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## Food and beverage product recalls, withdrawals and safety alerts, oh my!



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# Another day, another food or beverage product recall

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**Last week, Niagara Bottling recalled 14 bottled water brands after one of its spring water sources was contaminated with E. coli. The company said that the “spring source did not notify us in a timely manner...” Food and beverage product recalls and transparency issues, apparently, are still very much a real thing.**

A review of the U.S. Food and Drug Administration’s safety site shows that since the beginning of 2015, product recalls, withdrawals and safety alerts are almost a daily occurrence in America. Have consumers become desensitized to the raw frequency of these announcements? How can companies earn consumers’ trust?

Consumers are increasingly concerned about the health and safety of America’s food supply chain and it’s not just a problem unique to the United States; it’s a global thing.



As The Hartman Group's Transparency 2015 report finds, consumers are worried about imports and the safety standards behind companies producing food and beverage products beyond U.S. borders. The daily headlines of product recalls and food safety alerts are only compounded by even more severe stories in places like China (from which the U.S. imports products and ingredients quite heavily).

A crisis like E.coli contamination is naturally going to make headlines. Yet even after observing how companies handled communications in the past, why are food and beverage companies today still often too slow to disclose information relating to public health safety?

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**When a company drags its feet or even refuses to talk, consumers are left to conclude that the company is hiding something. Lack of full disclosure has never served a company well in the face of a public health crisis. Transparency has increasingly become nearly everyone's concern.**

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# What transparency means to consumers

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What today's consumers want to know extends well beyond a food or beverage product's characteristics, and the quantity of information does not make a company transparent. The relevance, timing, reliability, accuracy and usefulness of the information does.

**Almost seven in ten consumers (68 percent) are familiar with the term “transparency” as it relates to a company’s business practices. In this digital era, transparency is not only the new norm, it’s expected.**

What we've witnessed in the past decade in health and wellness, and organic and natural circles has trickled out to the mainstream in somewhat diluted but certainly recognizable forms, without catalysts. Even prior to the influence of scares about melamine and pet food or E. coli contamination of various food and beverage products, mainstream consumers were already becoming much more inquisitive about how and where products are sourced and about the integrity of the company's business practices and values.

The desire for transparency is created in a technological culture where feedback moves fast, access to information is easy and open source is expected. Transparency is accountability (“don’t hide, don’t trick”) and adaptability (“make everyone feel welcome”).



Source: Transparency 2015 report, The Hartman Group

Transparency can be a potent strategic tool to build consumer trust and loyalty. It is a true consumer benefit.

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# Transparency

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**Speaks to consumer desire for connectedness, authenticity and control in an increasingly complex and competitive consumer landscape of “buy me!” and “me too!” products and services.**

<b>Reveals product quality</b>	[consumer benefits] and company integrity [how it does business].
<b>Creates</b>	a stickiness that transforms a transactional exchange into a brand relationship [reason to buy and repeat buy, willingness to pay more and forgive, evangelism].
<b>Enables</b>	consumers to make intentional choices based on easy access to relevant and truthful information about products, ingredients, sourcing and business practices.

Companies that bridge the gap for consumers between information available and the ability to use it effectively will have tremendous advantages in the marketplace. Transparency has broad implications and connotations with respect to a spirit of disclosure and truthfulness to consumers. In this way, a company can use transparency to build trust, a key ingredient in fostering brand loyalty.

Who do consumers trust is looking out for their health and safety? Consumers trust that their food retailer is looking out for them. Whole Foods Market is often mentioned as a trusted source, as is Wegmans. They are examples of retailers seen as accountable for what they carry and have earned a reputation that they are looking out for the customer.

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**Remember, your consumer is the most sophisticated, savvy and educated in world history and almost the best connected. The chances are likely that the consumer will know more about your product than many within your organisation. Don't be afraid to look to your devoted consumers for help or advice. As we've long said, the marketplace, after all, is—and always will be—consumer driven.**

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