WHEN TRUST MATTERS

Viewpoint Survey

What matters to consumers when buying products

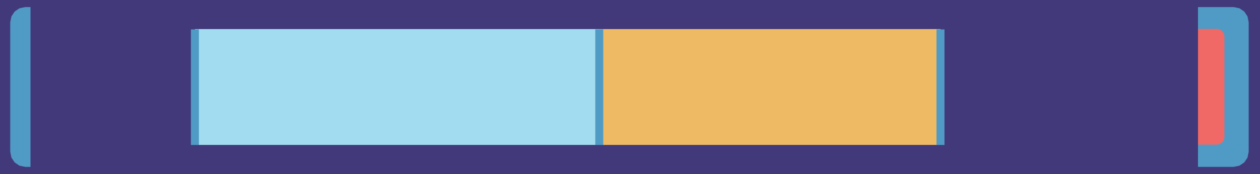
Demographics & sample profile

4,500

Respondents

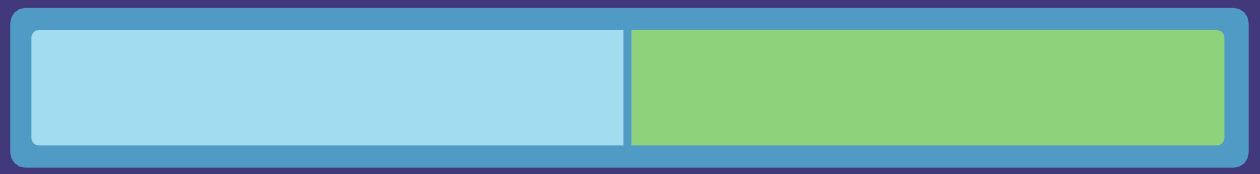
Age groups

18-24	25-39	40-54	Over 55



14%	34%	28%	24%

Male | Female



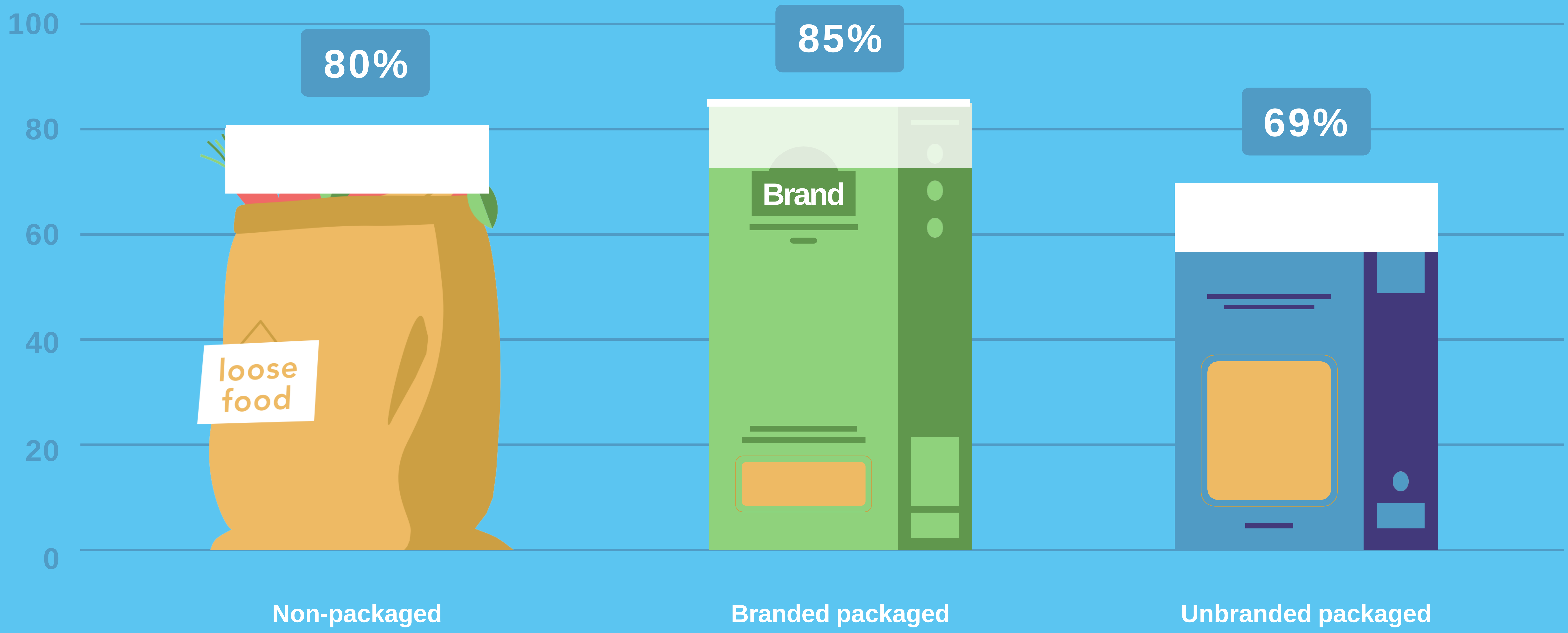
50% | 50%

Geographical distribution

10%	10%	43%	37%
North America	South America	Europe	Asia

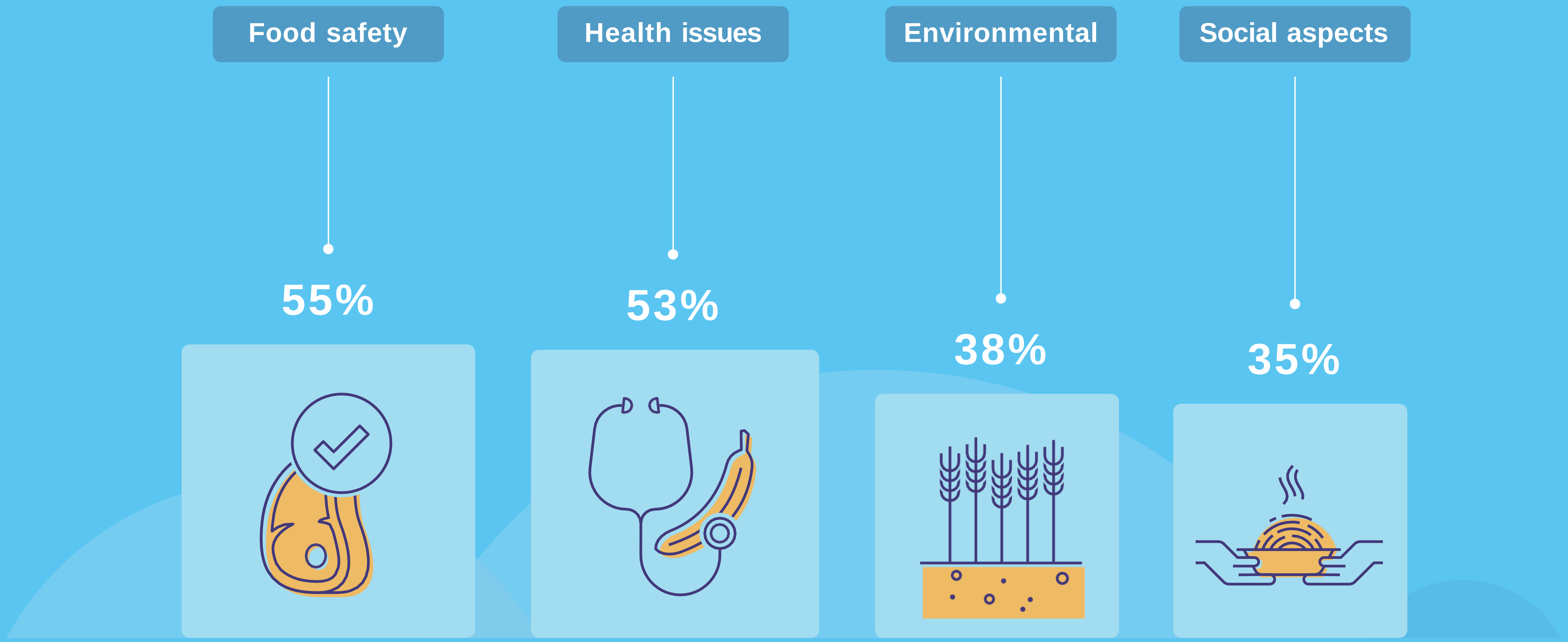
Consumers trust brands to provide safe food

There is a higher trust in branded packaged products than those that are unbranded.



Direct individual impact concerns people most

Consumers would primarily welcome more information on food safety and health-related issues.



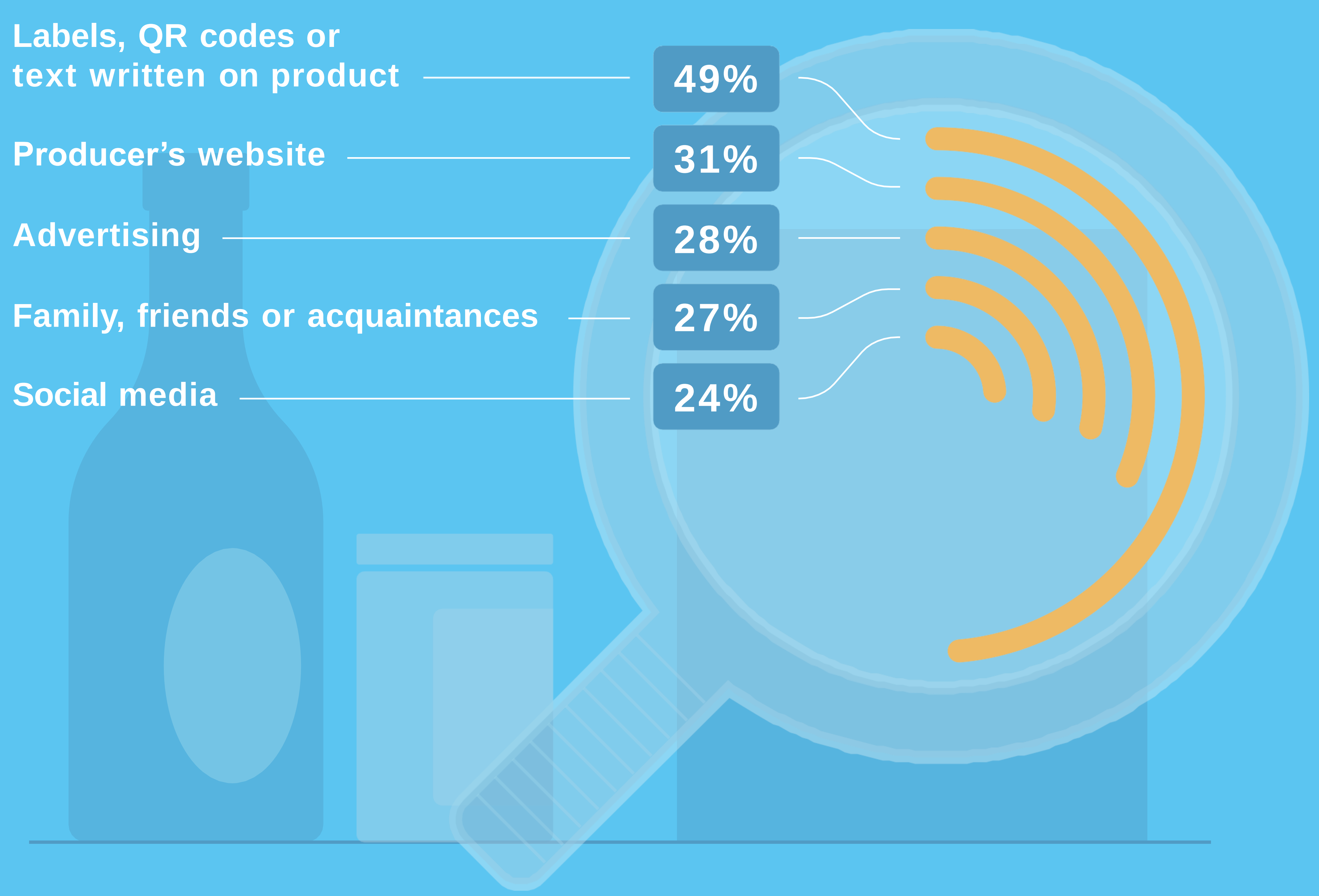
Consumer concerns when it comes to food products

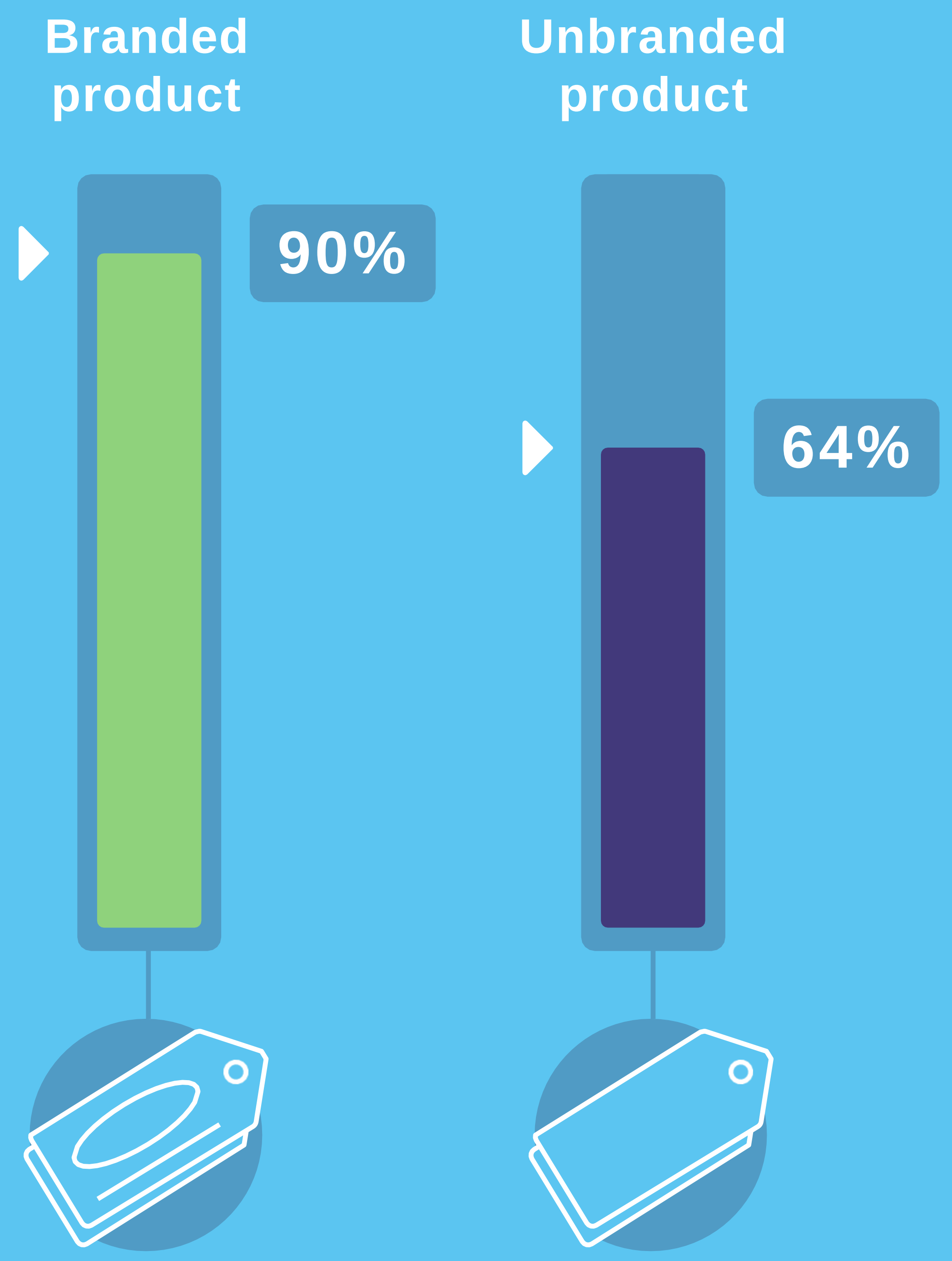
The main issues on which consumers would welcome more information and transparency.

Health issues	Product content clearly indicated	65%
Health issues	Food safety secured from farm to fork	63%
Health issues	Proper hygiene to prevent contamination	59%
Environmental	Sustainable packaging/ reducing plastic	68%
Environmental	Organic ingredients/ reduce pesticides	58%
Environmental	Reducing greenhouse gas emissions	51%
Social aspects	Reducing food waste	61%
Social aspects	Healthy working conditions	56%
Social aspects	Human rights	56%
Other sustainability issues	Origin of the product/ingredients	64%
Other sustainability issues	Respect for animal welfare	53%
Other sustainability issues	Total carbon footprint specified	44%

The product is the primary source of information

Consumers look to the product more than any other channel and trust information on branded products the most.





QR codes have significant potential to engage consumers

46%

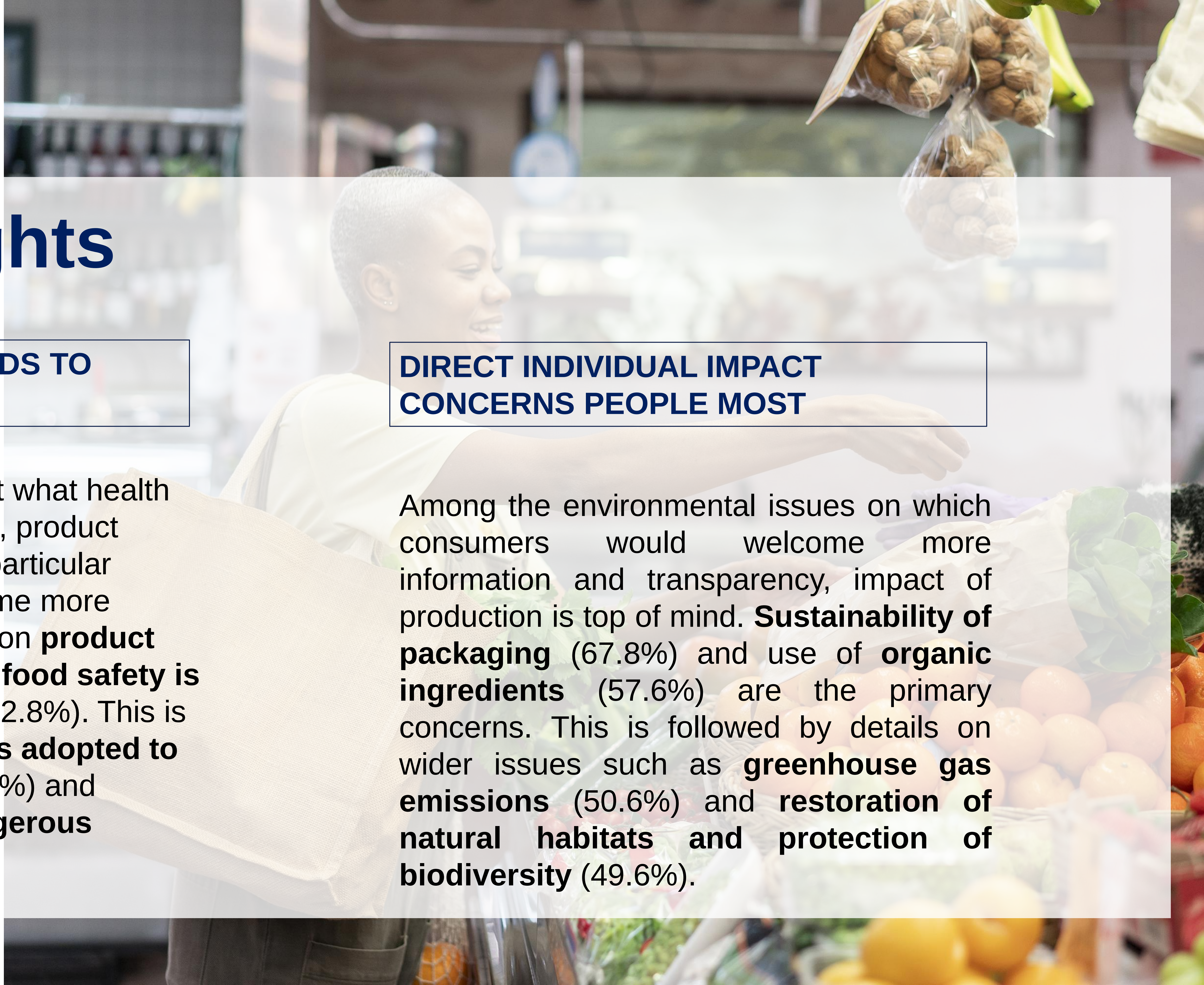
Have noted or scanned a QR code on a product at least once

19%

Use QR codes regularly

65%

Would become regular users if QR codes gave access to detailed information on the product's origin and authenticity



Key Insights

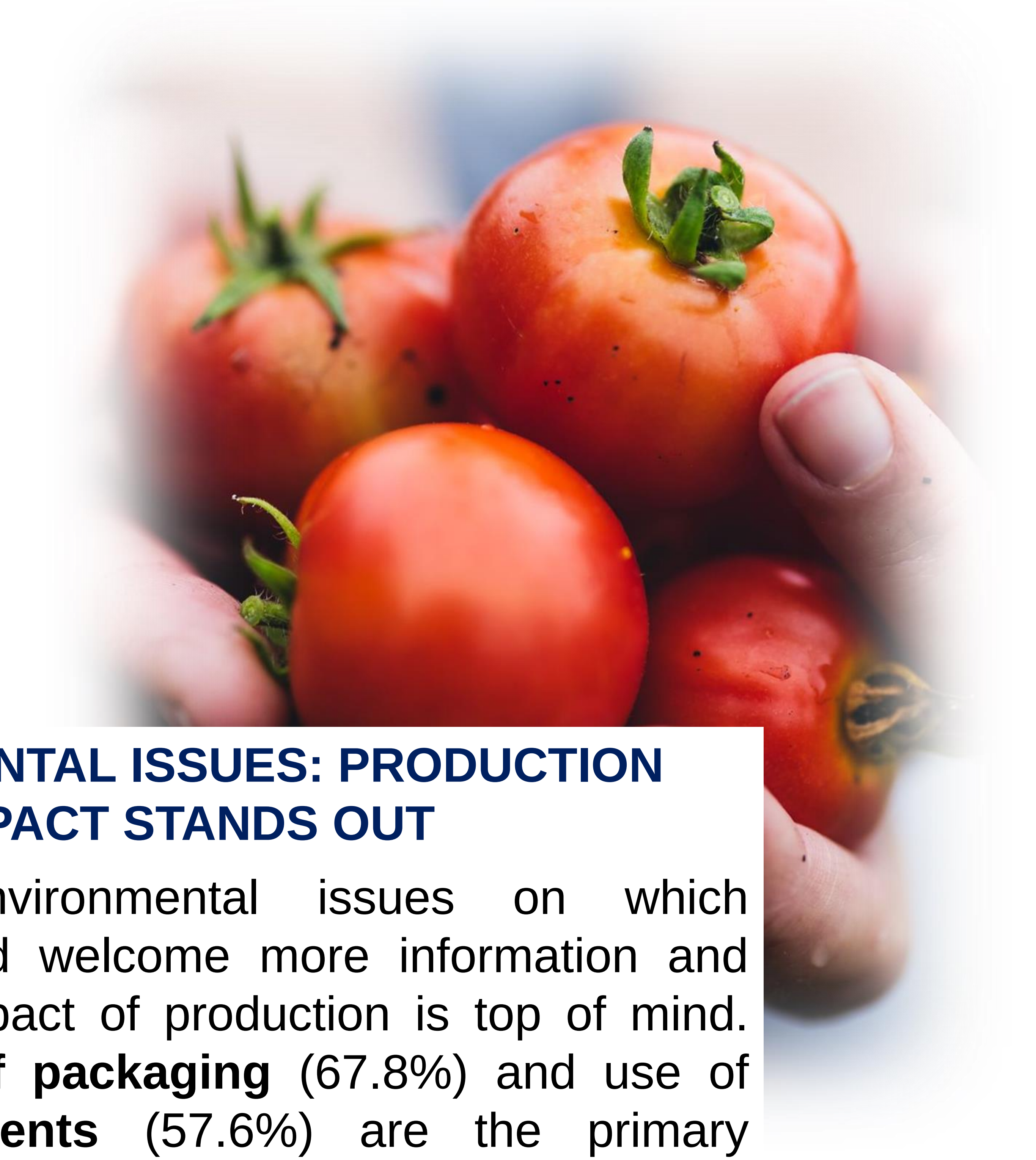
CONSUMERS TRUST BRANDS TO PROVIDE SAFE FOOD

When asked specifically about what health issues concern them the most, product content and safety seem of particular concern. People would welcome more information and transparency on **product content** (65.2%) and **on how food safety is secured from farm to fork** (62.8%). This is followed by **hygiene practices adopted to prevent contamination** (58.8%) and **allergens or potentially dangerous ingredients** (57.6%).

DIRECT INDIVIDUAL IMPACT CONCERNS PEOPLE MOST

Among the environmental issues on which consumers would welcome more information and transparency, impact of production is top of mind. **Sustainability of packaging** (67.8%) and use of **organic ingredients** (57.6%) are the primary concerns. This is followed by details on wider issues such as **greenhouse gas emissions** (50.6%) and **restoration of natural habitats and protection of biodiversity** (49.6%).

↓ Key Insights



HEALTH ISSUES: PRODUCT CONTENT AND SAFETY ARE TOP OF MIND

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ENVIRONMENTAL ISSUES: PRODUCTION IMPACT STANDS OUT

Among the environmental issues on which consumers would welcome more information and transparency, impact of production is top of mind. **Sustainability of packaging** (67.8%) and use of **organic ingredients** (57.6%) are the primary concerns. This is followed by details on wider issues such as **greenhouse gas emissions** (50.6%) and **restoration of natural habitats and protection of biodiversity** (49.6%).

Key Insights

SOCIAL ISSUES: FOOD WASTE RATED HIGHER THAN WORKERS’ RIGHTS

When asked to rate specific social issues, consumers indicate that first they would welcome more information and transparency on efforts to **reduce food waste** (61.3%). This is followed by topics concerning the rights of workers in the value chain, i.e. **working conditions in fields and factories** (56.3%) and **human rights** (55.5%). Then comes **worker empowerment and local community development** (38.3%)

OTHER SUSTAINABILITY ISSUES: INFORMATION WANTED ON HOW PRODUCTS ARE PRODUCED

Among other sustainability issues, consumers would like to know more about the production process. **The origin of the product and ingredients** (63.7%) is their first concern. This is followed by **respect for animal welfare** (52.5%), the **total carbon footprint specified** (43.9) and **vegan or animal-based ingredients clearly specified** (39.3%).

Key Insights

OVERALL, TRANSPARENCY ON PRODUCT INGREDIENTS AND SAFETY MATTERS THE MOST

When asked to rate all topics across the categories of health, environment, social and other sustainability issues, consumers' primary concerns seem to circle around what the product is made of and how its safety is ensured. They want more information and transparency on topics directly affecting them as individuals. **A clear indication of the content**, **the origin of ingredients**, **hygiene practices to prevent contamination** and **how food safety is secured from farm to fork** are listed top 5**.** The only other topic making the list, in 4th place has figured quite constantly in the media worldwide: the **sustainability of packaging**.

THE PRODUCT IS THE PRIMARY SOURCE OF INFORMATION

When looking for product information on quality, safety, environmental, social and health issues, consumers turn to the product**. A total of 48.8% look mainly at labels**, QR codes or texts written on the product. Other preferred sources range from being more corporate to relationship based. About 31.4% visit the producer's website, while 28.4% refer to advertising. A total of 27.3% turn to families and friends or social media (24.1%). Moreover, consumers trust more information provided by specific brands. **While 89.5% trust specific brands to a large extent** only 63.7% say the same for information provided through **unbranded food products.**

Key Insights

COMMUNICATION KEY TO CAPTURE VALUE FROM INDEPENDENT VERIFICATION AND CERTIFICATION

A total of 67.5% would pay more if a product's information on quality, safety, environmental, social and health issues was verified by an independent third party. It increases slightly to 69% if the food product or its manufacturer was certified to a recognized quality or food safety standard. Millennials (ages 25-39) are more inclined to pay for such assurance, however, 1 in 2 consumers indicate that they do not know how to check whether a product or company has been certified or not. There seems to be a huge upside if companies could communicate their certification directly to consumers.

QR CODES HAVE SIGNIFICANT POTENTIAL TO ENGAGE CONSUMERS

Most consumers know of QR codes but rarely see hem on products. However, while 45.7% have noted or scanned a product's QR code, only 18.5% regularly use them. There seems to be a tendency of higher, regular use when trust in food safety is lower, and checking seen as an individual responsibility. **In China, 39% scan a QR codes regularly.**

The numbers increase drastically if QR codes gave access to detailed information on the product's origin and authenticity. Then **65%** would become regular users, indicating that QR codes hold an untapped potential for companies to share what's behind their products.

Key Insights

CHINA AND ITALY: TRUST BRANDED PRODUCTS TO BE SAFE, BUT CONFIDENCE LOWER OVERALL

While the trust in brands to provide safe food is very high (95.2% vs. 85% average), **Chinese respondents score non-packaged and unbranded food products much lower**. Only 68.4% (vs. 80.3% average) trust non-packaged food products) and the number who trust unbranded food products is as low as 44.1% (vs. 68.6% average). Overall, the European respondents tend to trust that the products they buy are safe. **Italians,** however, share similarities with Chinese consumers in that they have less confidence in unbranded packaged food (60.8%) but higher trust in branded food products (92.4%).

EUROPEANS TRUST COMPANIES TO ENSURE FOOD SAFETY

European respondents tend to trust food manufacturers and providers more than consumers in other geographies and are thus less active in seeking more product information. Only 49.5% (vs. 55.1% average) would welcome more information about food safety and 48.2% (vs 53.4% average) on health issues. In Asia, the picture is reverse and 60.7% **would welcome more information about food safety** and 58.5% on **health issues**. For example, China with 75.5% and Malaysia with 66.9% for food safety issues and China with 68.1% and Malaysia with 62.8% for health issues **are well above average** indicating that they take a greater individual responsibility to assure food safety and health information. Japan is the exemption, lowering the average (33.7%).

Key Insights

HEALTH ISSUES: ASIANS WANT CLEAR INDICATIONS OF PRODUCT

Being informed on product content is top of mind across all geographies. However, Asians indicate **a higher degree of concern**. A total of 71.2% (vs. 65.2% average) indicate that more information on product content would be welcome. In Indonesia this number rises to 77.4% and China 74.7% would like more information. Japan (62.4%) and Singapore (67.4%) are an exemption, lowering the average. This supports the indication that consumers in parts of Asia assume a more **individual responsibility** for checking food products before buying.

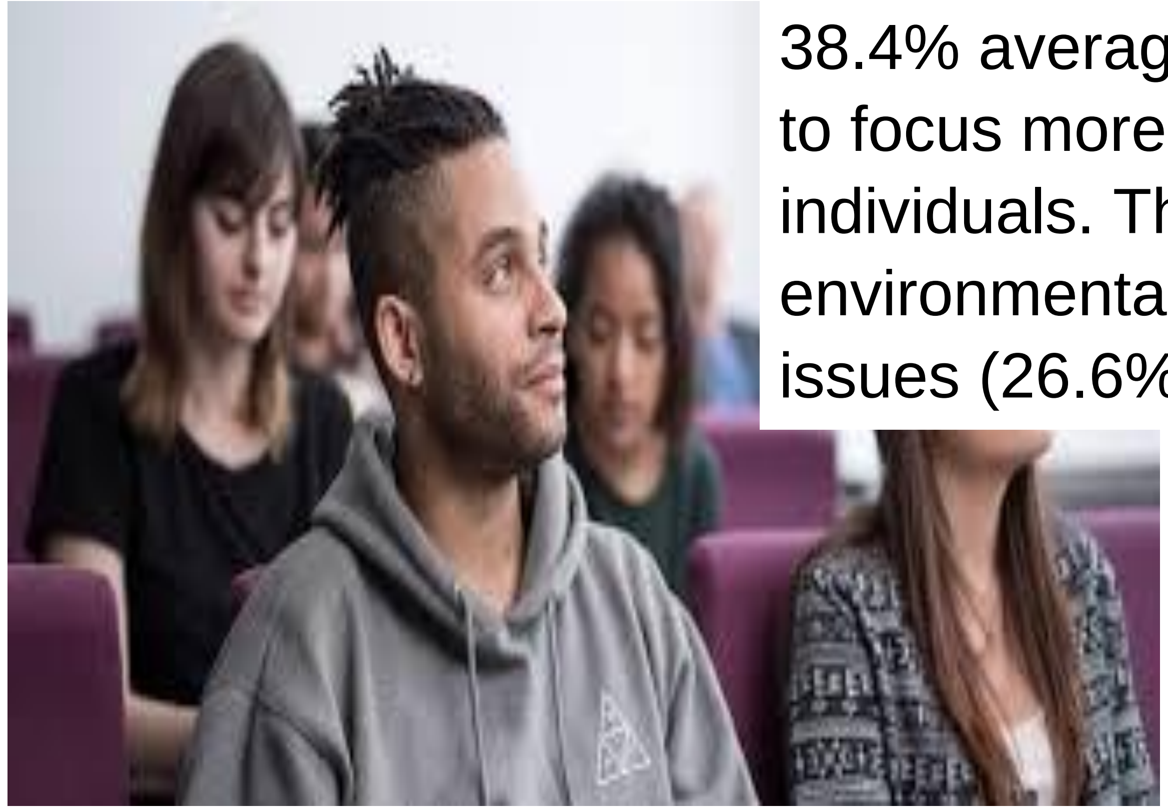
ENVIRONMENTAL ISSUES: EYES ON GREENHOUSE GAS EMISSIONS AND WATER CONSUMPTION

Sustainability of packaging and organic ingredients top the overall list of **concerns**, but when it comes to wider issues, a few geographies stand out. Vietnam scores well above average on concern over greenhouse gas emissions (66.4% vs. 50.6% average) and is followed by Italy (59.4%), Brazil (57.1%) and Spain (56.2%). **Reduced water consumption** is a concern in European countries such as Germany (53.1%), Italy (49%) and Spain (51.5%). Brazil also register high scores with (47.4%)

Key Insights

YOUNGER GENERATIONS TAKE A BROADER PERSPECTIVE

Food safety and health concerns in both **Generation Z** (ages 18-24) and **Generation Y** (ages 25-39) would welcome more **transparency** on environmental issues 43% and 42.8% respectively (vs. 38.4% average). **Boomers** (age 55+) seem to focus more on issues impacting them as individuals. They indicate less concern over environmental issues 31.1% and social issues (26.6% vs average).



CONCERNS OVER SOCIAL ISSUES HIGHER IN SOUTHEAST ASIA AND SOUTHERN EUROPE

Southeast Asia and countries in South Europe pay **higher attention** to social issues. Countries were living wages or working hours can be an issue indicate scores higher on **healthy working conditions,** such as Malaysia (70.6% vs. 56.3% average), Vietnam (67.7%) and Indonesia (68.4%).

In Europe, concerns over **human rights** are on the rise due to recent scandals on employment of irregular labor force in the agriculture sector. For example, in Italy human rights is a concern for 61.9% (vs. 55.5% average) and in Spain 61.8% say this is an issue.

Key Insights

MILLENIALS WOULD PAY MORE FOR VERIFIED OR CERTIFIED PRODUCTS

Of those who would like more information on **animal welfare**, European countries like Italy (60.7%), United Kingdom (58.8% vs. 52.5% average) and **Germany** (58.4%) top the list. Elsewhere, the primary focus is on **product origin and ingredients**. This is particularly prominent in Italy and in parts of Asia where product origin and ingredients are the main concerns. Among Italian consumers, 73.5% (vs 63.7% average) would welcome more information on such topics. In China 67.8% indicate the same and in Southeast Asia Vietnam tops the list with 78%, Indonesia (72%) and Malaysia (72.7%) following closely. Japan (58.1%) and Singapore (64.8%) **lowers the average.**

The **younger generations** Z & Y are more willing to pay extra if a product's quality, safety, environmental, social and health information was verified by a third party or if the product itself (or the manufacturer) were certified to a recognized quality or food safety standard**.** **Generation Z** (age 18-24) score 78.7% and **Generation Y** (age 25-39) 75.4% vs. 67.5% average. The generation of **boomers** (age 55+) see this differently and only 56.1% (vs. 67.5% average) are willing to pay more for verified information and as few as 58.3% (vs. 69% average) would pay more for a certified product.

OTHER SUSTAINABILITY ISSUES: ANIMAL WELFARE IS A EUROPEAN CONCERN. PRODUCT INFORMATION TOPS THE LIST

Key Insights

ASIANS AND ITALIANS KNOW HOW TO CHECK FOR THIRD-PARTY ASSURANCE

In **Italy,** more than 80% (vs. 67.5% average) would **pay extra** for products when information regarding quality, safety, environmental, social and health issues is verified by a third party or the product itself or manufacturer) is certified to a recognized quality or food safety standard. In **Asia**, 77.9% indicate the same and in China alone the number totals 81.7%. Japan lowers the average with 62.9%. Countries where food safety is **of higher concern** tend to be more willing to pay extra for verified product information or product certification. In Italy 83% (vs 69% average) would pay more for certification assurance and in China 79.9% do the same. This is in **sharp contrast** to Europe, where most consumers do not feel this need (60.1%).

ASIA and EUROPE: COMMUNICATION THROUGH PRODUCT CAN BRIDGE TRUST GAP

In Asia, 59.7% (vs 45.7% average) already know of and have tried to **use QR codes**. The most regular users are found in **China** (34.2% vs. 18.5% average) and in **Vietnam** (44.1%). This is in **contrast** to European consumers, where 33.3% know of and have scanned a QR-code. Only 10.8% are regular users. The number **rises drastically** across geographies at the prospect of QR-codes providing access to information on **product authenticity and origin**. In Asia 78.2% (vs. 65% average) say they would then use QR-codes, with Vietnam (93.6%), Indonesia (91.2%) and China (86.8%) topping the list. Japan lowers the average with 42.2%. Numbers increase significantly in Europe (52.5%), as well. Spain stands out with 71.3%.

Example : Transparent Supply Chain

Consumers Interests
- Social
- Health
- Origin

Supply Chain: Farmer → Trading → Processing → Final Product Processing → Retail

Real Time Assurance & Verification

Sustainability KPI Measurement

illustrative

Digitalized Information

- Farmer: Recording of field activities, sustainable farming practice, child labor free and fair trade
- Trading: Recording of the chain of custody
- Processing: Recording of quality, environmental footprint of the process
- Final Product Processing: Nutrition product information, Vegan/GF/Kosher/Halal
- Retail: My Story™ (MY STORY™ VERIFIED BY DNV·GL)

DNV

Further Information from DNV

INFOGRAPHIC

INTERACTIVE HIGHLIGHTS

VIDEO

DNV·GL

SECTORS SERVICES INSIGHTS ABOUT US

Sign in

Business Assurance - Viewpoint

What matters to consumers when buying food & beverage products?

Home | Summary | Interactive highlights | Detailed insights | Methodology | Download

Overall story

PDF with details

Infographic

General insights

Geo/socio-demo insights

ARTICLES

FS Failures Stats

Product Origin

QR Codes

https://www.dnv.com/assurance/viewpoint/viewpoint-surveys/2020Q2/interactive-highlights.html

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Thank You

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