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## Young SA shoppers will pay a premium for healthy food but distrust nutrition labels

A new study reveals that millennials and Gen Zs in South Africa are prepared to pay a premium for health products, however they are sceptical when it comes to health food labels from brands that claim to be healthier alternatives.



Source: Pexels

According to the survey conducted by Red Fox Insight, the research division of retail marketing agency Red Fox Group, the 18 – 44 years age group surveyed claimed to have fairly good knowledge of health and nutritional information, and as such stated that they do not always believe what they read on packaging and in-store displays, with 11% reporting that they find health labels outright dishonest.

In contrast, their older counterparts (45+) claim to not know much about nutritional labels and buy what they can afford, whether it's healthy or not.

## Consumers demand transparency and affordable access

"Health foods and eco-friendly products are no longer hiding in an aisle at major pharmacies, or in standalone holistic stores. As more consumers start to seek healthier lifestyles, these products are now entering mainstream outlets, with the bigger retailers offering in-house health products. In this light, we can expect to see the growing health-conscious consumers demanding transparency when it comes to food labels and packaging," says Marilu Smit, co-founder, and quantitative research director of Red Fox Insight.

According to a 2021 EIT <u>food report</u>, the Gen Z population expects support from brands and the government on their health journey. They also want easier access to affordable healthier alternatives.

"Just because the younger market is prepared to pay more for healthier products, that doesn't always translate into actual behaviour, especially in a tougher economic climate. Yes, they are seemingly more aware of what they are putting into their bodies, but brands and retailers are remiss if they think that clever marketing tactics are all that's needed to win market share. We are living in the age of the internet where information is available to consumers at the click of a button,"



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## Need for simple, accurate food labels

The Red Fox Insight survey also showed that 47% of overall respondents claimed to have made an effort to learn more about healthy products, while 40% cited that they regularly read labels with most paying the closest attention to nutritional information on dairy products, juices and beverages, tinned products and processed foods. Of these, 14% claimed to often find pack labelling hard to understand or misleading.

This highlights the need for simple and accurate food nutrition labels that carry straightforward guidelines relating to the health benefits of products. Smit uses Checkers as an example of a brand making strides with its Simple Truth range. She says that these products are based on the premise of transparency around "what's in the box" while offering up a healthier option to traditional choices.

"If a brand approaches their labelling, packaging, and marketing in a way that feels authentic and honest to the consumer, rather than pushing vague 'health benefits,' it goes a long way to earning customer trust. The fact that consumers are prioritising their health and will pay good money for it, presents an opportunity for brands, especially within the Gen Z market, " says Smit.



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Below, Smit shares her tips for health brands to earn consumer trust:

**It's not one-size-fits-all:** The growing health-conscious consumer market is not homogeneous, and this is complicated even further during times of financial strain when price is a priority. Define your key audience, understand their pain points, and their expectations, then package your product accordingly.

**Transparency:** Don't make health claims that cannot legitimately be backed up. Consumers, and more so, the young market, have wisened up to the loopholes brands can get through to call their product 'wholegrain,' or 'additive-free'. They have access to more information and resources now than ever before.

**In-store merchandising:** How you display your health product plays a big role in sales conversion. With consumer trust already an issue, finding that balance between over-the-top and authenticity is key.

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