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## F&B Companies Use Labels To Generate Sales

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The FDA has been changing the data it requires on F&B product labels, and companies have been busy complying. But many companies can find something else there as well: opportunities to boost sales. F&B companies are finding they can use those labels and other real estate on their packaging to provide nutritional and other data to drive growth. The information on the FDA label and what you pack onto your label and packaging can be important ingredients in boosting sales.

The FDA updated its nutrition facts label for packaged foods twice, in 2016 and again in 2020, for manufacturers with \$10 million or more in annual sales, mandating information designed to help consumers make healthy choices. Smaller manufacturers had to update labels by 2021. And manufacturers of single-ingredient sugars like honey and maple syrup had until July 1, 2021. Calories are now in big, bold letters, while new information is in – and old information is out.

Those changes, though, were just the beginning. The FDA also revised serving sizes based on what people typically consume, rather than what the manufacturer thinks they “should” consume. The idea is people want useful information, and the FDA wants to help them get it. Serving size for soda, for instance, changed from 8 to 12 ounces. Added

sugars like sucrose and dextrose must be listed in grams and as a percentage of daily value.

Daily values (recommended amounts or maximums) also were updated. Vitamin D and potassium are required because, the FDA says, “Americans do not always get the recommended amounts,” but vitamins A and C aren’t required anymore. Companies, however, can provide additional information, thinking not so much outside the box, but beyond the label, that plays up ingredients or lack of ingredients, as well as nutritional and other attributes. There are often ways to use nutrition and other information to give consumers not just what they may need, but what they want.

### Buying Online

Nutritional labels are just one opportunity to connect with consumers increasingly buying F&B through ecommerce. As consumers shop online, getting data out and being accessible to search engines can boost or hurt sales. Consumers frequently search online for foods based on specific ingredients – looking for products that either do or don’t have them. Too often, many products don’t show up in those searches, even though they should.

“Our findings show that all too often shoppers can’t discover the products they are looking for,” according to NielsenIQ. “When they can quickly and easily find what they’re looking for, they’re more likely to make a purchase and return to the site in the future.”

Online searches for ingredients and specific diet regimens let consumers find the foods they want. Yet companies often aren’t making the most of the opportunity to inform consumers, market their products, and grow income. The Internet is a massive retail aisle, and more information helps more people find your product. Consumers, it seems,

are starved for information, particularly as relates to health benefits. Companies that capitalize on consumers' appetite for details can benefit.

The pandemic "accelerated the rise of conscious shoppers...who make active choices to prioritize health and wellness in their daily lives," according to NielsenIQ. About 29 percent of consumers "actively seek healthier options when browsing online for groceries than pre-pandemic," they say. Information related to health can help sell products, provided it isn't hard to find.

"Nearly three-quarters of consumers said their priorities and shopping habits changed due to the pandemic," according to NielsenIQ's 2022 Consumer Outlook online survey. "And one-third said their priorities around wellness are much different than they were in 2019."

### Product Claims

Retailers and manufacturers can provide data that lets consumers take a deeper dive, boosting sales. The FDA has guidelines regarding numerous claims, and if you meet the requirements, you have the option to add this information to your product packaging. Let consumers know if your product doesn't have common allergens and sources of intolerance like wheat, soy, peanut, dairy and gluten. Let them know if your product lives up to FDA limits for low fat, high protein, low sodium, and sugar. If you've got CBD, say that.

Some big, missed F&B marketing opportunities are with retailers and manufacturers who don't let shoppers know the diets their foods fit with, such as ketogenic, paleo, kosher, or vegan. Searches for "keto" products increased 265% and those for "vegan" products grew 102% as compared to three years ago. Use diets to add dollar signs to your sales. The number of shoppers searching for "organic" products online surged

163% year over year and “plant-based” searches grew 148%, according to NielsenIQ. If your food fits in those categories, make sure consumers know.

### Niche markets

Millions of Americans have diabetes, or are concerned they might develop it, leading them to seek out certain foods. According to the CDC, more than 10 percent of the U.S. population has diabetes, making this a huge market where data relevant to diabetes can be a big selling point. Add to that the fact that the Mediterranean diet, keto, and paleo diets all feature low sugar and carb content, which can help grow sales to those with diabetes.

Despite this opportunity, NielsenIQ Label Insight found that only a small fraction of companies is leveraging this sales opportunity. NielsenIQ tracks more than 2,300 products that make diabetic health claims. Equally important, it found another 79,000 products that could, but don't, make such claims. That's a huge, potentially underserved market. Consumers also are looking for other things beyond taste, health, and diet-friendly foods.

### Good practices, good marketing

Is your product made using sustainable practices? Thirty percent of U.S. consumers surveyed are “more likely to buy products with sustainable credentials,” according to NielsenIQ. But you need to let consumers know about your sustainable attributes if you're going to grow sales that way.

Companies also can let consumers know if their product is made according to fair trade practices, is carbon neutral, BPA-free, or cage-free, or has other selling points. “Clean label” characteristics can win over consumers — touting a product as USDA organic, non-GMO, free of artificial ingredients, or free of preservatives. What you *don't* put into your product can win over consumers.

NielsenIQ said grocery retailers are “enhancing product content so consumers can find or discover them” using filters such as diet, allergen, intolerance, and other factors. When your product packaging lacks important information, it becomes invisible to searchers. Suitable Information can be built into PIM, or product information management, tools so products appear in targeted online searches.

Ignorance may be bliss. But when it comes to reaching consumers, ignorance can also mean missed sales. Information is one of the most important ingredients in driving sales.