



**GAP ANALYSIS: MATCHING QUALITY  
STANDARDS WITH SIGNAL NEEDS**

**TRANSPARENT\_FOOD**

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## **GAP ANALYSIS: MATCHING QUALITY STANDARDS WITH SIGNAL NEEDS**

### **1 OVERVIEW**

**1.1.** GAP analysis provides the opportunity to reflect on the existing practices of signalling information to consumers and to do so in such a way that identifies how signalling issues should potentially be addressed. Thus this form of analysis allows for the gaps to be highlighted and makes recommendations on how to address them<sup>1</sup>. This GAP analysis is divided into three main sections.

**1.2** Section two provides examples of existing quality standards, with a focus on food integrity standards (i.e. environmental, social and ethical). The standards used to benchmark and indicate quality are not necessarily directly communicated to consumers. Instead, a logo or label is used to signal to consumers that a particular range of standards have been met. Certification schemes are a common method of utilising standards and logos in this way and are a key focus of this analysis. In addition, such schemes also communicate along the food supply chain and are a chain communication to encourage better standards (e.g. good agricultural practice). Section two provides examples of the areas that quality standards may cover and, examples of the certification schemes that are used to signal them. Transparency is raised in the discussion which focuses on issues of access. This section goes on to discuss the primary and secondary signals sent by particular logos.

**1.3** Section three of this report briefly highlights the key considerations and challenges of matching quality standards with signal needs.

**1.4** Recommendations on how to address the gaps identified are provided in section four.

### **2 QUALITY STANDARDS AND THEIR ASSOCIATE SIGNALS**

**2.1** Standards around quality cut across a range of food issues and concerns and, consequently, send different signals or messages to consumers. A key challenge for food chain actors is the method of information transfer; from the food chain to the food product for the consumer to receive and ultimately respond to. Indicators of quality may be utilised through the use of certification schemes.

**2.2** Table A below illustrates provides examples of existing forms of outward facing logos which are used to signal quality standards to consumers. Highlighted within the table are the key areas of standards that are covered by the certification schemes. It is these standard areas which form the foundation from which signals are formed and sent. This is illustrated in

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<sup>1</sup> A technique for determining the steps to be taken in moving from a current state to a desired future-state. Also called need-gap analysis, needs analysis, and needs assessment.

Gap analysis consists of (1) listing of characteristic factors (such as attributes, competencies, performance levels) of the present situation ("what is"), (2) cross listing factors required to achieve the future objectives ("what should be"), and then (3) highlighting the gaps that exist and need to be filled.

From <http://www.businessdictionary.com/definition/gap-analysis.html> accessed 03/10/11

table B which provides further examples of certification schemes. The purpose of this table however is to illustrate that variety of signals sent to consumers via logos and their associate certification scheme.

| Example of Standards and Examples of Organisations | Terms of Trade | Environmental Sustainability <sup>2</sup> | Working Conditions | Social Capital and Community Cohesion | Animal Welfare |
|--|----------------|---|--------------------|---------------------------------------|----------------|
| Fairtrade  | X              |   | X                  | X                                     |                |
| Rainforest Alliance                                |                | X   |                    | X                                     |                |
| Traidcraft   | X              |   | X                  | X                                     |                |

**Table A: Broad overview of the standard areas covered by particular schemes.**

| Certification Scheme              | Primary Aims   | Secondary Aims   | Signals: Logo   | Source of Signal  |
|-----------------------------------|--|--|---|---|
| <b>Soil Association</b>           | Environmental<br><br>Production Process Method<br>-Organic | Animal Welfare<br><br>Ethical Trade (label in development)                               |    | <a href="http://www.soilassociation.org/">http://www.soilassociation.org/</a>                               |
| <b>Carbon Trust Label</b>         | Environment<br><br>- Reducing Carbon Footprint             |  |   | <a href="http://www.carbon-label.com/business/label.htm">http://www.carbon-label.com/business/label.htm</a> |
| <b>Marine Stewardship Council</b> | Environment<br><br>Natural Resource Management             | Origin ( boat to plate traceability)   |  | <a href="http://www.msc.org/">http://www.msc.org/</a>   |
| <b>Fairtrade</b>                  | Equitable Trade  | Labour conditions<br><br>Economic and social/ community development<br><br>Environmental |  | <a href="http://www.fairtrade.net/">http://www.fairtrade.net/</a>   |

**Table B Examples of primary and secondary aims of signals transmitted by certification schemes and their logos.**

**2.3** Having discerned the primary and secondary signals that each of our examples of certification schemes seek to transmit , it is necessary to consider signalling from the perspective of consumer and their receiving of the information both available to them and

<sup>2</sup> This is a broad term and covers one or more of the following: application of pesticide and chemical during production and processing, adherence to organic standards of production, promotion and protection of natural resources and wildlife conservation, greenhouse gas emissions.

signalled to them directly on food items. Logos are clearly a simplification of a complex system. A recent report by the UK's leading consumer organisation – Which- investigated the recognition of logos which have a link with sustainability criteria. In their report *'Making Sustainable Food Choices Easier (September 2010)*<sup>3</sup> a range of methods were used in the research including a series of focus groups and face to face surveys. Overall the Which report states that their research found that labelling schemes 'suggests that they are generally not well known, poorly understood and on the whole do not help consumers understand how different aspects of sustainability have been addressed'<sup>4</sup>. Additional key findings of the report include:

- The importance of labels to signals was clearly apparent in the research as 'Seven in ten people interviewed in our survey said that they would pay more attention to the environmental impact of the foods they buy if labels were clearer'<sup>5</sup>.
- The survey showed the importance of distinguishing between consumer recognition of logos and labels and consumer understanding. This distinction is important because familiarity around text on labels and logos created from certification schemes does not necessarily equate to consumer's understanding fully or partially signal messages. The report notes how Fairtrade was a well recognised logo in the research but confusion existed as to what it may actually mean.
- Consumers' responses revealed that the certification schemes do not necessarily help facilitate choice across a range of foods. The report cites the following:
  1. As schemes target specific issues and build standards around this consumers are unable to make sustainable choices on a range of issues but have to choose one.
  2. Environmental aspects of sustainability are diverse (see earlier footnote).
  3. Some logos cover single ingredients rather than the whole product.
  4. Different standards about the same food groups exists, for example, in the fish sector.

**2.4** Signalling information to consumers involves the transmission of abbreviated and coded messages, either in very small amounts of written text or by the use of logos, labels which represent information. A further issue concerns when there is a need for consumers and other actors to receive more than brief messages but have requirements for in-depth information provision. In this respect, the focus becomes access to information about food and in turn transparency.

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<sup>3</sup> Published by Which online at: <http://www.which.co.uk/documents/pdf/making-sustainable-food-choices-easier-which-report-231317.pdf#>

<sup>4</sup> P4 <http://www.which.co.uk/documents/pdf/making-sustainable-food-choices-easier-which-report-231317.pdf#>

<sup>5</sup> P4 <http://www.which.co.uk/documents/pdf/making-sustainable-food-choices-easier-which-report-231317.pdf#>

**2.5** In Work Package (WP) 4, we focused on considering the social and ethical aspects of information along food chains. In turn, this created a discussion regarding the researcher's experience of accessing the information underpinning the logo. In addressing this, focus was made in WP4 on how certification schemes contributed towards transparency and specifically the contribution of such systems to the availability of information. This involved identifying the types and sources of information available to the researcher. A key finding was that many schemes provided online access to the standards used in their certification process. There was significantly less information on:

- a) the outcome of certification processes and audits
- b) impact of standards including the methods around the capture of the impacts
- c) information on issues around governance of the schemes including the processes around the creation of standards (as established in report D4.2 under WP4).

**2.6** Standards and principles underpinning certification scheme processes may form a misrepresentation of the realities of schemes' impact on the food chain. Future developments in this area are likely to place greater emphasis on capturing the impacts of standards and schemes and communicating this information to interested stakeholders – including consumers.

### **3 KEY CONSIDERATIONS AND CHALLENGES**

**3.1** In this section we briefly highlight the key considerations and challenges of matching quality standards with signal needs.

**3.2** In the context of transparency signals need to be clear, simple, timely and relevant information around standards and quality indicators and how they are defined and linked to need to be accessible.

**3.3** A key challenge is how to turn quality indicators and standards into effective signals. This is especially relevant and important because a) standards around logos change – and in some examples, expand to cover more aspects of sustainable production b) the emergence of some schemes has highlighted that a knowledge gap exists in consumers' broader understanding of how sustainability and food are linked and addressed. Consequently consumers may not understand and respond to the information available and shared by food chain actors. Moreover, without possession of the broad context around, for example, sustainability and food, consumers may not be primed to receive the abbreviated information that is signalled via certification schemes and their logos

**3.4** A key challenge is the point of delivery of the signals, messages and further available information. On-pack labelling is premium space in which to signal information to consumers. Often the space is limited due to size and because of the space required for mandatory information about food. Provision of information on internet websites enables information providers to overcome the limitation of on-pack labelling. This form of signalling does rely on

consumers actively seeking information and being prepared to do so beyond or ahead of the point of sale.

**3.5** Hence, the emergence of transparency in food chains will foster innovation including with respect to greater sustainability. Food chain actors, including consumers, will, via transparency processes, be able to make choices based on information. As the previous section notes however, there are limitations on existing forms of access to information about food.

**3.6** In making their food choices, consumers seek to compare foods. A key challenge regarding the diversity of existing signals linked to quality (and their emphasis on different quality indicators) is locating the balance between providing choice and diversity but also to allow for uniformity in the provision of information and thus an easier basis for comparison.

## **4 RECOMMENDATIONS**

**4.1** Survey of recognition of existing signals. As already mentioned, the UK survey referred to in this GAP analysis provided interesting insights into recognition of logos and labels that were based on element(s) of sustainability. A survey which also takes into account recognition of signals in the form of logos and labels and the degree of understanding needs to be replicated across the EU. This will herald interesting and useful findings for policy makers and industry alike.

**4.2** Explore the current approaches to utilising knowledge and the process of transfer to the final product and consumer. The criteria of transparency (timely, relevant, comprehensive, verifiable and accessible information) would be used as a benchmark to evaluate the information being transferred.

**4.3** In turn, more analysis of the relationships within the food chain over the construction and transmission of signals over food integrity; for example, the role of retailers in relation to producers in this process.

**4.4** A better understanding of how and the extent to which consumers seek out further information about food beyond what is in the packaging and provided in store: e.g. from websites, food chain actors and other organisations, and from other consumers (e.g. via social networking medias).