NATRUE consumer study on attitudes to Digital Labeling

September, 2022
Background

Consumers are looking to make more sustainable choices and also wish for greater transparency about the substances used in products, their origin / sourcing, manufacturer, social and environment impact.

Whilst information on-pack can help to orientate consumers e-Labeling can help to expand a consumer's awareness and further promote transparency:

E-Labeling can be complimentary to on-pack information or as an alternative option. E-Labeling can be invaluable to the NOC sector (e.g., fragrance allergens listing and/or explanation + details related to sustainability, labels used etc.). Nevertheless, e-Labeling and digital information can also spread misinformation and risk consumers’ misunderstanding.

Objectives

Understanding consumers perception, expectation, fulfilment & trust regarding digital tools when it comes to product information, claims and Labeling.

Hypothesis

• Consumers are faced with increasing information on-pack (e.g., ingredient list declarations) will distrust
• Consumers are faced with too much information on-pack and more information should be placed off-pack.
• Consumers’ distrust and/or confusion can lose trust when their expectations of green products are not matched with what is being delivered in-general – greater clarity and transparency being a known driver.

Whilst information on-pack can help to orientate consumers e-Labeling can help to expand a consumer's awareness and further promote transparency.

E-Labeling/ a specific platform can be used complimentary to on-pack information or as an alternative option.
Topics covered in this research

Research Design & Sample

Category & Brand Usage
Categories and Brands used P6M

Consumer Attitudes
Usage and Attitudes towards on- & off-pack information aspects

INCI Test
Compellingness, Clarity & Purchase Intent influenced by old vs. new INCI

Digital Labeling Concept
Evaluation of the potential platform and app
Study specifications and target group

What?
- Online survey using access panels: 15 minutes questionnaire length
- Mobile friendly

Who?
- Both female (75%) and male (25%), aged 18-59 years old
- Overall: National representative quotation regarding age, region
- Different personal care categories: P12M users of any of the categories
- All to be buyers of personal care products in mass market channels
- All to be non-rejectors of NOC
- At least 25% NOC-brand user
- At least 15% user who already looked for off-pack info

Where?
- Germany, France

How many?
- Total Germany n=1007
- Total France =1001
In Germany 52% currently use NOCs and a further 38% would consider using them in the future.

NOC – Potential and Rejectors in %

I already **USE** natural and/or organic personal and beauty care products.

I’m **NOT** using natural and/or organic personal and beauty care products and do **NOT CONSIDER** using them.

I’m **NOT** using natural and/or organic personal and beauty care products, but **CONSIDER** using them in the future.

Rejector were screened out for the main survey. **Gross sample** consists of **German based** people, 18-59 years old, working in certain industries and used at least one personal care category themselves in the past 6 months.

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Base: S10: Gross sample Germany (n=1250)
As you probably know, sometimes personal and beauty care products contain natural and organic ingredients. Would you, personally, generally consider using natural/organic personal and beauty care products?
In France, 57% of shoppers currently use NOCs and a further 33% would consider using them in the future.

**NOC – Potential and Rejectors in %**

- **I already USE natural and/or organic personal and beauty care products.**
- **I’m NOT using natural and/or organic personal and beauty care products and do NOT CONSIDER using them.**
- **I’m NOT using natural and/or organic personal and beauty care products, but CONSIDER using them in the future.**

Rejectors were screened out for the main survey. Gross sample consists of French based people, 18-59 years old, working in certain industries and used at least one personal care category themselves in the past 6 months.
1/3 of respondents already searched for product information in other places than on the packaging.

Off-Pack Information User in %

- I searched for information about the product in places other than on the product packaging.
- I looked for information about the product on the product packaging before or after buying it.
- I did not check any product information in specific.

Base: Total Germany| Total France (n=1007|1001)
Now please think of your purchases of personal and beauty care products in the last 6 months. Which of the following statements apply to your shopping behaviour?
1/3 of respondents would find more off-pack info very helpful with over half of shoppers remaining undecided indicating that shoppers are essentially open to new sources of information.

Off-Pack Information User in %
In fact, consumers would wish for more information off-pack (complimentary and/or mostly off-pack)

Preferred source of information in %

Q5c: Where would you like to find the information you generally need for your purchase decision?
Overall Information Usage and Needs
Looking at the average shopper, price and skin type suitability score first, the list of ingredients is considered as 3rd criterion for purchase.

Product information used **before** purchase – Total in %

- **Very important**
  - #1 Price
  - #2 Skin type suitability
  - #3 Ingredients list
  - #4 Texture
  - #5 Size of the pack
  - #6 Usage advice
  - #7 Certification labels
  - #8 Origin of ingredients
  - #9 Material of the pack
  - #10 Format of the pack

- **Especially stronger considered by respective User**

- **Less important**
The same is also true for France, where the INCI list is the 4th criterium to buy a beauty care product.

Product information used **before** purchase – Total in %

Very important

1. Price
2. Skin type suitability
3. Texture
4. Ingredients list
5. Origin of ingredients
6. Certification labels
7. Size of pack
8. Usage advice
9. Format of the pack
10. Material of the pack

Especially stronger considered by respective User

Less important
Given the choice, the majority of the German shopper would prefer to have the information on-pack but with additional information available online or in an app. There is a clear need.

Preferred source of information in %

<table>
<thead>
<tr>
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</tr>
<tr>
<td>49</td>
<td>56</td>
<td>62</td>
<td>53</td>
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<td>44</td>
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<td>31</td>
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<td>5</td>
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</tbody>
</table>

Base: Total Germany | NOC brand user | Off-Pack info user | Ingredients list user (n=1007 | 473 | 308 | 451) | in %

Q5c: Where would you like to find the information you generally need for your purchase decision?
Given all options, the clear majority of French shoppers would prefer to have the information on-pack but with additional information available online or in an app. The need is clearer in France.

**Preferred source of information in %**

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<td>57</td>
<td>6</td>
<td>37</td>
<td>34</td>
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<td>6</td>
<td>37</td>
<td>6</td>
<td>6</td>
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<tr>
<td>24</td>
<td>24</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>61</td>
<td>67</td>
<td></td>
</tr>
</tbody>
</table>

**Base:** Total France | NOC brand user | Off-Pack info user | Ingredients list user (n=1001 | 298 | 372 | 430) | in %
**Q5c:** Where would you like to find the information you generally need for your purchase decision?
Looking at sustainability aspects, Off-Pack Info user would especially need info on packaging & waste and sourcing while INCI user look more for info on origin and environmental impact of ingredients.

Importance of sustainability information, Index

Displayed data: Index and overcodes (clustered topics into one overall topic).

How to read example:
‘Packaging & waste’ clearly most important for the Off-Pack Info user (clearly above average) while of lower importance for NOC Brand User and Ingredients List User.

Base:
Total Germany | NOC brand user | Off-Pack info user | Ingredients list user (n=1007|473|308|451) | Index based on rank 1-5 evaluation

Q4:
Which sort of information would you need generally for your purchase decision?
Regarding the need of sustainability information, all target groups look for info in sourcing of ingredients & environmental aspects, while the INCI user are also more interested in the origin.

Importance of sustainability information | Index based on Rank 1-5 evaluation

Displayed data= Index and overcodes (clustered topics into one overall topic).

How to read example: ‘Origin of ingredients’ clearly most important for the Ingredients List User (clearly above average, while of lower importance for NOC Brand User and least important for Off-Pack Info User.

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Q4: Which sort of information would you need generally for your purchase decision?
On-Pack Information Usage and Needs
Opportunities for (more detailed) Off-Pack Info include: Ingredients list (allergens), info regarding environmental impact, rules for certification, brands owner and acting of the manufacturer.

Reasons for more off pack information

- The ingredients list is written too small.
- I often do not understand the ingredients list.
- I cannot find sufficient information on allergens on the product.
- I don’t know which label/certification means what.
- I am interested in ratings regarding the sustainability/natural & organic characteristics of the product.
- I am interested if the product’s characteristics/claims are independently certified or self-declared by the manufacturer.
- I do not trust that all relevant information written on the pack.
- I am interested in information regarding the environmental impact of the product.
More than 1/3 of German shoppers would find more off-pack info very helpful, especially those who already use it or those who especially consider the INCI list for their purchase decision.

Helpfulness of off-pack information in %

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<tbody>
<tr>
<td>Not helpful at all</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
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<tr>
<td>Center</td>
<td>50</td>
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<td>50</td>
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<tr>
<td>Very helpful</td>
<td>57</td>
<td>57</td>
<td>7</td>
<td>57</td>
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</table>

Q5b: Now, please think of the information which can be found in these other sources than on the packaging: Would it be helpful for your purchase decision to have more information available off the pack? (e.g. on the shelf, on websites, in online shops or in apps).
In France, NOC Brand users, as well as those already using off-pack information and also INCI use, would find more off-pack information very helpful.

Helpfulness of off-pack information in %

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Q5b: Now, please think of the information which can be found in these other sources than on the packaging: Would it be helpful for your purchase decision to have more information available off the pack? (e.g. on the shelf, on websites, in online shops or in apps).
Ingredient Listings
German shoppers, who have information on allergens in their top 10 needs for the purchase decision, partly prefer to have the info only on pack.

Preferred source of information on allergens in %

- **TOTAL**
  - Only on pack: 49%
  - On-pack but having complimentary information online or in an app: 43%
  - Mostly off-pack online or in an app with simplified information on-pack: 8%

- **NOC Brand User**
  - Only on pack: 49%
  - On-pack but having complimentary information online or in an app: 43%
  - Mostly off-pack online or in an app with simplified information on-pack: 8%

- **Off-Pack Info User**
  - Only on pack: 53%
  - On-pack but having complimentary information online or in an app: 6%
  - Mostly off-pack online or in an app with simplified information on-pack: 41%

- **Ingredients List User**
  - Only on pack: 49%
  - On-pack but having complimentary information online or in an app: 43%
  - Mostly off-pack online or in an app with simplified information on-pack: 8%

**Need for information on allergens in Top 10**

- 33%
The majority of French shoppers, who have information on allergens in their top 10 needs for the purchase decision, would like to have the info on-pack with additional info online or in an app.

Preferred source of information on allergens in %

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</tbody>
</table>

Base: Total France| NOC brand user| Off-Pack info user | Ingredients list user (n=458| 144| 176| 204) | in %

Q4 | Q5d: Which sort of information would you need generally for your purchase decision? You mentioned above that you would need the information which allergens a product may contain for your purchase decision. Where would you like to find this information?
Where do shoppers look for Off-Pack info?
Shoppers are primarily looking for a QR Code on the pack that could be scanned. The second source of information sought is the shelf: any booklet or flyer about the product available?

| Q6: And where would you search for the off-pack information you would need for your purchase decision? (e.g. ingredients, certifications, sustainability aspects, origin etc.) |
|-------------------------------------------------|-----------------|-----------------|-----------------|
| Base: Total Germany | Total France | n=1007 | 1001 | in % |
| Q6: | | |
| QR-Code/ scannable code on the product packaging | 30% | 24% |
| Website of the brand/manufacturer | 31% | 31% |
| Shelf in Store | 32% | 22% |
| Online ratings and reviews of the product | 26% | 17% |
| Product information/rating app | 19% | 21% |
Summary
Summary & Recommendations

On- and Off-Pack Information

The majority of the German and French shoppers would prefer to have the relevant information:

- on-pack but with additional information available online or in an app
- At least info on INCI and allergens as well as on certification labels should be provided on-pack (in reduced amounts).
- If the product pack is not too crowded, further info on the most interesting elements of a product, like packaging & waste, sourcing, origin and environmental impact of ingredients, could be provided on-pack (again in a reduced form).
- In every case, providing additional information on all these aspects via QR-code/ scannable information or at the shelf is highly recommended to get greater clarity and transparency to increase trust.

Ingredients List

- The ingredients list is the 3rd/4th most important aspect considered by German/French Shopper and therefore an important purchase driver.
- For NOC Brand Users and Ingredients Lists Users, the longer ingredient list (e.g., with more allergens) are less compelling with lower intention to buy.
- There is a consideration from respondents that fewer ingredients can be perceived as if the product is purer or cleaner, which is a clear need of NOC Brand Buyer.

Digital Labelling

- The digital labeling platforms and apps shows high potential to deliver the additional info.
- German shopper would very likely use the digital labeling platform and app, and there is also a high potential for users to convert to digital.
- All French target groups show a high intention to use digital means with a good potential to convert users towards digital platforms and/or apps.
Points for action

1. Consumers wish for less crowded products – i.e. less information on the pack

   Provide information via de-materialized formats, i.e. via online site or an app. Ideally as additional information (i.e. explanation of certification labels, explanation of substances – ingredients; allergens)

   2a. Include a QR-Code scanner that links to an online source with more explanation

   2b. Provide additional information on the shelf, via a leaflet or a booklet (cf. next to the products)

3. With less text on the pack, there’s potential to use bigger font size to make elements more readable.