

# Vitafoods™ insights



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## Special Report

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# Communicating with consumers



# Communicating with consumers

by Jade Sterling



**Today's consumer is empowered, evolved and overwhelmed.** They want products that will benefit their health, and they want to understand how these products can benefit them—but the sheer volume of information they need to parse through can leave them bewildered. Deciding where to speak to the consumer and through which channel is a complicated proposition. For the most part, today's consumer is digitally educated, mobile and socially connected. In the omnichannel, consistent communication cross-channel is a priority and will help build reach for your message.<sup>1</sup>

Don't think of communication with consumers as solely a responsibility of finished product marketers; ingredient brands have a compelling interest in the overall story. A branded ingredient with proven science-backed health benefits can spell the difference between the success or failure of a nutrition concept. An ingredient brand that can provide supply chain insights and clinical trial results in an open and easily translatable manner will add value to the manufacturer's communication strategy with the end consumer and can even extend its own storytelling to the public.

Today's consumers are open to having relationships with brands that share their values and fit into their lifestyles. A strong ingredient brand can help manufacturers gain credibility with consumers, completing the overall brand story. It can give a finished product that extra edge it needs to grow and create shareable content that engages during the customer journey.

Don't underestimate the importance of sharing the same values with your ingredient supplier, contract manufacturer, PR agency, etc. When everyone involved in the finished product is on the same page, the message surrounding the product remains consistent. While it's simple to instruct your partners to say one thing when asked about your product, there is great value in their continued emphasis on your business mission through their own promotional material.

## What do consumers want to hear?

### The generation game

Millennials remain the focus of the moment. The single largest global demographic segment, 22 to 37 year olds are considerably different consumers than their parents or grandparents. Millennials want products to facilitate their chosen lifestyle and they want to customise their health products. They prefer brands with stories, stories which resonate with their own beliefs. They don't want overt advertising or pushy sales



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techniques—millennials care about recommendations and reviews from people who are successfully incorporating products into their lives. They respond to storytelling and the bigger picture and they want to get to know the company behind the product.


The baby boomer generation wants to know the products they use will take care of them—they are concerned about ageing and preserving their health. They tend not to 'get' trends like free-from and clean label but recognise companies investing in sustainability are making a difference and support that for their own children's sake. The needs of ageing baby boomers will shape the nutraceutical agenda over the next decade with healthy ageing an important focus for the industry. Boomers' demands for added functionality to the 'real' food they already consume and desire to continue enjoying food as it helps them age better should be incorporated into any marketing strategy to this age group.

Many companies are also starting to focus on the needs of generation Z—the post-millennial cohort—and while the purchasing power of this demographic isn't quite there yet, they're responsive to advertising and company messaging. This group is closer to nutrition and nature and values clean and recognisable ingredients. Their unique demand is for time and place—gen Z want specific foods for specific occasions and moods from hyperfunctionality to extreme indulgence.

It is possible to market one ingredient or product to all generations; adapt the message to the needs of the consumer. Baby boomers want quality and pleasurable food for an active life; gen X want healthy food on-the-go to add nutrition to their busy lives; millennials want personalised happiness and shared values; and gen Z are calling for 'good for me' and 'good for the planet' products.



### Clean label



We used to think of clean label as a trend—a fleeting phenomenon sure to be replaced by the latest consumer demand. But in the face of all the information, consumers feel overwhelmed and are reverting to what they know and trust: they choose products with fewer ingredients and choose ingredients they recognise. All evidence points to a permanent shift in consumer thinking: clean label is in and there are big rewards for companies that respond to demand for it. Two thirds of consumers are willing to pay more for products that do not contain 'undesirable' ingredients<sup>2</sup> and nearly three quarters are happy to pay a higher retail price for products made from ingredients they recognise and trust.<sup>3</sup>

The pressure to clean up labels is a challenge, but also an opportunity. The real challenge is in the effective communication with the consumer—how do you make sure consumers don't equate long 'chemical-sounding' ingredient names with 'bad', for example? There's an intriguing dichotomy at play: consumers appear to be clamouring for 'natural' ingredients, yet flock to vegan cheeses filled with gums, starches,

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emulsifiers and stabilisers—none of which would traditionally be considered clean label. A cause for concern is the reduction in food manufacturers fortifying their products with essential micronutrients simply because they tend to have long unpronounceable names and consumers are wary of overengineered food. It's clear that brand perception—and communication—is crucial to encouraging consumption. If consumers are responding to the plant-based direction a product and company has taken, they are willing to overlook the 'scary' ingredients necessary to create that product.

**“** *Between 2010 and 2015 there were declines in the consumption of fortified iron, vitamin A and vitamin K in North America, and in probiotic cultures, vitamin A, vitamin C and vitamin D in Western Europe.*

*John George, Ingredients Analyst at Euromonitor International*

Don't forget, for the majority of consumers, eating clean is about avoiding things that sound artificial or unnatural—clean label is an industry term and has different connotations to consumers and to business people. Data from New Hope Natural Media shows 78 percent of consumers in the United States don't know or understand what 'clean label' even means. Consumers just want products that are made simply and grown naturally, which the nutraceutical and functional food industry can provide without many changes. Increasingly, this is encompassing wider issues such as those in the organic space (avoiding genetic modification and pesticides), the need for sustainability and ethical sourcing, and animal welfare and farming methods. Clean eating means fair trade and sustainable, transparent and ethical, healthy and natural—all aspects that can form part of an overall brand strategy and mission to be included in all company communications.



**Data from New Hope Natural Media shows 78 percent** of consumers in the United States don't know or understand what 'clean label' even means.

In communicating with consumers, steer clear of using 'clean' on your packaging—let your mission and values do the talking for you. Saying your product is 'clean' can be perceived as pretentious and gimmicky. Capitalise on positive consumer sentiment for clean label by using information they can understand to relate to your product's benefits. Explain the marketing terms you use with messaging they can associate with your brand when they see the terms used elsewhere. Also, with businesses big and small sharing the same clean label attributes, the story about how your brand came about and the mission and passionate people behind the brand are the deciding factors in purchasing. Tap into the demand for clean label and use your story and communications strategy to differentiate.





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“ *When consumers think about clean foods, they think about fresh, real, less processed foods. It should be self-evident they're clean from looking at the ingredients list, by seeing the product through transparent packaging, for example.*

*Dr Shelley Balanko, Senior Vice President, Hartman Group*



## Power of storytelling

Brand stories are about the journey from farm to table; this could be ‘founder to table’ or ‘cause to table’ or any other story that is true, unique and relevant to an increasingly discerning market.<sup>4</sup> Consumers are tired of being sold to; storytelling is authentic and powerful. Corporate social responsibility resonates with consumers and a brand’s origin story (especially if mission-driven or cause-related) helps consumers align themselves with a larger power. It’s commonly said millennials are out to change the world and they recognise their purchasing can be a cause for good if they can support a company that gives back. Share your story with the consumer to build trust and credibility and take a slice of that immense purchasing power to help consumers make a difference.

## Communicating science

One of the biggest challenges the health and nutrition industry faces is providing the public with the tools they need to understand the scientific evidence on which nutritional benefits are based. Concise descriptions and marketing claims may be fine for some consumers, having a health claim may suffice for others, but there are consumers demanding much more. Consumers want to know how and why an ingredient can benefit them, but the average consumer lacks the scientific understanding to read through studies and clinical trial outcomes. It’s all well and good providing references and directing consumers to the information, but it’s crucial to remember consumers won’t necessarily be able to follow the information in ‘science-speak’. The onus is on industry to communicate this effectively. Research can be provided in digestible chunks through blog posts, video advertising can walk through methods of action, smart packaging can direct shoppers to trusted resources online, and social media character limits force you to communicate succinctly.

Explain your research to your influencers and help them communicate this (appropriately) in ‘consumer-speak’; contribute to consumer-facing publications to improve understanding of health conditions; reach out to media and share your knowledge and thought leadership on platforms; and use your time and presence at live events to demonstrate efficacy.



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You can use your stand design and infographics to communicate the benefits of your product in a meaningful way—interactive elements are key here.

“ *Live events allow you to share research in a way you normally wouldn't be able to. We decided to get creative by building a life-size installation celebrating the many benefits of lycopene. It included a ball game demonstrating how lycopene helps protect the skin against UV damage, which was the perfect opportunity to communicate a complex scientific message in a simple, fun way.*

*Zev Ziegler, Head of Global Brand and Marketing, Lycored*

Don't forget the importance of educating your colleagues and peers. Ingredient suppliers should ensure their customers understand the ingredients completely and communicate the benefits properly to the finished product marketers. Don't assume people understand simply because they're in the same industry—take the time to share information and educate accordingly. Transparent and comprehensive communication are vital to the message being understood at consumer level.



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Your efforts in these areas should not be curtailed by budget or time concerns; educating consumers as much as possible will lead to increased purchases, better understanding and healthier societies. Consumers will maintain a supplementation regimen if they can understand and trust that the product is helping them—education combats apathy.

## Health claims

Health claims are all about scientifically-justified health benefits. As much as marketing people would like to promise the world, science must always back up any claim. Health claims refer to a relationship between an ingredient and health and the rules governing these apply to claims that suggest or imply a relationship too. The UK's Advertising Standards Authority (ASA) recommends marketers be careful when preparing marketing communications because the scope of the definition of a health claim can be quite broad; advertising will be judged on the likely interpretation of the claim by consumers, not the intent in making it. Only health claims authorised by EFSA can be made in any communications—even general health claims (a reference to a general benefit of a nutrient for overall good health or health-related wellbeing) may only be made when accompanied by an appropriate specific authorised health claim.



## How to use packaging

While the internet may be omnipresent and social media influencers have reach traditional marketers can only dream of, the reality is 70 percent of consumer decisions are still made at the shelf.<sup>5</sup> Everything your business does in the lead up to this in-store experience should not be discredited and remains crucial to success. But remember this when designing your packaging: for a huge number of consumers, everything boils down to which product catches their attention on the shelf.

Without differentiation, new products are potentially doomed—the odds of not having competition are next to zero. The first step in selling a product at the shelf is having enough on the front of the label to pique curiosity and encourage a consumer to pick it up. Once it's in their hands, they'll flip it over to see the back panel—what do you want to say about your product? What are the three most important things you need to communicate to your future consumer at the point of sale? Maybe you have a real story and *raison d'être* that will position your product for success and appeal to the consumer. As with everything in our industry, there are regulations at play for packaging: the nutritional panel and company information must be displayed with various requirements worldwide. There's no need to hide it in a corner—consumers want to be informed, and armed with the facts they feel empowered to make the right decision for their health needs.

Your packaging leads into all aspects of your marketing campaign. Complete your brand strategy first and then move into package design before developing your website and sales materials.

**“** *Package design leads the elements of your overall brand vision and the look and feel of the brand. It is critically important to make smart decisions in this area as it has the potential to make or break your success.*

*Debbie Wildrick, Chief Strategy Officer, MetaBrand*

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## Advertising

Consider your marketing campaign as the aftercare services for your customers—the likelihood is, they'll choose your product because they like the look of the packaging, they recognise the name, or their friends or family have recommended your product. The nature of nutritional supplements means consumers are likely to hear they need vitamin X, walk into their nearest health store or pharmacy without any research and stand in front of that shelf until they decide which package to grab. In choosing a functional food like a protein bar, consumers will recognise they need to make a healthier choice than reaching for something sugary, and will likely pick up the first bar they see with packaging that appeals to them. Once they've tried your product, they'll hopefully return to it the next time they find themselves in that position; your advertising campaigns will encourage this. Think about it from your own perspective: you're bombarded by advertisements everywhere you look. How often do you respond to that advert and venture out to try something new? And how often are you simply reminded of a product you've tried and liked? Advertising reinforces a consumer's understanding of a product or brand—use the at-the-shelf experience to encourage new buyers.

You can also look at your advertising from a different angle. Advertising exists because there's a product you want to sell, and you want people to know about it so they'll buy it—this much is obvious. Use your advertising time to show the background to your finished product; share the story, share the supply chain and share the science. Use your advertising to add context to your product and encourage greater engagement from your consumers.

## Social media

Brands need to engage with consumers where they are; social media offers an always-on engagement platform. YouTube, Snapchat, Instagram, Twitter, Facebook ... there are myriad networks with unique ways to reach the consumer. Devising creative campaigns to capture conversation and encourage engagement is crucial—brands want users to 'tag' each other and use the platform to share quality content. Bite-sized pieces work best here; attention spans have been reduced by the volume of attention-grabbing content out there so simple videos, gifs, images, infographics and snappy one-liners can educate consumers and capitalise on the sharing of content that is informative and engaging.

Consider your target audience when choosing a social media platform. Facebook can help you reach gen X'ers, but Instagram is better for millennials and gen Z. Instagram demands high quality images to stand out, while Facebook is more appropriate for infographics. Both platforms offer live video integration that can be used in a similar manner; live videos and stories are great for product demonstrations or live events.





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Remember social media shouldn't be about selling exclusively—the idea of the immersive social experience is to create relationships between the brand and the consumer. Use your company social media the same way you would your personal accounts—connect and relate. The 24/7 nature of social media offers unprecedented access to consumers and customer service can be greatly enhanced through responding to questions and surveying consumers for their opinions. Make sure your brand has an appropriate presence on each network and be active! Active brands with an engaging voice and interesting content generate awareness and seem more approachable.

## Influencers

Celebrities have long been a critical part of a big advertising campaign but these days social media influencers are the 'celebrities' to recruit. Bloggers, YouTubers, Instagrammers and so on all speak directly to their audience with an authenticity to their connection that a brand will struggle to replicate alone or with a celebrity endorsement. Brand endorsements from online personalities were worth \$2 billion in 2017<sup>6</sup> with some estimates as high as \$10 billion by 2020. Even though Instagram in particular now insists brand endorsements use particular lines to indicate the content is sponsored, these adverts look like the everyday person's posts and feed into the notion the product is easily assimilated into a busy lifestyle.

Finding an influencer—or ambassador—for your brand should be a straightforward process. Look for an influencer with a specific target audience in a specific location. Influencer marketing tools such as Grin or HYPR can help you find and connect with relevant influencers. Remember to choose someone with a solid engagement rate and quality content outside of what would be generated for sponsorship. When establishing your relationship with the influencer and the expectations going forward, ensure they understand your product as well as you do. Health claim regulations come into play here as well and endorsements using false advertising present a real risk to your credibility. The ASA in the UK has ruled that both businesses and affiliate marketers are responsible for meeting advertising rules.

## Takeaways

Consumers appreciate a product built on solid science and offering maximum transparency regarding ingredient origin, safety, traceability, efficacy and labelling.

The public image of every business along the supply chain plays an important role in communicating the credibility, trust and authenticity of the finished product.

Steer clear of terms like 'clean' and 'natural' on your packaging or product descriptions. While both are key trends in the industry and in demand with consumers, everyone has their own definition of each term—it's almost risky



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to include them. Red flags are raised because consumers assume a product should be clean and natural, and research suggests they will scour the ingredients list to ascertain exactly what backs up these claims. While this could prompt greater engagement in the brand as consumers establish the validity of the ‘naturalness’ online, the average consumer won’t bother and will simply pass your product over for the next. Combined with the risk of advertising standards agencies questioning your use of ‘natural’ and ‘clean’, it’s best to let your company story and values communicate this rather than your packaging claims.

Don’t rely on certifications to sell your product. While some certifications can help lend authenticity to your products and brand, consumers face an overload of badges and logos and often struggle to differentiate between them. If a consumer hasn’t heard of the authority issuing the certification, they won’t respond to it. It’s admirable to be panda-friendly and locally sourced, but share these values in your content marketing to build consumer confidence in your ethical practices.

Ensure your marketing does not equate clean label with ‘healthy’. Products with clean labels can still be laden with fat and sugar, and non-GMO does not mean it’s better for you. There are no definitions for ‘minimally processed’ or ‘natural’ and there’s no scientifically sound evidence linking them to positive health outcomes.

Science is essential to building credibility for the value and benefits of any nutritional product or ingredient. Make sure your consumers can access this science by sharing digestible, concise information from independent research. Don’t patronise the consumer by ‘dumbing it down’—communicate it clearly. ●

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