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Food & Agri-Business Specialists

The processed food industry

How does it meet the consumer perception challenge?

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Introduction

61% of consumers believe that there are health benefits in modern food processing. With changing consumer preferences and trends driving innovation in the food industry, we investigate what it means to choose 'fresh' over processed and whether it's possible to truly buy food that's straight from the ground or tree it grew from, or the farm it was reared on.

Today's health-conscious consumer tends to think twice while walking down the processed food aisle. Rather than thinking of the convenience of the products, they are now considering the perceived low nutritional quality and negative news stories. The same consumer is laden down by a busier lifestyle and may not have the luxury of time to prepare a fresh meal three times a day. Studies show that around 70% of the people eat at their desks. This presents quite a dilemma to the food and retail industries.

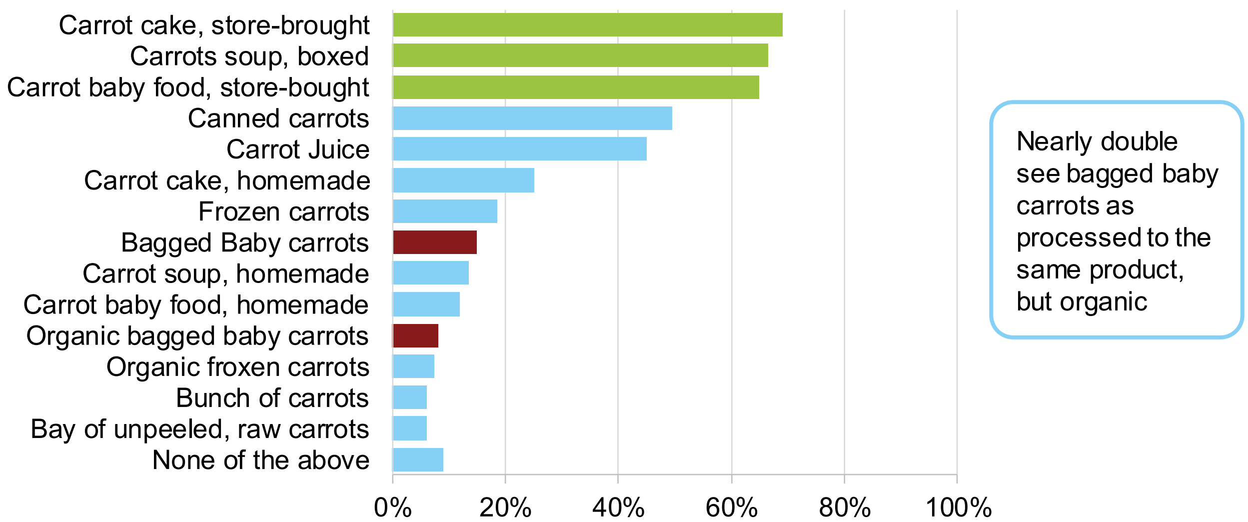
Consumer perception of processed foods

According to a study carried out by the International Food Information Council (IFIC), consumers have a negative attitude towards and an increasing awareness of processed food. For the study, 1500 adults who identified as the primary grocery shoppers were interviewed. The results showed that 43% were not in favour of the consumption of processed food; a perception found across all demographics and age groups.

Quick read

- Food Processing is the techniques used to convert fresh food into food products
- More awareness of health issues like heart disease feed negative perceptions of processed food
- Environmental and fair food- friendly practices are important to the modern, educated consumer
- Despite often meeting taste, freshness, safety and value standards demanded by consumers, processed food is still seen as unhealthy
- While opting for fresh or minimally processed food where possible, consumers understand the positives around processed foods such as convenience, value, and consistency of taste
- The food industry needs to stay in tune with consumer trends and refine processed food practices and products to better meet public demand

Figure: What consumers consider "processed"



Source: IFIC Annual Food and Health Survey

Why the negativity?

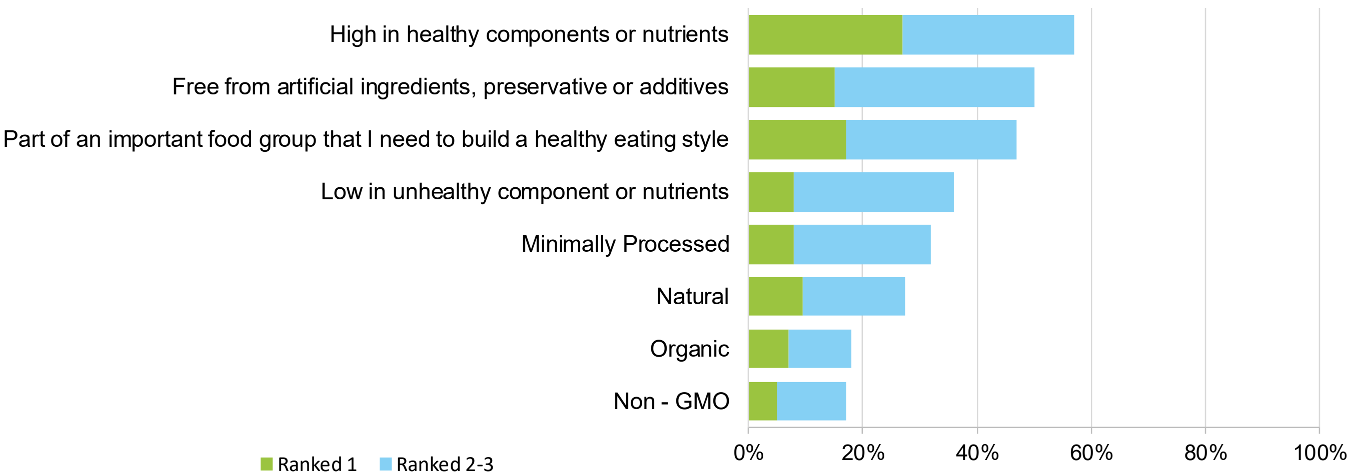
Shifts in attitudes towards the consumption of processed foods have been driven by overall increasing health awareness. Increased attention is paid to avoidable health problems such as obesity and heart disease and the growing availability of healthy, local and organic 'fast-food' alternatives. These primary grocery shoppers are also more sceptical towards the claimed nutritional value of processed foods, leading to a bad image for many companies in several food and beverage categories.

When choosing products, consumers tend to select based on properties such as taste, freshness, safety and value. They want a fresh diet while also enjoying what they are eating. Even though many processed foods do meet these criteria, they are often still perceived as 'fast food' or 'junk foods'.

What is food processing?

Food Processing is the techniques or methods used to convert fresh food into food products. Processing is carried out to obtain certain goals for the food such as improving taste or prolonging shelf life. But there is

Figure: How people define health



Source: IFIC Annual Food and Health Survey

“ Misleading claims on packaging such as “light in sodium” and “lightly sweetened” compounds the trust issue in processed foods leading many consumers to incorrectly believe that all processed foods are bad

A greater quest for knowledge around ingredients used in processed foods is another factor. The rise of publicised health scares and negative news stories around certain ingredients, both true and false, is causing concern for consumers. Environmental and fair-food practices are also driving consumer perception and ingredient avoidance habits. Palm oil is now the bold child of the processed food world.

Misleading claims on packaging such as “light in sodium” and “lightly sweetened” compounds the trust issue in processed foods leading many consumers to incorrectly believe that all processed foods are bad.

ambiguity among consumers about what food is processed and what is not. Often, food that has been processed results in the change of physical properties of the food which can influence consumers' perceptions. Consumers perceive fresh or less processed food as healthier and lower in calories as compared to their most processed versions. A study Food Processing is the techniques or methods used to carried out by Portland State University and the University of Central Florida showed that foods in their unprocessed or raw state are perceived as healthier. Participants also expected to be fuller and more satiated by less processed foods.

What does the science say?

So-called "diseases of civilisation" like heart diseases, hypertension, and diabetes virtually didn't exist before the time of food processing. This is an observation widely made by scientists and nutritionists; these processed foods didn't come on the shelves in one fell swoop but gradually became available to different populations.

There is no doubt that processed food, strictly speaking, is unhealthy. We could say healthiness of food is inversely proportional to the level of its processing. To find an answer why processed food is unhealthy, many hypotheses have been made. Some say component nutrients such as carbs, fats, and proteins are unhealthy while others blame the processing operations. But the scientific theories and work so far suggest how these nutrients and chemicals work, and their impact on our health is very complex. Simply eliminating them from the diet doesn't make sense; an unprocessed food barely exists in the market. Even freshly harvested fruits need to be processed; packaged to control their perishability so that they arrive fresh on the supermarket shelves. This isn't something that we could easily avoid.

Implications for the processed food industry

Changing consumption habits with regards to processed foods along with a growing population and social, political and economic forces are driving significant change in the processed food industry on a global scale. Consumer preferences are just another notch in the belt of challenges driving innovation in the sector. Food processing technologies will need to keep this in mind when developing and communicating new innovations. Many are already making use of market intelligence to aid in this; tools that allow them to keep abreast of consumer behaviour and trends analytics allowing them to factor this data into decisions.

> "Changing consumption habits with regards to processed foods along with a growing population and social, political and economic forces are driving significant change in processed food industry on a global scale

Processed foods are a critical component of everyday diets. Although consumers are now opting for fresh or minimally processed food where possible, they seem to acknowledge the positive aspects of processed foods such as convenience, value, and consistency of taste. Even in an industry facing unparalleled calls for innovation, today's fresh-first consumer can understand that it is generally infeasible to by solely fresh, local and organic.

Conclusion

Consumers choose their food based on taste, freshness, safety and value, all qualities present in processed food. Yet processed food suffers from a massively negative perception and food manufacturers must rise to the challenge of satisfying customer preferences, meeting the need for convenience while ensuing the food is fit for consumption.

The concept of processed food appears to run counter to the discerning modern consumer's need to eat healthily, however processing in food production is almost universal. Food manufacturers need to stay in tune with consumer trends, evaluate and plan how they communicate the benefits of the foods they process, and continue to refine their methods, if they are to overcome scepticism towards their products.

Expert in this Insight

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