



Brand Restrictions Study

A View from Gen Zers and Millennials
June 2021



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Background & Objectives

Acknowledgements

This research was conducted by Edelman Data & Intelligence (Dxi).



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About brand restrictions

- The past several years have seen a notable increase in regulations and legislation to restrict brand use, including plain and standardized packaging, which reduces the use of trademarks on the packaging or even bans their use altogether.
- This report uses the term “brand restrictions” to refer to these regulatory and legislative restrictions.
- Examples of brand restrictions include:
 - Plain packaging
 - Highly standardized packaging
 - Bans on the use of brands and branding elements
 - Health warnings, e.g., mandated size and content of messaging

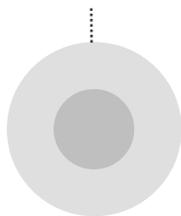
About the research

- Millennials and Gen Zers are the largest generations globally, so it is important for brand owners, lawmakers, and the media to understand how these consumers relate to brands and what their attitudes are toward brand restriction legislation.
- The study focuses on millennial and Gen Z consumers between 18 and 39 years of age in 10 markets: Brazil, Chile, Colombia, India, Mexico, Singapore, South Africa, South Korea, Thailand, and the United Kingdom. These markets were selected based on multiple factors including the level of economic development and the potential or presence of brand restrictions legislation. They also span all regions of the world enabling us to have a global perspective on the topic.
- The objective of the study was to understand the attitudes of millennials and Gen Zers toward brand restrictions legislation and how such legislation could affect their purchasing behavior.

Research approach

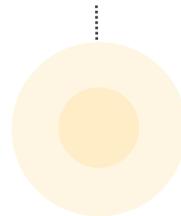
The research had three distinct phases and was conducted by Edelman Data & Intelligence (DxI), an independent research, analytics and data consultancy, in partnership with INTA. This report primarily outlines the global findings of the final phase, the online quantitative survey.

LANDSCAPING



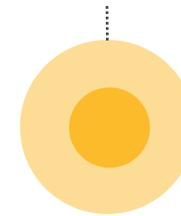
Existing resources, studies, data, and media content were reviewed and analyzed using desk research and social listening to diagnose the current state of play on brand restrictions.

QUALITATIVE ONLINE COMMUNITIES



Qualitative Online Communities" with: "Conversations and interviews were conducted in online communities with high numbers of millennials and Gen Zers in these four markets: Chile, India, South Africa, and the United Kingdom.

ONLINE QUANTITATIVE SURVEY



A 20-minute online survey with millennials and Gen Zers was conducted in ten markets: Brazil, Chile, Colombia, India, Mexico, Singapore, South Africa, South Korea, Thailand, and the United Kingdom.

Objective of the quantitative phase

Validate the findings uncovered in the online communities, adding **something new** to the current conversation on the role brands have in consumers' lives and showcasing **unique angles** on the impact of brand restrictions on millennials and Gen Zers.

Specifically:

1

Understand the **value that consumers place on brands** and their **perception of brand restrictions**

2

Explore the **role brands and branding elements** on packaging play in consumers' lives and how brand restrictions will **impact** them



Methodology

Methodology

Online survey details

WHERE | 10 markets (Brazil, Chile, Colombia, India, Mexico, Singapore, South Africa, South Korea, Thailand, and the United Kingdom)

WHO | 500 participants in each market. A total sample size of 5,000 respondents globally. We surveyed 250 Gen Zers (18 - 24) and 250 millennials (25 - 39) in each market.

HOW | 20-minute online survey

WHEN | October 21 – November 5, 2020

Demographic Breakdown



AGE COHORT |
2,499 Gen Zers / 2,501 Millennials



GENDER |
2,442 Males / 2,493 Females



PARENTS |
2,374 Parents / 2,626 Non-Parents



Key Findings

Key Findings

Brands play a vital role in consumers' lives

- Consumers have an **emotional connection** to brands, with this connection being stronger in developing economies. Globally, 6 in 10 consumers would be sad if certain brands they love disappeared forever, and almost 5 in 10 say that the brands they use reflect their personal values.
- **Brand loyalty** differs **across categories**: consumers are more loyal to brands in categories such as tobacco products and baby food and, as seen in the qualitative phase, they are least loyal in the **food and non-alcoholic drinks category**, where they are more likely to want to **experiment**.
- **Trust and quality** play a critical role in driving brand loyalty across categories, but **safety** also appears as a key factor in categories such as baby food and pharmaceuticals, where health can be impacted.
- **Brands are more trusted than governments**: 7 in 10 consumers trust brands globally, compared to 4 in 10 who trust governments. Trust in brands, however, varies across markets, with consumers in developing markets trusting brands more.

Visual branding elements provide consumers with key quality indicators

- **Visual branding elements** such as brand logos, colors, and designs **provide crucial information to consumers**—they help them choose the right product by conveying a sense of quality, make shopping easy, and provide cues that a product can be trusted.
- **Non-branding elements**—those not impacted by brand restrictions – **drive purchase behavior**: specifically, price, information about health implications, and nutritional and ingredient information. This provides some evidence that brand restrictions alone would not change what consumers buy.
- For many consumers, **the amount and location of nutritional/ingredient information that is currently displayed** on product packaging – on the back—is **sufficient**, suggesting no need for significant change to packaging

Key Findings

Consumers often misjudge the reasons behind brand restrictions

- Consumer **awareness of brand restrictions terms** is fairly high—with **trademark** being the term many know most about across markets—in line with findings from the qualitative phase.
- Despite familiarity with brand restriction terms, the **concept is not well understood**. Many consumers **misinterpret the rationale** for introducing brand restrictions legislation: close to half think that plain packaging is being introduced by brands to **save costs**. It is in markets where brand restrictions have been in place the longest—Chile and Mexico—that consumers are more likely to cite health and advertising laws as reasons for introducing restrictions.

Brand restrictions may not have the long-term intended public policy outcome of changing consumer behavior

- Brand restrictions may not have the long-term intended public policy outcome of **changing consumer behavior**: only 1 in 3 say that brand restrictions would help them make healthier choices for themselves and their family, and 4 in 10 say that if warning labels were added to all products, people would **get used to them** and, therefore, **continue to buy the same products**.
- There is evidence that some brand restrictions **won't have the intended impact** of making consumers buy fewer products. Information labels **bolster trust** (9 in 10 consumers trust a cereal pack with an information label, compared to only 2 in 10 for a cereal pack with plain packaging), with people feeling like they have access to more information, leading them to **buy more products**. This is the opposite effect intended by brand restrictions.
- A significant proportion of consumers—nearly half—say that plain packaging is too extreme.

Key Findings

Consumer support for brand restrictions is low, and brand restrictions cause them to worry

- Brand restrictions cause consumers to **worry about the safety and legitimacy** of products, with 1 in 3 worrying that products would be fake/counterfeit. Additionally, 9 in 10 consumers also anticipate brand restrictions legislation to have **negative economic impacts**.
- **Consumers feel they are most responsible** for making healthy choices, not brands or their government.
- With brand restrictions, many consumers feel **civil liberties are at stake** and that **brand restrictions would take away their freedom of choice**: 6 in 10 say people should be taught how to make healthier choices rather than have the right to choose taken away from them.

Brand restrictions are considered the least effective strategy to encourage people to make healthier choices

- Most consumers feel **more information should be available** on how to make healthy choices, such as through **education campaigns** and **more nutritional information on packaging**. These strategies are considered to be more effective than brand restrictions on product packaging in encouraging consumers to make healthier choices. In Chile, where brand restrictions exist and have been in place the longest among markets included in this study, fewer than 4 in 10 say brand restrictions would be effective, compared to just under 5 in 10 who say the same globally—the low perceived effectiveness of brand restrictions in Chile is a strong case against implementing these.
- **Brands can support** consumers in making healthier choices by providing **more nutritional information** to keep them informed.
- Where **governments** should come into play is in **keeping consumers informed** of any considerations to implement brand restrictions, and be prepared to **reverse them if found ineffective**.



For more information on this study,
visit www.inta.org

