

# The influence of product markings on consumer buying decisions on FMCG market

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## Abstract

*There are various product markings and certificates that are present on FMCG market, some of them are easy to acquire, while in other cases the enterprises have to engage into complex and expensive certification procedures. The companies try in this way to attract consumers, to differentiate the products, to find new business partners etc., however is their effort really necessary? It appears that in many cases consumers do not care about the product markings and certificates, and perhaps the time and other resources of the companies have been wasted. The aim of this article is then to identify the influence that the products markings and certificates can have on decisions of FMCG consumers and to indicate the product markings and certificates that are worth of investment. In order to reach the research objectives, a typology of available product markings have been performed, followed by a qualitative research in a form of in-depth interviews.*

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## 1. The Introduction

Fast Moving Consumer Goods, or FMCG, is a sector of the economy covering goods belonging to a very wide group: food products, drinks, alcohol, tobacco products, cosmetics and personal care articles, household chemicals and over-the-counter drugs. These are products whose unit price is not high and which are bought in mass quantities (Liczmańska, 2016: 12).

There are various product markings and certificates that are present on FMCG market, some of them are easy to acquire, while in other cases the enterprises have to engage into complex and expensive certification procedures. The companies try in this way to attract consumers, to differentiate the products, to find new business partners etc., however is their effort really necessary? It appears that in many cases consumers do not care about the product markings and certificates, and perhaps the time and other resources of the companies have been wasted. The aim of this article is then to identify the influence that the products markings and certificates can have on decisions of the FMCG consumers and to indicate the product markings and certificates that are worth to invest in.

## 2. Literature review

In order to get a better knowledge about product markings and certificates, a literature review has been performed, including national and international sources. This stage of the research allowed to create a general typology of available product markings on the FMCG market.

The literature review has proved that a majority of publications concerning the above mentioned subject treats about a particular type of product markings and usually do not present it in a holistic way. For example M. Radziukiewicz in her publication "Behaviour and Preferences of Consumers of Fair Trade Products" focuses on Fair Trade labelling only (Radziukiewicz, 2014). A. Borowska in her publication "Attitudes of European consumers to traditional and regional products" touches only the origin markings. Another example is a publication of R. Nestorowicz "Labelling of Food Products and Sustainable Consumption" who writes about ecological markings and Fair Trade markings. The same in case of G. Hickel in his publication „Promoting product stewardship with eco-labels, certification programs, and product standards”, as well as in case of M. Janssen i U. Hamm pt. "Product labelling in the market for organic food: Consumer preferences and willingness-to-pay for different organic certification logos".

The literature review shows that publications about product markings on FMCG market do not propose any general typology of product markings and do not identify those types which perhaps are not required by law but attract consumer attention and influence its buying decisions.

### 3. Research methodology

After the literature review a qualitative research has been performed in a form of in-depth interviews with FMCG consumers. The interviews have been conducted in November 2017 on a sample of 10 respondents. The research sample included nine women and one man. The majority of respondents acquired a higher education, while 2 respondents had achieved a secondary education. 40% of respondents were married. Regarding the employment status, two respondents were students, seven respondents were full-time employees and one respondent was unemployed. All respondents were living in cities counting from 100 thousand to 1 million habitants. The majority of respondents aged between 26 and 30 years, two respondents were between 18 to 25 year old, while one respondent was 56.

### 4. Findings

There are various product markings available and to make an interview scenario relevant to all of them, a typology according to subject of certification has been performed. It should be noticed however, that one product marking can fall into several categories, as it can confirm several characteristics of a particular product. The typology has been then based on the main focus assessment.

The secondary data analysis allowed to indicate the following product marking categories:

- 1) Fair trade, e.g.:
  - Fair Trade Certified,
  - Fair Trade Federation.
- 2) Quality and originality, e.g.:
  - Protected Designation of Origin,
  - Protected Geographical Indication.
- 3) Ecological performance and organicity, e.g.:
  - Leaping Bunny certificate,
  - Soil Association Organic Standard.
- 4) Special diet, special lifestyle, e.g.:
  - V label,
  - Vegan certified.
- 5) Recycling, e.g.:
  - Recycling symbols,
  - Carbon reduction label.
- 6) Quality system, e.g.:
  - ISO 22000:2006,
  - HACCP.
- 7) Consumer awards, e.g.:
  - Consumer World Award,
  - Consumer Choice Award.

During the interview, more than half of the respondents admitted that they do not pay any attention to the certificates and markings placed on the products they buy. Various explanations were given, including lack of time, lack of general interest, lack of trust and considering the markings and certificates as a marketing gimmick, trusting a given producer due to previous experience with the product, as well as paying attention only to the price.

Three respondents admitted that they pay attention to marks and certificates from time to time. The concern for close relatives, for example a preparation of meals for people with gluten intolerance, was given as a reason for interest. Particular attention was paid to the domestic origin of the products and perceived quality associated with it. In some cases, a particular certificate or other product marking was given as a decisive factor in case of products with a similar price - the respondent admitted that when the

price is not significantly higher, he will choose the product marked with the "Fairtrade" symbol, mainly for coffee beans and teas. One of the respondents admitted that he pays attention only to previously unknown certificates and markings, treating them as a proof that the producer tries to stay ahead of its competitors, at the same time accusing universal certificates and markings to not deliver any added value in fact.

One respondent, however, admitted that he checks markings and certificates on products, especially on sweets, due to his vegan diet, indicating them as a great simplification and saving time.

The vast majority of respondents assessed markings and certificates on products as useful, although not to them personally. There was a consistent believe, that there are certain consumers who would be interested in it. Respondents have noticed that appropriate marks on the products are needed, especially for people who are lactose intolerant, gluten intolerant or have a celiac disease. It was noted that the markings and certifications would be much more useful if consumers knew what is their meaning and if efforts were made to educate them. The respondents believed that thanks to the particular product markings and certificates it is known that the product comes from a trustful source, or that the manufacturer has made every effort to ensure that the product is of the highest quality, but the same respondents have admitted they do not really care about it.

Two respondents said that certificates and markings are not needed, that it is only a marketing gimmick and that people should have limited confidence in them as they can be manipulated.

Respondents were also asked which features of the products should, in their opinion, be formally confirmed by an external institution. First of all the lack of allergens has been indicated (e.g. lactose or gluten). The country of origin, region of origin, harmlessness, safety for children, non-animal testing, and lack of animal origin were also mentioned. Moreover it has been noticed that the product markings and certificates should verify and confirm some features of products that consumer himself cannot verify.

Within this study the consumer familiarity with product markings and certificates has also been verified. For this reason, the respondents were asked to recall the product markings and certificates falling into the following groups: confirming that the product was manufactured in accordance with the principles of fair trade (no child labor, providing producers with a fair payment, etc.); markings confirming the quality and originality of the product; markings confirming the ecological nature of the product (no negative impact on the environment); markings confirming that a given product meets the requirements of a certain diet or lifestyle (vegetarianism, veganism, kosher, halal, etc.); markings of recycling, segregation rules etc.; markings of quality systems; consumer awards; Other.

It appears that consumers knowledge about the meaning of product markings and certificates on FMCG products is very limited. It should be noted that almost none of the respondents was able to give the full name of a given marking or certificate, describing it as "something green", "some leaf", "some flag", "a bunny", etc. It means that consumers recognize somehow the specific markings but in fact they are not interested in them, they do not look for information about them and do not really care about it. By matching descriptions made by respondents to actually existing markings and certificates, it can be assumed that the markings and certificates mentioned by respondents are mainly "Euro Leaf", recycling symbols, ISO standards (although it was pointed out that no attention is paid to them and that compliance with these standards should be obvious nowadays), "Consumer Awards", "Poland Now", "Leaping Bunny", certificates from the Fairtrade group, "BIO", gluten-free marking, and "V label".

Conducted interviews also showed a limited trust in certifying institutions. Particularly a limited trust was shown towards consumer awards. Respondents admitted that they do not know how the certification bodies work and who are the experts, but when an award is given by a public institution, it will be rather reliable, while in case of private institutions, it may be doubtful.

When asked about the factors that would encourage the respondents to pay attention to the product markings, veganism and gluten intolerance were indicated.

Respondents were also asked if they rely on certificates and markings placed on the products and from what other sources of product information they possibly use instead. Half of the respondents admitted that they do not rely on certificates and product markings, while the other half consider them useful at least in certain product groups.

## 5) Discussions and conclusions

Qualitative research conducted among consumers of FMCG indicates that the interest in certificates and product markings is rather limited and consumers, even if they link somehow a given mark on the packaging, usually they do not know what does it mean. Special attention is paid to certificates and markings from the "Special diet / lifestyle" group. Even if consumers do not belong to the group of interest, when asked about the usefulness of this kind of product markings and certificates, they were likely to mention people suffering from gluten intolerance, celiac disease or other allergies.

On the basis of the qualitative research, it can be concluded that consumers do not rely on markings and certificates placed on products, moreover, the results of the research indicate a limited trust in certifying entities. Public certification bodies enjoy greater trust, while private certification bodies are suspected to manipulate results. Particularly limited trust was shown towards consumer awards. It should be noted that certificates and markings are treated by consumers as a nice convenience and an alternative to a careful reading of product labels, but they are not the main source of information about the fast-moving products.

It should be noted that very often obtaining a given certificate requires enterprises to pay high certification fees and to engage a lot of resources to meet the certification criteria or just to prepare a relevant documentation. Enterprises should therefore very carefully choose the product markings and certificates they want to acquire, because due to a lack of consumer interest or lack of trust, the investment become highly inefficient and useless.

The FMCG producers should adjust the product markings and certificates to the target consumers and verify what the target consumers really care about. Especially in case of gluten-free products and vegetarian/vegan products, relevant product markings and certificates, given by a reliable institution, may boost products sales. Special diet or lifestyle requirements somehow force the consumers to pay attention to the product markings and certificates.

It can be assumed also that low consumers' interest in product markings and certificates derive from lack of familiarity with their meaning. It seems then, that an enterprise obtaining given product marking or certificate, while promoting a product, should also increase the consumer awareness on this field.

## 6) Limitations and direction for future research

The most important limitation of this research is a very limited research sample. Only 10 respondents took part in the interviews, they were coming mostly from similar environment and it could strongly influence the results. This part of the research has been conducted however as an introduction to the subject and the author's intention was to get a basic understanding of consumer attitudes towards product markings and certificates.

Within the next stage a quantitative research in a form of survey is planned for 2018/2019. The research sample will be increased and will allow to cover various groups of consumers. The expected results will be more reliable and will allow to design recommendations for FMCG producers regarding the product markings and certificates worth to invest, as well as ways of educating the target consumers.

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