The Clean Label Guide to Europe

SIMPLIFY LABELS

Ingredion™

Clean label: a European movement that's here to stay

Europe is seeing a clear movement towards clean label food products, with more attention being paid to food packaging and ingredients.

This may not come as a surprise as it goes hand in hand with a lifestyle shift – where people are now more concerned than ever with their personal health and wellbeing. In addition to this, food scandals have focused attention on ingredients and the overall quality of food.

For manufacturers the 'clean label' movement also means a challenge as there is no regulatory definition of what 'clean label' means. This drove us to take action. We started an ongoing research programme and talked to customers, consumers and industry experts to find out what clean label means to them.

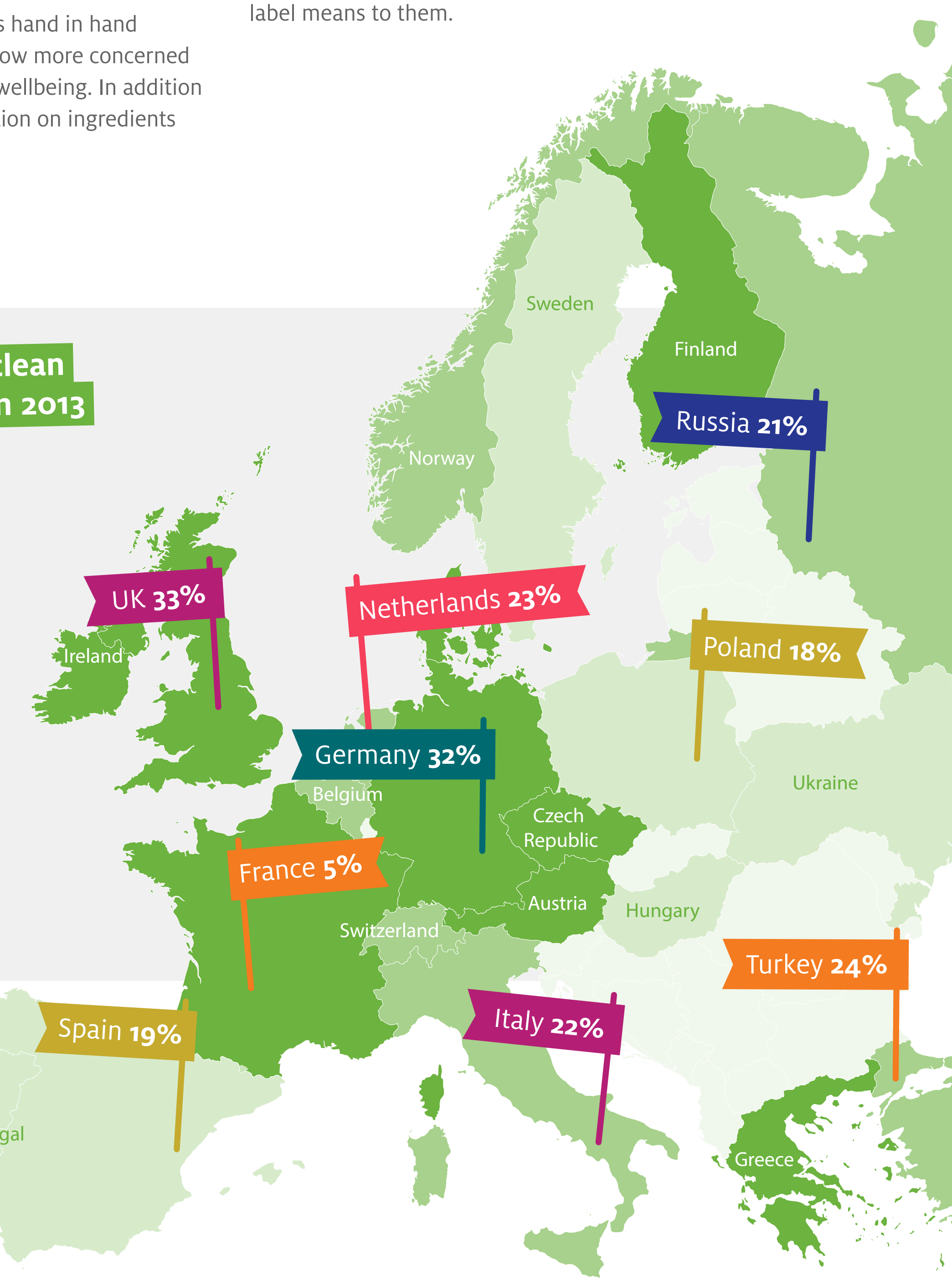
The percentage of new clean label product launches in 2013

It is clear that clean label has become important across Europe, with an average of 27% of all new product launches in packaged food in 2013 being clean label.

>25%

20–25%

<20%



Data source: Mintel GNPD, % share of clean label new product launches from new product launches in packaged food per country in 2013

What is clean label?

In consumer language a clean label positioning on the pack means the product can be positioned as 'natural', 'organic' and/or 'free from additives/preservatives'.

For manufacturers using a clean label positioning means using ingredients that are generally accepted by consumers – those that they might find in their kitchen cupboards. The ingredient list should be short, simple and feature minimally processed ingredients where possible. It should not include names that sound like chemicals or e-numbers.

Regulatory changes supporting clean label

In December 2014, European food labelling law will undergo significant changes when the Food Information for Consumers Regulation applies. Whilst the Regulation does not specify criteria for applying claims such as 'no additives', 'organic' or 'natural', the new food labelling rules aim to provide consumers with clearer information about the food and drink they purchase and are very likely to support the continued drive and appetite for clean label products. The Regulation will give consumers more information on what is in their food, how it is processed, highlight any allergens, nutritional content and provenance.

“Choices are less straightforward when viewed through the lens of cultural and regional differences.”

Which path do you take?

As consumers increasingly scrutinise labels, it means it's all the more important for food manufacturers to choose the right positioning and thus the right ingredients for their products. However, these choices are less straightforward when viewed through the lens of cultural and regional differences.

In a global marketplace regional attitudes can have major implications, making it a challenge to establish a universal set of standards. It's particularly important to have all the facts in front of you before formulating food products or setting out on a particular marketing path.

A journey through regional preferences

To inform the debate on ingredient preferences we continue to carry out in-depth research on the regional differences within Europe. The results, as set out in this 'guidebook', cast more light on how we can provide different consumers with the information they need to make informed choices about additives and the food they eat.

Our guidebook provides you with a platform for highlighting region-sensitive ingredients. It will also help refine what is considered clean label from a consumer perspective country to country.

Do people care what's in their food?

Of course people care that the main ingredients in their food are as they expect. But how concerned are they when it comes to the detail? Can replacing one ingredient with another really improve the sales of a product?

As in other areas, our findings show that there are important differences in how consumers view the make-up of their food.

Understanding local food culture

Consumers in every country in the survey believe that the ingredient list of their food is important. However, there are varying degrees of concern. The majority of countries classify ingredient usage to be 'quite important' when it comes to choosing their food.

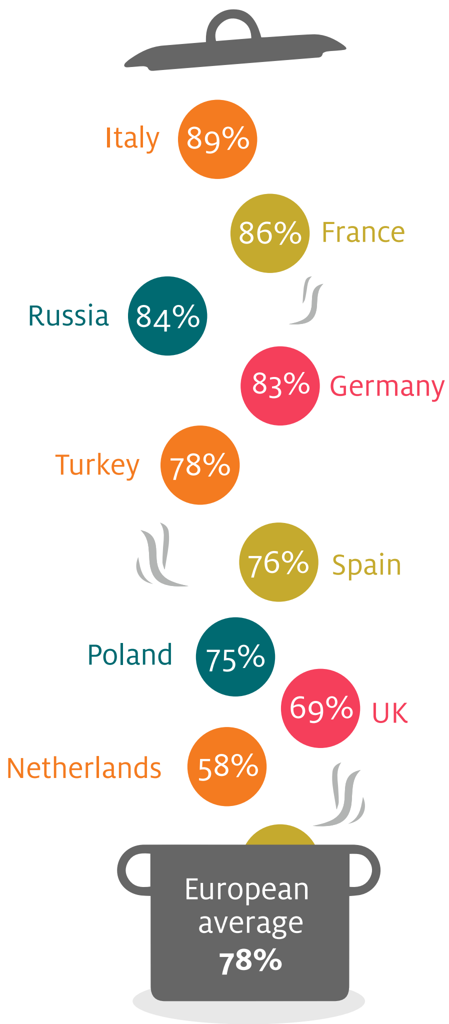
Consumers' concern about what's in their food is also shown by the importance of the ingredient list: with 78% believing it to be an important factor across Europe. French and Italian consumers attach the most importance to ingredients, with 86% and 89% respectively claiming that the ingredients used are very important.

Lower reported levels of importance should, however, not be dismissed. One reason that certain consumers seem to attach a lower importance could be because the clean label movement is well established in their country – they already expect their food to meet a certain clean label standard. This is the case for markets such as the UK, where the clean label movement began earlier and is now more established.

In other countries such as Turkey and Russia, the clean label trend started more recently but is growing fast year on year. Therefore these markets can be considered to be developing in the same direction as the UK market, where nowadays more than one in every three products launched is positioned as 'clean label' and a 'clean label' positioning is seen as more of a market qualifier for success.

How important is the ingredient list to you when buying a food or drink product?

I consider this to be very or quite important



Data source: % of consumers by country, Ingredion consumer research 2013 conducted by MMR Research Worldwide, base n=2805

Packaging.

Who reads what?

As food producers, you want to tell people what's in your products – especially if you have a good story to tell, like clean label. But who reads the packaging, what do they read, and how much attention do they pay to the ingredients list?

However, whilst this is to be expected, the study also shows that an increasing number of consumers are paying attention to the back of pack and the ingredient declaration. In fact, the number of consumers who see the ingredient list (found on the back of pack) as very important rose by 3% between 2011 and 2013 to 78%, and it is now the second most important factor when choosing a product, after price.

Reading habits through the regions

It is well established that claims placed on the front of your packs will be read more. After all, this side faces the consumer and is most easily read. In fact, 72% of all consumers surveyed usually or always read the front of pack. Since more consumers read the front of the pack, that's the best place for your clean label claims, such as 'no additives', 'natural' and 'organic' claims.

In the more established markets such as the UK, Netherlands, France, Germany and Spain we can see a larger difference between the number of people reading the front and the back of the pack. In these markets there is trust in manufacturers and a clean label is more expected.

Data source: % of consumers who usually or always read the front or back of pack, European average, Ingredion consumer research 2013 conducted by MMR Research Worldwide, base n=2805

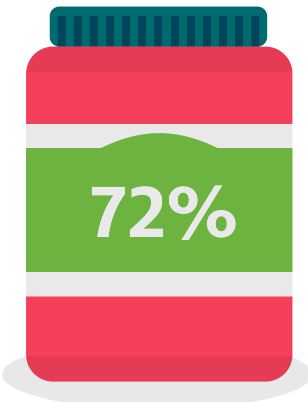
They therefore place more trust in claims made on the front of the pack. This does not mean, however, that they don't read the back of the pack as well. So the ingredient list is still as important and manufacturers must make sure they meet consumer expectations.

The back of pack is certainly scrutinised more in some of the developing markets such as Russia and Poland. In fact, in Poland both sides of the pack are read in equal measure. This is to be expected as clean label is a newer trend in these markets and consumers are very interested in understanding and finding out what is in their food.

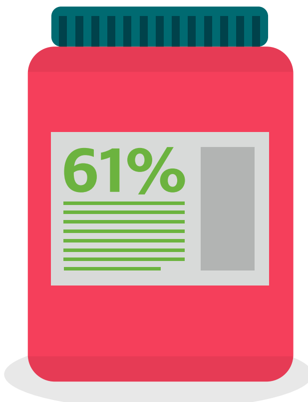
> "Front and back of pack both have an important role to play in influencing purchase behaviour"

In Italy, Russia and Turkey the back of pack is scrutinised more than in some established markets, whereas Spanish consumers pay a lot more attention to front of pack positioning. Therefore front of pack communication is very important in that market.

The research clearly shows that despite regional differences in the level to which the front and back of pack is scrutinised, both have an important role to play in influencing purchase behaviour. It is important therefore to not only have a clean ingredient label on the back but also to include your clean label claims on the front.



% of European consumers who read the front of the pack

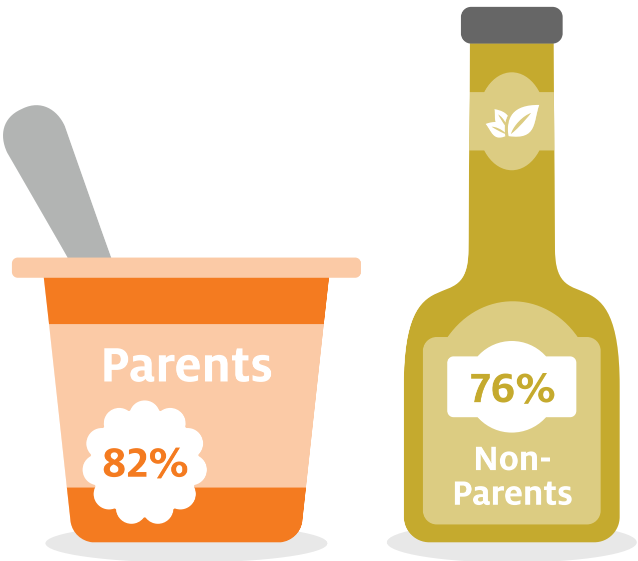


% of European consumers who read the back/sides of the pack

Looking more closely we can also see patterns between parents and non-parents. Parents generally believe a simple ingredient list is very important, more so than non-parents.

This is because having a child or young family is often a life-stage where health and nutrition become more of a focus. This effect can be seen most significantly in Spain, Russia and Italy where the importance of a short and simple ingredient list is over 8% greater for parents than non-parents.

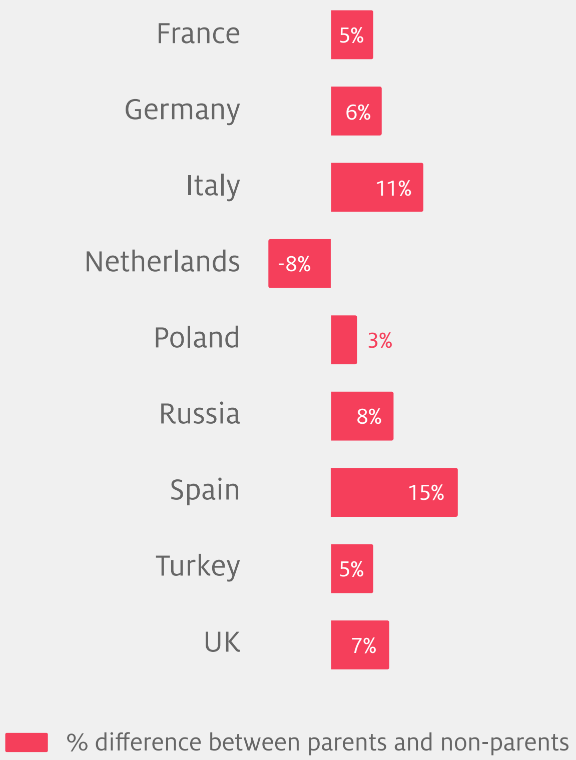
> "Having a child or young family is often a life-stage where health and nutrition become more of a focus."



% of consumers who consider a short and simple ingredient list to be quite or very important – European average

When you are buying a food or drink product, how important is it to you that the packaging has a short and simple ingredient list?

I consider this to be quite or very important



Data source: % of consumers who find a simple ingredient list very important by country and parental status, Ingredion consumer research 2013 conducted by MMR Research Worldwide, base n=2805

What can you read into the research?

Our study shows that if you want to grab consumers' attention you should use the communication opportunity at the front of pack – with claims that are preferred by the target audience such as 'no artificial ingredients', 'natural' and 'organic', which have a high consumer appeal across Europe. You should back this up with a short and simple ingredient declaration on the back, compliant with labelling requirements.

Consumers are looking for transparency and clarity. They want to understand what they are eating and receive confirmation that their choices are doing them good. So, using as few ingredients as possible and ingredients they understand will increase a product's appeal.

Clean label claims on the front of the pack have the highest switching power versus other front of pack statements. So the closer you can get to a clean label positioning the better. These claims should also be supplemented by the information on the back to maximise consumer appeal.

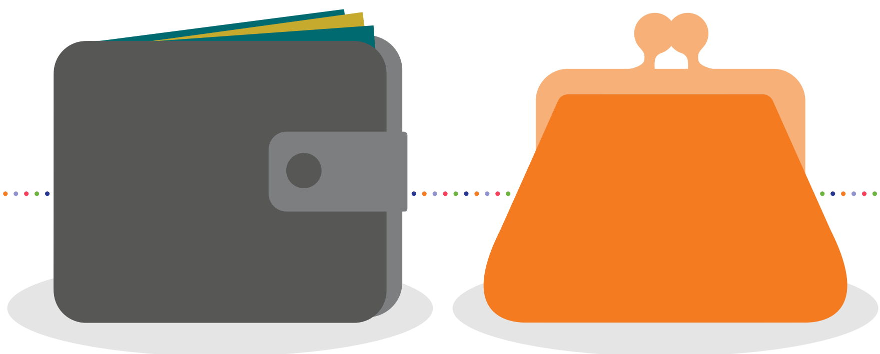
> "Clean label claims on the front of the pack have the highest switching power versus other front of pack statements."

Shopper profile

The way you communicate your ingredients both on the front and back of pack will depend on who is reading them – in other words, who does the shopping.

Our findings show that overall women are more attracted by product positionings on the front of pack, but there are notable exceptions. Whereas women are generally more attracted by a natural positioning, men find 'no additives/e-numbers' and 'organic' claims more attractive, in particular in Spain, France and Italy. Similar patterns can be found with the likelihood of switching brands. Whereas in general women are more likely to switch brands for a clean label claim, in Germany and Spain men have a higher propensity to switch.

Women are also more likely to read the back of pack, with the exception of France where men pay more attention.



Recognisable and acceptable ingredients are critical

When we look at consumer attitudes to packaging, it's important to understand the differences between nationalities as far as recognising and accepting certain ingredients is concerned.

Generally speaking, consumers we spoke to across all nine countries indicated that they are increasingly concerned about what they eat. However, what is accepted or not accepted by consumers differs significantly from country to country.

There are two factors to look at: do consumers recognise the ingredients? And, if they recognise them, do they accept them? Recognition alone does not mean an ingredient has a positive image. For instance, monosodium glutamate (MSG) is recognised by 36% of European consumers, but only deemed acceptable by 4%.

Another example is locust bean gum, which sounds strange to an English person, whereas the German translation 'Johannesbrotkernmehl' is perfectly acceptable. The local translation of an ingredient can lead to its acceptance in one market but not in another.

An increasingly important topic

While most of the consumers in the countries we surveyed in our research consider ingredient recognition to be 'quite important', the increasing number of ingredients recognised shows growing consumer attention. Only 4% of European consumers say they don't recognise any ingredients at all.

Globally, the number of people rating ingredient recognition as 'very important' has also remained high since 2011. This fits in with the growing awareness of additives and clean label products. In general, consumers are tending towards a healthier lifestyle and their food choices can help them along the road to achieve this.

When you are buying a food or drink product, how important is it that you recognise, or are familiar with, all the ingredients on the ingredient list?

I consider this to be very or quite important

Data source: % of consumers who find it quite or very important that they recognise the ingredients on the ingredients list, European average, Ingredion consumer research conducted by MMR Research 2013, base n=2805 (2013), n=1880 (2012), n=1511 (2011)

Recognising ingredients: the regional differences

While it's apparent that more and more European consumers want to know what's in their food, there is also a wide disparity in how many of them recognise what the individual ingredients are.

The results vary significantly as you travel from country to country. Take monosodium glutamate (MSG). It is only recognised by about 20% of respondents in Germany and France, compared to over 50% in the UK, Russia and Poland.

Principal attractions

Top of the class when it comes to ingredient recognition is Italy. The Italians recognise the widest range of ingredients, with 99% of all Italians interviewed recognising at least one ingredient included in the survey. The Dutch, whilst recognising the least ingredients still have good awareness, with 91% recognising at least one ingredient. This demonstrates that across Europe, consumers are becoming increasingly savvy and are paying attention to which ingredients are used.

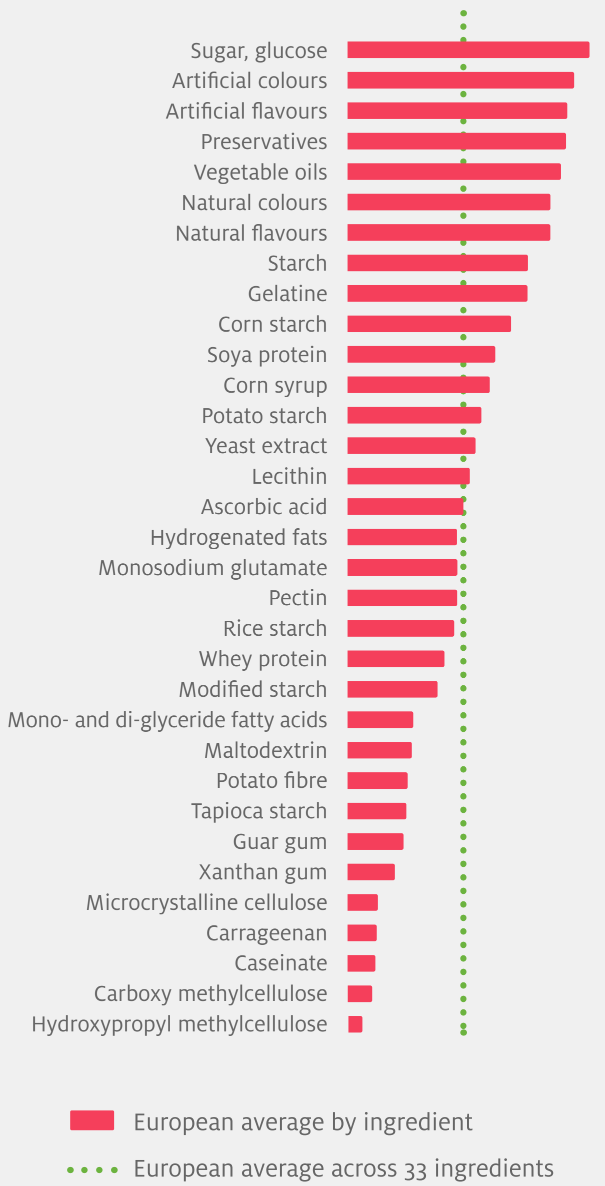
"The Italians recognise the widest range of ingredients, with 99% of all Italians interviewed recognising at least one ingredient included in the survey."

One reason for the high recognition figures of specific ingredients in some countries is the level of attention that they have received from the media, which plays a key role in moulding consumer perception. For example, the horse meat scandal in the UK has drawn a lot of attention to ingredients used in a product. This is reflected in an increase in the importance UK consumers attached to ingredients in 2013 compared to 2011. The number of people who believed the ingredient list is important increased from 65% to 69% in just two years.

It's important, therefore, to understand that recognition does not equal 'knowledge'. The recognition figures in the study show that consumers pay attention to ingredients, but their information sources behind that recognition are varied and may not always be valid.

When you are buying a food or drink product, which of the following ingredients are recognisable to you?

I recognise...



Data source: Level of consumers who recognise certain ingredients, European average, Ingredion consumer research conducted by MMR Research 2013, base n=2805

Ingredients that are most recognised are those that are either basic store cupboard ingredients such as sugar or those that have been publicised and talked about the most in relevant years e.g. artificial colours and flavours. Other ingredients such as starch and natural colours are liked more than chemical-sounding ingredients, which are at the other end of the spectrum.

> “Ingredients that are most recognised are those that are either basic store cupboard ingredients such as sugar or those that have been publicised and talked about the most in relevant years e.g. artificial colours and flavours.”

Talking the right language

The findings show a diverse range of ingredient knowledge from country to country. This should be taken into account when it comes to formulating and labelling foods.

In different regions, different ingredients may require more consideration than others when it comes to communicating clearly with consumers.

Does a clean label influence the purchase decision?

Across the countries covered in the research, consumers rank the ingredient list as the second most important factor considered in their purchasing decision, after price. Compare this with 'brand importance' at 53% and you see the significant impact that ingredient lists can have on purchasing behaviour.

The influence of the ingredient list cannot be underestimated and is especially important now consumers are paying almost as much attention to the back of the pack as the front. There is also a growing understanding of the link in a consumer's mind between what is listed on the back of the pack in the ingredients list and the credibility of the messages on the front. If there is a discrepancy, then this will be noted in many cases and affect purchase/re-purchase.

As the front of the pack is still the first opportunity to communicate clean label claims, which resonate most with consumers and will cause a change in purchase behaviour?

How important to you are each of the following things when buying a food or drink product?

I consider this to be very or quite important

Data source: European average % of consumers who find each item quite or very important, Ingredion consumer research conducted by MMR Research 2013, base n=2805

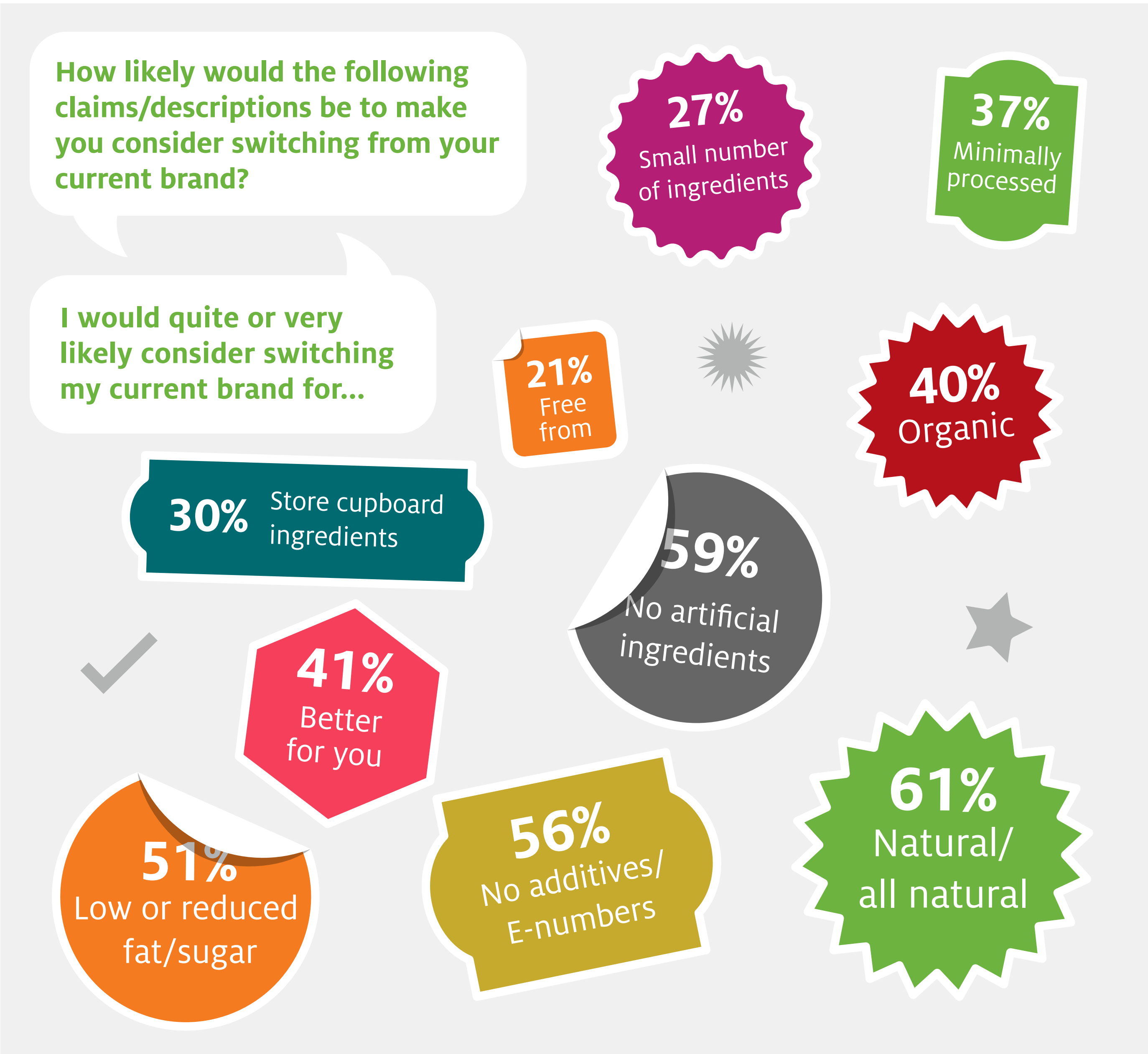
Clean label food is seen as more healthy

The majority of consumers think that food and beverages positioned as being natural or containing natural ingredients, as well as being free from additives are better for you. Specific health and nutrition claims, for example, 'added fibre', rank considerably lower than clean label positionings.

A more in-depth look at these positionings shows that Germans are more motivated by no artificial ingredients and no additives claims than natural and organic. The British, Dutch, Italians and Spanish are more concerned about low fat/sugar/salt than other nationalities, and organic is most appealing to those in Italy, Poland and Turkey. This demonstrates the importance of understanding what is acceptable to local markets in order to influence purchasing decisions.

Anything to declare?

It is clear therefore that ingredient usage is a powerful sales tool and a clean label product positioning can influence consumers switching brands. Those producers who make the most of the ingredients declared on packaging notice that it influences consumers' purchasing decisions even more than the brand. This is especially true for the developing markets where there is more room to differentiate a product. Their importance in established markets such as the UK and Germany, however, should not be underestimated.



Data source: % of consumers who would quite or very likely consider switching their current brand for each of the claims, European average, Ingredion consumer research conducted by MMR Research 2013, base n=2805

What do consumers feel comfortable with?

Our research shows that your consumers are becoming more and more interested in what they put on their plates. Many of them around Europe will read the labels and lists on your packaging. But what does it tell them? And what will make them feel good about your products?

They are basing decisions largely on how they 'feel' about the ingredients listed. It's often not founded on knowledge, but on whether they think they can trust the ingredients or not.

Keeping it clean

These findings have a major impact on how clean label products are viewed. Only if a product contains acceptable ingredients can it justify this classification from a consumer perspective. This means we need more insight into what consumers consider acceptable, before a product is called 'clean' to maximise its consumer appeal.

The key word is acceptability. If you formulate a product with well-known and accepted ingredients, the front of pack and back of pack communications reinforce each other. This will increase consumer preference and the potential sales of your products. Hence, the ingredients list matters.

Which ingredients travel well?

Consumers are putting a big mental tick against many of the ingredients. These we have called 'free to travel', because they are known and happily accepted throughout Europe.

For other ingredients the attitude is slightly less clear. We've called these 'tolerated', because while they are not completely accepted they don't widely affect consumers' perceptions one way or the other. This group has the greatest variance between regions – some nationalities feel at ease with them, while others are less trusting.

The third group are misunderstood ingredients. We've called these 'travel restricted'. Consumers view them with suspicion, probably because they have less natural-sounding names and are unlikely to be found in their home cupboards.

Data source: Level of consumers who accept certain ingredients, European average, Ingredion consumer research conducted by MMR Research 2013, base n=2805

Acceptability rating of commonly used ingredients

Free to travel	Tolerated	Travel restricted
Natural flavours	Yeast extract	Guar gum
Natural colours	Ascorbic acid	Maltodextrin
Sugar, glucose	Corn syrup	Monosodium glutamate (MSG)
Vegetable oils	Pectin	Xanthan gum
Potato starch	Whey protein	Hydrogenated fats
Starch	Lecithin	Carrageenan
Corn starch	Potato fibre	Mono- and di-glyceride fatty acids
Gelatine	Artificial flavours	Caseinate
Soya protein	Artificial colours	Microcrystalline cellulose (MCC)
Rice starch	Modified starch	Carboxy methylcellulose (CMC)
Preservatives	Tapioca starch	Hydroxypropyl methylcellulose (HPMC)
Natural colours and natural flavours are both ingredients that are unambiguous and accepted across the nine countries.	Ingredients that are ambiguous – MSG, ascorbic acid and yeast extract – have received significant attention from the media in some countries and thus show very different acceptability from country to country, also demonstrating the power of consumer media.	Ingredients that are unambiguously not accepted – chemical-sounding ingredients with long names on the label like HPMC, MCC, CMC – are not understood by consumers in Europe.

Ingredient acceptability rating by country

	France	Germany	Italy	Netherlands	Poland	Russia	Spain	Turkey	UK
Natural colours	✓	✓	✓	✓	✓	✓	✓	✓	✓
Natural flavours	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ascorbic acid	–	✓	✓	–	–	✓	–	✗	✓
Yeast extract	✓	✓	–	✓	–	✗	–	✗	✓
Whey protein	–	–	✓	–	–	–	–	✓	✓
Carboxy methylcellulose (CMC)	✗	✗	✗	✗	✗	✗	✗	✗	✗
Caseinate	✗	✗	✗	✗	✗	✗	✗	✗	✗

Data source: Free to travel = 19%+, tolerated = 6%–19%, restricted = less than 6%. Ingredion consumer research conducted by MMR Research 2013, base n=2805

Starches

Generally, starches are considered 'free to travel'. However, there are some relatively minor regional differences which are due to varying levels of awareness of certain starch bases, such as tapioca or potato, which effect their acceptability in some countries.

Fear of the unknown

It should be noted that all of the ingredients included in this study are completely safe to use. Our findings only reflect consumers' acceptance and perception of them. Lower acceptance often springs from the fact that people don't recognise the ingredient or its name sounds artificial or chemical.

Consumers feel most comfortable with store cupboard ingredients that they are familiar with, like yeast, salt, starch and sugar.

There can be large variations between countries. Ascorbic acid, for instance, is perfectly acceptable to Germans, but not really trusted by Turkish consumers. By understanding crucial regional differences you can tailor the messages and ingredients you use in those markets.

"Consumers feel most comfortable with store cupboard ingredients that they are familiar with, like yeast, salt, starch and sugar."

Where has this journey taken us?

Our journey around European attitudes to ingredients has brought up several valuable insights about geographical differences and preferences across Europe.

We've highlighted the main themes and findings below, which may support the way you market and package your products.

Highlights along the way

- Clean label has become much more than a trend. It is now a movement that is going from strength to strength.
- Some countries are more advanced in terms of clean label. Those that are more established see clean label as a qualifier to go to market and those that are still developing provide the largest opportunity for differentiation from competition by going clean label.
- Consumers believe that the ingredient list is more important than the actual brand. No manufacturer can rely on brand image alone any more, but will need to cater to consumers' increasing focus on the back of pack.
- Ingredients are more and more relevant in consumers' purchasing decisions. They are also under increasing scrutiny from consumers and the media.
- Getting the messaging on the front of pack right, with trustworthy, accepted ingredients backing up the message, has a high switching power and thus can lead to changes in consumers' existing purchasing patterns.
- The recognition of an ingredient by consumers does not simultaneously mean it is accepted.
- Consumers have a clear view on which ingredients are 'clean' and which aren't.
- Different ingredients have different levels of acceptance around Europe. You can use this to your advantage by tailoring your ingredients to suit.

Where do you go from here?

Now that you have these findings at your fingertips, you can use them to plan the way you communicate with your different consumers around Europe.

You should use clean label language that consumers can relate to and trust, such as 'natural', 'organic' and 'no additives/preservatives' for positionings on packaging.

For manufacturers, clean label means using:

- Ingredients that consumers know from their kitchen cupboards
- A simple/short ingredient list that is e-number free
- Ingredients that don't have chemical-sounding names (e.g. without 'x' or 'y')
- Ingredients that are minimally processed

This definition won't change between the countries or applications, but which ingredients are acceptable to consumers is region sensitive.

Put simply, clean label claims are becoming more important to consumers. Ingredion can help to develop products that meet consumer needs, using your current recipe as a starting point and without affecting the quality.

"For manufacturers, clean label means using ingredients that consumers know from their kitchen cupboards."

With Ingredion you can talk everyone's language

Turning this movement to your advantage calls for some serious ingredient and formulation expertise. Ingredion has over 20 years of experience in this complex area, and has built up specialist knowledge over that time.

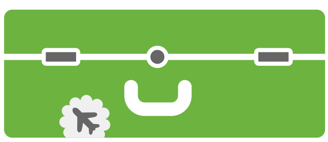
Creating a clean label solution for you

Our NOVATION® portfolio of over 30 starches helps you overcome many challenges associated with clean label reformulation. These starches are easy to use, helping you create high-quality, no-compromise products, that enable simple ingredient listings, whilst maintaining your product quality and shelf life.

Our HOMECRAFT® portfolio of functional flours offers enhanced functional performance over native flours as they help to overcome issues such as freeze/thaw stability, sensitivity to processing and poor cold water thickening. These natural ingredients offer a much wider range of processing and preparation options than traditional flour. This allows you to develop foods with homemade or restaurant appeal and therefore use simple, consumer-friendly labelling on your products.

Working with our technical and culinary experts, you'll be able to create a menu of tailored clean label solutions that take into account regional differences. In short, we can help you get the most out of these revolutionary ingredients.

Thank you for reading this study; we hope you've found it useful. If you'd like further guidance on adopting clean label ingredients and positionings in your products, our experts would be delighted to help.



Please contact us on:

Email: cleanlabel@ingredion.com
Request a call back here
Or contact one of our European offices.

Germany

Ingredion Germany GmbH
Grüner Deich 110
20097 Hamburg, Germany
Phone: +49 (0) 40 23 9150
Fax: +49 (0) 40 23 9170

United Kingdom

Ingredion UK Limited
Ingredion House
Manchester Green Business Park
333 Styal Road
Manchester, M22 5LW
United Kingdom
Phone: +44 161 435 3200
Fax: +44 (0) 161 435 3315

Russia

Ingredion Holding LLC
39, Prospect Vernadskogo, Office 501
119415 Moscow, Russia
Phone: +7 495 786 8143

United Arab Emirates

Dubiotech Research and Biotechnology Park
Office 03B, Dubai
PO BOX 345810
United Arab Emirates
Phone: +971 4453 4288

Ingredion Consumer Research

Conducted by MMR Research Worldwide, an independent market research agency commissioned by Ingredion.

- Waves: 2 waves 2011, 1 wave 2012, 1 wave 2013
- Total sample size Europe: n=2805
- Sample size per country: n=300+
- European countries surveyed 2013: France, Germany, Italy, Netherlands, Poland, Russia, Spain, Turkey, UK
- Screening criteria: Consumers mainly or jointly responsible for food and grocery shopping in their household
- Demographics (per country):
  Gender split: 70/30 female/male
  Age split: 1/3 16–29 years, 1/3 30–49 years, 1/3 50–65 years
  Parental status: 50/50 have children/no children
- Quantitative online questionnaire

Ingredion™