

YOUR TRUSTED SOURCE FOR COMPLIANCE AND QUALITY SOLUTIONS IN THE FOOD INDUSTRY

➤ Consumer Sentiment Report
**Food Transparency &
Recall Responsiveness**

Trustwell 

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How Will Brands Garner Trust in an Era of Smarter Food Safety?

The consumer mindset about food has evolved dramatically in the last decade. With information at their fingertips and more ways than ever to access it, safe and ethical food products have graduated from a passing trend to a full-throated demand.

“Food transparency” encompasses a lot. Brands looking to offer it to their consumers need strong supply chain fundamentals, including:

- **Supplier management processes**
- **Product tracking and traceability**
- **Labor & sustainability practices**
- **Risk identification & response**

Brands that can pull it off not only limit their liability (think fines, penalties, and boycotts); they can capture a greater share of a competitive market.

A 2023 study released by the Food Industry Association found that 76% of consumers say that transparency about the food products they buy is important, defining that transparency as “providing detailed information such as what is in food and how it is made”, up from 69% in 2018 and 72% in 2023.

What’s more, respondents signaled more trust for brands that provide ingredient definitions (85%) and more loyalty for brands that provided in-depth product information beyond the label (81%)



72%

of consumers are willing to switch to a brand that provides more in-depth information

We wanted to know more. So Trustwell conducted a national survey to understand how U.S. consumers feel about transparency, traceability, recalls, and withdrawals. We found that the speed of issue identification and resolution as well as how communicative brands are when issues arise *matters*.

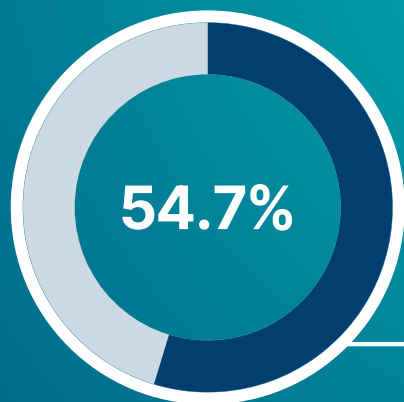
Modernizing your supply chain and optimizing your processes allows you to provide the transparency consumers crave, while protecting your brand and keeping your customer base intact.

Gaining the Informed Consumer's

Trust & Loyalty

Consumers are more informed than ever about the food they eat, as well as who creates and supplies it. This means that with just a few taps of a screen, consumers can immediately learn nearly anything they would ever want to know about a food company, its ethical practices, animal treatment, and labor practices.

Because of this instant access to information, consumers are more openly asking questions and gradually demanding more visibility into the food they select. As a result, your customers are actively researching your products. Consumers are gravitating toward companies that include this information in their marketing, such as in labels, advertising, blogs, and other media.



This is reflected in the CPG markets, where sustainability-marketed products account for over half of market growth, according to a report by NYU.

By exercising greater traceability and sharing this information, organizations are able to cultivate better consumer relationships, strengthen brand trust and increase market share.

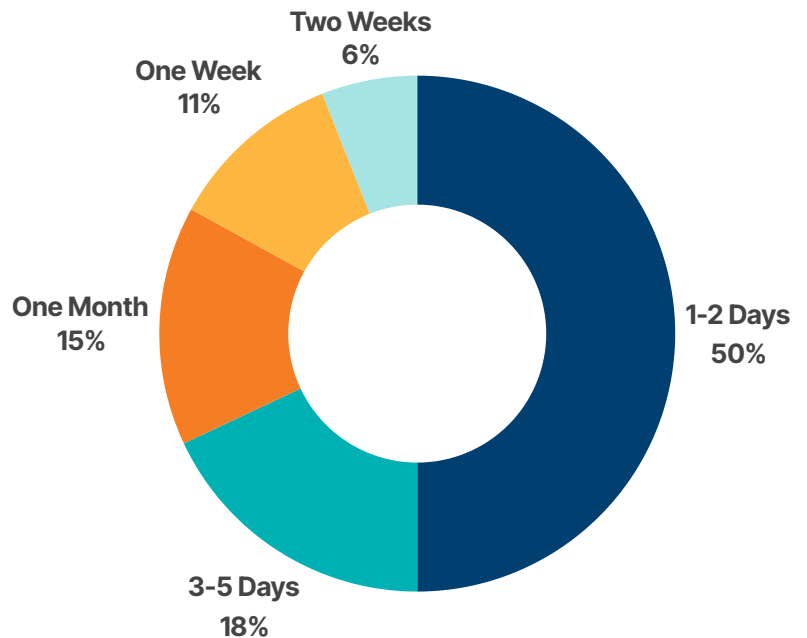
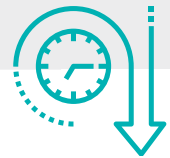


How Much Will a Recall Really Cost You?

Recalls are on the rise, jumping **fourfold** in the last decade. In addition, the average recall costs a food company **\$10 million** in direct costs, not accounting for additional brand damage and lost sales. With this spike in reported recalls and the potential financial threats they pose in mind, we aimed to find out their effects on consumer loyalty and brand perception.

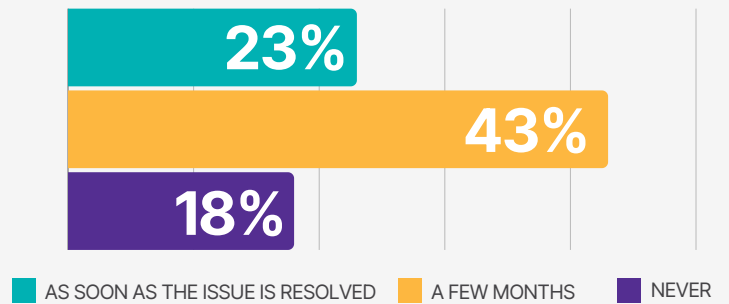
If a brand or restaurant that consumers like were to experience a recall leading to consumer sickness, **35%** of our survey respondents would **avoid this company for a few months**, only potentially returning after the issue's resolution. This is in comparison to nearly **17%** of respondents, who **admitted they would never use the brand or visit the restaurant again**.

What is an acceptable amount of time for a food company to fully address a recall or foodborne illness?

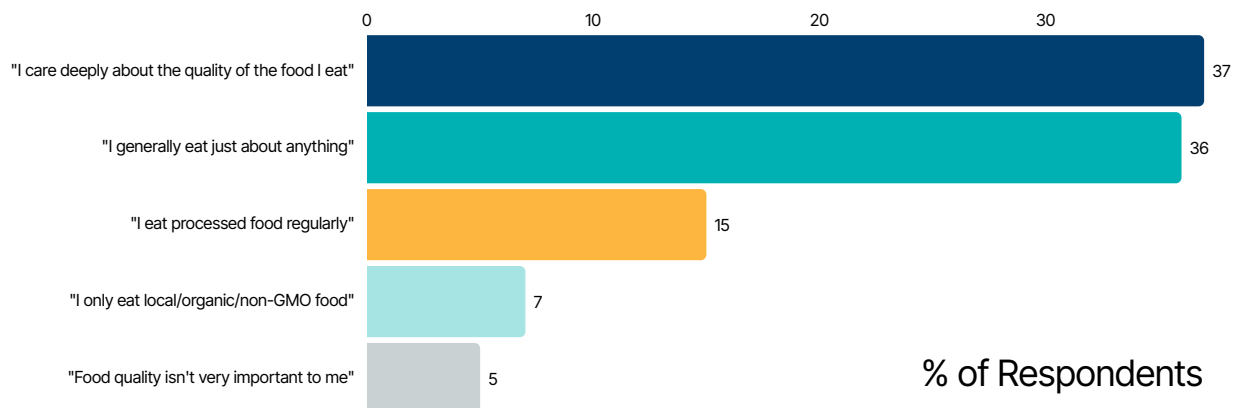




If a food brand or restaurant that you like has a recall or contamination leading to consumer sickness, when would you give them your business again?



43% of respondents who described themselves as “caring deeply about the quality of food I eat,” said that if a brand or restaurant they liked experienced a recall or contamination leading to consumer sickness, they would avoid that brand or restaurant for a few months, and **18%** said that they would never use the brand or visit the restaurant again.



Respondents also placed a high value on timeliness, with 50% saying 1-2 days was the acceptable amount of time for a food company to fully address a recall or foodborne illness issue. Interestingly, participants who identified their habits as “generally eating just about anything,” still placed tremendous value in the importance of speed with regard to recalls. Nearly 60% of respondents in this pool still expected the response rate to be no more than 5 days.

*Your customers will act quickly in a recall event.
Make sure you can, too.*

18%

of our respondents said that if a brand they liked issued a recall, they would **switch to a competitor for good**



By continuously monitoring your supply chain, you can significantly improve the speed of recall resolution. Full Supply chain visibility and end-to-end traceability will provide you with the knowledge and precision needed to take swift and decisive action during a crisis.

The implementation of a robust, end-to-end traceability solution will allow you to view and act on real-time data as the product moves through your supply chain. This includes the ability to withdraw the tainted or selected product from any specific point in your food supply chain without recalling more than necessary. As a result, disruptions are limited, food waste minimized and costs are reduced.

Who Really Cares About Transparent Labels?



One finding was clear in our study: misleading information will not attract or keep customers. **53% of survey respondents** said they **want as much information as possible** provided on the label. In addition, approximately **42%** want information on the country of origin, allergens and genetically modified ingredients displayed on the label.

Our “food quality conscious” consumer cohort was overwhelmingly **in favor of more transparent labeling**, with roughly half indicating they expect country of origin, allergen alerts, and GMOs to be noted. The survey revealed consistent trends across several respondent groups, including those that felt food companies should fully address recall and foodborne illness issues within one to two days.

Of the roughly 2000 survey respondents, over half (1078) reported they expect to have as much info on the label. In addition, nearly **40%** stated that they wanted the country of origin, allergen information *and* GMO ingredients provided on labels.

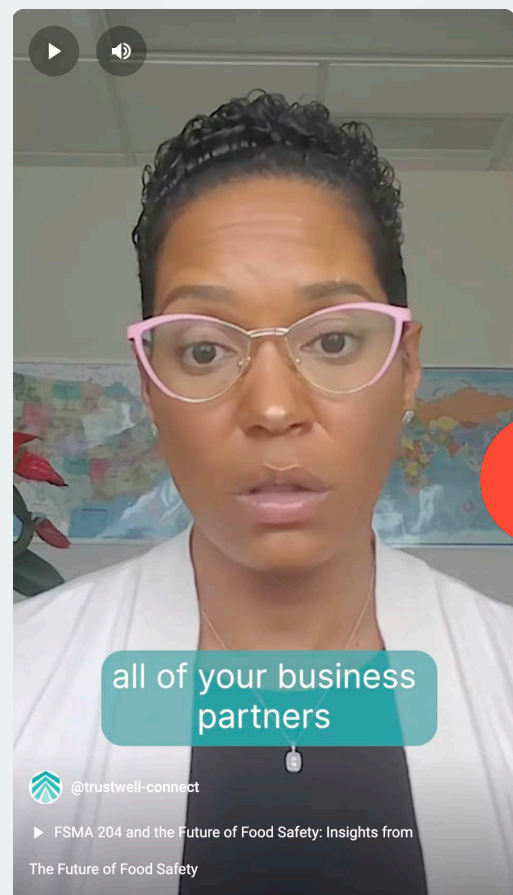
The Influence of Consumer Purchasing Power

All of this data supports the fact that now, more than ever, consumers crave more information about their food - and are determined to find it. To answer this call for more data and clarity, food companies must start with **supply chain transparency**. Consumers want more information than what the current one-up, one-back approach provides, and they insist that food companies provide visibility into their entire supply chain.

The first step is to establish supplier relationship management: onboarding, ongoing communication, auditing and continual engagement. Open, constant and transparent communication with your suppliers is a must for addressing these issues.

After all, you can't offer consumers the information they crave if you aren't able to source that data from your suppliers. Furthermore, you cannot expect a supplier to fulfill your requirements around food safety, quality and brand promise if you aren't open about your expectations. Establishing and nurturing these relationships make a huge difference for food safety program, and overall business outcomes.

Advice from Kroger's Director of Food Safety and Regulatory Compliance, Catherine Cosby



How Can You Attract Consumers and Protect Your Brand?

Transparency is no longer “nice to have” for food companies—it is a mandate. Thanks to regulations like FSMA 204, and changing consumer perception and purchasing power, today’s consumers want to know as much as possible about what they’re eating.

They want to **understand how their food is produced, handled and delivered**. And they want clear and accurate food labeling, which consists of clear information regarding food ingredients, as well as insights into where and how it was sourced.

it’s also critical to build a consensus for transparency from the top down. For example, an executive’s transparency regarding a recall issue on social media or the company blog goes a long way in terms of consumer perception.

This demonstrates empathy, understanding and ownership, while communicating respect for your consumer, all while inspiring trust and setting the tone for how the company handles crises.



Trustwell's suite of FoodLogiQ solutions was designed specifically to simplify the unique complexities of the food supply industry and built with input from food safety and supply chain experts. A food industry leader for over four decades, Trustwell has helped shape policy at the national level by helping to define the Product Traceability Initiative Standards (PTI) and participated in the FDA's traceability pilots.



Trustwell is on a mission to transform the world's food supply chain and empower people to make informed decisions about the food they eat.



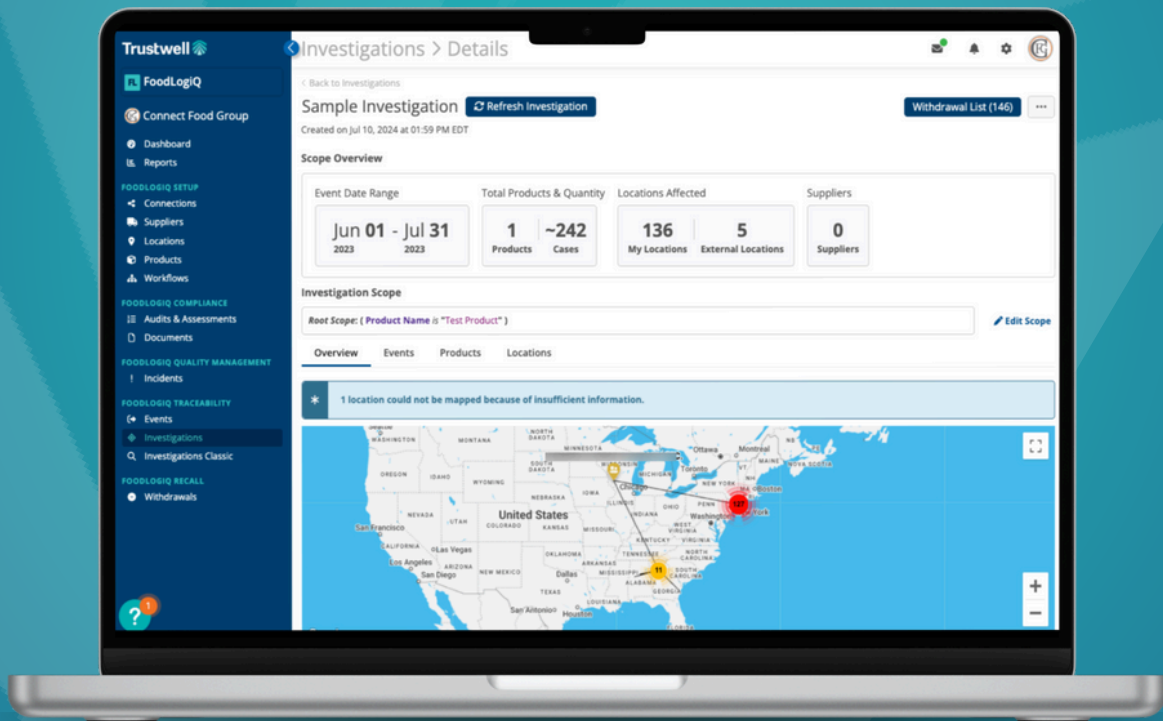
With **FoodLogiQ Traceability**, restaurant operators, manufacturers, retailers, and other food companies have full visibility into their food supply chains, with lot-level traceability all the way from farm to fork

With **FoodLogiQ Compliance** food companies can build an online supplier community, onboard suppliers all at once, and stay on top of supplier audits and assessments.

With **FoodLogiQ Quality Management**, operators can log quality incidents, report them directly to suppliers and recoup the costs of stock withdrawals quickly. And with **FoodLogiQ Recall**, you can easily initiate, execute, and review food product recalls, holds, and withdrawals in real time if you ever need to.

Resolve Recalls 2X Faster

- 75% increase in supply chain transparency
- 90% less time locating products in the supply chain
- 25% more supplier credit requests approved



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