



“Clean Label Values”

Phase I Focus Group Report
Millennials and Gen Z



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Clean Label Values among Millennials and Generation Z

Background

The “clean label” movement is a tangible representation of consumer demand for less artificial ingredients. Food and beverage companies have embraced the movement by reintroducing both classic and new products with fewer ingredients. According to [Natural Products Insider](#), sales of clean label products globally are “expected to reach \$180Billion by 2020.” As such, consumer insights become increasingly relevant to food and beverage companies looking to promote products that reflect consumer demand.

To understand today’s “clean label” consumer, the International Food Information Council (IFIC) conducted a qualitative study (Phase I Focus Groups) to assess consumer perceptions regarding the term “clean,” purchase behaviors, habits and responses to examples of ingredient labeling.

This report presents the findings of the IFIC research which explored “clean label” concept with Millennials and (adult) Gen Z and its influence on purchase behaviors.

Greenwald & Associates, IFIC’s research partner, conducted two 10-person focus groups to gain insights from its target audience participants, Millennials and Gen Z

consumers. The focus was on the topic of clean foods, perceptions and attitudes of ingredients, and how purchasing decisions and tradeoffs are made. Both focus groups were held in Baltimore on September 27th 2017. Participants were between the ages of 18 and 34, shop for groceries regularly, and do not live in a dorm or campus housing. Additional demographic information about the profile of the focus group participants is detailed at the end of the report.

Food purchase behavior explored

This study provided the opportunity to explore topics such as those listed below. Insights from these focus groups provide a snapshot of Millennial and Gen Z perceptions about clean labels and other factors impacting purchase decisions.

- Awareness of clean food label and definition of concept
- Purchasing factors and order of priority
- How context (meal occasion, type of food) influences purchase decisions

The groups also commented on a given ingredient list, including which (if any)

ingredients they actively look for on the ingredient list as well as their sources of information regarding food, clean label and health. The sessions concluded with discussions centered on consumer confusion and who consumers trust for nutrition information.

Findings

Little Awareness of “Clean Labels” but Most Understand the Concept of Clean Eating and Clean Food

When asked about “clean food” directly, participants had no real awareness of the label or memory of seeing or hearing it used, either informally or in advertising or packaging. Despite it being unfamiliar, most had a sense of what they thought it was trying to communicate. For instance, one consumer connected the term to the idea of a cleanse – essentially removing bad stuff from your body, or in this case, not putting bad stuff in your body. Others describe it as something not having artificial ingredients, having few ingredients, or as being generally less processed or unadulterated – natural.

“It’s a peace of mind thing. You just feel better about yourself if you buy that item compared to another option.”

Trade-offs between Clean Food and Taste/Price

Similar to many other studies including IFIC's annual Food & Health Survey³, these focus groups identified price and taste as top purchasing factors.

Some were surprised, perhaps even disappointed, that they didn't rank health-related factors higher. However, given their situations (e.g., grad student, multiple mouths to feed, starting a business) they had to consider other priorities.

This ordering of priorities means that for many, clean food and healthful options require making a trade-off against these higher order factors. In fact, many see clean food options as carrying a higher price tag or not tasting as good. One participant even mentioned using price to gauge the healthfulness of a product.

Key takeaway: The majority of participants in these discussions were not willing to accept a change in taste for a favorite product even if it had a clean label.

Context of Food Type and Meal Occasion Matters

The importance of clean food-related factors is also heavily dependent on the context of the type of food being purchased, for whom and for what meal occasion the food is intended.

For instance, markers of clean foods/healthfulness are considered less important when shopping for a treat or snack food. For many, if they're buying a treat or snacks, they've already decided to prioritize taste over healthfulness.

Meats and certain produce are foods where young consumers are more likely to target clean or healthy choices. The use of pesticides and hormones in foods is more heavily considered in these types of products. On the flip side, processing techniques and the number of ingredients listed may negatively influence consumer understanding about organic or clean.

"In my mind, if it's healthier, it's not going to taste as good."

Meal occasion plays a major role in purchase behavior. For example, what they purchase for lunch would be considered differently than what they purchase for a "sit down" family meal. Likewise, convenience becomes more of a determining factor when deciding what to eat for lunch.

Key Takeaway: Meal and eating occasions dictate which factors are considered and what products the participants ultimately purchase.

Important Context for Decision: Who Is It For?

Parents are especially likely to consider clean food choices when buying for their children.

That said, parents seem torn between the desire to give their children healthy food and the cost associated with having multiple mouths to feed. One parent described making healthier choices for their children while sacrificing or "taking up the slack" by choosing cheaper and less healthy choices for themselves.

On the flip-side, we found factors such as convenience were critical for young consumers living away from home or on their own for the first time.

Key Takeaway: Some parents are likely to apply greater weight to clean food choices when buying or preparing foods for their children.



Importance of Familiarity in Purchasing Decision

Although price and taste remain central drivers in purchasing decisions, familiarity of products is often a key driver.

For many, it takes too much mental energy to constantly make new decisions. Some young consumers take the time to deliberate between options in stores, and some are in-depth label readers at the point of purchase, but many would rather make quick choices.

This preference for the familiar doesn't necessarily mean that the chosen product is

a comfort food or an unhealthy option. Familiarity recalls an earlier decision in which that product was judged as meeting the criteria being considered. Typically this means that it tasted good, but it could be the healthy option or the low cost option that they remember and enjoyed.

Familiarity can also refer to the feeling that they recognize the ingredients in a product. When discussing fruit nutrition bars, one participant mentioned having made his own at home once. When confronted with the ingredients list of a store-bought option, he was dismayed by the lack of familiarity with the ingredients listed.



Familiarity Can Turn Negative for Clean Label Reformulations

Interestingly, while familiarity can easily sway decisions to clean and healthy options, it appears that consumers are less willing to accept taste trade-offs when it involves a favorite food or a product they regularly buy.

For example, consumers were dismayed when their go-to soda or mac-n-cheese changed recipes. One participant, after seeing that their "go-to" soda was advertising a new recipe and taste, went out and bought as many of the old labeled products as she could find.

In fact, when consumers describe the trend of organic or clean food options, many slip into talking about "new" products that they were unfamiliar with but willing to give a try. These "new" products are clearly seen as designed to be clean or healthy and therefore better options of the product. One participant even listed "a new company" as a general purchasing factor, stating that he'll give anyone a shot.

Key Takeaway: Clean Label carries a certain amount of risk. Product reformulations can highlight a perceived negative or flaw in the original product. They can also be perceived as altering something that consumer's already like.

Review of Ingredients Lists: Understanding of Ingredients and Length of List Impact Perception

To better understand how consumers evaluate ingredients lists, participants were asked to review the ingredients of two products: a chocolate milk drink and a fruit nutrition bar. Anything that stood out was circled, anything positive was given a “+” sign, and anything negative was given a “-” sign.

Participants found positives and negatives in both lists, but the longer ingredients list received more negative reviews overall. Importantly, consumers felt that a longer list, even if made longer with positively-perceived ingredients, looks less healthy. Some even gave up half-way through the 2nd list because of the length.

Comprehension of ingredient names is critical: components that they can't pronounce or that sound medicinal are an immediate turnoff for the product as a whole. One participant even identified “sugar” as a positive in the first product because “at least [he] knew what it was!”

When Confronted with Ingredients That Seem Artificial, Innocuous Processing and Packaging Details Can Start to Look Suspicious

Interestingly, those troubled by artificiality in the ingredients lists were looking at more than just hard to pronounce ingredients. Descriptions of products (such as “milk drink” or “nutrition bar”) that don't sound normal or seem artificial create skepticism/negative reaction.

Both ingredient list examples point to a skepticism and perhaps a lack of understanding about how food is made or processed. Similar to IFIC's findings regarding chemicals in food² or “Chemophobia,” some consumers are more fearful or distrusting of unfamiliar ingredients and how they are used, regardless of what attributes they provide to food. When confronted with a list of ingredients that seem artificial to them, several participants became suspicious of innocuous terms used to describe the product.

However, there remained a number of participants that were not deterred by unfamiliar ingredients.

“Just because you can't pronounce it doesn't mean it's bad for you.”

These discussions allowed us to compare and contrast perceptions regarding the nutrition facts panel's display of sugar, calories and fat against ingredients listed. We found that the impact of the ingredients list on young consumers should not be overstated. Very few participants admitted that they ever even look at the ingredients.

One participant described that if consumers “are in a healthy mood,” they opt to scan the Nutrition Facts Panel and in particular, the “big 3” of sugars, fat, and calories.

Key Takeaway: No matter the ingredients list or nutrition facts panel for the “big 3” of sugars, fat and calories, even the most health conscious in the groups only partially reviewed the information listed.

Consumers Get Information from a Variety of Sources

Throughout the discussions, consumers identified a number of sources of information that shape their beliefs about food, clean labels and health in general. Examples of sources cited include:

- Documentaries
- Talk shows and television appearances (e.g., Dr. Oz, Today Show, Michelle Obama commercials)
- Word of mouth
- Social media
- Media/news
- Food companies and restaurants

A few interesting observations emerged from the discussion of these sources. For example:

The influence of certain sources often extends beyond their typical audience. Dr. Oz was mentioned by a 22-year old participant, not as a direct source, but instead as a source she hears about in conversations with her mom. Another participant has a fiancé who is in a nutrition-related master degree program, so she “hears a lot.”

Documentaries, such as “What the Health,” have a noticeable impact on these younger

consumers – especially those who are more health conscious. Some express skepticism, but the reach to younger consumers in the age of Netflix should not be overlooked.

Participants describe the influence of media/news in vague terms, such as seeing “a lot of bad press about partially hydrogenated oils.” It's not clear how the food news is evaluated on a day-to-day basis. **Some appear reassured when media reports cite a scientific study**, but several are skeptical about science and data.

Consumer Confusion Apparent: Sources of Information Vary, but Trust of Sources Unclear

One finding that emerged in IFIC's most recent Food and Health Survey is the widespread presence of consumer confusion: the idea that consumers encounter conflicting information about health and nutrition and emerge confused about their own choices.



Focus group participants also echoed that sentiment, stating that it is hard to know who to trust. One participant described his desire to learn what he should and should not eat, but the more he reads, the less he is certain. The end result is a haze: “clean food is a little foggy.”

Multiple participants also described hearing about clean food issues and health-related food concerns when food companies and restaurants make changes towards new options or ingredients. Until then they hadn't considered the issue; afterwards they felt a little less sure about the company or restaurant in general.

Summary

This exploratory study allowed us to assess clean label values among a target audience of consumers that are young and influential.

- Millennial and Gen Z consumers have **little awareness of clean food labels, but most understand the concept** of clean eating and clean food.
- For many, clean food and organic food is **more about the perception of health** than a tangible difference in products. Some see clean foods as **marketing spin**.
- **Price and taste are the top purchasing factors** for this segment of young consumers. Clean food and healthful

options require making a trade-off against these higher order priorities

- Some judge or assume healthfulness by the price tag.
- The importance of clean food-related factors is also **heavily dependent on the context** of the type of food being purchased, for whom and for what meal occasion the food is intended.
- When ranked among other priorities, price and taste rose to the top. Yet when it comes to the final purchase decision, it becomes evident that **familiarity actually plays a significant role in decisions**.
- While familiarity can easily sway decisions to clean and healthy options, it appears that **consumers are less willing to accept taste trade-offs when it involves a favorite food** or a product they regularly buy.
- When reviewing ingredients lists, consumers felt that **a longer list, even if made longer with positive ingredients, looks less healthy**. Ingredients they can't pronounce or understand dissuade many from purchasing, even among those who admit that an unfamiliar ingredient is not necessarily bad for you.



- When confronted with a list of ingredients that seem unfamiliar to them, **even generally innocuous aspects of the food or packaging can look suspicious**.
- Millennial and Gen Z consumers get information about food from a variety of sources, but conflicting information and diminishing trust **ultimately leads to consumer confusion**.

For questions or additional information, contact Tony Flood (flood@ific.org)



¹ IFIC Foundation 2017 Food & Health Survey

² Petrun E, Flood A, Sellnow T, Smith Edge M, Burns, K. *Shaping Health Perceptions: Effectively Communicating About Chemicals in Food*. *Food Protection Trends*, 2014:35 (1):24-35.