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# FLAVOR news

CONFECTION / GRAIN / BEVERAGE / MARKET DEVELOPMENT

VOLUME 60 JULY 2016



AT FONA WE BELIEVE

## Clean IS A Continuum, NOT A CHECKBOX.

We'd love to show you some of  
our Keep It Simple Strategies  
and help you navigate any  
technical trade-offs. We can help.

Visit us at IFT Booth #2890 for  
some good clean fun.

Not at IFT? Call 630.578.8600 to  
request a flavor sample or visit  
[www.fona.com](http://www.fona.com).



## Chairman's Corner

At FONA, we're putting the finishing  
touches on our presentation for the IFT  
Food Expo this month in Chicago and  
planning our next Flavor University®  
season in the fall. Everyone at FONA  
gets so excited for both of these

opportunities to connect with our existing partners and  
meet new friends.

At IFT, we'll be showcasing a new report on the clean  
movement and "Keep It Simple Strategies" to help you  
overcome flavor challenges. Come by and pick up your own  
copy or download at the link provided. And of course, we  
always hope to see you at one of our fall Flavor University  
courses — we'd love to help you better work with flavor.  
Visit [www.flavoruniversity.com](http://www.flavoruniversity.com). We look forward to  
seeing you!

Sincerely,

Joseph Slawek, Chairman & CEO

## CLEAN: THE OPPORTUNITY REPORT

### A Special Look at Consumers' Driving Needs



In 2003, FONA undertook a project, to understand  
what "health and wellness" meant to consumers. We  
studied the environment that consumers were living  
in each day, which led us to their driving needs and  
resulting behaviors. We examined the industry response to  
the growing health and wellness movement, and discovered  
the opportunities available for product development.

This year, we dove in deep again. From commissioning a  
national survey to exploring 50+ mainstream and industry  
reports and sources, we examined the environment, driving

needs, resulting behaviors, industry response, and most  
importantly, the opportunities as they relate to the food  
industry and health and wellness.

In this issue of Flavor News, we'll hone in on one key  
aspect of our research: *Driving Needs*. What are the  
motivations bringing consumers to seek out clean?

We will also provide details on downloading the full  
report, and give you a peek at some of our Keep It  
Simple Strategies!

NEED FOR CLEAN:

# CONSUMERS AND THEIR DRIVING NEEDS

Twelve years ago, our research showed:

- 76% of consumers agreed with the statement: “In the next five years, it’s very likely that experts will have a completely different idea about which foods are healthy and which are not.”
- Package labels were identified by 75% as influential in purchase decision.
- There was a growing reduction in insurance benefits and a distrust of the healthcare system overall.
- The fastest growing product tag for beverages was “natural” — more than 10 years ago!
- The top concern for consumers was to “stay healthy” longer.

If any of that sounds familiar, it should. The clean label movement of today has its roots in the health and wellness movement of the early 2000s.



## Health and Wellness A Top Priority

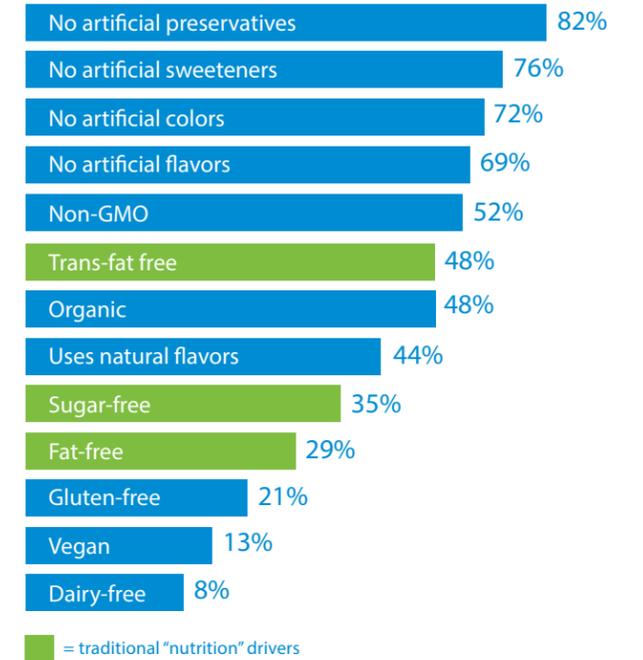
To understand clean label and the consumer movement behind it, we have to examine the population’s thoughts on health. According to the 2015 NMI Healthy Living Report, 75% of consumers are taking more responsibility for their health today than they did 10 years ago. The reason that health is at the forefront? About 95% say that they want to remain independent as they age; 92% want to live a long life.

Feeding all of this are new motivations. Traditionally, consumers buy products based on taste, cost and convenience. But according to a Deloitte/GMA survey, consumer drivers have evolved to include health/wellness, safety, social impact and experience. Note that health and wellness is at the top of the list. These shifts hold true across all food and beverage categories.

### FONA Listens: Health Perceptions

When it comes to health perceptions, the claim “No artificial ingredients” is an opportunity to appeal to consumers. In our national survey, respondents picked characteristics that they perceived as healthy. The four “no artificial” options were by far the most popular. “Uses natural flavors” was well within the top ten as well, which leaves many options open for tasty product development. Also of note, traditional “nutrition” drivers involving fat and sugar were chosen by less than half of respondents.

Select the items you perceive as healthy. Choose all that apply.



## Some important takeaways from our new 2016 research:

1

**The clean movement is not a fad.**

It is the new normal that spans multiple generations and walks of life.

2

**As far as the consumer is concerned, clean means healthy.**

Consumers’ perception of “healthy” no longer involves calories and fat as a main consideration. It’s about recognizable ingredients.

3

**Clean means health, and health means longevity.**

Consumers want to be as healthy as possible for as long as possible.

4

**The clean label consumer still values taste as top priority.**

They are quite adventurous when it comes to flavors, brand loyal when values align and still interested in indulgence and functional ingredients — so opportunities abound.

75% of consumers are taking more responsibility for their health today than they did 10 years ago.



Our FULL REPORT is jam-packed with more information! Read on to find out how to download the full book.

**FONA Listens: About our National Survey**  
FONA’s 2016 national survey included 524 respondents split evenly by gender. The geographic regions and ages varied widely. The complete breakdown is available in our full report.

Safety has become closely tied with the same health/wellness and trust motivations behind the clean label movement.

### Safety Gets a New Meaning...

...as it relates to consumer perception, anyway. No longer does food safety refer only to immediate risks. Consumers have expanded that focus to include long-term effects. At play are attributes like the absence of allergens and the removal of artificial ingredients. It's clear that safety has become closely tied with the same health/wellness and trust motivations behind the clean label movement.

#### FONA Listens: Trust in Companies

When it comes to trust, our national survey results show that 47% of consumers said that they were at least somewhat likely to trust food companies to do what is right. What's more, most of the consumers polled said there are ways to gain or maintain their trust.



### Two Important Considerations

#### 1. TASTE IS NOT NEGOTIABLE

Regardless of what is driving consumers towards their food and beverage purchases, one thing is clear: Food must taste good. More than 75% of shoppers choose food because of taste, according to Mintel's Food Packaging Trends report. And 58% of consumers told NMI that they are not willing to give up taste for health. What's more, Mintel's Innovation on the Menu report shows that 82% of Americans are interested in new flavors.

#### 2. CONSUMERS MIGHT PAY MORE FOR CLEAN — BUT THEY WON'T LIKE IT

According to a joint Deloitte/GMA study, 81% of consumers said they would be willing to pay more for products that were healthier or contained "natural or organic" ingredients. At the same time, the Center for Food Integrity reports that more than half of consumers say food prices are a greater concern for them than they were a year ago, and 57% of Americans are highly concerned about the affordability of healthy food.

#### FONA Listens:

##### Purchasing Priorities

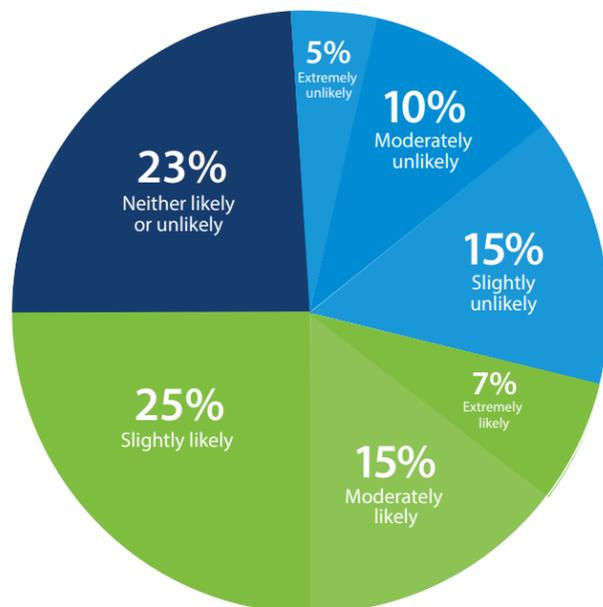
Our national survey showed that consumers are split when it comes to package claims and what is worth paying more for. About 54% of consumers will pay more for a "no artificial ingredients" claim and about half will pay extra for "all-natural" and recognizable ingredients. Non-GMO and organic did not fare as well. In fact, organic performed the worst with our consumers — only 39% said they would pay more.

**82%**  
of Americans  
are interested  
in new flavors.

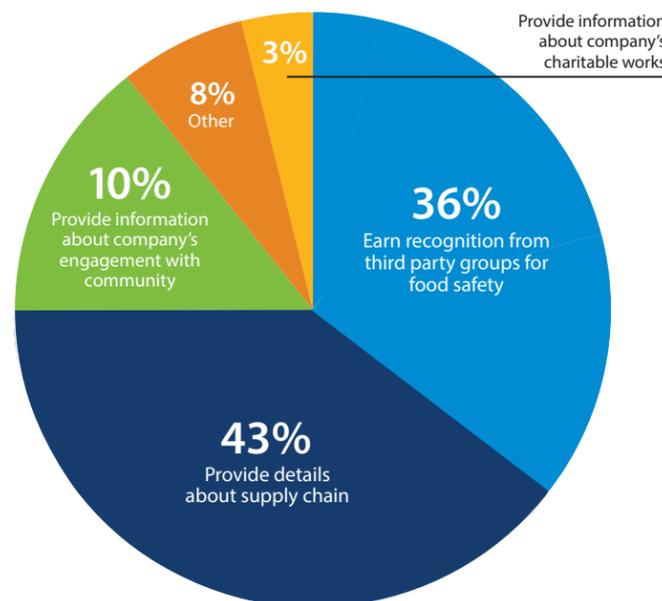
Mintel's Innovation on the Menu



#### HOW LIKELY ARE YOU TO TRUST FOOD COMPANIES TO DO WHAT IS RIGHT?



#### WHAT CAN FOOD COMPANIES DO TO MAINTAIN OR GAIN YOUR TRUST?



#### WHAT CONSUMERS SAY IS IMPORTANT WHEN BUYING FOOD AND BEVERAGES

Great Taste	83%
Price	68%
Healthfulness	60%
Convenience	52%
Sustainability	35%

Source: Food Technology, "What, When and Where America Eats"

Make sure to  
download the  
**FULL REPORT!**  
Read on for details.

## The Case for Clean

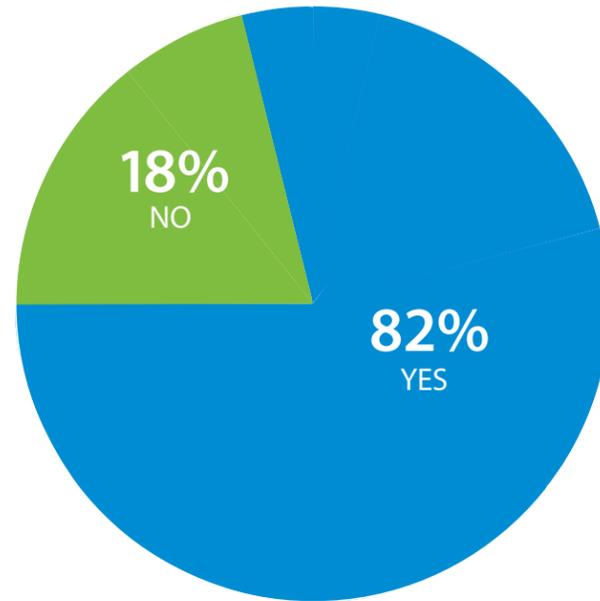
For consumers, clean is tied directly to safety — which is the number one component of earning their trust. Health and wellness has moved from being fat/sugar (nutrition-driven) to being ingredient driven (nothing artificial). We believe that the result of this movement is not just clean label, but clean products. Our meaning: rather than taking an existing product and removing artificial ingredients, it's also important to mindfully start new product developments with clean ingredients.

### FONA Listens: Do Consumers Know What "Clean Label" Means?

Consumers in general are unfamiliar with the term "clean label." We asked consumers an open-ended question, "If a food or beverage product has a "clean label," what does that mean to you? More than 62% said they didn't know, or gave incorrect answers such as, "see-through packaging." That puts "clean label" firmly as an industry term, at least for now.

**However, when asked about "clean and/or natural" consumers gave no room for doubt; they want those kinds of ingredients in their food.**

### ARE CLEAN AND/OR NATURAL INGREDIENTS IMPORTANT TO YOU?



Sources: FONA International National Consumer Survey, 2016; 2015 Trends in Healthy Living, Natural Marketing Institute (NMI); Food Packaging Trends: Spotlight on Food Labeling, Aug. 2015, Mintel; Innovation on the Menu: Flavor Trends, June 2014, Mintel; Capitalizing on the Shifting Food Value Equation 2015, Deloitte Consulting (with Grocery Manufacturers Association and Food Marketing Institute);

2015 Consumer Trust Research, The Center for Food Integrity.

DOWNLOAD

THE

FULL

REPORT!

For the full dish on *Clean: The Opportunity Report*, download the complete book at [www.fona.com/cleanreport](http://www.fona.com/cleanreport)



## Faces of FONA



Laura Partida



Bobbi Bock



Jennifer Lucas



Barb Pugeseck



Julie Talkington



Kristin Frankowski



Shondra Cook



Harmony Hickey

### NEW HIRES

#### Laura Partida, Senior Flavorist – Beverage

A certified flavor chemist, Laura will use her 15 years of expertise in flavor creation and relationship building to provide excellence, strategy and wins. Laura is no stranger to FONA, having worked for the company 2009-2015, within Beverage and Grain business units.

#### Bobbi Bock, Senior Scientist – Confections, Healthcare and Desserts

A proven subject matter expert, Bobbi has more than 20 years of dairy product development experience. Bobbi's diverse expertise and relentless pursuit of excellence will help as she leads projects and develops solutions for customers. Bobbi has a master's degree in Dairy Science.

#### Jennifer Lucas, Marketing Manager – Grain

Jennifer will use her more than 15 years of diverse strategic marketing experience to offer customers winning ideas and solutions. She completed a Master of Product Design and Development Executive Education at Northwestern University, and she holds a bachelor's degree in Marketing.

### PROMOTIONS

#### Barb Pugeseck, Director of Customer and Culture Excellence

Barb will lead program innovation and renovation initiatives to serve customers, employees and stakeholders — and always with a focus on FONA's commitment to excellence. In her 15 years at FONA, Barb has proven herself to be a creative partner and impeccable interpreter of needs.

#### Julie Talkington, Sr. Scientist – Grain

Well respected and recognized throughout FONA and by our partners, Julie will continue to foster strong partnerships and technical advancements as Senior Scientist. A FONA leader since 2011, Julie is a strategic thinker and will lead the way for innovation and creativity.

#### Kristin Frankowski, Analytical Chemist

Having demonstrated technological prowess and expertise, Kristin will use detailed analysis to assist the flavor creation team. Kristin will be responsible for transfer of analytical data reporting, expansion and data and optimization via computational chemistry.

#### Shondra Cook, Scientist – Beverage

Since starting in 2013, Shondra continually goes above and beyond, demonstrating technical excellence and a creative drive. As Scientist, she will lead key project activities and foster incredible partnerships with customers and across FONA.

#### Harmony Hickey, Senior Revenue Generation Coordinator

For more than six years, Harmony has proven her drive for continuous improvement for FONA's business units. In her new role, Harmony will continue her focus on customer needs, training new coordinators and delivering reliable information to enhance partnerships.

## SPECIAL ANNOUNCEMENT

### Tracy Cesario and Josh Vernoski recognized by industry groups



Tracy Cesario

The International Organization of the Flavor Industry (IOFI) recently named Tracy Cesario, FONA's Director of Corporate Communications and Public Affairs, to its Communications Board. Comprised of volunteer industry experts, IOFI was founded in Switzerland in 1969 as an international non-profit association for the flavor industry. Tracy's appointment comes after years of volunteering for FEMA (Flavor and Extracts Manufacturer Association) with particular focus on that group's Enhanced Communications Committee.



Josh Vernoski

Recently recognized by FEMA is Josh Vernoski, FONA Regulatory Affairs Manager. Josh won the first-ever "Emerging Leader Award" for his work on the Flavor Labeling and Regulatory Affairs committees.

For more information about IOFI, visit [www.iofi.org](http://www.iofi.org). For FEMA, see [www.femaflavor.org](http://www.femaflavor.org).