

UNDERSTANDING AND USE OF FOOD LABELING IN HUNGARY

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Abstract

This research paper is looking at four studies conducted in Hungary within the last ten years all addressing food labeling. They provide some interesting insights into the issues of food labeling, point out some commonalities and some major variances where additional research is warranted.

1 Introduction

Many studies have been prepared on the understanding and usage of food labels. Within the European Union, and also in Hungary, there are several reasons why these studies are increasingly coming to the forefront. Where in the past, consumer studies were mainly done by the manufacturing companies to gauge effectiveness of marketing campaigns and popularity of certain products, recently the main driving force behind these studies is health, safety and sustainable consumption agendas of local governments. Consumers and governments are increasingly focused on health and the environment and the role that food companies play in influencing consumption patterns. According to the European Union obesity currently accounts for up to 7% of health care costs and is expected to increase [1]. According to the WHO 65% of the Hungarian populace is overweight. Obese is defined as having a BMI greater than or equal to 30. This unfortunately, puts us as the eight fattest nation on the continent [6]. The increased presence of processed, ready to eat food in our diets has also led to alarmingly high cancer and heart disease rates. Similarly, diabetes and various food allergies (for example lactose or gluten intolerance) have been steadily increasing worldwide. In Hungary close to half a million people has to deal with lactose intolerance, every 50th consumer is gluten intolerant and 10% has diabetes (TET). Since the end of 2014 allergens need to be clearly and visibly marked on all packaging. Even on the non-prepacked food items, such as in restaurants and deli counters, the allergens have to be noted. Since December 13, 2016, based on the 1169/2011/EU regulation of the EU Council, nutritional values on prepackaged foods is mandatory.

Food, by its nature, requires that it should be safe and of good quality. Fears related to food production have been heightened by recent food safety shocks (see infected egg products, avian influenza etc.). In Eastern Europe investigations into the alleged double standards by food manufacturing companies, between what is sold to western European consumers versus their eastern European counterparts, have also lead to initiatives requiring additional labelling. Environmentally conscious and local patriotic buyers also rely greatly on food labelling in their decision making.

Thus, it is easy to see why the number of studies into food labeling has increased in recent years. However, there are several areas where these studies fall short. One is a self reporting bias on the consumers' part, another is a link between usage of labels and their actual effects. What we can see is that there is a large gap between what buyers report their buying habits are and what their actual buying behavior is. This is a typical problem for all surveys where a desirable social

behavior is expected. The second dilemma is one of the oldest in the marketing profession: how much are the labels actually influencing buyers in their selection choices. The third question is the hardest to answer. Is there a linkage between usage of labels and general health of the population? In this last question, an added difficulty is the directionality of the link.

The purpose of this study was to gain an understanding of underlying reasons, opinions, and motivations and to provide insights into the problem of food labelling initiatives and to help develop ideas or hypotheses for potential quantitative research.

2 Discussion

This research paper is looking at four studies conducted in Hungary within the last ten years all addressing food labeling. The studies were conducted by four different research teams. Two were international studies (Grunert et al. and Nielsen) [2] [3], and two local Hungarian efforts (TET and eNet) [4] [5]. The methods and motivations of the studies and their representativeness is, of course, not comparable, but they provide some interesting insights into the issues of food labeling, point out some commonalities and some major variances where additional research is warranted.

What the various polls have found in common (which is in line with studies conducted in other EU countries) is that women, retired people and especially women with small children are more conscious in their buying patterns. This mostly stems from the fact that women are still the primary decision makers when it comes to food purchases. In addition, older people face more health issues, so they naturally have to pay greater attention to their diets. Weight watching is also more prevalent amongst women. The studies have also found that consumers from lower educational background are less health conscious. This could be either due to lack of education or simply a question of buying power.

Also common in all studies is that Hungarian consumers have problems in interpreting labeling of food products. According to research, most consumers want easily understandable information about the content of the product so that they can achieve a more balanced and healthier diet. However, nutrition knowledge is lacking and many people cannot properly understand nutrition information on food packaging. Only a quarter of the respondents know what the meaning of the "reference intake" expression is. There is also confusion about whether it refers to a 100 grams or a portion of the food product in question. Only a third is aware of the difference between the kJ and the kcal indicating the energy content. Which is all too well, as nearly half of the respondents do not know what their daily energy need is. Only two fifths can read the information in the nutrition content table [2] [4]. This percentage, on the average, is around 45% in other European countries. The most common representation of nutritional information in Hungary (about 70%) is the nutrition grid (or in case of lack of space a nutrition list) (Fig. 1) whereas RI labels are used only 12% of the cases (Fig. 2). In the UK, France or Germany this ratio is reversed. Perhaps it is not surprising that Hungarian shoppers on average spend 47 seconds per product as opposed to British, German or French shoppers who make their decisions in around 30 seconds [2].

Átlagos tápérték			
	100 g termékben	Egy adagban (25 g)	% RBÉ*/adag
Energia	2363 kJ / 568 kcal	591 kJ / 142 kcal	7%
Zsír	40 g	10 g	14%
amelyből telített zsírsavak	25 g	6,2 g	31%
Szénhidrát	41 g	10 g	4%
amelyből cukrok	40 g	10 g	11%
Rost	4 g	1 g	-
Fehérje	9,5 g	2,4 g	5%
Só	0,28 g	0,07 g	<1%

Figure 1. Typical nutrition grid in Hungary



Figure 2. The new color coded Reference Intake (RI) label

Where, the various studies showed considerable differences was what percentage of buyers are actually reading the labels, on what type of products and what information do they primarily look for (Table 1).

Table 1. Comparison of studies

	Grunert et al	eNet	Nielsen	TET
Year of study	2009	2017	2017	2017
% of consumers reading the labels				
self reported		80%	75%	61%
actual (observed)	18.8%			
% NOT understanding labeling				
	66%	60%	70%	21%
Primarily on what food products				
first	breakfast cereals	soft drinks		
second	milk products	ready meals (incl. canned)		
third	ready meals	milk products		
fourth	soft drinks	breakfast cereals		
Motivation for reading the label				
first	healthy living	want to know what's in my food		
second	taste	healthy living		
third	pricing	diet, health requirements		
What are they looking at on the product (in general)				
first	taste		price	date (freshness)
second	brand (family preference)		ingredients	taste
third	price		origin	quality
fourth	health/nutrition			price
What are they looking at on the nutritional labels				
first	calories	preservatives	calories	"free from"
second	additives	sugar	fats	fibers
third	sugar	coloring	vitamins	whole grain

Here we can see a considerable self reporting bias. Where the studies were based on filling out questionnaires, 60-80% of the respondents said they are reading the labels. Where the researchers were observing actual behavior, this was not even 20%. The question, here remains whether this low ratio was due to habitual or perhaps impulse purchases, or because the buyer

genuinely did not care. There is also no agreement on what the buyers are actually looking at. Price appears on all studies, but it is somewhat questionable that date, has only made it on the list in one study. The food items where people check nutritional labels the most are breakfast cereals, milk products and ready meals (the eNet study was done for CocaCola, so perhaps there is a certain bias in soft drink being the number one on the list). In items where we already know they are bad for us (salty snacks, confectionery) we tend not to read nutritional labels. Generally people first look at calories, followed by fat, sugar, salt and the various E components (coloring, preservatives and other additives). Vitamins, fibers and other alternatives are in the also run category. The studies have also not addressed what percentage of buyers have looked at allergens. Since, only one of the studies addressed the question of whether consumers are actually believing the labels, and another separate one whether the label influences their buying decision these aspects could not be compared.

3 Conclusions

Shopping habits are slowly changing, but domestic consumers are still prone to price sensitivity. Other information on the labels (eco-label, additives, etc.), the size and material of the packaging, the length of travel until the goods reach them are all secondary information. It is also true that, despite EU laws, labeling is often misleading, non-standardized, the date of production or the origin of the goods often missing or not clearly visible. Consumers are not well informed about what to pay attention to when purchasing. In the Grunert study the UK shoppers consistently had better scores both on usage and understanding of labeling suggesting that an intensive public debate and education on nutritional issues can indeed affect people's thinking and behavior. This perhaps bodes well also for Hungarian consumers where this debate has only recently started. Since a large self reporting gap exists, further research is needed to assess actual usage of labels among Hungarian buyers, their motivations and whether or not the labels do influence them in their decision making.

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