TRANSPARENCY & CONSUMERS A MISUNDER-STANDING?

A SUMMARY OF
THE MOST IMPORTANT
RESEARCH FINDINGS

DIE LEBENSMITTELWIRTSCHAFT
WEIL ESSEN GESELLSCHAFT IST

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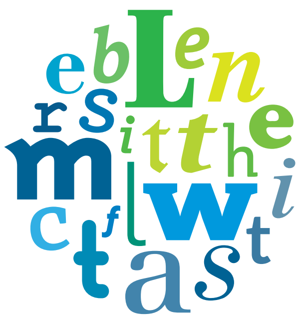
A SUMMARY OF
THE MOST IMPORTANT
RESEARCH FINDINGS

IMPULSES FOR COMMERCE, SOCIETY AND POLICYMAKERS
THE TRANSPARENCY SURVEY CONDUCTED ON BEHALF OF "DIE LEBENSMITTELWIRTSCHAFT E.V."

The call for greater food transparency is ubiquitous in public debate. However, it is not quite clear as to what consumers exactly understand by transparency and which specific information is decisive for them when buying food.

"DIE LEBENSMITTELWIRTSCHAFT e.V." therefore decided to have an independent survey conducted by Professor Achim Spiller of the University of Göttingen on the subject of "Consumer understanding of transparency".
The survey touches all aspects of the food production chain and, for the first time, provides detailed answers to the question of what consumers really understand by food transparency. It delivers new findings that will fuel the debate taking place both in society and in the worlds of science, commerce and politics.



THE SOMEWHAT PARADOXICAL BEHAVIOUR OF CONSUMERS
NOT EVERYTHING THAT IS CALLED FOR IS ALSO MADE USE OF

The behaviour of most consumers regarding transparency can be described as paradoxical. Despite being in favour of food transparency, they seldom make active use of it and their willingness to pay a higher price for more information is very low.
On the one hand, consumers have voiced a distinct need for more information about the food they eat and are calling for greater transparency.
On the other hand, however, they hardly make active use of the information already available or see it as relevant when deciding which foods to buy, whether due to lack of time in everyday life, too little background knowledge, problems understanding the information, low credibility or lack of interest. They want to be well informed, without necessarily having to make use of the information available.

Hence the existing information on food currently has only a limited direct benefit for consumers when it comes to deciding which foods to buy. Nevertheless, even though additional information is only being directly used by a relatively small group of consumers, the very availability of information and therefore the effort the agriculture and food sector is making to increase transparency is a sign of confidence for consumers.

For the first time, this survey records various consumer types with respect to their need for transparency and their distribution throughout society.

1.

UNDERSTANDING OF TRANSPARENCY: TRANSPARENCY IS SUBJECTIVE

Over one third of Germans are unable to spontaneously describe exactly what is meant by food transparency, and even those who are able to have widely differing ideas about what transparency means. The most important aspects named are the origin and composition of a product, whereas any other related information, such as additives, is only mentioned by less than seven per cent of participants.

When openly asked what the term "food transparency" spontaneously calls to mind, **38 %** of respondents answered with "Don't know" / "Can't think of anything".

Those who associate anything in particular with the term "transparency" think firstly of information regarding the origin of the products (approx. **24 %** of answers).
Similarly relevant is transparency with respect to the composition of a particular food, i.e. the quality of the contents and the ingredients (approx. **19 %** of answers).
Other topics are named at a frequency of below **7 %**, such as an insight into manufacturing processes, a comprehensible and legible description of the contents, details regarding additives, the absence of genetically modified ingredients, nutritional values and aspects of livestock farming.

How can the abstract term "transparency" be more clearly defined?

2.

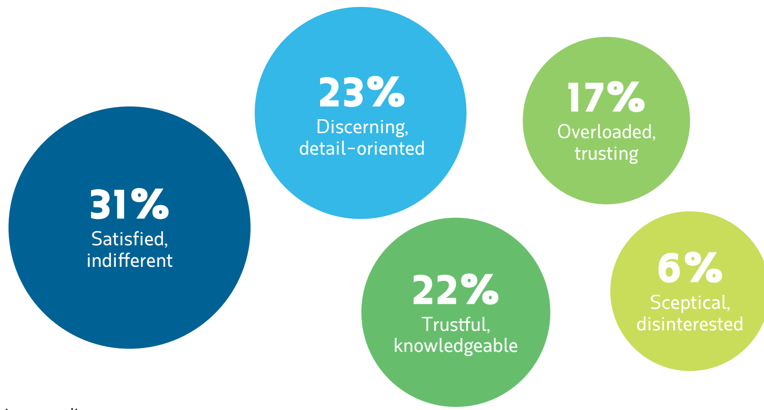
TYPOLOGY OF TRANSPARENCY: TOO MUCH FOR SOME, TOO LITTLE FOR OTHERS

Whether due to indifference, information overload, too much or too little knowledge, the majority of consumers does not actively demand food transparency for various reasons.

Only **just under one quarter (23 %)** belong to the group of discerning, detail-oriented consumers that have a low basic level of trust and a great need for transparency. A further approximately **22 %** of consumers (trustful, knowledgeable) regard themselves as being sufficiently well informed.

17 % (overloaded, trusting) feel they are burdened with too much information. Around **37 %** of consumers (31 % satisfied, indifferent, 6 % sceptical, disinterested) show a very low preference for food transparency. The discerning, detail-oriented and the trustful, knowledgeable consumer groups are those who will drive the discussion on greater food transparency.

Can a uniform approach, in terms of both quality and quantity, meet the broadly divergent needs of the various consumer groups* or are target group-specific concepts required?



* See table in appendix

3.

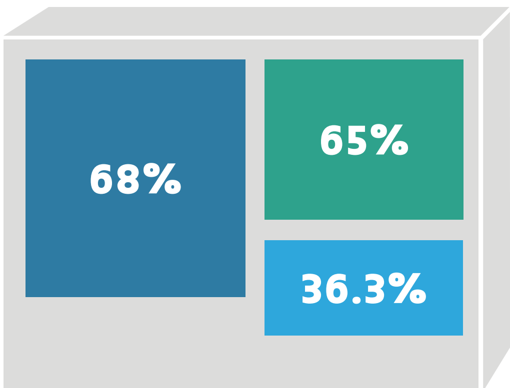
INFORMATION REQUIREMENTS: THE FIRST IMPRESSION IS DECISIVE

In most cases, food transparency information is decisive for consumers only when purchasing a product for the first time and any research done at a later date is an exception. If the product information does not meet their need for transparency, consumers prefer to buy a different product or ask the sales personnel.

Packaging information is particularly frequently read when a product is purchased for the first time:
68 % of consumers do so either always or often. **65 %** read packaging information if a product has been involved in a food scandal.

Relatively few consumers read the packaging information at home after purchasing the product (**36.3 %** always or often). If consumers do not see their transparency requirements as being met, their main reaction is to switch to another product (**48.2 %**), ask sales personnel (**47.8 %**), or go to another shop (**32.4 %**). Digital sources of information such as the internet (**27 %**) or QR codes (**23.1 %**) are relatively seldom considered as behavioural alternatives. Around **40 %** of consumers are unlikely to react to a lack of transparency.

How can the agriculture and food sector selectively meet consumers' information needs?



4.

PURCHASING DECISION: NO MONEY FOR GREATER TRANSPARENCY

The majority of consumers is not prepared to pay more for greater informational transparency. In the end, the deciding purchasing factors are taste, quality and price. Although there is a need for transparency, the information is only seldom used and the direct benefit is often insufficiently appreciated.

At **87 %**, the statement "It is important to me how a food product tastes" met with the most approval. At **82 %**, the statement "It is important to me to get good quality for my money" was in second place when it comes to deciding which food to buy. Only around **20 %** of those surveyed are prepared to pay higher prices for more information on food packagings. If transparent information is not provided, **17.9 %** openly admit that it does not bother them. When asked indirectly, **30.7 %** of participants stated that if there is a lack of transparency, the taste is more important than the information. **22.9 %** state that the price is more important to them than the information. **39.4 %** of all participants state, either directly or indirectly, that food information of this type is not really relevant for them.
Conversely, a good **60 %** of those surveyed would be bothered by too little transparency and possibly react, for example by switching to another brand or complaining, although when interviewed in greater detail very few customers actually reported having done so.

How can food transparency be improved if consumers are not prepared to pay much for it?

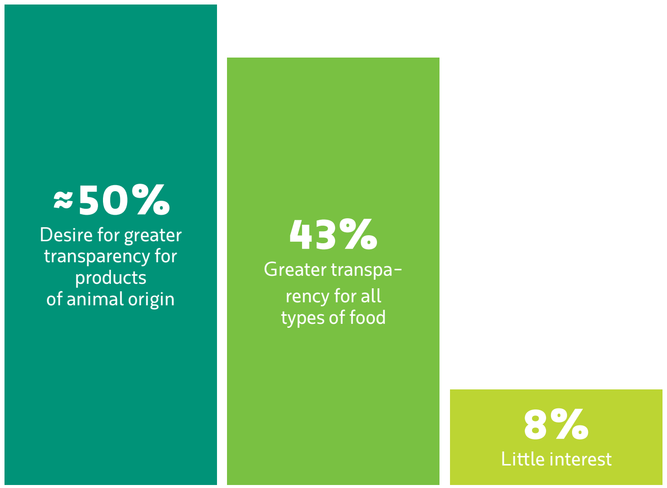
5.

FOOD-RELATED TRANSPARENCY REQUIREMENTS: IT DEPENDS ON THE PRODUCT

The needs of consumers for transparency differ greatly, depending on the type of food. There is a particularly great interest in transparency when it comes to animal products such as meat, fish, eggs and milk. It drops sharply, however, for other foods, such as alcohol, soft drinks, rice and sweets.

Product-related transparency requirements can be divided into three groups: Almost **half** of the German consumers surveyed primarily want to see transparency for animal products such as meat, eggs, fish and dairy products. Around **43 %** of the population are generally interested in seeing greater transparency for all types of food. Approximately **8 %** of participants showed little interest in more transparency, regardless of product group.

How can the desire for greater transparency be satisfied, particularly in the case of animal-based foods and their production processes?



6.

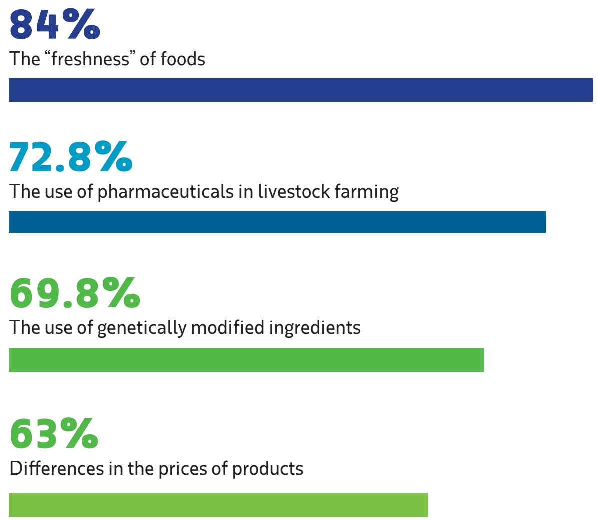
TRANSPARENCY AT THE SOURCE: AGRICULTURAL PRODUCTION IS THE STARTING POINT

Freshness is the decisive critierion for consumers. From the consumer's point of view, the trend shows that information on agricultural production is the most interesting, followed by manufacturing and retail.

In the aided-recall survey, the aspect "freshness" is the most relevant when consumers shop for food (**84 %**).

With respect to agricultural production, at **72.8 %**, the most relevant point when buying food is the use of pharmaceuticals in livestock farming.
At (**69.8 %**), the use of genetically modified ingredients in food products is also a key point for many consumers. The varying prices of products from one shop to the next are of great significance to consumers at retail level in the value-added chain (**63 %**).

How can the interest in greater transparency be served, particularly for animal-based foods and their production processes?



7.

KNOWLEDGE OF FOODS: CONSUMERS TRUST THEIR KNOWLEDGE

Consumers tend to assess their own level of knowledge positively. In some cases, there is a lack of knowledge of agricultural and food production.

With respect to the topics of cooking and healthy nutrition, the majority of consumers subjectively assessed their own knowledge as either very good or good (Cooking: **58.7 %**, Healthy nutrition: **55.4 %**). On the topics "Retail/shopping centres" and "Knowledge of foods", **45.7 %** and **39.9 %** of consumers regard their knowledge as either good or very good respectively. In the categories "Agricultural production" and "Food production", only **27 %** and **26.6 %** stated their level of knowledge as good or very good respectively.

In a quiz, 35.8 % of participants answered all six questions correctly and a further 30.6 % answered five of the six questions correctly. Some of the participants assessed their know-ledge as better than it is.

For instance, **2/3** of those surveyed were una-ble to correctly define the term "ascorbic acid".

How can the complexity of food production along the entire process chain be explained to consumers?

8.

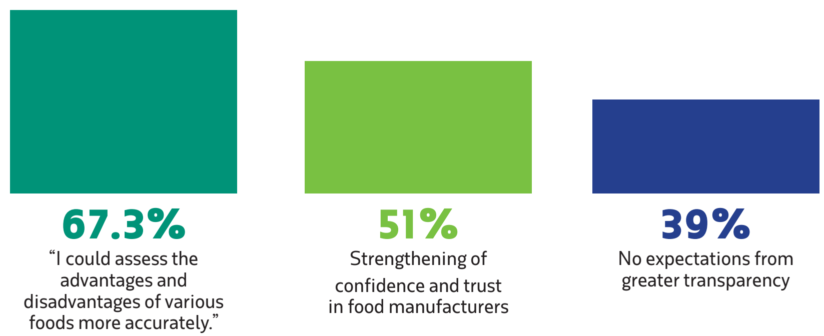
THE BENEFITS OF TRANSPARENCY: "I COULD ASSESS FOODS MORE ACCURATELY."

In particular, additional transparency would enable consumers to assess the advantages and disadvantages of various foods more accurately. Moreover, improved accountability in food production and a strengthening of confidence and trust in food manufacturers is expected.

With regard to the benefits of greater transpa-rency, **67.3 %** of participants agreed either fully or partially with the statement "I could assess the advantages and disadvantages of various foods more accurately". Furthermore, the avai-lability of more information about food would enable consumers to better assess and under-stand food manufacturing (**60 %**).

In addition, **51 %** of the consumers surveyed expect in particular a strengthening of confi-dence and trust in food manufacturers. Con-versely, **39 %** of those surveyed do not expect greater transparency to be very helpful.

How can transparency lead to a better understanding of the complex processes in the food sector, without overloading some of the consumers with information?



9.

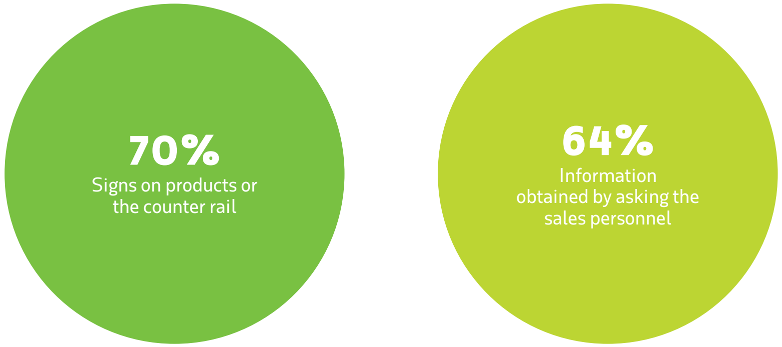
SERVICE COUNTER: ADVICE IS WELCOME!

Professional advice, particularly when purchasing at the service counter, represents a fundamentally preferable source of information for many consumers, even in this age of technology.

More than **71 %** of participants view professional advice when buying food at a service counter as either very important or quite important. Consumers who have a high preference for food transparency and a high degree of trust and confidence in farmers, manufacturers, retailers and the food quality more frequently make their purchases at service counters (**20.8 %**). Other typical characteristics of these buyers are high income, responsibility for their own food purchasing and a high level of orientation on price and quality.

Their preferred methods of obtaining information at the service counter are to ask sales personnel (**64 %**), signs attached to the products themselves or to the counter rail (**70 %**) or on the edge of the counter (**61 %**).

How can the expertise of the sales personnel be improved to optimise the personalised service that the majority wish to have?



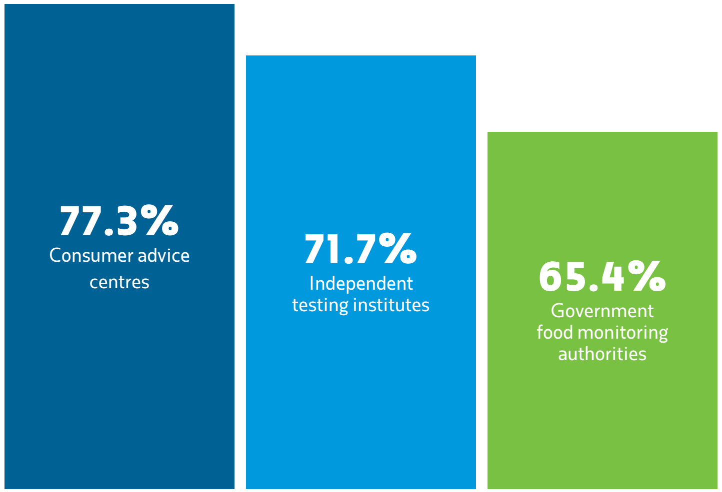
10.

REPRESENTATIVES OF CONSUMER INTERESTS: CONSUMER ADVICE CENTRES ARE TRUSTED AND RESPECTED

From the consumers' point of view, suitable organisations for representing their interests are: Consumer advice centres, independent testing institutes and government food monitoring authorities. Apart from friends and family, consumer advice centres and testing institutes are the most trusted sources of food information.

77.3 % of consumers consider consumer advice centres either suitable or very suitable for representing the interests of consumers when it comes to food. Moreover, independent testing institutes (**71.7 %**) and government food monitoring authorities (**65.4 %**) are also considered either suitable or very suitable.

How can new forms of dialogue between consumer advice centres, testing institutes and the agricultural and food sector help to clearly convey transparency in complex processes?



11.

CONSUMER AWARENESS: SELF-DETERMINATION HAS PRIORITY

When it comes to buying food, the majority of consumers want to make their own decisions and are of the opinion that policymakers should not be able to decide what they are allowed to eat.

In the assessment of nutritional and consumer behaviour, the statement "Policymakers should not be able to decide what I am allowed to eat" met with the approval of **70 %** of consumers and was therefore among the most popular responses. **43.2 %** of consumers agreed with the statement "The government should protect consumers from unsuitable nutrition".

How can transparency provide consumers with an overview without appearing patronising?

70%
"Policymakers should not be able to decide what I am allowed to eat."

43.2%
"The government should protect consumers from unsuitable nutrition."

APPENDIX

Key cluster analysis on the "Consumer understanding of transparency" project

Sceptical, disinterested (n = 60; 6.0 %)

Item	Fully agree	Tend to agree	Partly agree	Tend not to agree	Do not agree	M (SD)
Items regarding the factor: Preference for food transparency						
When shopping, I take the time to read information on food packagings carefully.	0 %	8.3 %	33.3 %	33.3 %	25.0 %	-.75 (.932)
I try to avoid foods that contain additives.	6.7 %	11.7 %	56.7 %	8.3 %	16.7 %	-.17 (1.06)
I would like to see more information on food packagings to help me eat more healthily.	16.7 %	15.0 %	35.0 %	13.3 %	20.0 %	-.05 (1.33)
I want to know which ingredients are in a particular food.	25.0 %	21.7 %	26.7 %	8.3 %	18.3 %	.27 (1.41)
I compare labels in order to decide for the best food.	8.3 %	13.3 %	40.0 %	20.0 %	18.3 %	-.27 (1.16)
I try to buy foods that do not contain preservatives.	3.3 %	16.7 %	43.3 %	13.3 %	23.3 %	-.37 (1.12)
Items regarding the factor: Consumer trust						
I trust food manufacturers.	0 %	0 %	3.3 %	41.7 %	55.0 %	-1.52 (.57)
I trust food retailers.	1.7 %	0 %	8.3 %	46.7 %	43.3 %	-1.30 (.77)
I trust the quality of food.	0 %	1.7 %	26.7 %	41.7 %	30.0 %	-1.00 (.80)
I trust the farmers who produce the food.	1.7 %	5 %	20 %	36.7 %	36.7 %	-1.02 (.97)
I trust the government food monitoring authorities.	1.7 %	10.0 %	23.3 %	31.7 %	33.3 %	-.85 (1.06)
Items regarding the factor: Overload and confusion caused by food-related information						
The amount of information on food packaging is too much for me.	6.7 %	15.0 %	38.3 %	16.7 %	23.3 %	-.35 (1.19)
The information on food packaging is too difficult to understand.	23.3 %	33.3 %	28.3 %	3.3 %	11.7 %	.53 (1.23)
The information on food packaging is confusing.	25.0 %	41.7 %	18.3 %	18.3 %	11.7 %	.65 (1.23)

Satisfied, indifferent (n = 316; 31.4 %)

Item	Fully agree	Tend to agree	Partly agree	Tend not to agree	Do not agree	M (SD)
Items regarding the factor: Preference for food transparency						
When shopping, I take the time to read information on food packagings carefully.	0.6 %	6.6 %	52.5 %	29.1 %	11.1 %	-.43 (.80)
I try to avoid foods that contain additives.	1.6 %	9.8 %	62.0 %	18.7 %	7.9 %	-.22 (.79)
I would like to see more information on food packagings to help me eat more healthily.	1.3 %	17.7 %	53.8 %	19.0 %	8.2 %	-.15 (.85)
I want to know which ingredients are in a particular food.	4.7 %	28.5 %	52.2 %	9.5 %	5.1 %	.18 (.86)
I compare labels in order to decide for the best food.	1.9 %	12.7 %	57.9 %	19.3 %	8.2 %	-.19 (.83)
I try to buy foods that do not contain preservatives.	0.9 %	11.4 %	54.4 %	24.4 %	8.9 %	-.29 (.82)
Items regarding the factor: Consumer trust						
I trust food manufacturers.	1.3 %	14.6 %	70.3 %	13.6 %	0.3 %	.03 (.59)
I trust food retailers.	2.2 %	17.4 %	71.5 %	8.9 %	0 %	.13 (.58)
I trust the quality of food.	1.3 %	27.2 %	69.3 %	1.6 %	0.6 %	.27 (.54)
I trust the farmers who produce the food.	4.7 %	35.8 %	55.1 %	4.4 %	0 %	.41 (.65)
I trust the government food monitoring authorities.	3.2 %	23.4 %	62.7 %	9.8 %	0.9 %	.18 (.68)
Items regarding the factor: Overload and confusion caused by food-related information						
The amount of information on food packaging is too much for me.	1.6 %	9.2 %	49.1 %	30.7 %	9.5 %	-.37 (.84)
The information on food packaging is too difficult to understand.	2.5 %	20.3 %	59.2 %	16.1 %	1.9 %	.05 (.74)
The information on food packaging is confusing.	4.4 %	23.1 %	61.1 %	9.2 %	2.2 %	.18 (.75)

Trust and transparency (n = 222; 22.0 %)

Item	Fully agree	Tend to agree	Partly agree	Tend not to agree	Do not agree	M (SD)
Items regarding the factor: Preference for food transparency						
When shopping, I take the time to read information on food packagings carefully.	22.5 %	43.7 %	29.3 %	4.1 %	0.5 %	.84 (.84)
I try to avoid foods that contain additives.	28.4 %	42.3 %	24.3 %	4.1 %	0.9 %	.93 (.88)
I would like to see more information on food packagings to help me eat more healthily.	27.5 %	42.8 %	23.4 %	5.4 %	0.9 %	.91 (.90)
I want to know which ingredients are in a particular food.	56.8 %	34.2 %	6.8 %	1.4 %	0.9 %	1.45 (.76)
I compare labels in order to decide for the best food.	24.8 %	46.4 %	23.9 %	4.1 %	0.9 %	.90 (.85)
I try to buy foods that do not contain preservatives.	33.3 %	29.7 %	30.6 %	5.0 %	1.4 %	.89 (.98)
Items regarding the factor: Consumer trust						
I trust food manufacturers	6.3 %	30.6 %	57.2 %	5 %	0.9 %	.36 (.72)
I trust food retailers.	5.9 %	38.3 %	50.5 %	5 %	0.5 %	.44 (.70)
I trust the quality of food.	11.7 %	55.4 %	31.1 %	1.4 %	0.5 %	.77 (.69)
I trust the farmers who produce the food.	16.2 %	51.8 %	29.3 %	2.7 %	0 %	.82 (.73)
I trust the government food monitoring authorities.	14.4 %	51.8 %	28.4 %	5 %	0.5 %	.75 (.78)
Items regarding the factor: Overload and confusion caused by food-related information						
The amount of information on food packaging is too much for me.	0.5 %	0.9 %	15.8 %	53.2 %	29.7 %	-1.11 (.72)
The information on food packaging is too difficult to understand.	0 %	4.1 %	37.8 %	44.1 %	14 %	-.68 (.76)
The information on food packaging is confusing.	0.5 %	6.8 %	44.1 %	36.5 %	12.2 %	-.53 (.81)

Confusion and trust (n = 173; 17.2 %)

Item	Fully agree	Tend to agree	Partly agree	Tend not to agree	Do not agree	M (SD)
Items regarding the factor: Preference for food transparency						
When shopping, I take the time to read information on food packagings carefully.	26.0 %	38.2 %	28.3 %	7.5 %	0 %	.83 (.91)
I try to avoid foods that contain additives.	31.8 %	39.3 %	26.6 %	2.3 %	0 %	1.01 (.83)
I would like to see more information on food packagings to help me eat more healthily.	38.7 %	42.8 %	16.2 %	1.7 %	0.6 %	1.17 (.80)
I want to know which ingredients are in a particular food.	54.3 %	36.4 %	6.9 %	1.2 %	1.2 %	1.42 (.77)
I compare labels in order to decide for the best food.	31.2 %	39.9 %	27.7 %	1.2 %	0 %	1.01 (.80)
I try to buy foods that do not contain preservatives.	35.8 %	32.4 %	26.0 %	3.5 %	2.3 %	.96 (.99)
Items regarding the factor: Consumer trust						
I trust food manufacturers	11.0 %	35.8 %	45.7 %	6.4 %	1.2 %	.49 (.82)
I trust food retailers.	10.4 %	35.8 %	49.1 %	3.5 %	1.2 %	.51 (.78)
I trust the quality of food.	12.7 %	45.7 %	38.7 %	1.7 %	1.2 %	.67 (.76)
I trust the farmers who produce the food.	24.9 %	45.7 %	29.5 %	0 %	0 %	.95 (.74)
I trust the government food monitoring authorities.	19.7 %	47.4 %	27.7 %	3.5 %	1.7 %	.80 (.86)
Items regarding the factor: Overload and confusion caused by food-related information						
The amount of information on food packaging is too much for me.	22.5 %	41.0 %	26.0 %	9.2 %	1.2 %	.75 (.95)
The information on food packaging is too difficult to understand.	28.3 %	59.0 %	12.7 %	0 %	0 %	1.16 (.62)
The information on food packaging is confusing.	34.1 %	59.0 %	5.8 %	1.2 %	0 %	1.26 (.62)

Discerning, detail-oriented (n = 236; 23.4%)

Item	Fully agree	Tend to agree	Partly agree	Tend not to agree	Do not agree	M (SD)
Items regarding the factor: Preference for food transparency						
When shopping, I take the time to read information on food packagings carefully.	34.3 %	44.1 %	22.5 %	1.7 %	0.4 %	1.07 (.82)
I try to avoid foods that contain additives.	41.5 %	38.6 %	17.4 %	2.5 %	0 %	1.19 (.81)
I would like to see more information on food packagings to help me eat more healthily.	39.0 %	43.2 %	16.5 %	1.3 %	0 %	1.20 (.75)
I want to know which ingredients are in a particular food.	76.7 %	19.5 %	3.4 %	0.4 %	0 %	1.72 (.54)
I compare labels in order to decide for the best food.	36.0 %	40.3 %	21.6 %	2.1 %	0 %	1.10 (.81)
I try to buy foods that do not contain preservatives.	39.0 %	39.8 %	18.2 %	2.5 %	0.4 %	1.14 (.83)
Items regarding the factor: Consumer trust						
I trust food manufacturers.	0 %	0.8 %	49.6 %	35.6 %	14 %	-.63 (.73)
I trust food retailers.	0 %	3.8 %	57.6 %	31.4 %	7.2 %	-.42 (.68)
I trust the quality of food.	0 %	5.5 %	72.5 %	19.5 %	2.5 %	-.19 (.56)
I trust the farmers who produce the food.	1.7 %	20.3 %	58.1 %	15.3 %	4.7 %	-.01 (.78)
I trust the government food monitoring authorities.	1.3 %	14.0 %	48.3 %	23.3 %	13.1 %	-.33 (.92)
Items regarding the factor: Overload and confusion caused by food-related information						
The amount of information on food packaging is too much for me.	1.7 %	5.5 %	30.9 %	42.4 %	19.5 %	-.72 (.90)
The information on food packaging is too difficult to understand.	3 %	13.1 %	56.8 %	21.2 %	5.9 %	-.14 (.83)
The information on food packaging is confusing.	5.5 %	23.7 %	49.2 %	17.4 %	4.2 %	.09 (.89)

LEGAL NOTICES

DESCRIPTION OF THE TRANSPARENCY SURVEY
The survey evaluated the results gained from questioning 1,009 participants. In order to obtain an approximately representative sample of the population, quota variables for age, gender, federal state, income and level of education were predetermined. The survey was conducted online between 25 August and 4 September 2014.

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"DIE LEBENSMITTELWIRTSCHAFT e.V."
Responsible within the meaning of media law:
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German version: January 2015
English version: March 2016

www.lebensmittelwirtschaft.org