

A study of consumer responses to the legibility and importance of country of origin labelling – Phase 2

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Survey findings

Font size:

- There is **evidence to support an application seeking to amend the requirement for a 9mm minimum font** used for country of origin labelling of unpackaged products in the display cabinets of supermarkets.
- The evidence clearly supports the **consumers' ability to read smaller legible signs** and that these smaller signs have the added advantage of providing a **less restricted view** of products.
- The majority of respondents found the 5mm (97%) and 3mm (94%)* font as legible as the 9mm font (97%).
- The 5mm font size is most desirable (in terms of preference ranking and rating) from a shopper perspective – however evidence suggests **shoppers place minimal value** (i.e. willingness to pay more) on their preferred label (font size).

Importance of origin labelling:

- **Critically**, shoppers indicated that country of origin is a secondary purchase driver behind **product appearance (quality) and price**.

Recommendation:

- There is **sufficient evidence** to support an application seeking to use signs smaller than 9mm used for country of origin labelling. The evidence clearly supports the consumers' **ability to read smaller legible signs** with the added benefit of providing a less restricted view of the products.

Background

- Standard 1.2.11 – Country of Origin Labelling (CoOL) was recently gazetted which prescribes the use of 9mm font size on labels and signs, consistent with the ACCC guidelines on labelling using ‘Product of...’ or ‘Made in...’ with suitable qualified statements where necessary for unpackaged foods in delicatessen and seafood display cabinets where there is limited space.
- The new standard 1.2.11 requires all regulated unpackaged products to be more extensively labelled than has been previously required. This has had a significant impact on retailers of unpackaged goods – with this requirement extending to all products on display in the Delicatessen and Seafood display cases.
- TNS conducted a preliminary round of consumer research on behalf of The Australian Food and Grocery Council (AFGC) in February 2006. The primary objective was to provide consumer insights supporting an application to amend the new standard (specifically lowering the prescribed 9mm font size).
- Key take-outs from the initial study included:
 - Strong evidence supporting the consumers’ ability to read smaller legible signs and these smaller signs have the added advantage of providing a less restricted view of product
 - Majority of respondents found the 5mm font as legible as the 9mm font.
- A secondary objective was to explore the importance of CoOL labelling to consumers. Main take out:
 - Shoppers indicated that origin would only influence purchase decisions when product appearance (quality) and price are equal.

Research objectives

Business Objective

- To demonstrate that 5mm and 3mm font sizes can be adequately read in a display case by consumers and to investigate alternative font sizes.

Specific Objectives

- Evaluate impact of utilising a 3mm font size for Country of Origin labelling (2.5mm was tested in phase 1).
- Increase robustness of survey results by utilising a larger sample size.
- Explore the importance of a broader range of purchase influences when determining the importance of Country of Origin Information in a consumers decision making process when purchasing ham and other fresh products from the deli and seafood section of the supermarket.
- Ascertain legibility and clarity of food displays (note – these measures were also captured in phase 1)
- Ascertain preference rankings and ratings to 3mm, 5mm and 9mm font sizes
- Determine (if any) perceived value in consumers preferred Country of Origin labelling (3mm vs. 5mm vs. 9mm) i.e. willingness to pay more.

Methodology

- **Survey method:** Intercept interviewing conducted face-to-face.
- **Timing:** Data collected 19-20 May, 2006.
- **Number of interviews:** n=200 grocery buyers, split as follows:
 - n=145 Females, n=55 Males
 - n=70 aged 18-34 years, n=79 aged 35-54 years and n=51 aged 55+ years.
- **Markets interviewed:** Interviews took place in the Deli and Seafood section of Woolworths Cherrybrook shopping centre, Sydney.
- **Important note:** Quotas placed on age to ensure a sample representative to the greater population.
- **Layout:** The Seafood case was left with the current labelling requirements as per the Transitional Standard 1.1A.3. The Deli cases were left with alternating current labels and labels displaying one of the font sizes (3mm, 5mm and 9mm).
- The order of font size shown first was rotated to reduce bias.
- Note: n=106 interviews were conducted in Melbourne at Safeway Eastland shopping centre, Melbourne on 16 February 2006. Research approach was very similar to methodology outlined above; results from this report have been referred to in this document where appropriate. Full report from phase 1 can be accessed upon request.



Methodology

- **Stimulus:** A change occurred between phase 1 and 2 from standard deli cabinet labelling to encapsulated labels. Please note differences to stimuli in images below:

Phase 1: Standard deli labels



Phase 2: Encapsulated labels



Information obtained

Screeners – ensure current purchase of unpackaged food from the deli section of a supermarket
OR purchase in the last four weeks.

Gender and age – quota's set to ensure representative age spread.

Typical spend from the deli section of the supermarket.

Importance of country of origin labelling.

Importance ranking of different factors relating to deli shopping experience.

Legibility of different font sizes in relation to country of origin description (3mm vs. 5mm vs. 9mm).

Identification of product and price descriptions and degree of product view restriction due to label size.

Preference ranking of different cabinet displays and cabinet desirability.

Amount extra willing to pay for most desired cabinet display over 2nd most desired and least desired cabinets.



Results



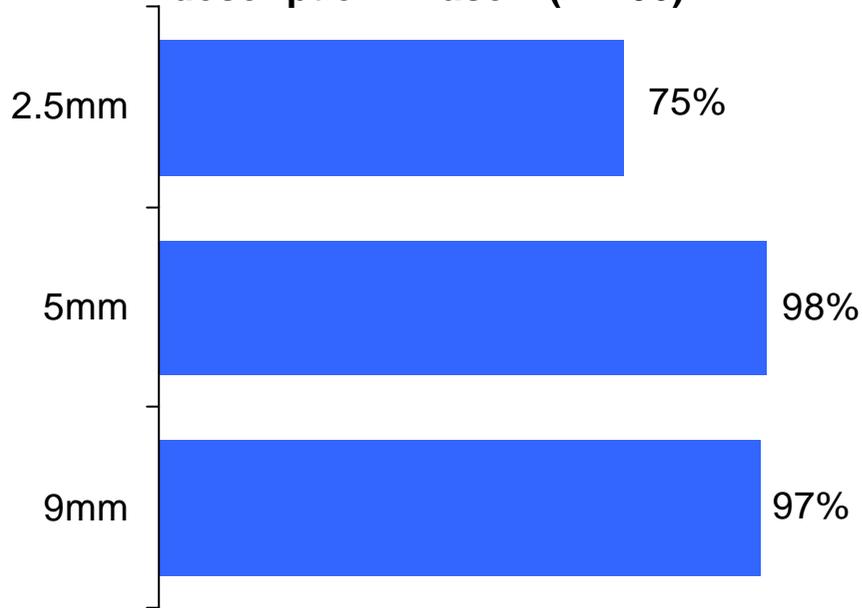
Country of origin labelling – size of font study



Legibility of Font

3mm font size as legible as 5mm and 9mm

Able to identify country of origin description Phase 1 (n=106)



2.5mm font size more legible for younger respondents:

- 18-34 83%
- 35-54 73%
- 55+ 66%

Able to identify country of origin description Phase 2 (n=200)



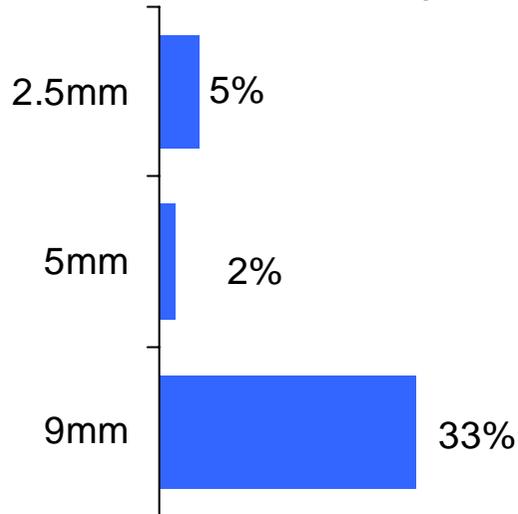
3mm font size legible for all age groups:

- 18-34 91%
- 35-54 96%
- 55+ 92%

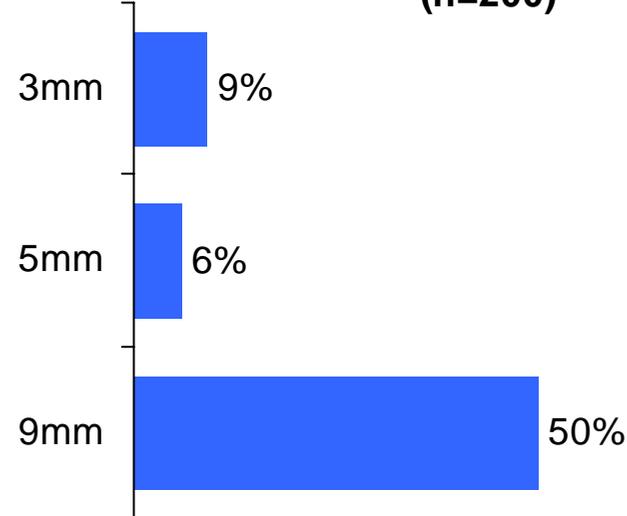
Restriction of View

Half of all respondents in phase 2 found the 9mm font restricted product view

**Label restricts view of products Phase 1
(n=106)**



**Label restricts view of products Phase 2
(n=200)**

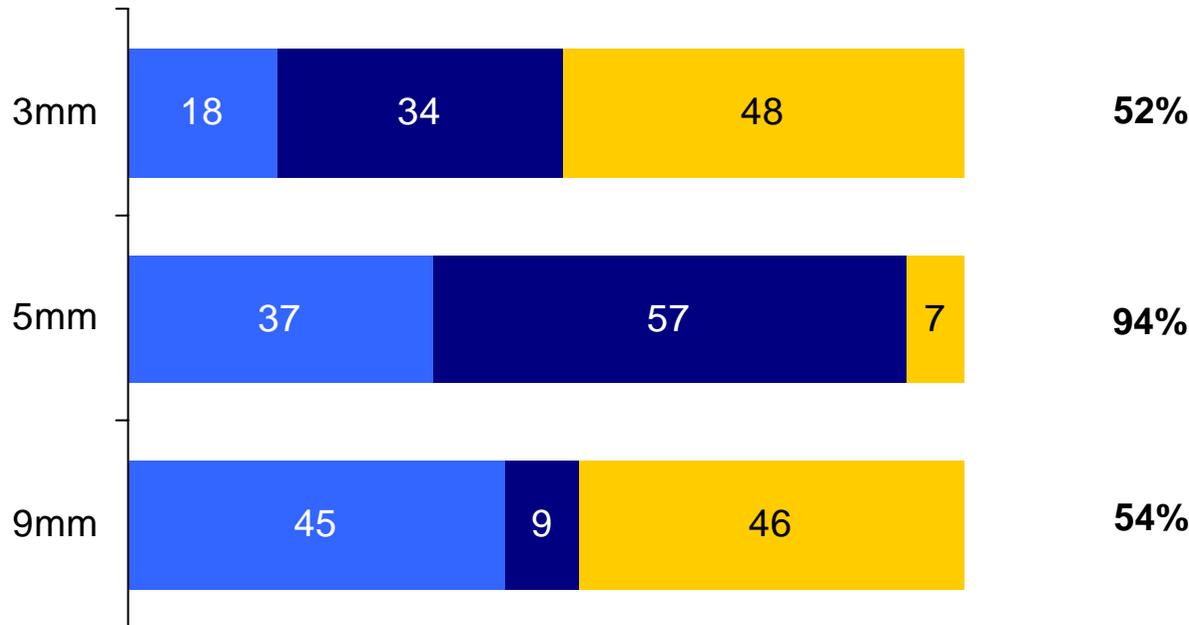


Cabinet Labelling Preference

9mm font polarising amongst respondents, 5mm font had highest top two box scores

Phase 2 (n=199)*

Top two box



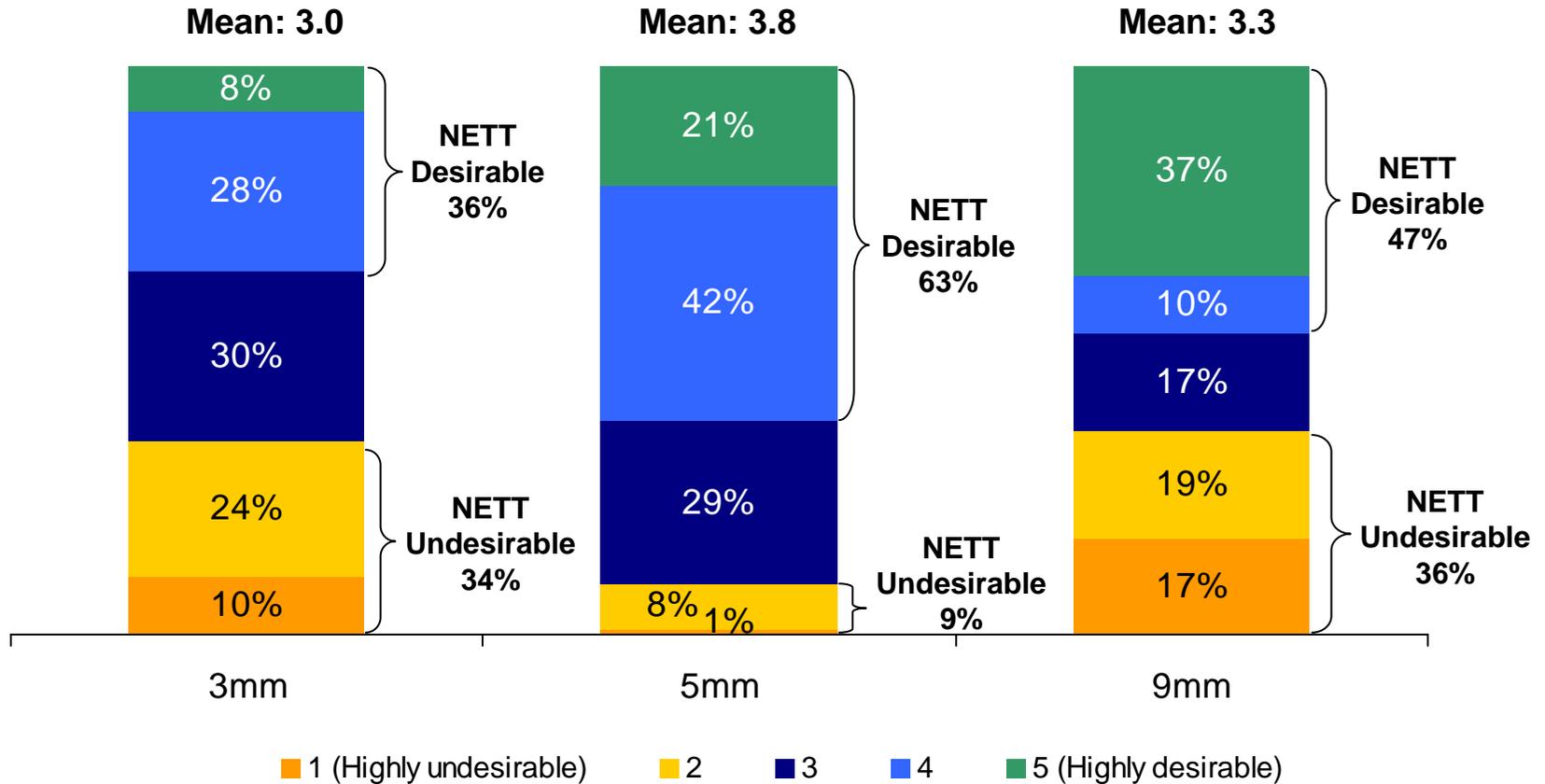
■ Most preferred ■ 2nd most preferred ■ Least preferred

9mm font size polarising amongst all age groups:

- 18-34 – 41% most, 54% least
- 35-54 – 46% most, 43% least
- 55+ – 49% most, 37% least

Cabinet Desirability

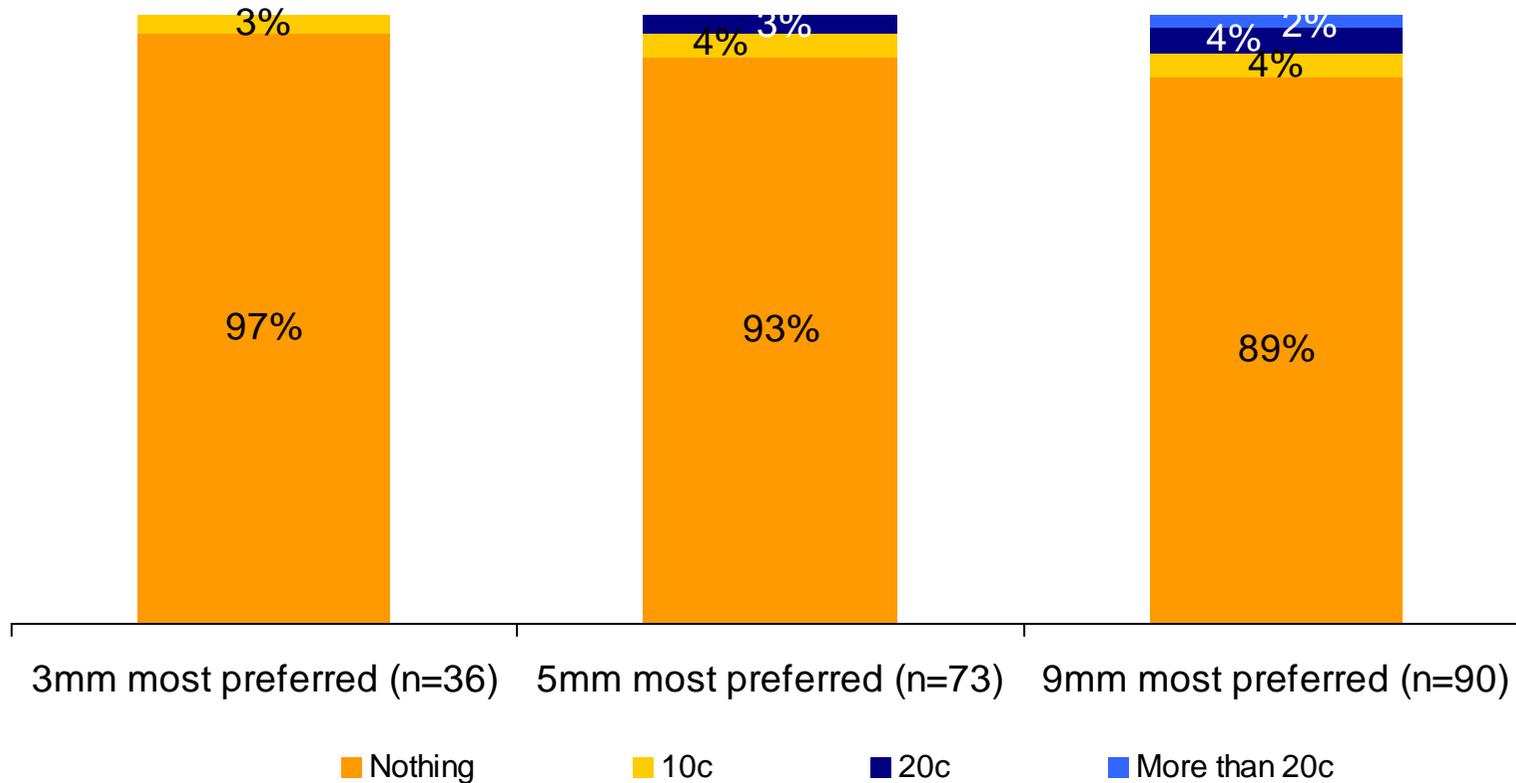
5mm cabinet had highest nett desirability score amongst Phase 2 respondents



Base: All respondents (n=199)*
 * 1 questionnaire contained incomplete information
 Q E6b. On a scale of 1-5, how desirable do you find each cabinet to purchase from?
 Note: Some columns may not equal 100% due to rounding

Extra Willing to Pay - 1st over 2nd

Majority of people would not pay more for most preferred over 2nd most preferred



Base: All respondents (n=199)*

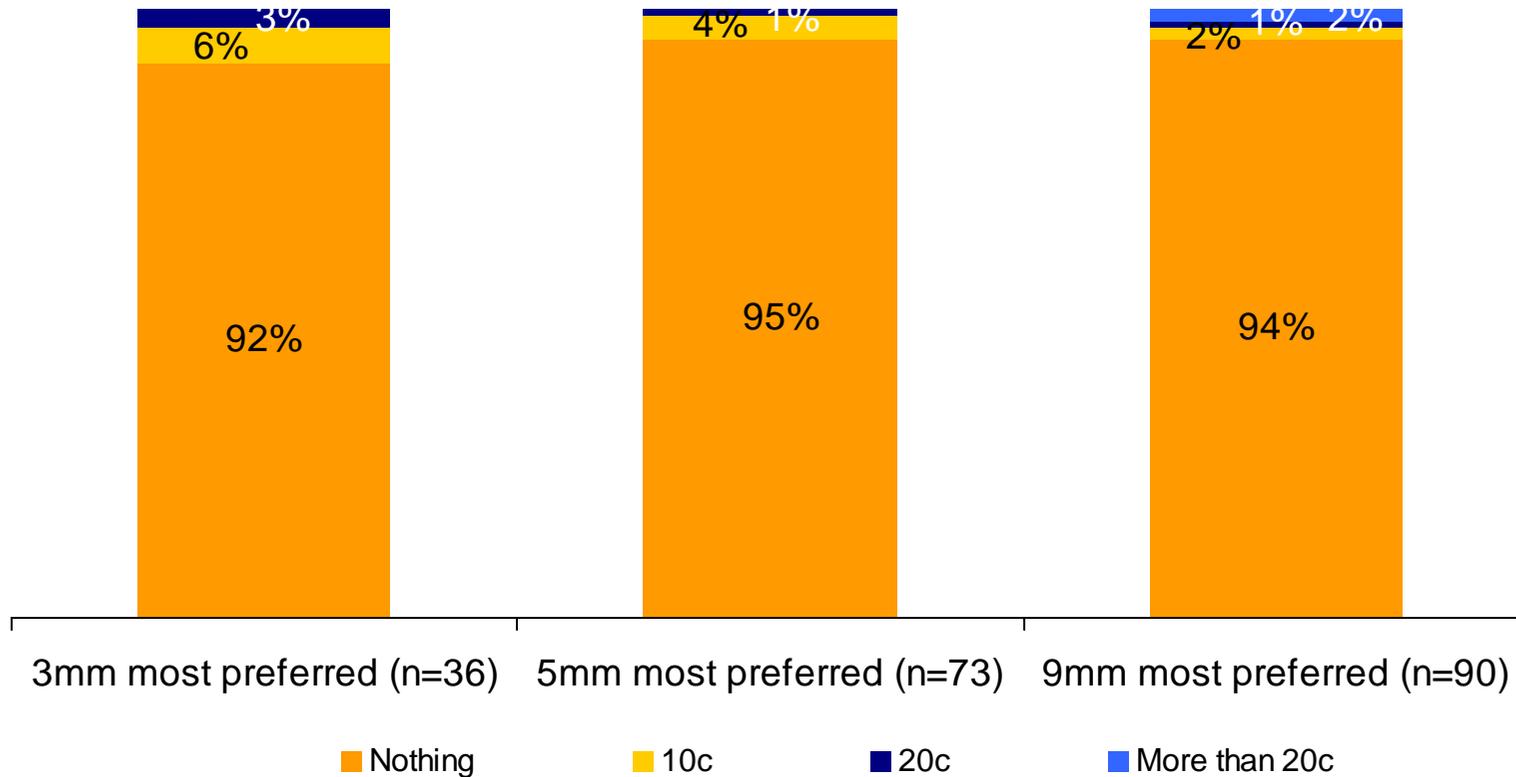
* 1 questionnaire contained incomplete information

E6c. How much extra would you be willing to pay, if anything, to purchase a \$10 item from your most preferred deli cabinet compared with your second most preferred cabinet?

Note: Some columns may not equal 100% due to rounding

Extra Willing to Pay - 1st over 3rd

Most respondents believe they should pay no more for additional labelling



Base: All respondents (n=199)*

* 1 questionnaire contained incomplete information

E6d. How much extra would you be willing to pay, if anything, to purchase a \$10 item from your most preferred deli cabinet compared with your least preferred cabinet?

Note: Some columns may not equal 100% due to rounding

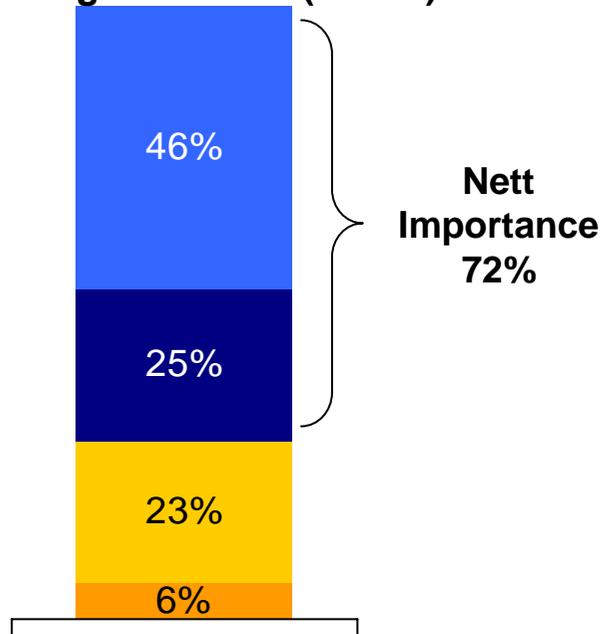
Importance of country of origin labelling



Importance of country of origin labelling

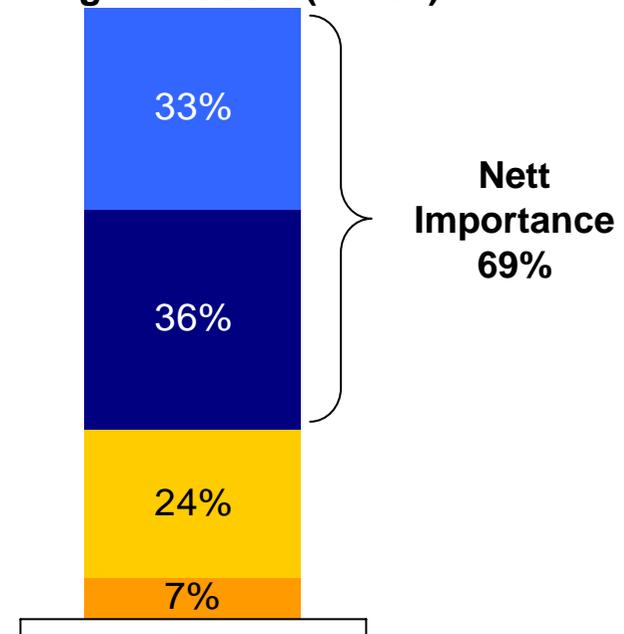
Claimed level of importance remains high between phase 1 and phase 2

Importance of knowing country of origin Phase 1 (n=106)



- Very Important
- Quite important
- Not that important
- Not at all important

Importance of knowing country of origin Phase 2 (n=199)*



- Very Important
- Quite important
- Not that important
- Not at all important



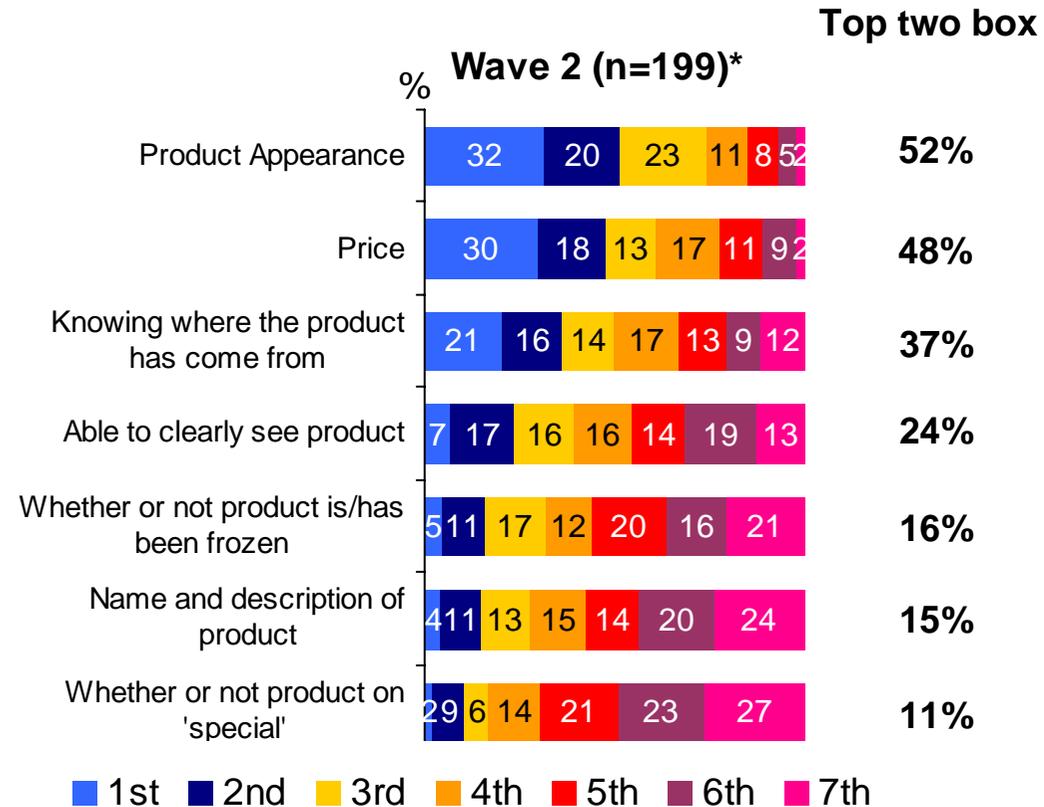
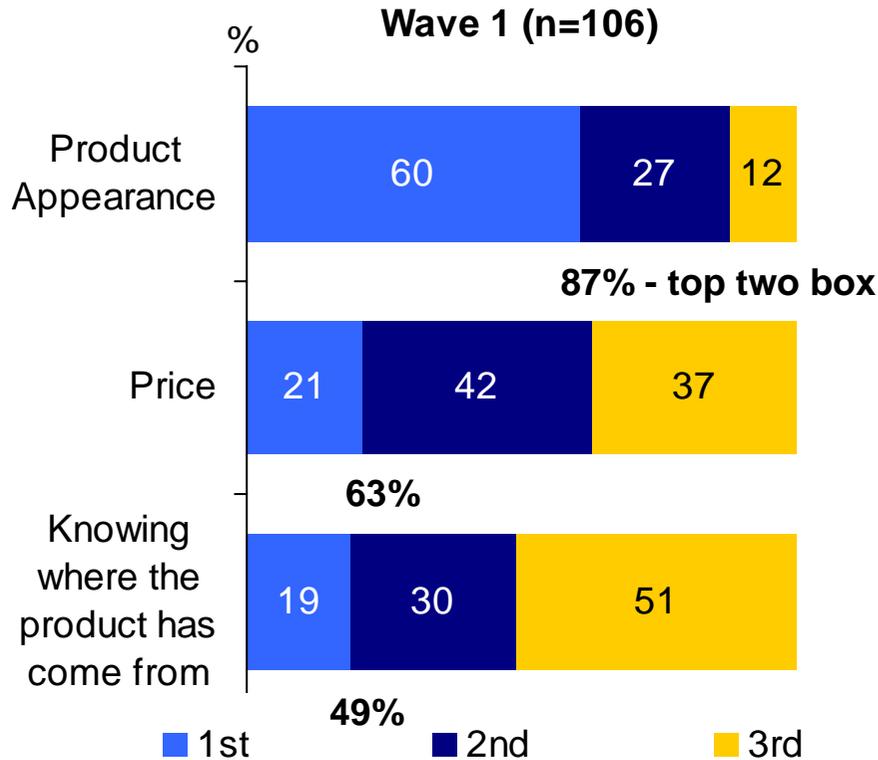
Base: All respondents

* 1 questionnaire contained incomplete information

QB1b: How important is it for you to know from which country food in the deli and seafood section of the supermarket was made?

Importance of country of origin labelling

Product appearance and price more important than country of origin information



Country of origin labelling more important for older consumers with 35% of respondents aged 55+ rating it as most important compared to 23% and 10% for those aged 18-34 and 35-54 respectively



Base: All respondents

* 1 questionnaire contained incomplete information

QB1b: Rankings of importance for product appearance, price and knowing where the product has come from for making a purchase of ham from the deli/seafood section of the supermarket and assuming comparable product quality.

Note: Some bars may not equal 100% due to rounding

Concluding remarks



Concluding remarks

- A significant increase was seen in legibility with the increase of font size from 2.5mm to 3mm (75% to 94%). This increase may also be related to change from normal deli labelling to encapsulated labels.
- 9mm font received polarised views – whilst most preferred by 45%, this label size clearly restricted respondents' view of the deli cabinet (50% phase 2) and was least preferred amongst 46%.
- Although 9mm font size scored highest as most preferred, this cabinet labelling polarised respondents of all ages.
- The 5mm font size recorded the highest top 2 box score with 94% of respondents choosing this display as their most or second most preferred deli cabinet.
- 5mm font size also rated the highest for nett desirability (63%), followed by 9mm (47%) and 3mm (36%).
- Respondents believed they should not have to pay any more for additional deli labelling with only a small percentage (typically less than 10%) of those interviewed willing to pay extra for their preferred deli cabinets.
- Nett importance of knowing country of origin remained high between phase 1 and 2 (72% vs. 69%), however a drop was seen in the number of respondents claiming it to be very important.
- When ranked alongside other factors considered when choosing from the deli section of the supermarket, country of origin rated as less important than product appearance and price, similar to results from phase 1.

Concluding remarks

- **TNS Recommendation:**
- There is **sufficient evidence** to support an application seeking to use signs **smaller than 9mm** minimum font used for country of origin labelling of unpackaged products in the display cabinets of supermarkets, and based on the legibility of the sign.
- The evidence clearly supports the consumers' ability to **read smaller legible signs** and that these smaller signs have the added advantage of providing a **less restricted view of products**.
- The 5mm for country of origin labelling **delivers on functional aspects** (legible and provides less restrictive view of the product) and is the most desirable from a consumer preference perspective. That said, the 3mm font size in an encapsulated label is **clearly legible** for all age groups and does not restrict shoppers view of products in the deli case. Whilst not the preferred font size from a consumer perspective, shoppers **do not place great value in their preferred font size** (i.e. no willingness to pay more).
- TNS believe there is adequate evidence to **recommend the use of either 5mm or 3mm** font specification in the application to amend the new standard (specifically lowering the prescribed 9mm font size).

Appendix:

Data related to customer responses



Respondent demographics

	Phase 1 (n=106) %	Phase 2 (n=200) %
Gender		
Male	16	28
Female	84	72
Age Groups		
18-24	14	15
25-34	20	20
35-44	19	20
45-54	20	20
55-64	15	14
65+	12	12



Base: All respondents

A3: Which of the following age groups are you in?

A4: Gender.

Note: Some columns may not equal 100% due to rounding

Country of Origin legibility, product and price legibility and restriction of view in terms of font size

	Phase 1 (n=106)			Phase 2 (n=200)		
	%			%		
	2.5mm	5mm	9mm	3mm	5mm	9mm
Country of Origin legibility						
Yes	75	98	97	94	97	97
No	25	2	3	6	3	3
Product and Price Legibility						
Yes	100	100	99	99	100	100
No	0	0	1	1	0	0
Restriction of View						
Yes	5	2	33	9	6	50
No	95	98	67	91	94	50

Preferred cabinet display and desirability

	Phase 2 (n=199)		
	%		
	3mm	5mm	9mm
Preferred Label Ranking			
Most preferred	18	37	45
2nd most preferred	34	57	9
Least preferred	48	7	46
Cabinet Desirability			
1 (Undesirable)	10	1	17
2	24	8	19
3	30	29	17
4	28	42	10
5 (Highly Desirable)	8	21	37

Base: All respondents

E6a. From the photos, please rank the cabinets in order of most prefer to purchase from, second most preferred and least preferred.

E6b. On a scale of 1-5, how desirable do you find each cabinet to purchase from?

Note: Some columns may not equal 100% due to rounding

Extra willing to pay for desired cabinet

	Most preferred over 2nd most preferred						Most preferred over least preferred					
	%						%					
	3mm over 5mm (n=34)	3mm over 9mm (n=2*)	5mm over 3mm (n=57)	5mm over 9mm (n=16*)	9mm over 3mm (n=11*)	9mm over 5mm (n=79)	3mm over 5mm (n=2*)	3mm over 9mm (n=34)	5mm over 3mm (n=16*)	5mm over 9mm (n=57)	9mm over 3mm (n=79)	9mm over 5mm (n=11*)
Amount willing to pay												
Nothing	100	50	98	75	100	87	50	94	94	95	94	100
10c	0	50	0	19	0	5	50	3	6	4	3	0
20c	0	0	2	6	0	5	0	3	0	2	1	0
More than 20c	0	0	0	0	0	3	0	0	0	0	3	0

Base: All respondents

E6c. How much extra would you be willing to pay, if anything, to purchase a \$10 item from your most preferred deli cabinet compared with your second most preferred cabinet?

E6d. How much extra would you be willing to pay, if anything, to purchase a \$10 item from your most preferred deli cabinet compared with your least preferred cabinet?

Note: Some columns may not equal 100% due to rounding

Country of Origin importance and ranking

	Phase 1 (n=106)			Phase 2 (n=199)						
	%			%						
Importance										
Very important	46			33						
Quite important	25			36						
Not that important	23			24						
Not at all important	6			7						
Product Variable	1st	2nd	3rd	1st	2nd	3rd	4th	5th	6th	7th
Product appearance	60	27	12	32	20	23	11	8	5	2
Price	21	42	37	30	18	13	17	11	9	2
Knowing where the product has come from	19	30	51	21	16	14	17	13	9	12
Able to clearly see product	n/a	n/a	n/a	7	17	16	16	14	19	13
Whether or not product is or has been frozen	n/a	n/a	n/a	5	11	17	12	20	16	21
Name and description of product	n/a	n/a	n/a	4	11	13	15	14	20	24
Whether or not product is on special	n/a	n/a	n/a	2	9	6	14	21	23	27

Base: All respondents

B1b: How important is it for you to know from which country food in the deli and seafood section of the supermarket was made?

B1c: Assuming comparable quality, when making a purchase for ham and other fresh food products from the deli and seafood sections of the supermarket. Please rank the following in order of most important to least important.

Note: Some columns may not equal 100% due to rounding

Questionnaire*



* Questionnaire used in phase 2 of this study

Respondent ID:

Three empty rectangular boxes for respondent ID input.

TNS (AUSTRALIA)
290 BURWOOD ROAD
HAWTHORN VICTORIA 3122
Telephone: (03) 9819 1700

MAY 2006
N=200

LOCATION: CHERRYBROOK

SCREENER

A1. Have you purchased FRESH FOOD from the DELI section of a SUPERMARKET in the past 4 weeks?
DNRO

Yes 1
No 2

ASK A2 IF NO (CODE 2) AT A1

A2. Do you INTEND to purchase FRESH FOOD from the DELI section of a SUPERMARKET today?
DNRO

Yes 1
No 2

IF NO AT BOTH A1 AND A2 –TERMINATE

A3. Which of the FOLLOWING AGE GROUPS are you in?
READ OUT RANGES TO CLARIFY IF NECESSARY

18-24 Years 1
25-34 Years 2
35-44 Years 3
45-54 Years 4
55-64 Years 5
65+ Years 6

CHECK MASTER QUOTA LIST -

18-24 Years n=30
25-34 Years n=40
35-44 Years n=40
45-54 Years n=40
55-64 Years n=26
65+ Years n=24

A4. RECORD GENDER AUTOMATICALLY

Male 1
Female 2



B1. How much do you TYPICALLY SPEND when buying from the deli section of a supermarket?

\$0 - \$5	1
\$5.05 - \$10	2
\$10.05 - \$20	3
\$20.05 - \$30	4
\$30.05 - \$40	5
More than \$40	6

B1b. How IMPORTANT is it for you to know from which country food in the deli and seafood section of the supermarket was made?

Very Important	1
Quite Important	2
Not that important	3
Not at all important	4

HAND SHOWCARD TO RESPONDENT

B1c. Assuming comparable quality, when making a PURCHASE for HAM and other fresh food products from the deli and seafood section of the supermarket, please rank the following in order of MOST IMPORTANT (insert 1 in space) to LEAST IMPORTANT (insert 7 in space). *(If other product information listed, rank from 1-8)*

Insert number below

Product appearance

Price

Knowing where the product has come from

Being able to clearly see the product

Name and description of product

Whether or not the product is or has been frozen

Whether or not the product is on 'special'

Other product information (if other, please specify)

**** RANDOMLY ROTATE ORDER OF FONT SIZE ****

WRITE IN FONT SIZE SHOWN FIRST

ENSURE RESPONDENT IS POSITIONED IN FRONT OF RELEVANT SECTION PRIOR TO COMMENCEMENT OF QUESTIONNING

B2. Are you able to IDENTIFY the COUNTRY OF ORIGIN description on the labels?

Yes 1

No 2

B3. Are you able to IDENTIFY the specific description of the PRODUCT and the PRICE on these labels?

Yes 1

No 2

B4. Does the actual SIZE of the label RESTRICT your view of the products in any way?

Yes 1

No 2

MOVE RESPONDENT TO NEXT SECTION

**** RANDOMLY ROTATE ORDER OF FONT SIZE ****

WRITE IN FONT SIZE SHOWN SECOND

ENSURE RESPONDENT IS POSITIONED IN FRONT OF RELEVANT SECTION PRIOR TO COMMENCEMENT OF QUESTIONNING

C2. Are you able to IDENTIFY the COUNTRY OF ORIGIN description on the labels?

Yes 1

No 2

C3. Are you able to IDENTIFY the specific description of the PRODUCT and the PRICE on these labels?

Yes 1

No 2

C4. Does the actual SIZE of the label RESTRICT your view of the products in any way?

Yes 1

No 2

MOVE RESPONDENT TO NEXT SECTION

**** RANDOMLY ROTATE ORDER OF FONT SIZE ****

WRITE IN FONT SIZE SHOWN THIRD

ENSURE RESPONDENT IS POSITIONED IN FRONT OF RELEVANT SECTION PRIOR TO COMMENCEMENT OF QUESTIONNING

D2. Are you able to IDENTIFY the COUNTRY OF ORIGIN description on the labels?

Yes	1
No	2

D3. Are you able to IDENTIFY the specific description of the PRODUCT and the PRICE on these labels?

Yes	1
No	2

D4. Does the actual SIZE of the label RESTRICT your view of the products in any way?

Yes	1
No	2

MOVE RESPONDENT TO NEXT SECTION

Please take a look at this photo of three separate cabinet displays. (*Introduce showcard*)

For the purposes of the following questions, **all cabinets contain identical products of identical quality; the only difference is the labelling.**

- E6a. From the photo, please rank the cabinets in order of MOST prefer to purchase from (insert 1 in space), SECOND most preferred (2) and LEAST preferred (3).

Insert number below

Cabinet 1 (3mm)

Cabinet 2 (5mm)

Cabinet 3 (9mm)

- E6b. On a scale of 1-5, how desirable do you find each cabinet to purchase from (5 being highly desirable, 1 being undesirable)?

Circle number below

Cabinet 1 (3mm)	1	2	3	4	5
Cabinet 2 (5mm)	1	2	3	4	5
Cabinet 3 (9mm)	1	2	3	4	5

As it may cost more to change deli cabinets, **we are interested in your thoughts about how much you value your preferred deli cabinet layout.**

- E6c. How much extra would you be willing to pay, if anything, to purchase a \$10 item from your most preferred deli cabinet compared with your second most preferred cabinet?

Circle answer below

1st over 2nd Nothing 10c 20c >20c

- E6d. How much extra would you be willing to pay, if anything, to purchase a \$10 item from your most preferred deli cabinet compared with your least preferred cabinet?

Circle answer below

1st over 3rd Nothing 10c 20c >20c

THANK AND CLOSE. RECORD NAME AND CONTACT NUMBER FOR VALIDATION REASONS

NAME:

CONTACT NUMBER:



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