the information associated with their products are at risk of
millennials — and companies not providing easy access to
Combine this with the largest consumer group — tech savvy
The information provided on product packaging has
PUTTING DATA IN CONSUMERS’ HANDS
The question that remains, however, is if transparency will drive
sales, grow customer loyalty and expand market share."
Kip Walk, Blommer Chocolate Co.
By scanning an on-pack code, consumers can access information around nutrition,
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The question that remains, however, is if transparency will drive
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consumption, particularly in areas around sustainability, initiatives and corporate philosophy. TRANSPIRANCE IS NOW A ‘NEED TO HAVE’
A study done by the New York University Stern Center of Business revealed that 50 percent of CPG growth between 2013 and 2018 came from sustainable products and products marketed as sustainable grew 5.6 times faster than conventional choices. Toms Shoes Holdings II, LLC has built a brand on matching sales with providing shoes to those in need. Firehouse Restaurant Group, Inc. uses some of its proceeds to purchase equipment for first responders and has seen some of the fastest market growth in its sector.

In the chocolate arena, Tony Chocolonely has exploded onto the scene by promoting slave-free products and paying higher prices to cocoa farmers. Sales have gone from 20 million bars in 2016 to 36 million in 2019, with a tenfold revenue increase in the U.S. market alone. Product transparency has moved beyond the “nice to have” phase and is clearly now a “need to have.” Pressure from regulatory agencies and civil society organizations will mandate changes, whether desired by companies or not. It is an opportunity to capture market share, build loyalty to a brand and demonstrate corporate leadership.

There are many case studies on companies that failed to adapt to a changing market. Sears, Blockbuster Video and Eastman Kodak Co. believed they could withstand the changes in their markets to their detriment. Transparency is not a fad. Consumers have grown accustomed to information access, and studies show they will make buying decisions based on what they can learn. Put simply, transparency will drive sales and provide increased market share for those companies that do it well. CoST

C
consumer loyalty, until recently, was driven simply by product quality and a catchy marketing campaign. Trust was built through endorsements by celebrities to whom consumers felt a connection and believed they had their best interests in mind. Reading an ingredient list on the back of a favorite food product or investigating the labor conditions around an article of clothing was far from in mind. Reading an ingredient list on the back of a favorite food product or investigating the labor conditions around an article of clothing was far from

The Hershey Co. was one of the first companies to adopt this platform. By scanning an on-pack code, consumers link to their nutrition around sustainability, demanding that

Chinese infant formula and the presence of horse meat in the European beef supply. Campaigns around deforestation criticizing the world’s palm oil industry further heightened consumer awareness on issues in global supply chains.

In response, governments have acted to further regulate global supply chains. While advancements in technology have driven easier access to sourcing practices. All of this in combination has created a commercial environment that demands transparency.

In 2011, the U.S. government enacted the Food Safety Modernization Act, requiring manufacturers to demonstrate greater management and visibility of their supply chains. A few years later, California passed the California Transparency in Supply Chains Act requiring companies selling products in the state to demonstrate the products comply with labor and trafficking laws.

In 2016, the federal government passed the Trade Facilitation and Trade Enforcement Act, providing U.S. Customs and Border Protection the power to withhold and seize products being imported into the U.S. that are involved in forced or slave labor. Importers are required to provide full documentation of the product’s supply chain to demonstrate compliance.

Outside of government pressure, NGOs have expanded their focus on how ingredients are sourced and the impact the industries using those ingredients are having on the producing countries.

The issues around labor in the cocoa industry are not new, and the industry has actively worked to address

firmly ingrained in their minds. The question of what consumers can learn from the information provided around sourcing is critical, but how a company gives back to the community is also becoming an important and impactful marketing tool. Today’s consumers seek out information on corporate awareness, particularly in areas around sustainability, initiatives and corporate philosophy. TRANSPIRANCE IS NOW A ‘NEED TO HAVE’
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