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**PRESS RELEASE**

**Name Your Price: Nearly three quarters of consumers will
pay extra for ingredients they recognise**

As many as 73% of consumers are happy to pay a higher retail price for a food or drink product made with ingredients they recognise and trust, according to new research.

In a survey of 1,300 consumers across Europe, North America and Asia-Pacific, commissioned by specialist PR agency Ingredient Communications[[1]](#footnote-1), more than half of respondents (52%) said they would spend over 10% more on a food or drink product that contained ingredients they recognised and trusted. Meanwhile, **nearly a fifth (18%) said they would pay 75% or more extra.**

In addition, overall, more than three quarters of respondents (76%) said they would be more likely to buy a product that contained ingredients they recognised and trusted.

The findings of the survey, which was conducted by leading online market researchers Surveygoo, underline the growing importance of clean and clear labelling and the use of ingredients that are familiar to consumers. They also suggest that there is a significant opportunity to harness the potential of co-branding between food and beverage manufacturers and their ingredients suppliers.

Richard Clarke, Director of Ingredient Communications, said: “Co-branding of ingredients in the food and beverage industry is still fairly unusual, and yet our survey suggests it would resonate with many consumers. We have seen the power of the ‘Intel Inside’ concept in the home computer market. If it works for selling laptops, then why not food and drink? Co-branding can develop consumer trust and provide a clear signpost for differentiation, which can be converted into higher spend, loyalty and repeat purchases.”

He added: “Marketing finished products that contain ‘branded’ ingredients that consumers recognise could be key to commanding a substantial price premium in-store. One barrier to co-branding is a perception among food and beverage companies that it reduces their ability to shop around among suppliers of raw materials to achieve the best price. However, with consumers willing to pay such large price premiums for products made with ingredients they know, this factor might easily be offset by increased sales and profits.”

Consumers in the US were willing to pay the highest prices – with 44% stating that they would pay 75% or more extra for ingredients they recognised and trusted. This was followed by consumers in India (32%), the Philippines (29%) and Malaysia (26%), indicating a strong preference for recognisable ingredients among consumers in Asia.

Neil Cary, Founder of Surveygoo Market Research Consultancy, said: “Our survey reveals significant convergence in the way consumers across the globe share similar priorities in sourcing and consuming high quality foods. However, there are also key differences between markets. Willingness to pay more for recognisable ingredients is strongest in the US, highlighting the importance of clean and clear labelling in the American market. Asian consumers also put a very high value on the quality of their food and are willing to pay a premium for the best ingredients, even though average incomes are lower.”

The survey found recognition of ingredients to be one of the biggest drivers of product choice, with more than half of respondents (52%) considering it to be an important factor. This was comparable with an ability to see nutrition information on-pack (considered important by 53%) and acceptability of price (55%).

An ability to recognise ingredients by name was rated more important than both an ability to tell that a product was high quality (selected by 32%) and taste (50%).

**ENDS**

**For further information please contact:**

**Steve Harman, Ingredient Communications**

**Tel: +44 (0) 1293 886444 | +44 (0) 7494 307911**

**Email: steve@ingredientcommunications.com**

**About Ingredient Communications**

Based near London, Ingredient Communications specialises in global PR & communications for suppliers of ingredients to the food, beverage, dietary supplement and personal care sectors. To find out more, visit [www.ingredientcommunications.com](http://www.ingredientcommunications.com).

**About Surveygoo**

Surveygoo are market research consultants, specialising in online quantitative surveys. They design, programme and run online surveys using proprietary tools, and operate panels in the UK and Asia-Pacific. They work with small and large enterprises, with a strong track record helping Marketing and PR agencies. Surveygoo is owned by Asia Opinions Ltd, a provider of online surveys and panel services in Asia-Pacific. Find out more at [www.surveygoo.com](http://www.surveygoo.com).

1. *Survey of 1,300 consumers (500 in the UK, 200 in India, 50 in the US, 100 in Malaysia, 50 in Australia, 50 in Canada, 50 in New Zealand, 200 in the Philippines, 100 in Singapore) conducted between 19 and 26 October 2016* [↑](#footnote-ref-1)