Nutritional Labeling and Clean Labels in the U.S.: Future of Food Retailing

Description:
“Clean label” has become one of the hottest topics in the food and beverage industry as consumers look ever more closely at what goes into their food and beverages. Many consumers are now using the kitchen test—“can the ingredients on the label be found in my own kitchen?”—as their rule of thumb to determine whether or not to buy a product. They are using ingredient panels on packages as a litmus test, looking for a short list of "real food" ingredients they recognize, and avoiding products laced with with unpronounceable, chemical-sounding ingredients. Consumer preference for clean labels and concerns about food additives are pressing issues for the processed food industry because they are deeply rooted in long-term trends including consumers' focus on the connection between diet and health, combined with their ambivalence toward the processed food industry and skepticism about health claims on packaged foods.

While the federal government regulates the information on Nutrition Facts panels and ingredients labels on packaged foods and beverages, many leading marketers, retailers, and foodservice providers are ahead of the pack when it comes to labeling trends. These companies are redirecting proactively as they feel the winds of change—whether from potential government legislation, nutritional recommendations, or consumer demands—by reformulating and repositioning mainstream products and lines with simpler ingredients and cleaner labels. Steps taken include shortening ingredients lists; removing artificial colors, flavors, and preservatives; cutting sugar content; and switching to ingredients that are not genetically modified.

Scope and Methodology

This brand-new report, Nutritional Labeling and Clean Labels in the U.S.: Future of Food Retailing, is divided into three sections. The first focuses on the nutrition labeling required for virtually all packaged foods and beverages sold in the United States, and on the parameters for clean label.

The second part of the report analyzes extensive data from a proprietary national Consumer Survey conducted in January 2015 and Simmons National Consumer Survey data from Experian Marketing Services, as well as other published surveys, delving deeply into consumer use of nutritional labeling information, their preference for clean labels, and concerns about food additives.

The final chapter profiles more than two dozen mainstream marketers, retailers, and foodservice providers that are marketing clean label products and lines, including marketers such as General Mills, The Kellogg Co., Kraft Foods Group, Nestlé S.A., PepsiCo, and Unilever; retailers ranging from ALDI and Kroger Co. to Safeway, Walmart, and Whole Foods Market; and foodservice providers like Chipotle Mexican Grill, Dunkin' Donuts, McDonald's USA, and Subway.

In addition to the consumer survey, our primary research for Nutritional Labeling and Clean Labels in the U.S.: Future of Food Retailing includes on-site examinations of retail and foodservice channels. Secondary research involved evaluating and comparing data from more than 200 articles and reports found in industry publications; government data from the U.S. Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA); reports by industry associations such as the American Beverage Association, the Food Marketing Institute, the Grocery Marketers Association, and the International Food Information Council Foundation; scrutinizing the websites and press releases from individual companies; annual reports, 10Ks, transcripts of earnings calls, and other financial releases from public companies; and other reports.

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