

Smarter Logos, better informed consumers

AIM-BEUC Joint Initiative

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1. INTRODUCTION

This document is part of a joint reflection process by AIM, the European Brands Association and BEUC, the European Consumers' Organisation, on how to provide consumers with better product information for non-advertising purposes. AIM and BEUC first developed a set of common principles for consumer information (Annex I) and then decided to test them on a specific form of information, namely logos. The term logo is used throughout the document in a broad sense as to identify all graphical representations that convey information with a minimum reliance on language. The document includes a summary of the main challenges associated with the use of logos and some key elements to be taken into account for the design of smarter logos.

Enhancing knowledge is one of the four pillars of the EU Consumer Agenda¹. The 2011 Consumer empowerment Eurobarometer survey² has demonstrated that EU-wide logos present on product packaging, are either unknown to a number of consumers (this is for instance true for the Ecolabel) or are known but often misunderstood by consumers (true for the CE mark on electrical equipment and toys). This paper aims at providing EU policy makers, and others who may wish to develop a new logo, with recommendations on how to enhance their usefulness for consumers.

The AIM-BEUC reflection process is in line with the EU Better Regulation strategy that promotes the design and application of better regulation tools at the EU level, notably simplification, reduction of administrative burdens and impact assessment and encourages a constructive dialogue between stakeholders and regulators.

¹ A European Consumer Agenda - Boosting confidence and growth, European Commission, 2012.

²| Special Eurobarometer 342, Consumer Empowerment, 2012. http://ec.europa.eu/consumers/consumer_empowerment/docs/report_ eurobarometer_342_en.pdf



2. LOGOS ON THE EU MARKET

There is a large variety of logos that can be seen on pack today on the EU market, conveying many types of information including use, quality, health, safety, environment information etc. Among these logos, developed by legislators, industry sectors or manufacturers, many are mandatory by law at EU and/or national level, some are voluntary. It should be noted that not all logos on pack were a priori meant for consumers, some were meant for various groups of professionals or authorities but are nevertheless "interpreted" by consumers.

3. CONSUMERS' UNDERSTANDING OF LOGOS

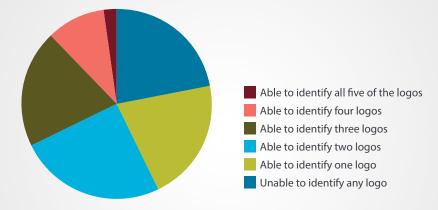
The special Eurobarometer survey on consumer empowerment conducted in 2010 and published in 2011 tested consumers' ability to recognize and to interpret five logos commonly found in the EU on the packaging of consumer products ("on pack"), namely the logo for organic farming, the CE logo, the Ecolabel logo, the recyclable paper logo and the one indicating health hazard (St Andrews cross). These 5 logos can be found along many others in Annex II.



Familiarity with the logos differed significantly by country. 31% of respondents in Bulgaria, 28% in Romania and 25% in Poland answered they "had never seen" any of the 5 logos, against less than 5% in Denmark, the Netherlands, Sweden, France, Slovenia as well as Norway and Iceland.

Regardless of consumers recognizing any of the 5 logos or not, they were also asked what the logos meant (between a choice of 10 possible meanings).

Taking the total EU, the results showed that more than a fifth (22%) of respondents were unable to correctly identify the meaning of any of the 5 logos shown. 21% knew the meaning of only one of the logos, 25% of two and 20% understood the meaning of three logos. Only 12% of respondents were sufficiently well-informed to be able to correctly provide the meaning of four (10%) or five (2%) of the logos.



Further analysis focused on the most vulnerable respondents who did not know the meaning of any of the logos. This was the case for 63% of respondents in Romania, 56% in Bulgaria, 40% in Poland, 37 % in Hungary and 36 % in Lithuania.

In contrast, the most "knowledgeable" respondents (those who are able to identify the meaning for four or five of the logos) were found in Finland (33%), Denmark (29%) and Malta (27%). 34% of people in Norway and 27% of respondents in Iceland could also describe the correct meaning of at least four logos.

People in the "EU 15" countries tend to be more aware of the meaning of the logos; 84% could provide one correct answer or more, with 59% of respondents in 12 New Member States.

Some logos were recognized but misunderstood.

The CE mark e.g. was correctly identified as meaning "conforms with EU relevant legislation" by 29 % of EU respondents while 33% wrongly thought it meant "made in the EU".

The most unknown logo of the 5 was the Ecolabel: 47% of EU consumers answered they did not know what it means.

The unsatisfactory level of understanding of logos by European consumers largely depends on lack of awareness, limited literacy skills, lower education (left school at <15) especially in certain areas and at a low socio-economic level.

Interestingly for all 5 logos, both familiarity and correct understanding was higher by internet users/people with average to good computer skills than by non-users of internet (up to twice as many internet users answered they were familiar/ understood any given logo).

Other research (see reference to AIM list below) also attributed lack of understanding of logos to poor design. Some logos are not sufficiently thought through in relation to the targeted audience, the context of use and the cultural differences between countries.

4. SMARTER LOGOS³

In many circumstances logos can be better than/or as good as text to convey a message to consumers provided that they are well designed and tested for effectiveness. They are often more eye catching and more easily recognized and provide a lot of information in limited space. For a logo to be visually attractive it has to be placed in a prominent part of the packaging, with a high contrast, a proportionate size and inserted in a context that is not cluttered by too much (other) information, i.e. it has to be easily noticeable.

A well designed logo should be better noticed than text even in suboptimal conditions and

³| The points on the quality and use of logos summarized in this chapter build on a number of academic and other research studies identified by AIM in 2012. An overview of these is available upon request and at <u>AIM's website</u>

be better recognized with a single glance at greater distance and greater speed than words. It should be understood with less pre-learning than that required for a written text.

Logos are powerful tools for the cognitive system: they can be easily memorized and also have the effect of an instant reminder. Logos are considered by some to be cross culturally valid while words are embedded in culture. When designing a logo to be used across the EU and beyond (even globally) it is important, however, to consider cultural differences and make sure that the logo doesn't lead to confusion because of different meanings attributed to certain forms or objects in some countries or because of pre-existing similar logos.

Testing for effectiveness must be done according to an objective methodology - e.g. developed by standardized bodies – on the basis of well-defined criteria, within its context of use, with verification during and after its design process. According to ISO standards, a symbol can be considered accepted if 67% of the users understand it in an unquestionable way or almost while in the US, a logo has to be understood by 85% of the users in order to be standardized⁴.

Education is another important aspect to improve familiarity and understanding of logos. While it may be difficult to create a universal logo that is understood by everybody, it is certainly possible and advisable to train consumers to better recognize logos and adjust their behavioural responses (for example towards safety warnings).

5. CONCLUSIONS AND RECOMMENDATIONS

The number of diverse logos existing on pack on the EU market is high. Some are both recognized and understood by consumers, others are unknown, misunderstood or even create confusion for the consumer as shown by the Eurobarometer survey, the consumer empowerment index and other research on consumer understanding and behavioural studies.

This is worrying as the information conveyed can play a role in consumers' choice and may be meant to induce a particular behaviour.

⁴| ANSIZ 535-1987 in TIJUS C., BARCENILLA J., CAMBON DE LAVALETTE B., MEUNIER J-G., The design, understanding and usage of pictograms, pp.3-4.

It would be advisable to review existing logos that are required on pack by EU legislation and re-consider if and how to convey the information for those logos that are unknown, misunderstood or confusing. Education campaigns may also be needed.

Numerous studies have shown that logos can be well designed when following a number of criteria and verifications. Where well designed, they are usually as good and frequently better understood and acted upon than text, including multilingual text.

When introducing mandatory logos in EU legislation, in line with the principles of better regulation, decision makers should ensure that the logo:

- presents the same or additional benefit versus text;
- is drawn in such a way as to be noticeable;
- has been tested for understanding among representative users, taking into account cultural differences.

Furthermore, better use should be made of the large body of existing research⁵ when logos are considered or proposed as part of EU legislation.

Such recommendations are valid for all logos, regardless of their obligatory character Targeted awareness campaigns on an EU wide basis (and where relevant beyond EU) should also be undertaken more systematically when launching new logos.

Increased familiarity with logos by internet users should also be built upon to ensure familiarity, understanding and possibly behavioural stimulation.

⁵| The points on the quality and use of logos summarized in this chapter build on a number of academic and other research studies identified by AIM in 2012. An overview of these is available upon request and at <u>AIM's website</u>

Annex I

Common principles for consumer information

Whereas:

consumers have a right to information to enable them to make informed purchasing decisions;

factual information may be provided for different reasons such as advice to consumers regarding specific risks associated with the use, or the improper use, of a product, or advice to consumers as to the proper use or disposal of a product, or to enable consumers to make a meaningful comparison between competing products;

at the heart of any consumer information regime is a consideration of how best to convey all this information to the consumer;

it may be necessary to determine a hierarchy of information needs and to identify the optimum means of conveying different bits of information;

it is necessary to look beyond the many different bits of information to be provided and to consider a coherent, holistic approach based on the needs of consumers as the recipients of the information and the product category concerned;

in circumstances where these Principles raise questions as to the consumers' requirements or other areas of uncertainty, as to whether consumers will find information useful, or as to the best way to convey that information to consumers these questions should be answered by reference to independent consumer research;

these Principles do not address the subjective interpretation of information, claims, and other promotional communications but do apply to the factual information conveyed in such communications;

The following principles apply to factual information provided to consumers:

1. Reliability

Consumers should be able to trust the information provided. Reliability requires that information should be factual, unbiased, accurate and up-to-date. Where appropriate, information should be based on objective evidence and capable of independent verification.

2. Usefulness

The information provided should be of use to consumers. Usefulness requires that information should be provided simply, clearly and comprehensibly so that consumers are able to use it; however, it should not be simplified to the point where it ceases to be objective or loses its meaning. Where information is conveyed by means of logos or pictograms these should be accompanied by programmes to educate consumers as to the meaning thereof.

3. Accessibility

The information provided should be accessible to consumers. Accessibility requires not only that the information is available but also that it is usable. This means that information should be legible, uncluttered and in proportion to what is processable by the reader. Information may be provided through different media so long as it is known to, or easily accessible to, the consumer when they need it.

4. Proportionality

The effective provision of consumer information should be in proportion to consumer need and not impose a disproportionate cost. Proportionality requires that the necessary information should be conveyed in such a way as to minimise the cost of doing so and any resulting disruption to the internal market.

June 2010 – Agreed by AIM Board and by BEUC Executive

Online version here.

Annex II

Examples of logos appearing on consumer products in the EU. Listed as examples to illustrate the points made in this paper on the challenges and dilemmas linked to communicating via logos – for the readers themselves to judge.

The "Estimated" logo



Type of product: Pre-packed goods

Example: 1Le

Territorial scope: EU

Meaning:

EU weights and measures information. It indicates that the actual quantities in the package comply with specified criteria for estimation and that the manufacturer complies with EU regulations on average fill.

Origin and details:

The estimated symbol looks like a lower-case "e" and its shape is by law. It must be placed in the same field of vision as the nominal quantity. The mark is required to be appended to the nominal mass or volume printed on pre-packaged goods for sale within the European Union.

Legal status:

Voluntary, but if manufacturers uses the symbol on a product, they must comply with the EU legislation.

Legal basis:

Directive 76/211/EEC of 20 January 1976. Symbol specified in Annex II directive 71/316/EEC

Organically farmed product

Old logo:



New logo:



Type of product: Organic Products

Territorial scope: EU

Meaning:

It certifies that a product is produced entirely in line with the EU organic farming regulation, or in the case of imported goods, an equivalent or identical strict set of rules.

Origin and details:

From 1 July 2010, where the new Community logo is used, an indication of the place where the agricultural raw materials were farmed should accompany it. If operators wish to sell their products in another EU Member State, they may place an additional national or private logo that will be recognised by the consumers of this particular country. However, the EU organic logo is intended in time to be recognised by all European consumers.

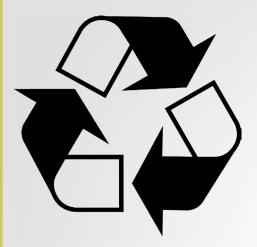
Legal status:

The placement of the EU logo is mandatory from 1 July 2010 for pre-packaged food. It remains voluntary for imported products. The old logo, featured in the Eurobarometer survey was replaced by the new one in 2010. The use of the old logo is only permitted if the products in question are from stocks of products produced, packaged and labelled before 1 July 2010 in accordance with the EU organic legislation, and if these products satisfy the requirements set out under the organic legislation in force. If desired by economic operators, these products can also bear the new logo.

Legal basis:

The new EU organic logo is introduced by the Commission Regulation (EU) No 271/2010 of 24 March 2010. Its use is governed by Article 57 of Commission Regulation (EC) 889/2008.

Recycling logo



Type of product: Recyclable or recycled product or package

Territorial scope: Worldwide

Meaning:

Product or package is recyclable or is recycled. Sometimes this is used with a x% figure in the middle which is used to denote that the packaging contains x% of recyclable/recycled material.

Origin and details:

It is composed of three mutually chasing arrows that form a Möbius strip (an unending single-sided looped surface). It was first developed and used by American recycled paperboard manufacturers, then adopted industry-wide to promote the recycled content of various paper products. The American Paper Institute originally promoted four different variants of the recycling symbol for different purposes.

Legal status: Voluntary

EU Ecolabel logo



Type of product:

Any goods or services which are supplied for distribution, consumption or use on the EU market

Territorial scope: EU

Meaning:

Identifies products and services that have a reduced environmental impact throughout their life cycle, from the extraction of raw material through to production, use and disposal.

Origin and details:

The experience gained during the implementation of Regulation (EC) No 1980/2000 has shown the need to amend the ecolabel scheme. The EU legislators decided to establish a voluntary ecolabel award scheme to promote products with a reduced environmental impact during their entire life cycle and to provide consumers with accurate, non-deceptive, science-based information on the environmental impact of products.

Legal status:

Voluntary

Legal basis:

Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel.

The CE marking



Type of product:

Consumer goods and numerous products categories subject to relevant directives

Territorial scope: EU

Meaning:

EU compliance mark. The manufacturer has verified that the product complies with all relevant EU regulations/ directives and carried out a conformity assessment.

Origin and details:

Existing in its present form since 1993, the CE marking indicates the compliance of the product with EU legislation, wherever it was manufactured in the world. It enables its free movement within the European market. By affixing the CE marking on a product, a manufacturer is declaring, at his sole responsibility, conformity with all of the legal requirements to achieve CE marking which allow free movement and sale of the product throughout the European Economic Area. The mark does not mean that the product is made in the EU or that the product is safe as it is often mistakenly assumed.

Legal status:

Mandatory for a variety of product groups (e.g. computers, phones, toys and electrical products)

Legal basis:

Directive 93/68/EEC of 22 July 1993

The Age Warning logo



Type of product: Toys

Territorial scope: Worldwide

Meaning:

The toy is unsuitable for children that are younger than three years old.

Origin and details:

Before the Age Warning logo was introduced, the written warning "not suitable for children under 3 years" was used on toys, although this was sometimes confused with purchasing advice (i.e. rather than being a strict warning that the toy may represent a hazard to babies and toddlers) Either beside the Age Warning symbol or within the toys packaging there will be further information describing the risk in more detail. For example, the toy may contain small parts that represent a choking hazard.

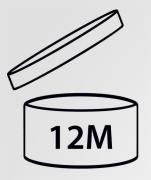
Legal status:

Not mandatory as such, but can be used to comply with EU toy legislation as an alternative to a written age warning.

Legal basis:

European and International toy safety standards, directive2009/48/EC of 30 June 2009 the new Toy Safety.

Durability logo (Period After Opening PAO)



Type of product: Cosmetics

Territorial scope: EU

Meaning:

The period-after-opening symbol or PAO symbol is a graphic symbol that identifies the usable lifespan of a cosmetic product after its package has been opened for the first time. It depicts an open cosmetics jar and is used together with a written number of months or years.

Origin and details:

In the EU, cosmetic products with a shelf-life of at least 30 months are not required to carry a "best used before end of ..." date. Instead, there has to be an indication of the period of time after opening for which the product can still be used without losing its characteristics. The time period is most often represented compactly as a number of months, followed by the letter "M", as in "12M" for a period of twelve months. The letter "M" is the initial for the word month not only in English, but also in many other European languages. It is also used in the ISO 8601 duration notation.

Legal status: Mandatory

Legal basis:

EU Cosmetics Directive (76/768/EEC), Annex VIIIa, modified by Directive 2003/15/EC

Detrimental to health if product not used properly logo⁶



The "St. Andrews Cross" featured in the Eurobarometer survey is the best understood logo: almost two-thirds (63%) of the interviewees at least knew that it indicates a product that "will be detrimental to your health" if not used properly. However, it will not be in use anymore after 2015 and is/will be replaced by four logos, representing more "categories" of health dangers:



⁶| Irritant or harmful product, according to the classification of regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures

The CLP respiratory health hazard logo



Type of product:

Chemicals and some consumer products in the future.

Territorial scope: EU

Meaning:

Warning/ precaution. Respiratory sensitization or other health hazard.

Origin and details:

Countries in the United Nations, including European Union member states, have been working together with industry representatives and other stakeholders to agree on a classification and labelling system that can be used worldwide. The outcome is the Globally Harmonised System of Classification and Labelling of Chemicals, known as the GHS. The GHS provides a single system to identify hazards and to communicate them in transporting and supplying chemicals across the world.

The CLP Regulation introduces two new signal words: 'Danger' and 'Warning'. If the chemical has a more severe hazard, the label includes the signal word 'Danger'; in case of less severe hazards, the signal word is 'Warning.

Legal status:

Mandatory

Legal basis:

The CLP Regulation is the EC Regulation No 1272/2008 on Classification, Labelling and Packaging of substances and mixtures. The legislation introduced throughout the EU a new system for classifying and labelling chemicals, based on the United Nations' Globally Harmonised System or 'GHS'.

In addition, the same logos will be mandatory for mixtures (including many consumer finished products as of 2015).

The CLP skin irritation hazard logo



Type of product: Chemicals

Territorial scope: EU

Meaning:

Warning/ precaution. The product can cause irritation of the skin.

Origin and details: See the CLP respiratory health hazard symbol.

Legal status: Mandatory

Legal basis: See the CLP respiratory health hazard symbol. The CLP environmental hazard logo



Type of product: Chemicals

Territorial scope: EU

Meaning: Warning/ precaution. The product can pose an environmental hazard.

Origin and details: See the CLP respiratory health hazard symbol.

Legal status: Mandatory

Legal basis: See the CLP respiratory health hazard symbol.

The CLP "flammability" logo



Type of product: Chemicals

Territorial scope: EU

Meaning:

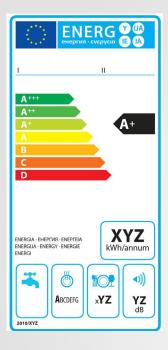
Warning/ precaution. A warning that the product is flammable.

Origin and details: See the CLP respiratory health hazard symbol.

Legal status: Mandatory

Legal basis: See the CLP respiratory health hazard symbol.

The EU Energy Label



Type of product:

Certain household electrical appliances such as fridges, washing machines, dishwashers, ovens.

Territorial scope: EU

Meaning:

The label provides clear and easily recognizable information about the energy consumption and performance of products and must be attached visibly to new appliances displayed for sale.

Origin and details:

An important part of an energy label is the energy efficiency rating scale, which provides a simple index of the product's efficiency from 'A' (the most efficient) to 'G' (the least efficient) Since July 2004, to the existing energy efficiency rating category of A, 3 new additional categories were added (A+, A++ and A+++). The higher the number of "+", the higher the energy efficiency.

Legal status:

Mandatory

Legal basis:

Directive 92/75/EC was replaced by Directive 2010/30/EU which must be applied from 31 July 2011

FAIRTRADE Mark



Type of product: Various

Territorial scope: In over 50 countries worldwide.

Meaning:

The FAIRTRADE Mark is a registered certification label for products sourced from producers in developing countries.

Origin and details:

According to FAIRTRADE, the eye-catching blue, green, white and black FAIRTRADE Mark was adopted by the international certification body Fairtrade Labelling Organisations International (FLO) in 2002. The symbol is open to interpretation - some see a parrot, others a green leaf, some see the black swirl at the centre as a road leading to a brighter future. The most popular interpretation is to imagine the blue as sky, the green as grass, and the black dot and swirl at the centre as a person holding one arm aloft. That figure represents the people at the heart of the Fairtrade system - it could be a farmer holding up their product, a shopper reaching to purchase, or a campaigner fighting for greater justice in international trade

Legal status:

Voluntary (member of the ISEAL alliance)

Legal basis:

For a product to display the FAIRTRADE Mark it must meet international Fairtrade standards which are set by FLO. These standards are agreed through a process of research and consultation with key participants in the Fairtrade scheme, including producers themselves, traders, NGOs, academic institutions and labelling organisations such as the FAIRTRADE Foundation.

Green Dot



Type of product: Consumer goods

Territorial scope: EU

Meaning:

The basic idea of the Green Dot is that consumers who see the logo would know that the manufacturer of the product contributes to the cost of recovery and recycling. This could be with household waste collected by the authorities, for instance in special bags, or in containers in public places such as car parks and outside supermarkets.

Origin and details:

The Green Dot is the license symbol of a European network of industry-funded systems for recycling the packaging materials of consumer goods. It does NOT indicate that the specific packaging can be recycled. The German "Grüner Punkt" is considered the forerunner of the European scheme. The system is financed by a green dot license fee paid by the producers of the products. Fees vary by country and are based on the material used in packaging (eg paper, plastic, metal, wood, cardboard). Each country also has different fees for joining the scheme and on-going fixed and variable fees.

Legal status:

In principle voluntary though compulsory in some countries.

Legal basis:

The Green Dot scheme is covered under the European "Packaging and Packaging Waste Directive - 94/62/EC", which is binding on all companies if their products use packaging and requires manufacturers to recover their own packaging. According to the directive, if a company does not join the Green Dot scheme, they must collect recyclable packaging themselves, although this is almost always impossible for mass products and only viable for low-volume producers.

The AISE charter logo



Type of product: Cleaning products

Territorial scope:

EU (plus Iceland, Norway, and Switzerland)

Meaning:

Sector sustainability scheme.

This logo will certify not only that the company which manufactured the product is following the Charter sustainability principles, but also that the product itself meets the specific 'Advanced Sustainability Profile' for the category as defined by A.I.S.E.

Origin and details:

The original Charter was launched in 2005 in all EU countries plus Iceland, Norway, and Switzerland and covers all product categories of the soaps, detergents and maintenance products industry, in both the household and industrial and institutional sectors

It is open to all companies, whether they are members of A.I.S.E. or not, and whether they manufacture, distribute, or market, detergents, maintenance products or cleaning systems. It is available both to manufacturing companies placing products directly on the market as well to retailers and distributors wishing to apply the Charter to own label products.

Legal status: Voluntary

Legal basis:

The Charter is a lifecycle analysis (LCA) based framework. It promotes and facilitates a common industry approach to sustainability practice and reporting. A wide variety of activities and initiatives are covered, ranging from the human and environmental safety of chemicals and products, to eco-efficiency, occupational health and safety, resource use and consumer information.

Organic Farming (French mark)



Type of product: Organic products

Territorial scope: France

Meaning:

It is a label certifying that the product comes from organic farming.

Origin and details:

The "AB" mark may be used for the certification of products and/or for informational purposes. It is proprietary to the French Ministry of Agriculture and Fisheries.

As a certification, it enables the identification of an organic agricultural product or foodstuff, certified by a public authority responsible for inspection to be from an organic farming source in accordance with the relevant European and French regulations in force.

An organic foodstuff is made up of at least 95% of organic ingredients of agricultural origin, using methods of organic farming, which respect the environment and animal welfare . Used for informational purposes, the logo highlights organic farm production.

Legal status:

Voluntary

Legal basis:

Rules governing the use of the "AB" mark coming from the French Ministry of Agriculture and Fisheries.

Triman (French mark)



Type of product:

Proposed in France for all recycled products subject to the extended responsibility of producers.

Territorial scope: France

Meaning:

The product is subject to waste sorting prescriptions.

It is a common signal to inform the consumer that the product is subject to waste sorting prescriptions (without indicating which ones).

Origin and details:

In 2007, the French policy orientation framework, the so-called 'Grenelle' for the environment, called for the creation of a common set of symbols on recyclable products marketed in France. According to the Grenelle 2 law of 2010, all recycled products subject to the extended responsibility of producers might need to bear the Triman logo, to inform the consumer that the product is subject to waste sorting prescriptions. The work is still in progress.

Legal status: Could be mandatory

Legal basis:

Regulations: Article 199 of law n° 2010 -788 of 12 July 2010 establishing a national commitment for the environment, so called « Grenelle 2 » law.





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