



PRIVATE LABEL
MIDDLE EAST

HEALTHY PEOPLE, HEALTHY PLANET

Produced by
Daymon

Eating healthy food and choosing more sustainable diets to improve people's lives and the environment at the same time, makes sense. Working towards a food future where consumers, policymakers, and food companies make better choices - where healthy living and a healthy planet go hand in hand.

As we look through a global microscope as to purchasing patterns, it's interesting to see where consumer sentiment lies with 50% prioritising healthy eating, and 33% sustainability¹. Refocusing the lens as organic, natural, and clean label products are becoming more mainstream, what do these terms mean?

Organic food refers to goods that are cultivated using specific farming practices, making use of natural processes. Bearing in mind compliance differs around the world, to ensure that food is labelled organic, it must meet specific certification and regulatory standards. From the health of the soil to pest and weed management, strict limitations on the use of antibiotics and growth hormones in livestock farming and even the overall wellbeing of animals.

At the other end of the chain, from a consumer perspective there is the belief that organic food is better and is of a higher quality than conventionally produced food. Alongside this we see that 37% of US consumers say the main reason they buy organic is that it's "safer for me and my family", with 35% believing that organic is of a "higher quality"². The perception is that it's a healthier dietary option due to increased nutritional levels. An interesting point of view as research to date is unable to definitively prove that organic is more nutrient-rich. Nevertheless, it still carries health benefits, especially when compared to conventional foods as organic is free from undesirable ingredients. A consequence of this, sees 34% of consumers saying they made organic purchases "to avoid products that rely on pesticides or other chemicals"².

It's often at this point in the conversation, that the terms "natural" or "clean label" tend to get raised. Food that falls into this category are ones that claim to be minimally processed and made with wholesome, natural ingredients. Unlike organic, there is no standardised certification and the criteria for labelling can vary across food manufacturers. Although there is no official definition for "natural", it generally implies that the food does not contain synthetic additives, artificial flavours, colours, or preservatives. In a similar vein, "clean label" foods as the name suggests, carries clear and simple labelling, and lists that indicate recognisable ingredients, to show that there is nothing undesirable or controversial. Furthermore, in support of the claim that natural is seen as healthy – we see 55% of global consumers associating 'natural products' with a healthy lifestyle, while 44% associate it with 'organic products'.³

Evolving over time with the bumps and bruises of lessons learnt, many people are now wanting to have the option to make healthy choices around what they eat, that not only supports their overall wellbeing, but at the same time reflects their values of wanting a better world.

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Making them feel good about themselves and the planet. For example, by choosing to purchase organic products individuals are helping to preserve natural resources, support sustainability, play a role in the impact organic farming has on local communities and even the welfare of animals, to name but a few.



As we step in-store, two of Germany's leading retailers, Aldi Süd and Kaufland have invested in organic. Aldi Süd recently launched Nur Nur Natur, a brand born from a partnership with Naturland, and comprised primarily of Naturland-certified products across product categories. Naturland, one of the largest international organic associations, has stricter organic standards than the law requires. While Kaufland joined forces with the Bioland Association which backs over 8,700 organic businesses in Germany and South Tyrol. Products carry the Bioland certification and will be marketed on shelf under the K-Bio Private Brand label.

REGIONAL VIEW

Closer to home, a recent survey found that 56% of consumers in the Middle East and Africa associate 'natural products' with a healthy lifestyle, while 48% associate this with 'organic products'.³ While above the global average, we see a trend connection both globally and

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regionally with more of an emphasis being placed on the value of “natural” versus “organic” when attributed to the concept of being healthy.

Looking specifically at product launches in the region, a study found that only 5% of all recent food and drink launches in the Middle East feature 'all natural' claims as 'free-from' claims are more common.

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While overall, 4% of product launches in the region claim to be organic, with 3% of all Private Brand launches carrying an organic claim.⁵

In terms of specific foods within the organic category, a recent study⁴ revealed that the consumption of organic nuts, widely associated with health benefits, has increased in the Middle East by 10% in the last five years. The report noted that the demand for these types of products will continue to increase in the coming years as awareness grows in the region around the importance of healthy and sustainable eating.



MOVING FORWARD

It's clear that there is a growing awareness that individual actions affect the whole world and vice versa, and that these networks are often inherently fragile. There is a need to support the notion of 'better for me and the planet' both from the perspective of retailers and brands as well as consumers. To effectively partner the concept of creating healthy people on a healthy planet.

To do this it means:

1. **Understanding what organic means for consumers**, how this relates to their health and what the main consumption drivers are. As well as showcasing how organic is more about "clean labels" than nutritionally balanced products.
2. **Consumers are paying more attention to what's not in their food** – often at the cost of nutritional value. There must be clarity on what organic represents and that it doesn't necessarily mean healthy.
3. The need to address environmental and ethical concerns by **developing products that align with consumers' health needs**. Along with promoting a healthier more sustainable environment as well as reflecting consumers' values and concern for the planet.

About Daymon

With 50 years of experience building successful private brand programs around the world, Daymon is the only solution provider that influences all aspects of private brand development, from strategy to execution to consumer engagement. Daymon's unique approach helps retailers and brands set themselves apart through a full suite of best-in-class private brand development services, including: strategy, analytics and insights, product development, supplier development and management, account management, and design and packaging management.

Daymon drives brand innovation, differentiation and results.

For more insights and recommendations for driving your brand, contact fdc@daymon.com.



Sources: ¹McKinsey, ²Hartman Group, ³GlobalData Consumer Survey, Q1 2023, ⁴Middle Eastern Organic Nut Association (OMENRA); ⁵Mintel, May 2020-April 2023,