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insightsNOW

Clean Label Research Community Behavior Report:

Trends & Social Media Effects on Clean Label Concerns

Report Powered By:

CLEAN LABEL ENTHUSIASTS®
An InsightsNow Community

Welcome to the Clean Label Enthusiasts® Behavioral Report

The free-from food movement is a multi-billion dollar shift in consumer behavior impacting companies within the consumer packaged goods industry. To know how to effectively respond to this movement, InsightsNow has launched a long-term research initiative applying behavioral science to generate insights for faster, more informed clean label decisions. Please read on to find the results of our fourth report for 2018.

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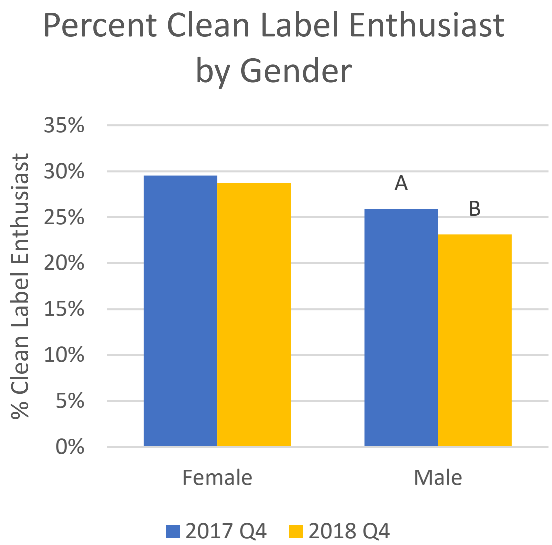
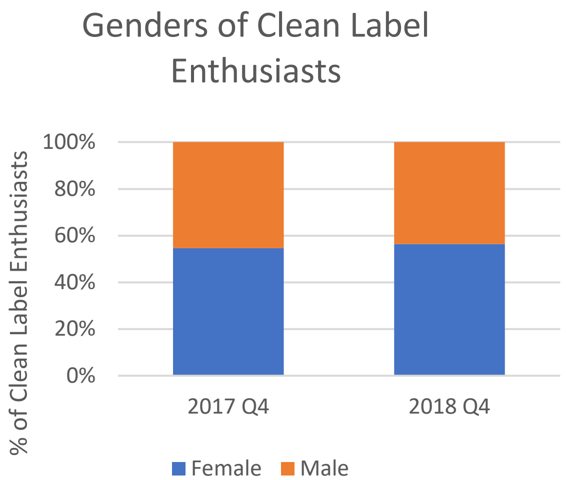
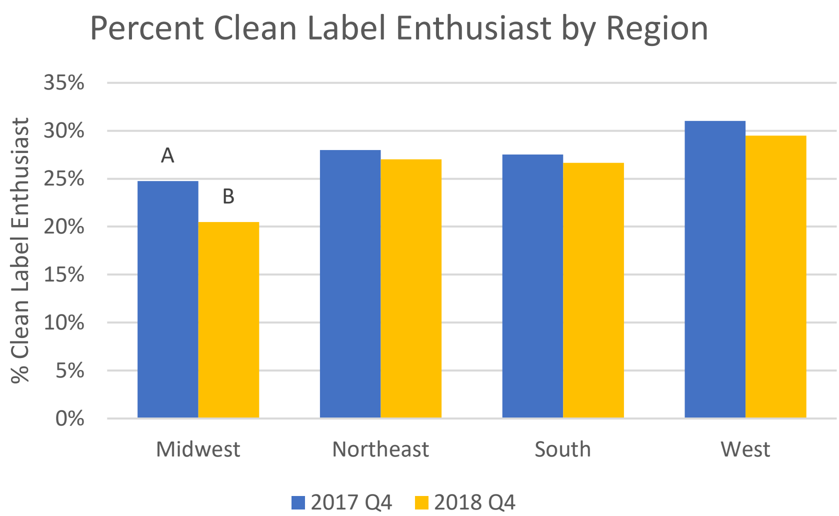
Clean Label Enthusiasts® Trends

Basic Demographics

Clean Label Enthusiasts did not change as a % of primary shoppers from Q4 2017 to Q4 2018 (p-value = 0.059), averaging 27% of US primary shoppers (27.8% and 26.0% for the two quarters respectively). The margin of error is 1.85%. Some significant shifting in demographics was observed in the last year with a drop in primary shopping males (26% to 23%) and those living in the Midwest (25% to 20%).

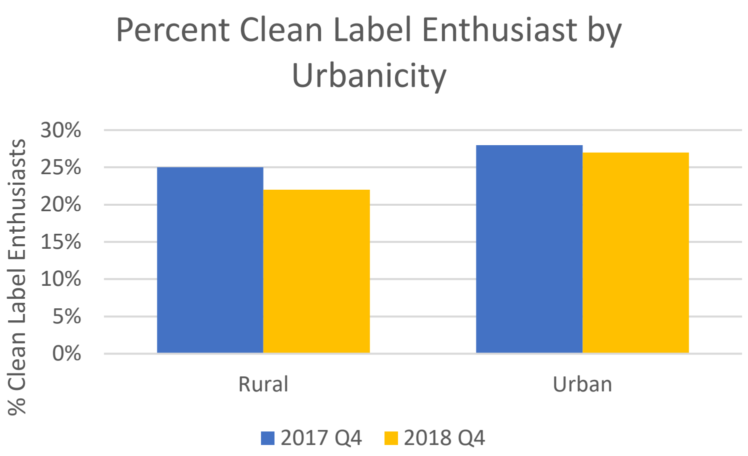


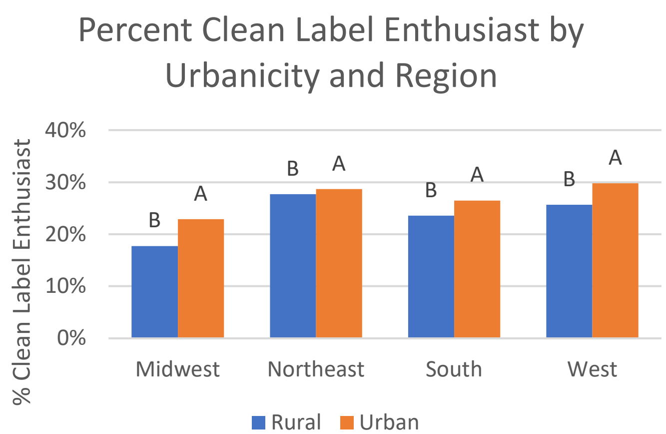




Urbanicity

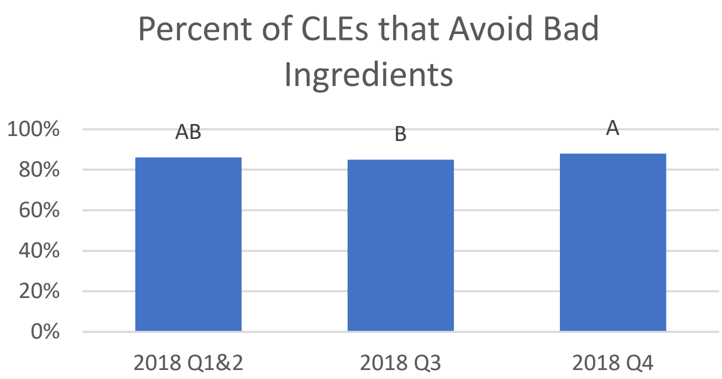
We added a new demographic to track in our CLE research—urbanicity. After weighting for the U.S. general population, 82.4% of all participants in our samples were found to live in urban areas. Whereas, CLE amongst urban shoppers was unchanged, a 4% decline was observed among rural primary shoppers.

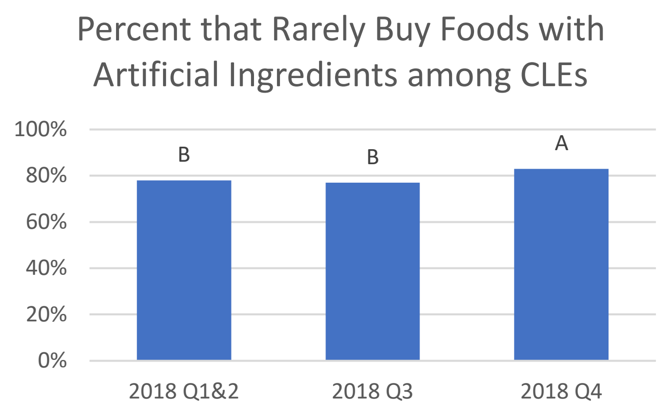


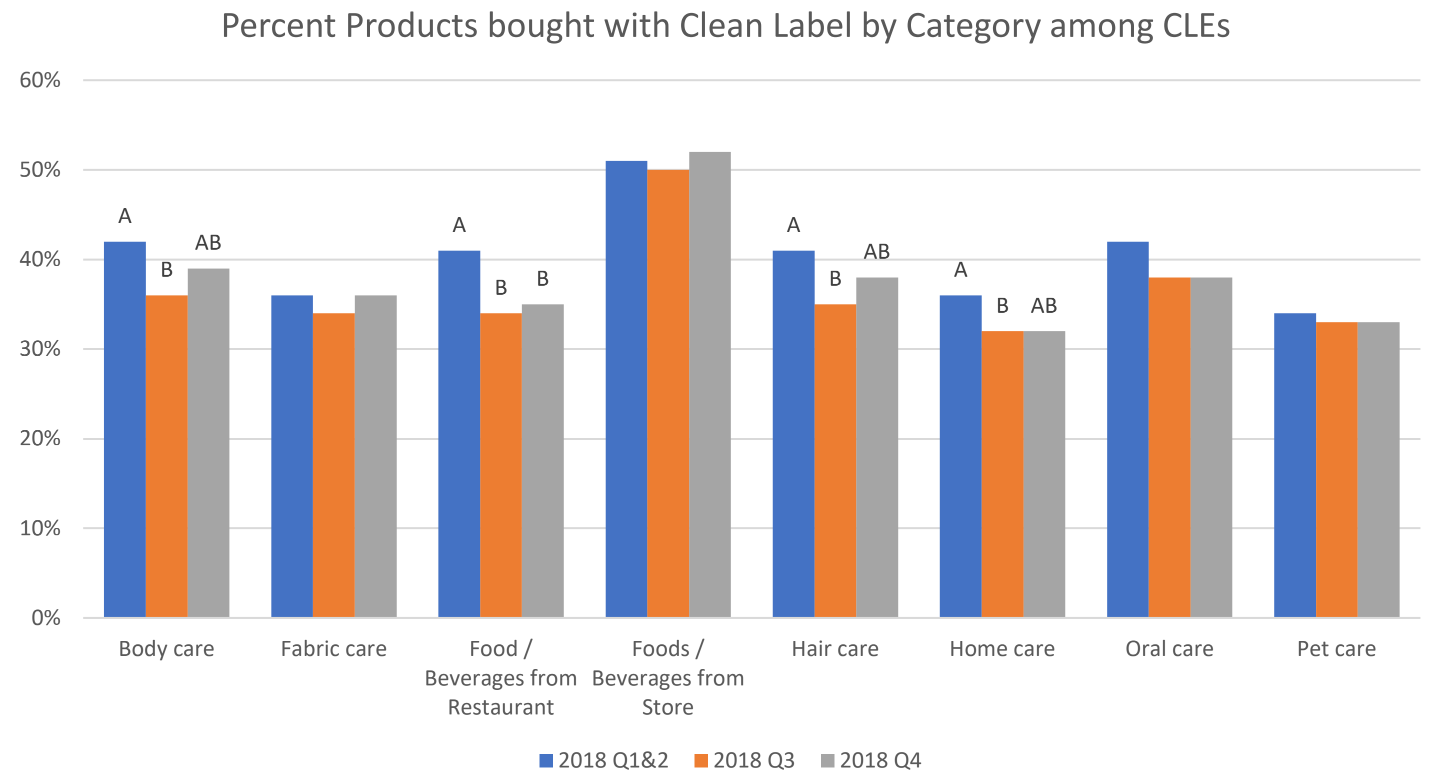


Clean Label Enthusiasts® Trends
Changes in Food Ingredient Avoidance Behaviors

CLE shoppers showed a trend for increased avoidance of foods and beverages that have "bad ingredients" or "artificial ingredients." On the average, there was no change in CLE purchase of "clean label" foods and beverages from retail stores. Retail stores of clean label foods and beverages continue to account for 50% of all purchases among CLE shoppers. Other non-food category purchases and/or restaurant foods are significantly lower in % of purchases than food/beverage retail. Further, there appears to be some evidence for a decline in clean label product purchases in other categories in the second half of 2018. These changes will be watched and explored in more depth over the upcoming year.



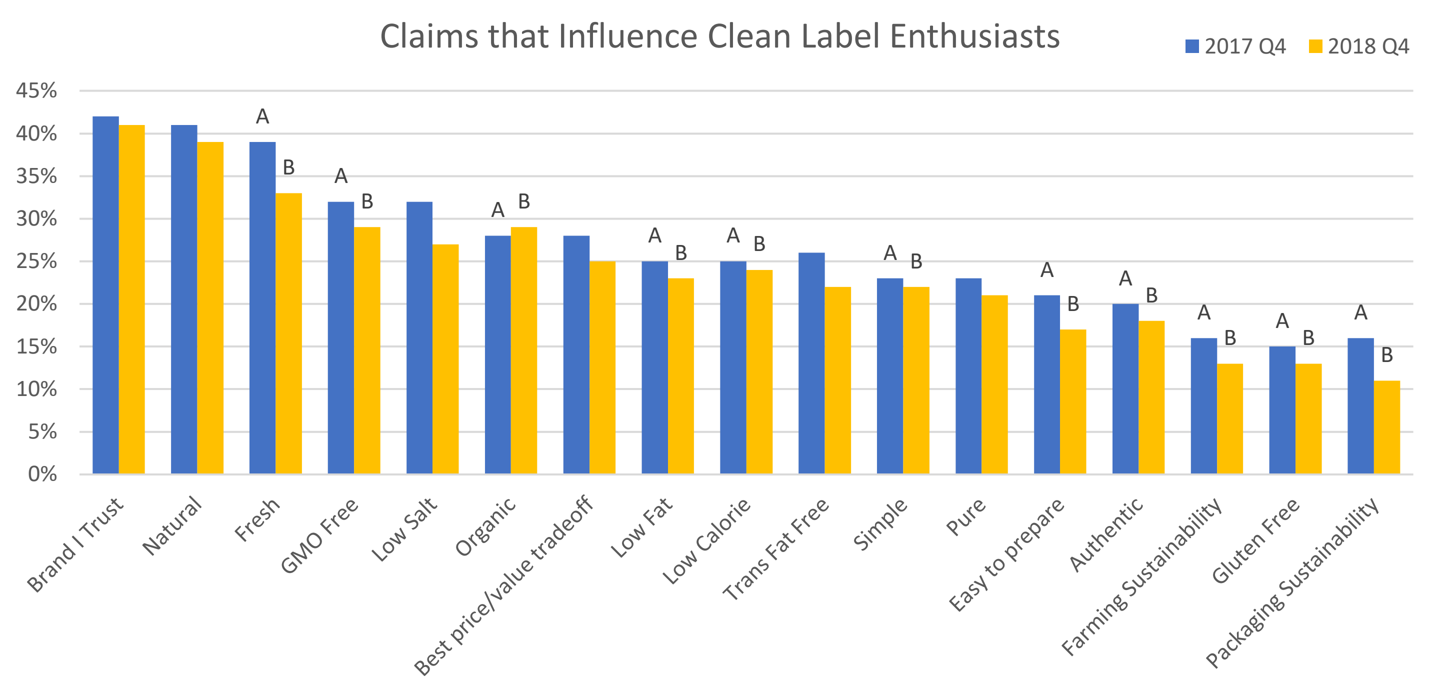


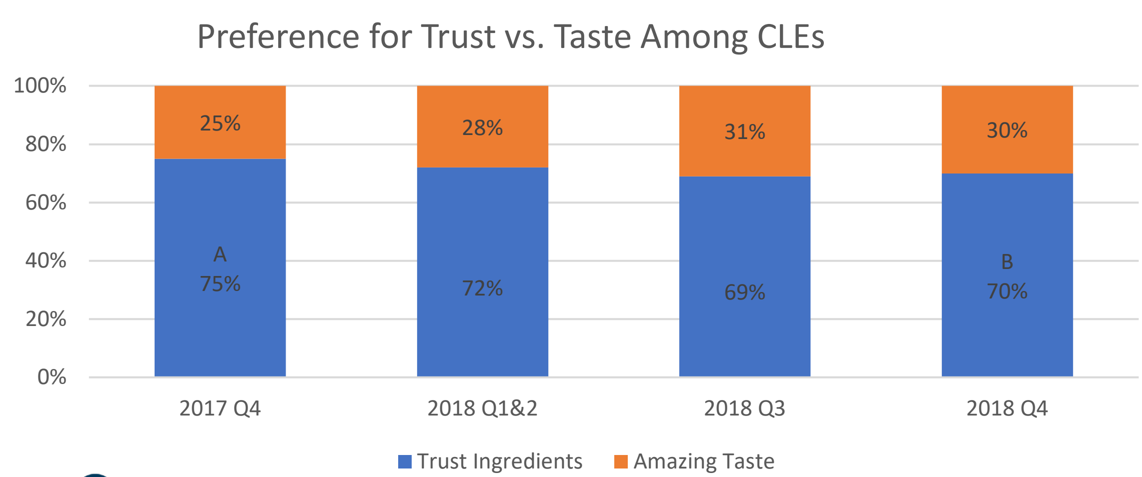


Clean Label Enthusiasts® Trends
Changes in Purchase Influences and Tradeoffs

With the exception of "Brand" and the claim "Natural," the influence of claims on purchase decision making is trending down among Clean Label Enthusiasts. This means that the brand itself is becoming a stronger determinant among CLE shoppers—who, in general, seek more natural products. This trend fits with research from Clean Label Community Behavior Report Q3, 2018 (page 22) that shows the believability in claims by large companies is significantly less than from small companies. Therefore, smaller "Natural" brands are becoming more important for CLE as a driver of purchase behavior.

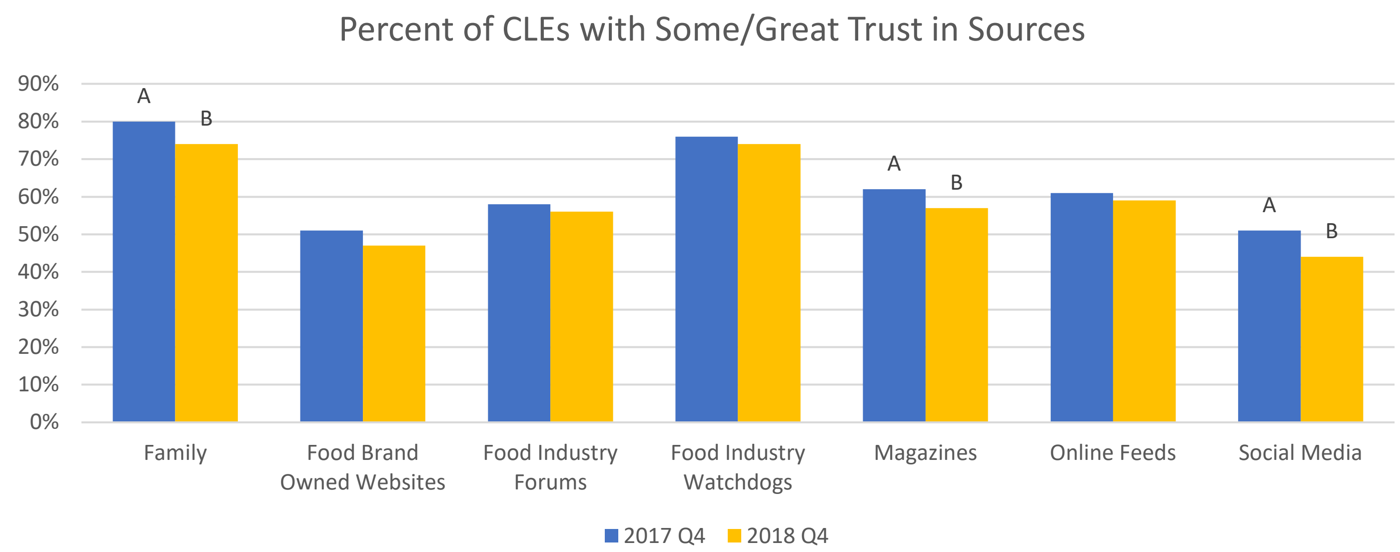
There is also a trending away from trading off amazing taste for ingredients that CLE will trust. This suggests that taste is going to remain a dominant driver of purchase decisions amongst CLE shoppers.

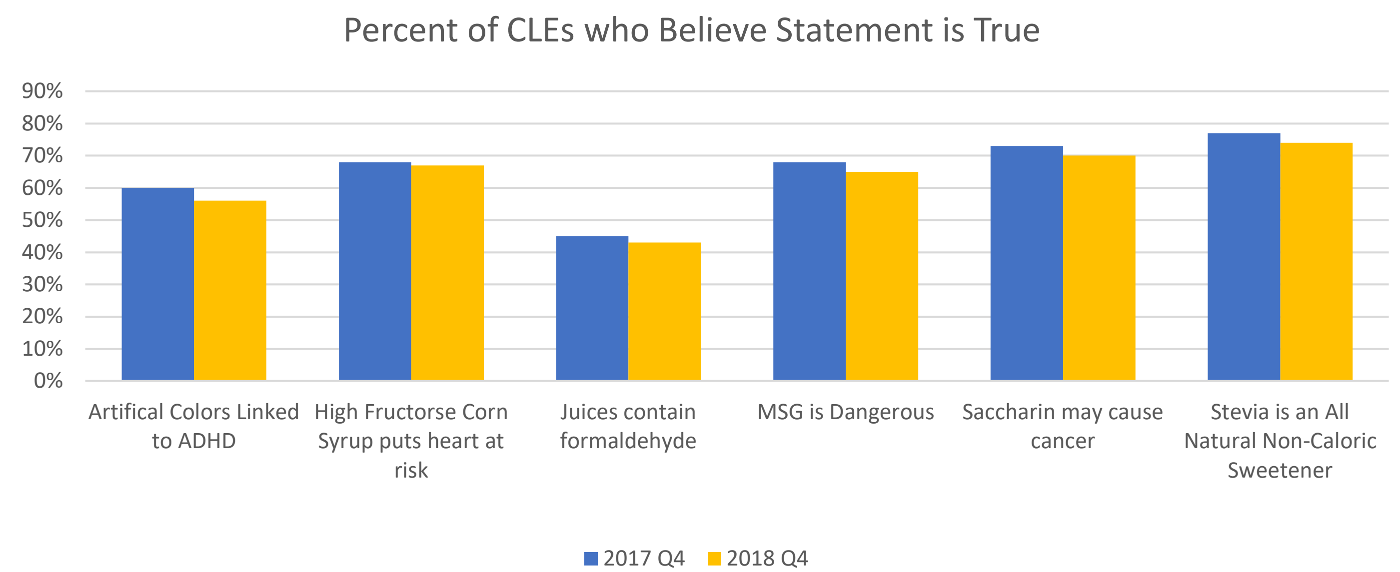




Clean Label Enthusiasts® Trends
Information Trustworthiness and Ingredient Beliefs

These changes in attitudes and avoidance behaviors are associated with a trend in skepticism about new information about foods and ingredients. Family and Food Industry Watchdog Sources remain the top two trusted sources among Clean Label Enthusiasts. However, trustworthiness of all sources were down. This suggests a trend where CLE are becoming more skeptical about all information sources. As a result, we are seeing the beginning of a trend where the believability in false and true statements about ingredients are both declining. This trend deserves significant assessment in 2019 as it could have important ramifications for food and ingredient marketers.





Key Learnings: Observed Trends with Clean Label Enthusiasts®

After one year we are able to observe key trends emerging from the free-from movement. Following CLE shopper demographics and associated behaviors, the following four key learnings are emerging.

Point 1 – CLE Shoppers are Unchanged at 27% of all US Primary Shoppers

The free-from food movement is not a fad as there is no observed decline in CLE shoppers within the U.S. population in 2018. However, as a behavioral segment these shoppers are evolving with fewer men, Midwest shoppers and Rural America shoppers. These differences will be watched over the next year to see if this turns into an observable trend.

Point 2 – Retail Purchasing of Foods and Beverages Lead the Clean Label Trend

Half of foods and beverages purchased by CLE are clean label—unchanged over 2018. Some declines in clean label purchases in other categories were observed even though CLE shopper seek products without "chemicals" or "artificial" ingredients. Given the demand for clean label product among CLE shoppers, this decline may well be a symptom of market supply and/or price and value issues.

Point 3 – Smaller Brands that Signal Natural are Key Purchase Influencers Among CLE

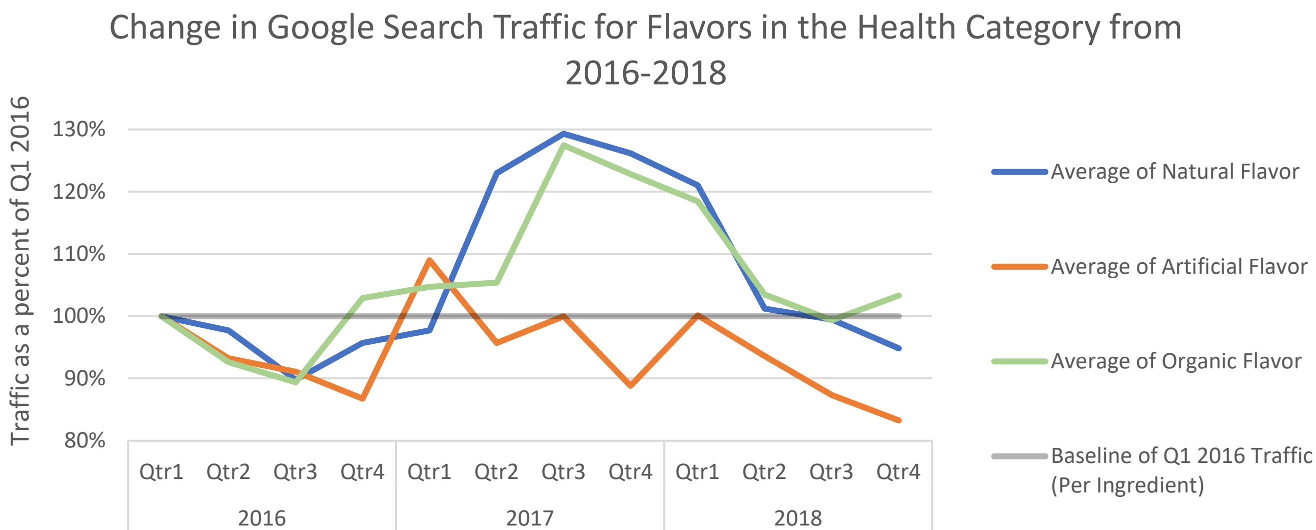
The brand and natural claims remained unchanged in 2018 as key influencing factors in food/beverage purchase decisions. Earlier research from Q3 showed claims from smaller companies as more believable than from large companies. This research suggests that smaller brands that signal "natural" are becoming increasingly important influencers. Shopping research from Q1 2018 showed that CLE shop at more stores per shopping trip to seek out smaller brands available from different retailers. As more clean label products are becoming available, there is a trend for less trading away taste for ingredients that shoppers trust.

Point 4 – CLE are Becoming Increasingly Skeptical About What They Hear from Friends and Read Through Social Media Sources

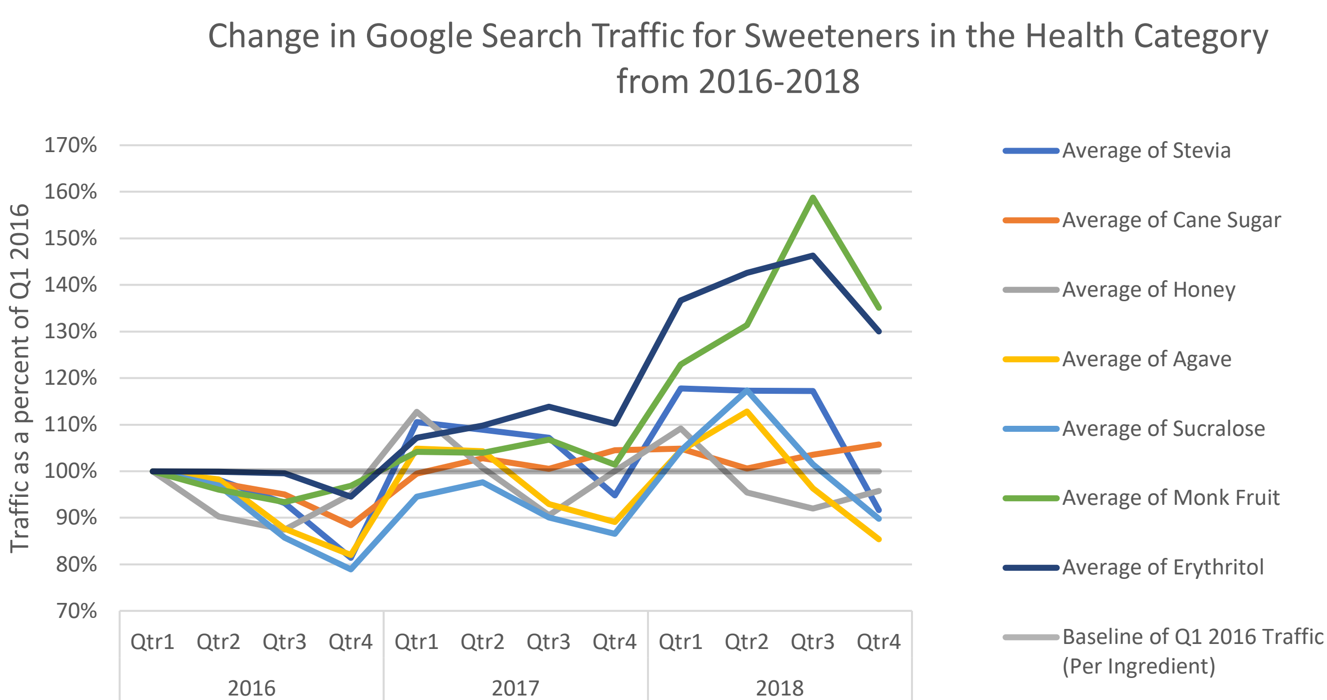
Industry watchdogs/activists such as "Food Babe" are now the #1 most trusted source of information about food and food ingredients. All other sources dropped, signaling an increased in skepticism amongst CLE shoppers—with the exception being industry watchdogs. This trend fits with the new trust economy where people place more trust in activists with high social following than in corporate and government institutions.

Ingredients in Social Media: Changes in Ingredient Concerns

Analysis of food ingredient commentary on social networks about flavors found that there was a marked increase in mentions in 2017. In 2018, the social mentions of flavors have since reduced to the same level as in 2016. "Artificial Flavor" mentions have shown a steady decline compared to "Natural Flavor" and "Organic Flavor." This suggests a shift in interest among consumers in flavors that should be accepted, rather than avoided.

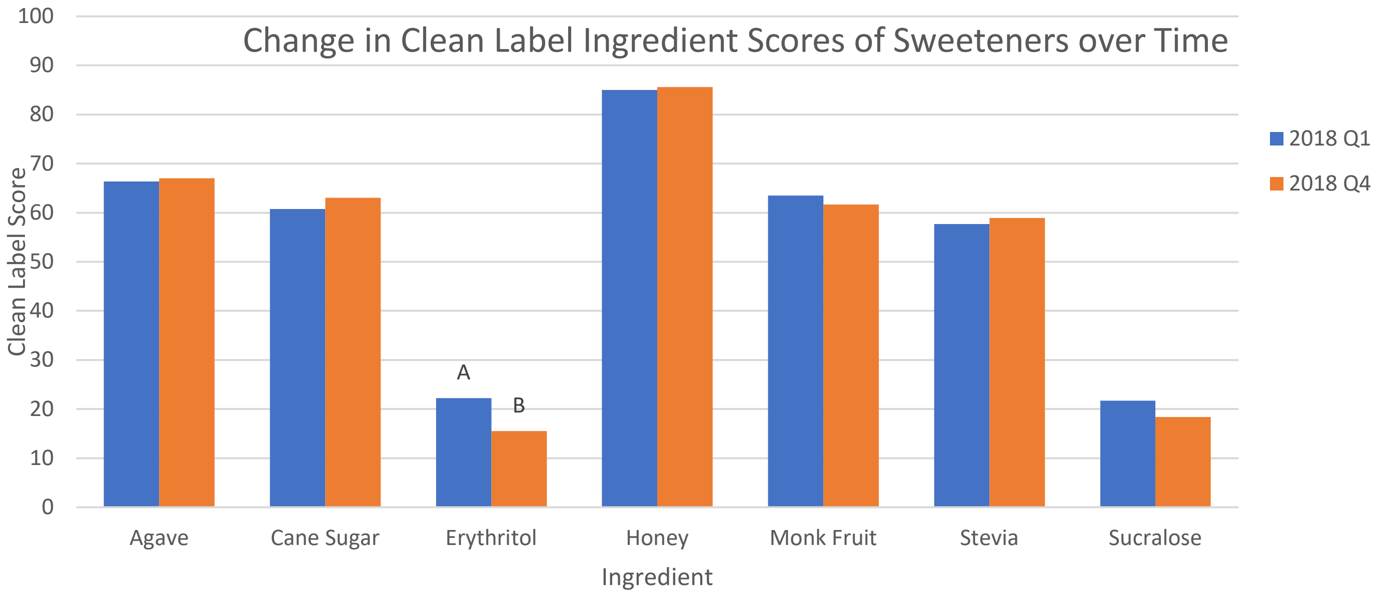


Whereas flavors found a drop off to 2016 levels in 2018, sweeteners have shown an increase in mentions. "Cane Sugar" increased to a peak in Q3 2018 along with an increase mentions of "Stevia." In Q4 2018, there appears to be a decrease. However, this is likely a seasonal trend as shown in 2016 and 2017.

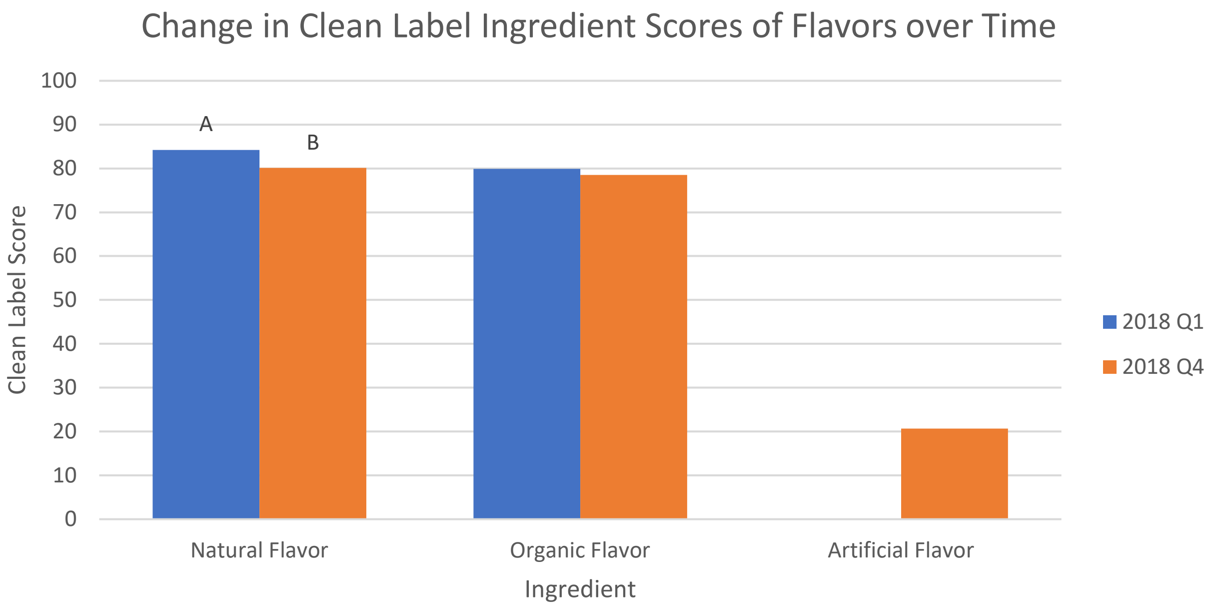


Changes in Sweetener and Flavor Clean Label Scoring

In comparing changes in clean label scores for specific sweeteners, we found a lowering of score for "Erythritol," and no statistical changes to other sweeteners where we had direct comparisons for the same products and moments. For more information on clean label scoring, see page 12.



For flavors, there was an observed significant decline in "Natural Flavor," whereas no change was found for "Organic Flavor." This will be an important trend to watch in 2019.

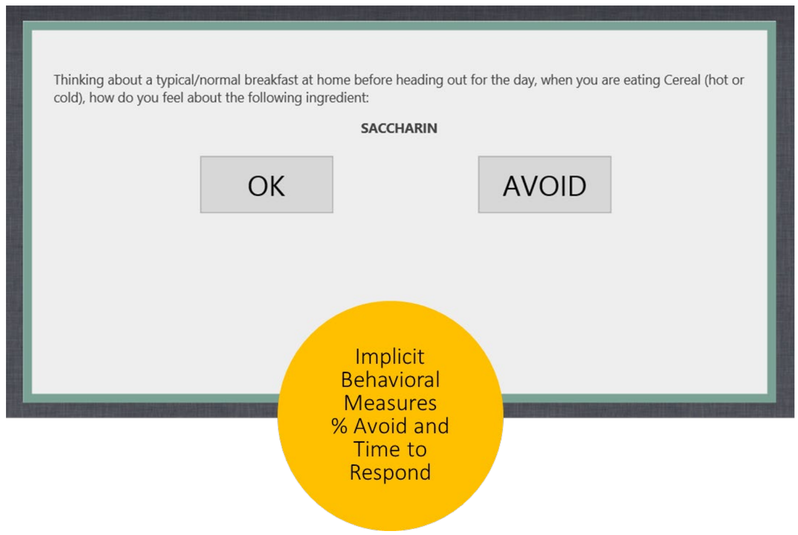


Quarters with the different letters are significantly different in their Clean Label Score (95% confidence).

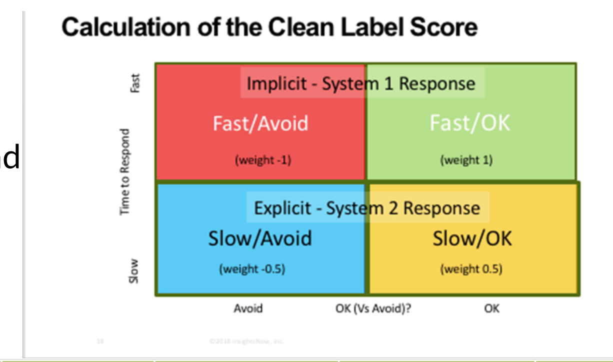
Ingredient Comparisons via the Clean Label Score

To assess the influence of specific ingredients as might be listed on a back label, our team developed an ingredient scoring process. This resulted in the establishment of a new metric—The Clean Label Score. This metric comes from CLE community members rating ingredients via an implicit-explicit test where an ingredient is scored "OK" or "Avoid" within the context of a typical food they buy for a given moment. We also timed how long it took participants to respond to determine if community participants were using a system 1 (implicit/fast) and system 2 (explicit/slow) mode of thinking in their response. Slow thinking indicates participants were now aware of the ingredient or the context/food did not fit.

For every participant we estimated a cutoff time for what was a fast or slow response. This was done by having them first pick 3 numbers between 1 and 9—respond to seven implicit questions (Yes or No) whether presented number was one of the selected numbers. This was repeated for colors as well. We dropped the first response as it tended to be biased to a longer response and selected the 90th percentile time as their fast cut off time.



From this we calculated the counts and percentages, weighting higher fast responses, to yield a 100 Point Clean Label Score.



Example	Fast/OK	Slow/OK	Slow/Avoid	Fast/Avoid	Clean Label Score™
Best Case	100%	0%	0%	0%	100
Worst Case	0%	0%	0%	100%	0
Uniform Case	25%	25%	25%	25%	50
Actual Case	60%	18%	6%	16%	75

Key Learnings into Trends in Clean Label Ingredient Scoring

This Q4 2018 report shows the first evidence of dynamics in how CLE shoppers are reacting to ingredients as contributing to the perception of a clean label. Below are two points that will need watching in 2019. Further, it is evidence of the need to broaden the understanding for how other ingredients are changing in their perceptions—as evidenced by implicit and explicit reactions.

Point 1 – Weakening of "Natural Flavor" as a Positive Contributor to Clean Label

There was an observed decline during 2018 in mentions on social media platforms of "Natural Flavor." This reduction in mentions is indicative of either a lower importance in "Natural Flavor" with regard to clean label concerns or a shifting in social commentary specificity about flavors that contribute to a clean label. We also observed a decline from 84 to 80 in "Natural Flavor" clean label score. The weakening on "Natural Flavor" suggests that CLE shoppers are seeking more specificity in ingredients as flavors to characterize a food or beverage as having a clean label. We will be delving into these questions over the next year to further understand how "Natural" may be changing in meaning and as a respective motivator of consumer behavior.

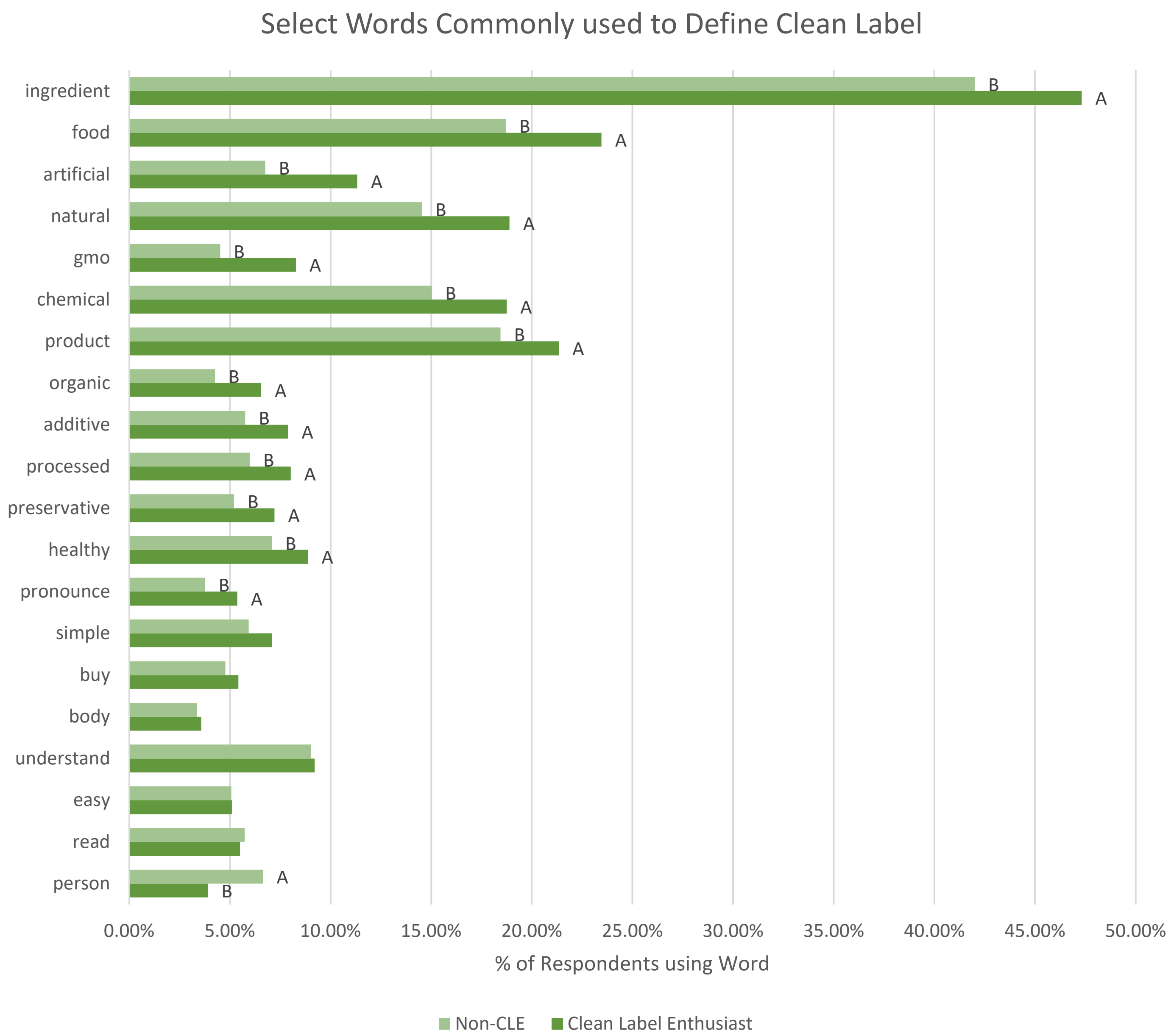
Point 2 – The Rise of Cane Sugar and Interest in Stevia as a Non-Nutritive Sweetener

Social media mentions increased in 2018 for "Cane Sugar" and "Stevia." These mentions, however, did not translate to an increase or decrease in clean label scores. This shows evidence that social discourse about these sweeteners is not indicative of a change in preference compared to sweeteners from natural sources, such as "Honey" or "Monk Fruit." It also could be indicative of "Stevia" and "Cane Sugar" becoming more mainstream as an acceptable sweetener. This trend will be watched in 2019.

How Do Shoppers Define “Clean Label”?

A general population weighted random sample of 1,509 CLE and 3,747 Non-CLE primary shoppers was analyzed for their respective definition of what is a "clean label." Overall 61.6% of CLE and 46% of Non-CLE chose to give a definition of what is a clean label.

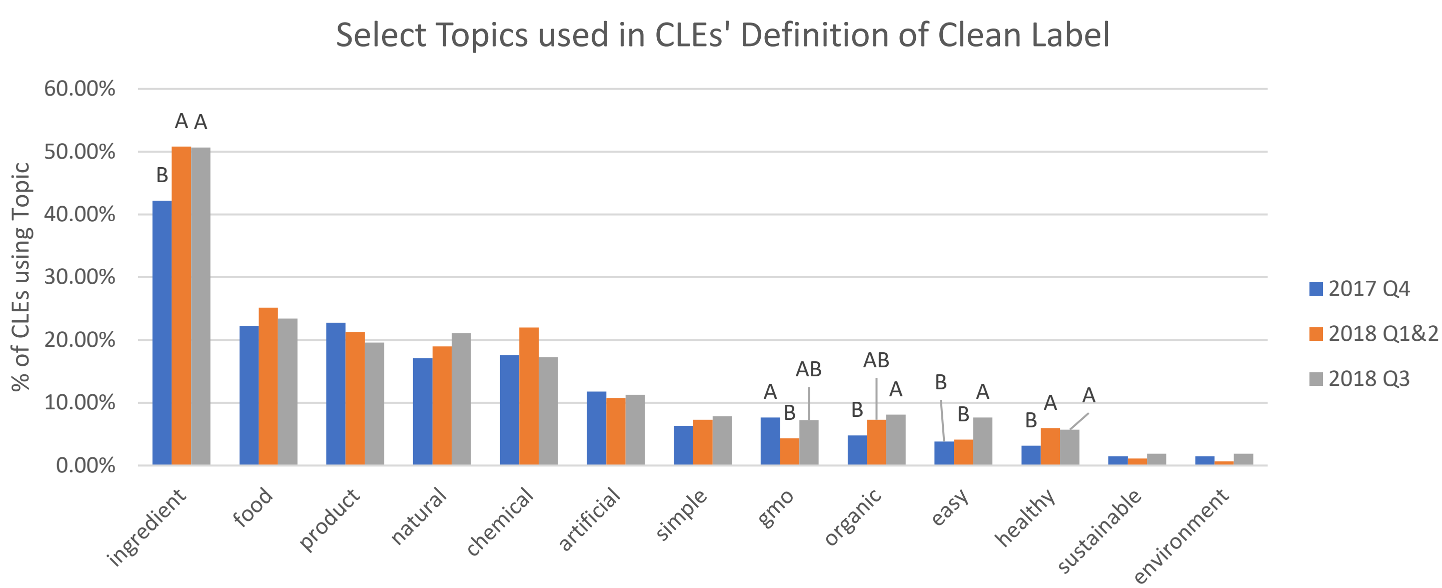
Among those that gave definitions, CLE shoppers significantly associated clean label more frequently with “ingredient,” “food” and “product,” as well as using the attributes to define clean label as (not) “artificial,” “natural,” (non) “GMO,” (not) “chemical,” “organic,” (no) “additives,” (not) “processed,” (no) “preservatives,” “healthy” and ingredients that can be “pronounced.” Non-CLE shoppers used the word “person" more frequently in their definitions.



How are Clean Label Enthusiasts® changing their definition of "Clean Label"?

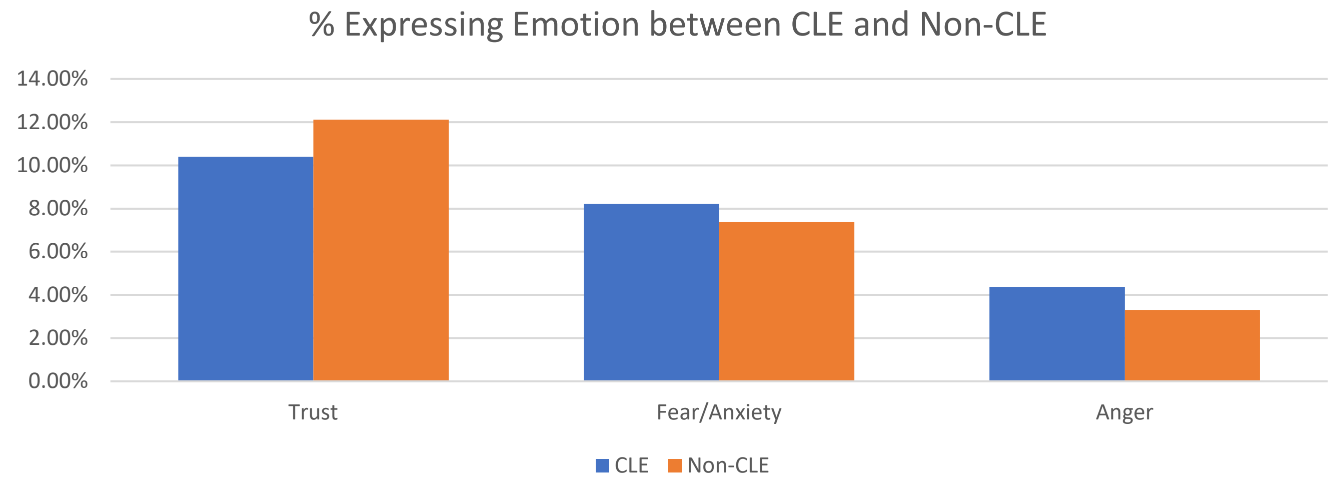
The definition of the construct "clean label" is evolving among Clean Label Enthusiasts. 50% of CLE shoppers associate clean label with ingredients rather than with the food or product. This is up from 42% one year ago. This association is consistent with other research we have seen—showing that clean label is less about claims, the brand or the product.

Clean Label Enthusiasts have come to view a clean label as a product label with ingredients that are from a natural source, and not comprised of ingredients that are chemically-based or artificial. To a lesser degree, CLE shoppers used the words "simple," "GMO free," "Organic," "easy-to-understand" and "Healthy." There was a significant increase over time in the use of the words "Simple," "Organic," "Healthy" and "easy-to-understand" to define clean label.

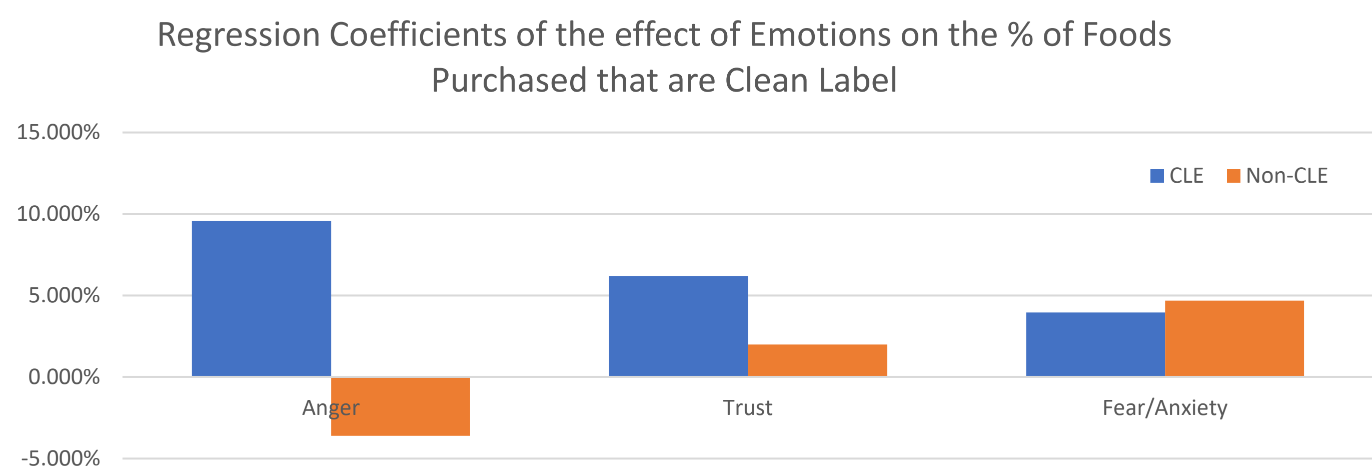


Deconstructing Emotions Associated with Clean Label

The analysis of comments used by CLE and Non-CLE shoppers to define clean label also found a number of emotional and attitudinal "tags," i.e. expressions of feelings projected on various subjects associated with clean label definitions. There were three major buckets of emotional and attitudinal tags: "Trust," "Fear/Anxiety" and "Anger." Trust words were significantly more prevalent with "Fear/Anxiety" and "Anger," in lesser frequency. There were no significant differences between CLE and Non-CLE shoppers in the frequency of these emotional or attitudinal tags.

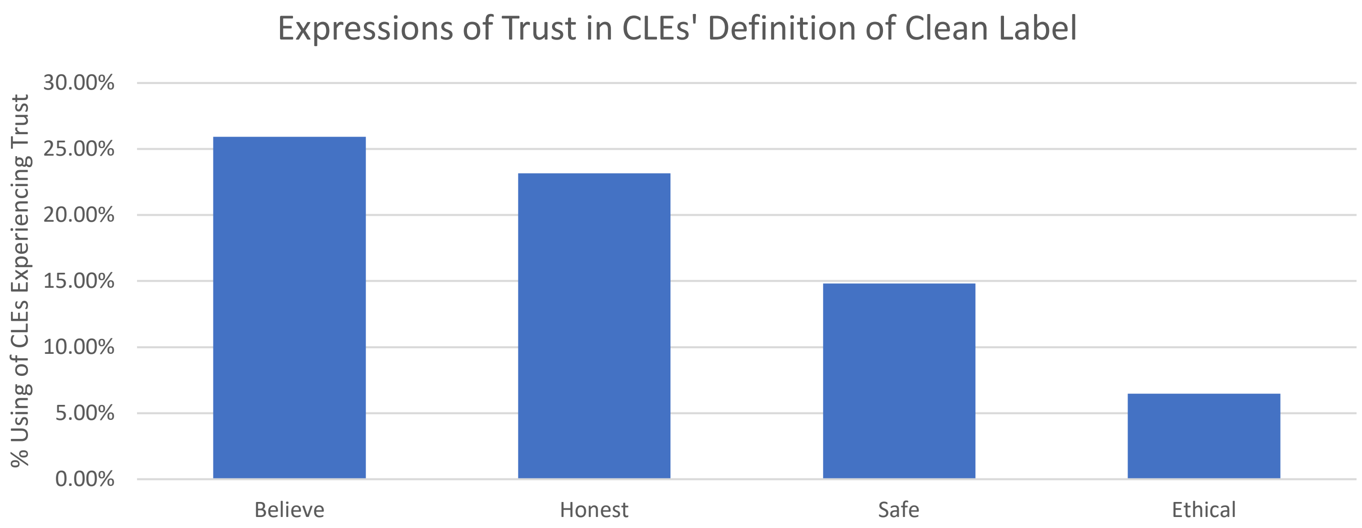


Whereas, "Trust," "Fear/Anxiety" and "Anger" were not different, they were very much different in how emotions and attitudes motivate shopping behavior. On the average CLE shoppers self-report buying 51% of their grocery basket as clean label compared to 32% among non-CLE. The use of emotional or attitudinal tags significantly increase the % of basket being products with a clean labels. Among CLE shoppers, the use of words indicating "Anger" added an additional 9.5% in products with clean label. "Trust" boosted clean label product purchase by 6% and "Fear/Anxiety" an additional 4%. Only expressions of "Fear/Anxiety" boosted clean label purchases among non-CLE shoppers.

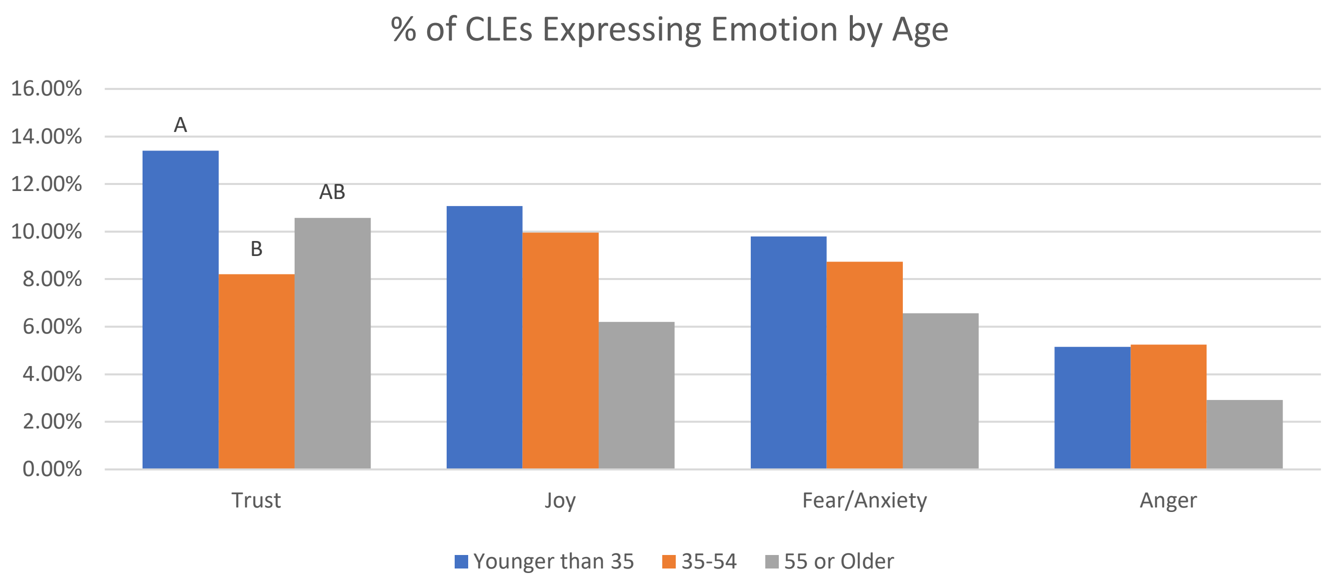


The Importance of Trust

Our text analysis further delved into understanding what attitudes were associated with the construct of trust. We found "trust" to be associated with four attitudes. A clean label meant the information of the label was "believed," that the companies providing the clean label were "honest," and to a lesser degree a clean label meant the product was "safe" and indicative of the manufacturer being "ethical."

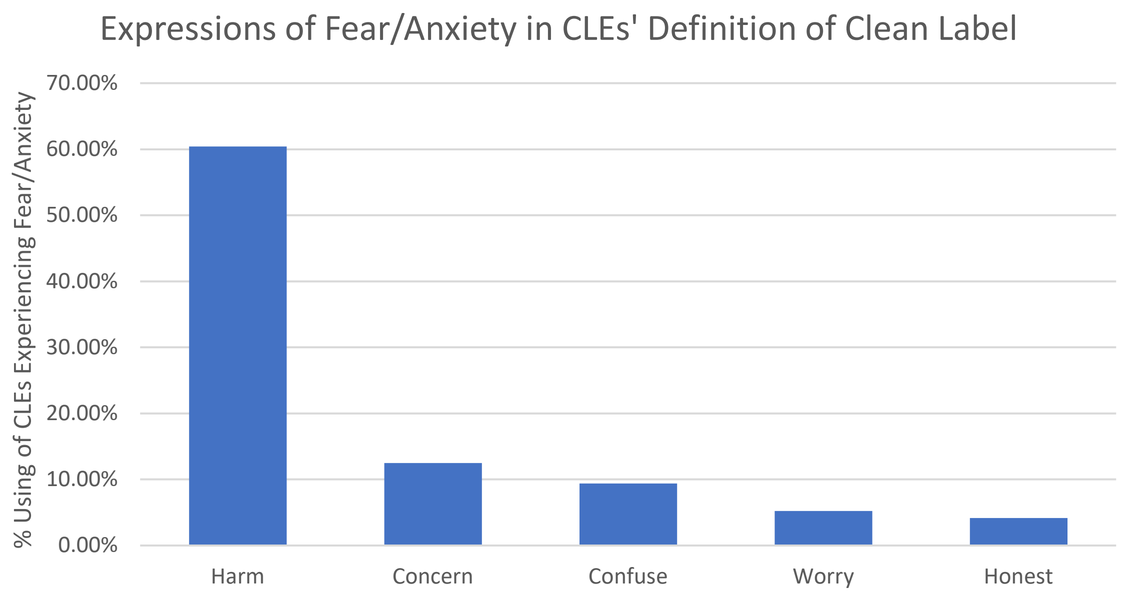


From a demographic perspective we found trust to be used significantly more frequently among younger CLE shoppers. Whereas, there were no significant differences in age in providing clean label definitions using fear/anxiety or anger emotional or attitudinal tags.

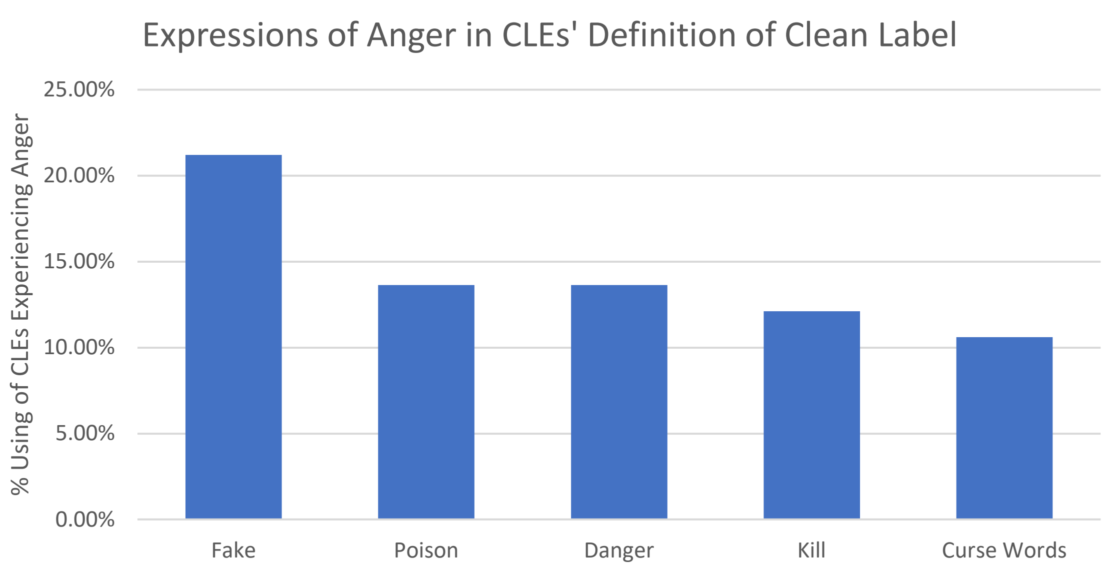


The Meaning of Fear/Anxiety and Anger in Defining Clean Label

The second most prevalent emotional or attitudinal tag used in defining clean label was "Fear/Anxiety." 60% of CLE using "Fear/Anxiety" emotional tags also expressed attitudes that clean label meant avoiding ingredients that are "harmful."



"Anger," when used in defining a clean label, was the greatest motivator associated with % clean label purchases. Expressions of "Anger" were associated with negative attitudes about non-clean labels being "Fake," or ingredients being "Poison," "Danger" or things that will "Kill" you.

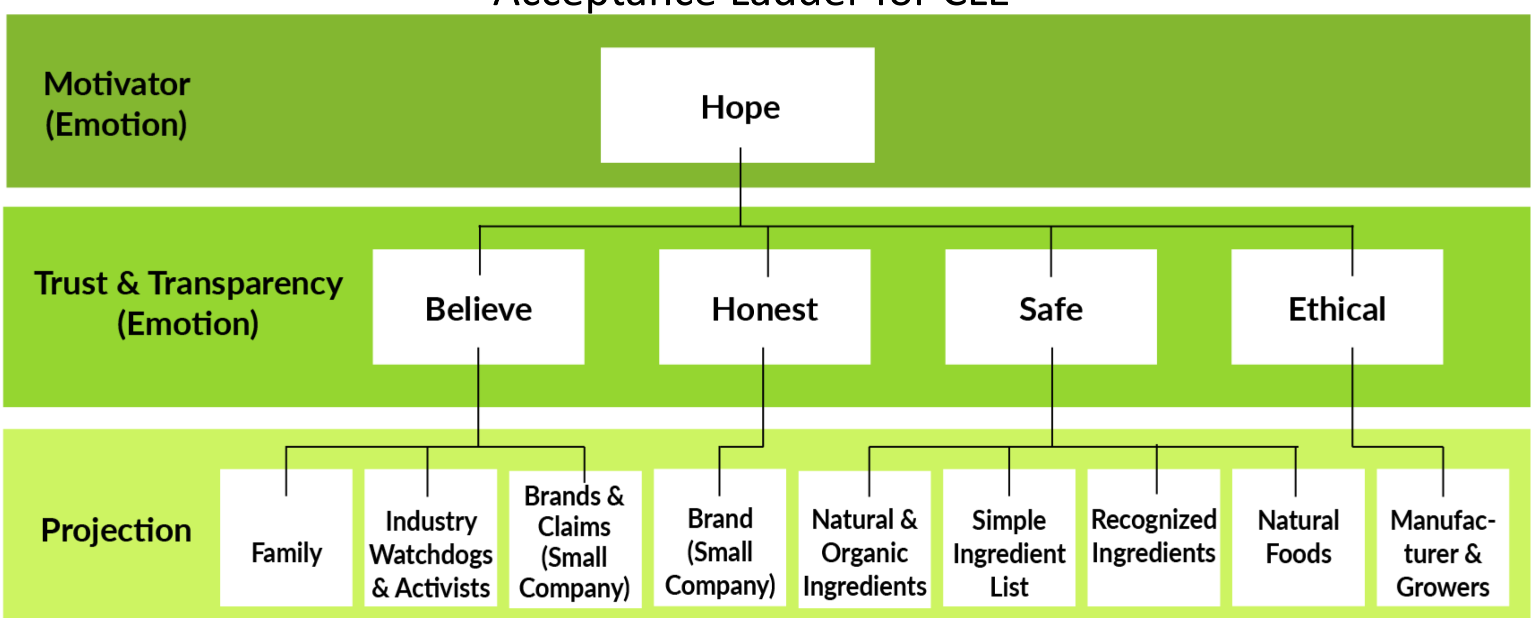


Key Learnings: A Behavioral Framework to Understand Clean Label Behavior

The richness of this text analysis of how CLE shoppers define clean label led to the establishment of a new behavioral framework to understand clean label behaviors. This framework uses other information generated over the past year in researching CLE motivators and behaviors.

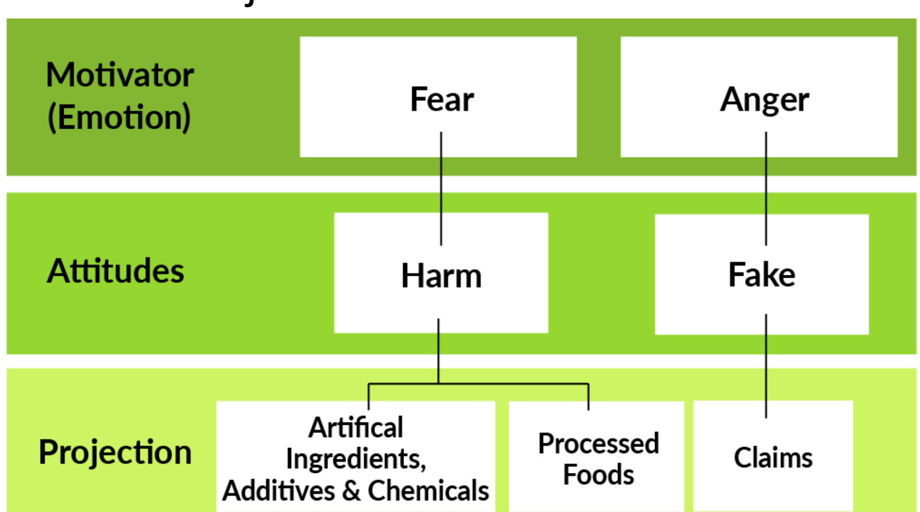
“Hope,” “Fear/Anxiety” and “Anger” are the three biggest emotional drivers of CLE shopping behavior. On the positive side, hope is driven by the four attitudes (believe, honest, safe and ethical) observed that define trust. We believe transparency is also a key element associated with “Trust”—evident by what these attitudes are projected on. We have previously reported in 2018 Q1 report that CLE believe family and industry watchdogs over other sources of information about ingredients. This text analysis found “Believe” also projected on claims. We showed in the 2018 Q3 report that CLE believe claims by small companies, but not large food companies. This framework also uses this in attributing “Honesty” more so to small rather than large companies.

Acceptance Ladder for CLE



On the negative side, the emotions of “Fear” and “Anger” lead to avoid behaviors. “Fear” is more about avoiding what can harm you and your family. “Anger” is more associated with claims that are perceived to be fake.

Rejection Ladder for CLE



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About InsightsNow and the Clean Label Enthusiasts® Community

InsightsNow has a special focus on behavioral marketing research. While we work with a whole spectrum of product types, we especially want to help guide companies trying to engage consumers with healthy living products and practices. Our clients create strategies based on deeper, actionable insights from engaging our custom CLE community and unique behavioral frameworks for interpreting consumer responses.

Clients benefit from work with InsightsNow's community of Clean Label Enthusiasts® by gaining new insights on CLE's attitudes, behaviors, or ingredients they avoid. These consumers place a high priority on aligning their purchases with values of personal and planetary health. They are especially aware of ingredients and conscientiously read labels. Thus, companies can better design product attributes that engage or reduce aversion in this consumer segment.

We want to partner with clients in optimizing innovation and marketing so they can meet their customer's needs with the best product for their category and authenticity in their messaging.

Please contact us for more information about this study or to inquire about future research.

Thank you,
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CEO, InsightsNow Inc.

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