



Certifications:

What role should they play in your marketing strategy?

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NEXT: New Hope Network's Consulting Group

- ✓ Helps companies of all sizes use market and consumer intelligence to make and improve **data-driven decisions** and prioritize innovation efforts.
- ✓ Provides forward-looking, predictive solutions for successful innovation and maximum **Return On Innovation Investment (ROI)**.
- ✓ Uses proprietary data and market intelligence for unique insights into **health, wellness, and natural products**.
- ✓ Improves decision-making and helps identify **“What’s NEXT?”**



The background of the slide is a close-up photograph of green pea pods and leaves. The pods are filled with small, round, green peas. The leaves are bright green and show a clear network of veins. The image is slightly out of focus, giving it a soft, natural feel.

Mission Statement

- **Bring more health to more people**
- **Drive growth and change in our food system, making it more sustainable, socially responsible, conscious, and humane.**

The Global Network for Health & Wellness

- **Deep connections** across the entire value chain, from ingredients to finished goods to retailers.
- **Global footprint** of ingredient events, publications and data & insights businesses.
- **Proprietary data** and **industry analysts** to provide unparalleled perspective on the H&W ecosystem.
- **Health & Wellness DNA** based on 40+ years of experience in the space.
- **Forward-looking, predictive solutions** to guide innovators on where the market is headed.





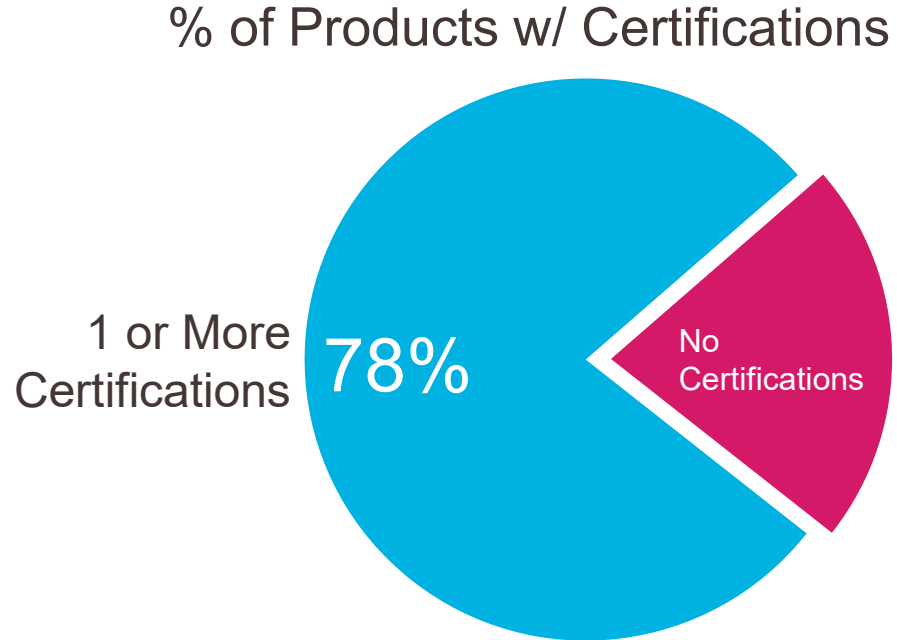
Belief:

Certifications are expensive, resource intensive, and they don't drive purchase.



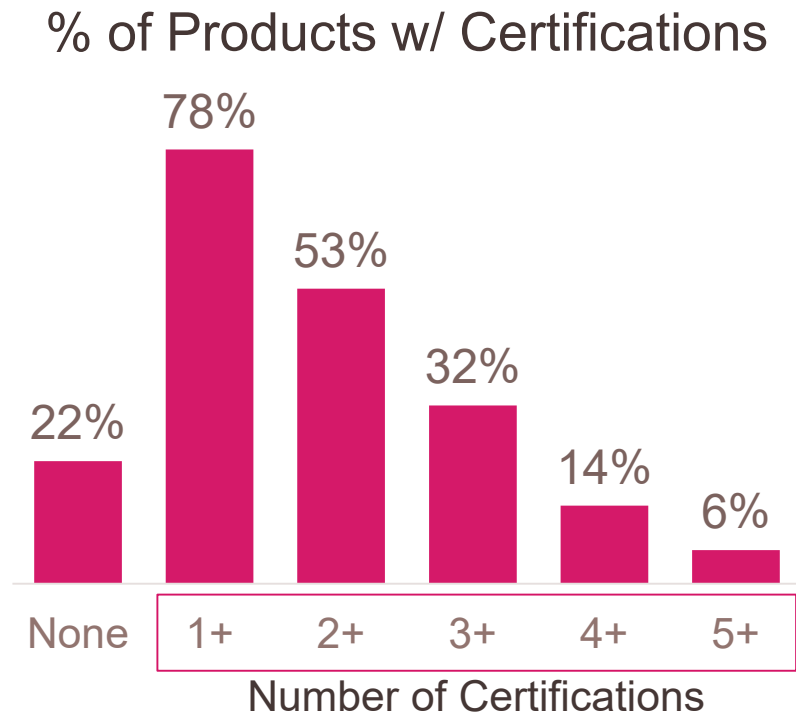
But they must add value ...

... because the vast majority of new food and beverage products launched at Expo West each year carry 1 or more certification type.



In fact, for many brands 1 isn't enough.

Half of all food and beverage products exhibited at Expo West 2019 carried 2 or more certification types.




And use of certifications is growing.

34%

Growth in the number of food & beverage products certified with one of 10 certification types

10 Certification Types

- Food Safety or Quality Standards
- Gluten Free
- Specialty Diets
- Animal Welfare or Humane Treatment
- Fair Trade
- Whole Grain
- Organic or Non-GMO
- Eco-Friendly or Sustainability
- Kosher or Halal
- Vegan or Vegetarian

The background of the slide is a close-up photograph of a sliced watermelon. The top and bottom portions show the red, juicy flesh of the watermelon with visible seeds. A horizontal white band runs across the middle of the image, serving as a background for the text.

**So what explains the
difference?**

Certifications signal trust & consumer fit.

Appreciating the role of certifications may require shifting your expectations from: direct to indirect, from sales to marketing, from ROI to demonstration of trust and values.

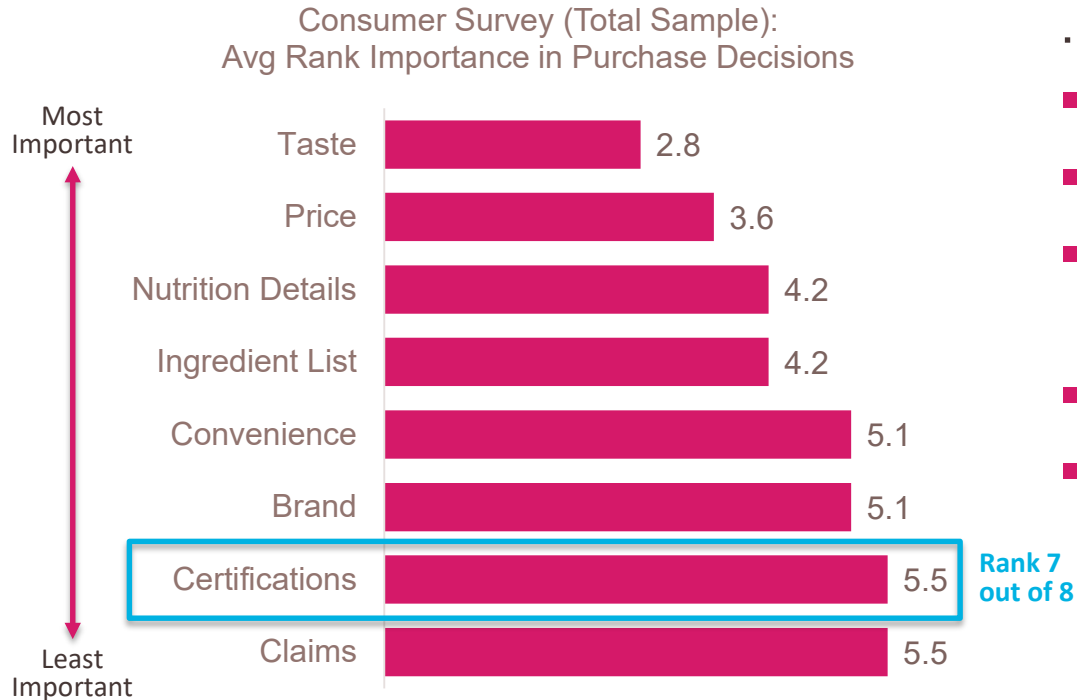
Sales

- Certifications may not directly drive sales

Marketing

- Instead they communicate important messages to select consumers

Certifications don't drive sales directly (for a broad audience).



They do communicate important messages ...

... they :

- Provide quality assurance
- Reinforce brand value
- Provide competitive differentiation
- Demonstrate trust
- Signal the presence or absence of qualities that consumers seek

And they help attract select consumers.

Convenience Shoppers

Consumer Survey:

Avg Rank Importance in Purchase Decisions

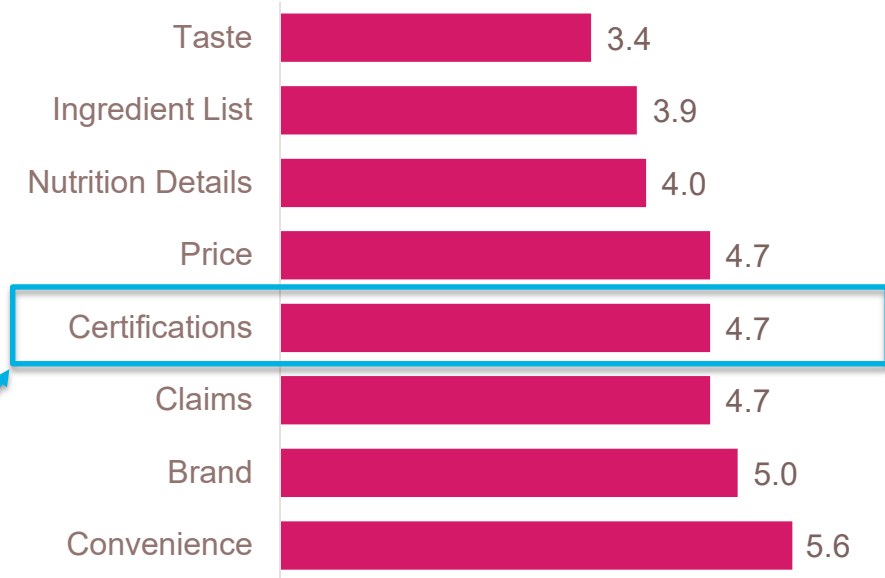


Vs.

Willing to Pay More for Healthy Products

Consumer Survey:

Avg Rank Importance in Purchase Decisions



Source: NEXT 2019 Certifications Micro Survey utilizing a generally representative convenience sample of 900 US Consumers.

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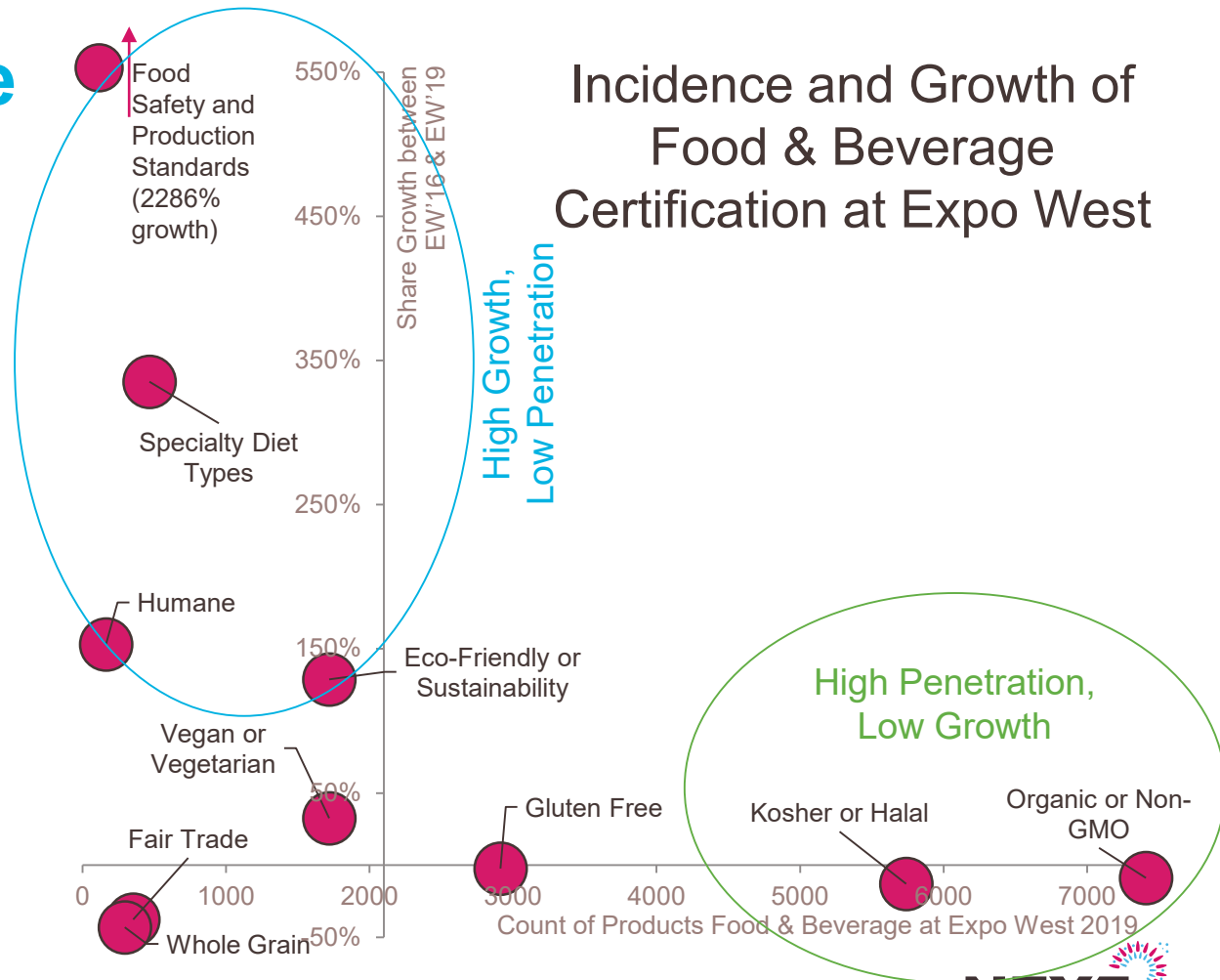


What certifications are other innovators investing in?

Innovators are investing in certifications.

The fastest growing certification types are:

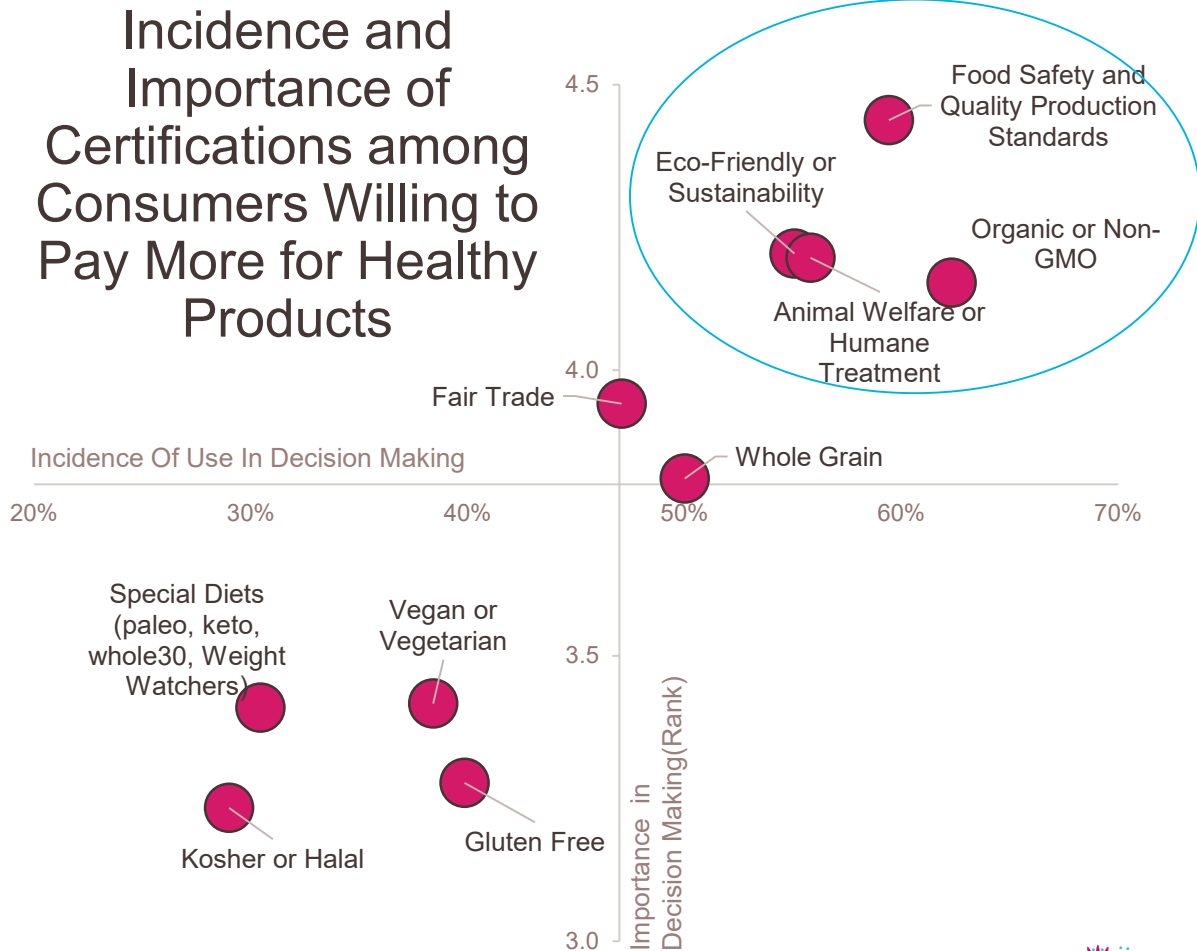
- Safety and Quality
- Specialty Diets
- Humane
- Eco/Sustainability



Progressive consumers use certifications.

The most relevant certification types are:

- Safety and Quality
- Humane
- Eco/Sustainability
- Organic/NonGMO





**So which certifications
should you pursue?**

Consider multiple certifications to maximize consumer reach

The reach of any single certification is limited

47%

Maximum reach among total consumers of the most popular certification type (Food Safety & Quality Production Standards)

TURF Analysis reveals combos to extend reach

53%

Growth in reach with four certifications.

TURF is a statistical analysis designed to identify combinations of attributes which maximizes the number of consumers who find at least one attribute to be attractive.

Consider TURF to inform your efforts to reach the largest population.

While there are a lot of ways to combine multiple certifications to improve your reach, and the most relevant certification types may vary by product category. Here are two examples that rose to the top of our analysis.

TURF Analysis: Total Consumers

Incremental Unduplicated Reach of Each Additional Certification



Total Reach

76%



73%



Conclusion

Conclusion

- Start with the basics; identify certifications relevant to:
 - Your product category
 - Your target consumer
- Look at what the data says about your competitors, category, and consumer
- Shift your perspective:
 - Think of certifications as a marketing investment not a sales driver
 - Recognize that certifications communicate indirectly to a broad and specifically to targeted audience
 - Use certifications to build trust and signal fit to target consumers

Conclusion

- Use certifications to:
 - Provide quality assurance
 - Reinforce brand value
 - Build trust
 - Create competitive differentiation
 - Signal the presence or absence of qualities that consumers seek or avoid

Thank you!

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