

# How to Easily Adapt Your Grocery Product Data

## Strategy for the UK's New HFSS Regulations

In order to curb obesity and the growing burden of public health issues because of bad dietary habits, the UK government has introduced new HFSS (High Fat, Salt, or Sugar) regulations to curb the promotion of unhealthy food and drinks.

The location of products within stores and online channels significantly affects how we shop and what we buy. Furthermore, evidence shows that retail price promotions in food are influencing food preferences and purchases, especially in children.

The government has now provided detailed guidelines on how to identify and feature such products.

This new regulation joins a long list of complex challenges facing retailers and suppliers to share complete, accurate allergen, nutrition, ingredient and sustainability information to UK shoppers. It's increasingly important to be mindful of these mounting standards and take steps to ensure consistency in representing this information across packaging, labelling, shelf, instore and online use.



### Who Is Impacted

The restriction of HFSS products by location already came into force starting October 1, 2022. The additional tightening of regulations on HFSS products by volume price to follow soon, 1 October 2023. The rules impact medium and large businesses (with 50 employees or more). Government guidelines have been provided which helps to illustrate how the regulations restrict promotions of HFSS or 'less healthy' products by:

Volume price promotions – for example, multibuy offers (buy-one-get-one-free)

Key locations in store (store entrances, aisle ends and checkouts) when retail stores are over 185.8 square metres (m<sup>2</sup>) (or 2,000 square feet), and the equivalent online

Impacted food and drink categories are listed in The Food (Promotion and Placement) (England) Regulations 2021 and include soft drinks, savoury snacks, confectionery and pizza. Each product in these categories needs to be rated for 'Nutrient Profile Score' with negative points for calorie density, saturated fat, sugar and sodium, and positive points for protein, fibre, fruit, vegetables and nuts. Foods that score four or more and drinks that score one or more are classed as HFSS products. Suppliers of these products are responsible for providing accurate information about the nutritional profile of their products to sellers. Sellers are responsible for adhering to the guidelines set up about how to place and promote these products.

### **Challenges for Grocery Retailers Today and Tomorrow**

Retailers are under mounting pressure to change and evolve, and not just from the threat of fines. This regulation not only prompts grocery retailers to be seen to be doing something about their social responsibility, it is also about building the public image of caring for a healthier future for the next generation of consumers.

But adapting to these regulations and social expectations is easier said than done. Several key challenges stand between retailers and widespread compliance. The massive operational impact on the change of the store layout, and the implication of that change to sales figures and bottom line, are yet to be determined.

Previously, data requirements of food products for a grocery retailer's nutritional profiles were restricted to capturing back-of-pack nutrient data for online channels. Now retailers are expected not only to capture the data in a standardized unit of measure (UOM)—they must also score foods to identify whether they qualify as HFSS.



However, the biggest challenge a grocery retailer faces in complying with these regulations is the curation of nutritional data from suppliers to calculate the nutritional profile score. Some large CPG companies are

equipped to provide this data more readily, but many smaller food producers and distributors may struggle to deliver timely, quality nutritional data.

Another key challenge is the massive exercise of profiling and cleansing existing nutrient data for all the sellable SKUs and pack variants. Some of these activities could be machine driven, but many will require manual review and validation.

Further complicating the situation, there is no single agency that is providing a standard score to identify an unhealthy food product. A few options are being fielded by product data syndication service providers, but none have emerged as a recognized standard.

### **Preparing for What's Next and Future Proofing Your Data Management**

The immediate HFSS requirements are challenging in their own right. But it is the implication of what comes next that should be the larger concern for grocers and suppliers: nutritional information and how it is captured and consumed, 'farm to fork' food source traceability, and supply chain impact on greenhouse gas emissions will begin coming together.

These factors are separated at the moment in most peoples' consciousness, but they will start to blur the boundaries in the future.

Retailers need to start preparing their product data infrastructure now to accommodate more complex data requirements.

In order to achieve compliance to the current HFSS requirements (and future regulations), the Product Master Data creation process for UK grocery retailers now needs essential data to be captured and maintained upfront. MDM (Master Data Management) initiatives are ideal to map out the complete supply chain, retail location, distribution logistics, product, supply, manufacture location, people, ingredients, and provide complete insights through the entire product lifecycle

The third-party product data providers need to provide data in standardized format in order to align with this legislation. The retailer can then rule if scoring the nutritional profile score needs to be part of the MDM solution.



The image shows a presentation slide titled "MDM for UK Grocery Business" by Digital Data Consultancy. The slide features a dark blue header with the company logo and name. The main content is on a light blue background with a blurred image of a smartphone displaying a percentage of 14.65%. The text on the slide reads: "Master Data Solution can empower to minimize the complications of HFSS compliance with minimal disruption". Below this, it states: "Master Data Management initiatives are ideal to map out the complete supply chain, retail location, distribution logistics, product, supply, manufacture location, people, ingredients and provide complete insights through the entire product life cycle". There are two small icons: one in the top right corner showing a smartphone and another in the bottom left corner showing a bar chart.

**As a food supplier or manufacturer, you should consider these questions:**

- Who is responsible for creating the description of products?
- What are the new attribute fields you listed in the food regulation?
- Where do I store this information?
- Is this information only in one central place or federated in different tools, applications or even spread sheets?
- How can I create validation rules and reports to ensure compliance?
- How do I deliver product information to my own eCommerce store, marketplaces or retailers?
- What are the data quality requirements from these recipients?
- Do I send data via GDSN to a GSI data pool and is my data compliant?
- How do I trust our supply chain and govern the transfer of data across it?
- How can I automate the ingestion and validation of nutritional information?

**As a food retailer you need to be looking to answer all these questions and add:**

- Can I rely on the agility and scalability of my data platform to adapt to new data requirements with minimal IT involvement?
- How do I communicate new data quality requirements to my suppliers?
- How can I validate suppliers' data completeness before I onboard them?
- Can use data via GDSN to a GSI data pool so my data is compliant?

**Looking Ahead**

How ready is your product data provider to help you address regulatory and social expectations today and tomorrow? How ready is your PIM system to cater to the additional data requirements?

A data strategy supported by a robust Master Data solution can empower you to navigate this complicated challenge and reach compliance with minimal disruption. Learn how DDC's integrated solution makes obtaining and managing clean, reliable nutritional data fast and easy.

Visit us at <https://digitaldataconsultancy.com/contact> to learn more and get a product tour.