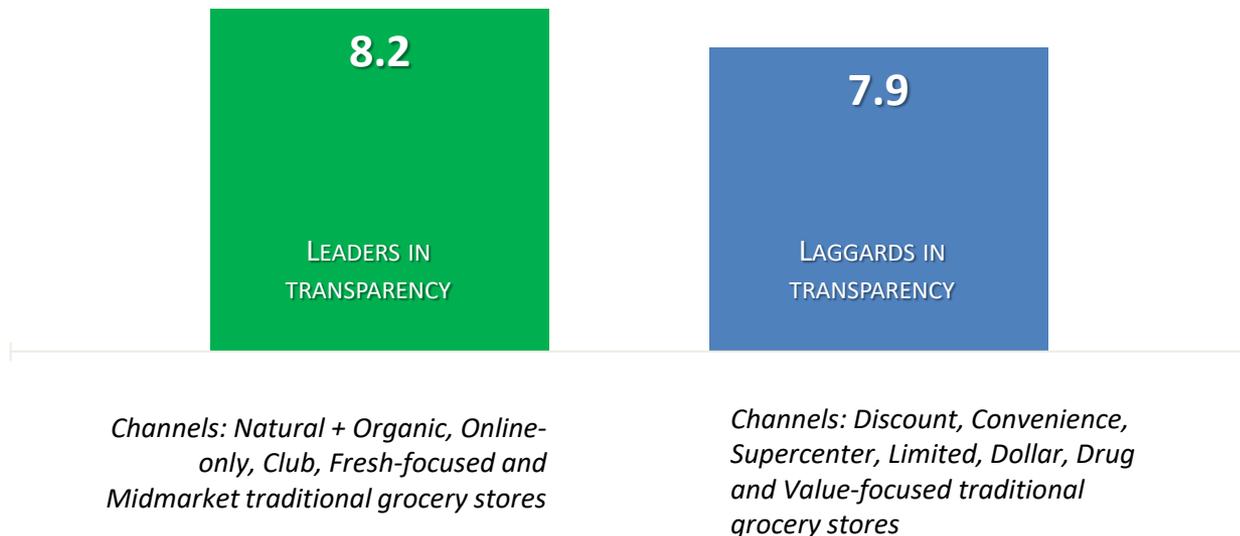
Retailers in general have an opportunity to **elevate transparency** around business practices, community support, and engaging with food makers and their stories.

# TRANSPARENCY HELPS TRANSFORM A RETAILER FROM “JUST A STORE” INTO AN ALLY

**Open and honest communication humanizes a company, turning a transactional exchange into a brand relationship**

Shoppers are becoming more discerning and are quick to distinguish between stores that are “just places to buy things” and those they see as partners in their and their families’ goals and aspirations

## Overall Store Ratings



# THE MUTUAL BENEFITS OF TRANSPARENCY

## TRANSPARENCY PRACTICES

Easy access to relevant information

Clear quality standards

Proactivity & accountability

Fair treatment of employees

Open about business practices

## SHOPPER BENEFITS

Make good choices for family's health & wellness

Experience emotional connection with food

Exercise values

Enjoy reciprocal relationships with makers and sellers

## FOOD RETAILER BENEFITS

Manage supply chain

Reduce inefficiencies and risks

Exercise leadership

Build credibility with generations of shoppers

Build shopper trust and loyalty

# VOICING THE EXPECTED GROWTH OF THE DEMAND FOR INFORMATION

*“I think all stores are going to have to be more responsive. People are demanding to know things like where their food is coming from and how animals are raised. And when customers are demanding it, then retailers are demanding it from their suppliers.”*

**Janine, 53**

Thank you

# Questions?

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