

Abstract

Nutrition labeling is the provision of information about nutrition content of individual food products at the point of purchase. Decades of marketing and nutrition research have been devoted to analyze how consumers perceive, process and respond to different nutrition label types and formats. In general, the available literature suggests that nutrition labeling is a helpful tool to promote healthier food consumption. While governmental stakeholders repeatedly ask for improvement of mandatory labeling, retailers have discovered voluntary front-of-pack labeling as a marketing strategy. Little research has analyzed how consumers react and how retailers benefit from implementing such labeling schemes. While experimental studies have revealed healthier purchase behavior and improvement in attitudes towards retailers, research with real purchase data is still short of evidence about the effectiveness of voluntary front-of-pack nutrition labels, particularly with regard to retailer benefits. Even less research exists on how food manufacturers and retailers can influence perceived healthiness by self-created voluntary front-of-pack labeling schemes, in contrast to government-induced mandatory nutrition labels.

This thesis sheds new light on the impact of voluntary front-of-pack nutrition labeling on consumer response and retailer performance. It investigates how retailers can use such labels as tools to influence perceived healthiness of food products and how such strategies can influence real-world purchase behavior. Three studies using supermarket scanner data from a major retailer located in the UK compare purchase behavior before and after a voluntary nutrition label introduction. The implemented label is the front-of-pack Guideline Daily Amount (GDA) nutrition facts label. It displays the amount of calories (in kcal) as well as sugar, fat, saturated fat, and salt (in g) per serving together with the percentage of recommended daily amount per serving. This percentage is calculated for adults consuming 2,000 calories per day.

Results from study 1 suggest that the GDA label introduction does not induce substantial healthier purchase behavior for yogurt and ready meals in terms of market share and product choice. By contrast, price, promotional activity, and habitual purchase behavior have a larger impact on purchase behavior and product choice. In study 2, results show that the GDA label introduction leads to slightly healthier purchase behavior by the customers in the soft drinks category, but does not increase customer's loyalty intentions towards the retailer. If healthier purchase behavior is observed, it is accompanied by reduced volume, implying reduced retailer revenue. This finding shows that potential health benefits for customers can come at a cost for retailers. The results from study 3 reveal a dual role of voluntary front-of-pack nutrition labels. On the one hand, results suggest that the GDA label can correct for misleading nutrition claims in the yogurt category. This means that sales volume decreases for yogurt with low fat claims but high sugar content after GDA label introduction. On the other hand, GDA labels that report too small serving sizes as basis for recommended daily amount can unjustifiably increase perceived healthiness. Results from study 3 show that a smaller serving size as basis increases sales volume for yogurt products after GDA label introduction. In particular, results

from study 3 emphasize that future research should distinguish between nutrition labels as public policy instrument or as part of food marketing. In summary, the results from the three studies provide important implications for food marketers, public policy and consumer research.