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The Role of Credence Attribute Claims in Food Product Launch – A Comparative Study of New Zealand and Australia

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The Role of Credence Attribute Claims in Food Product Launch – A Comparative Study of New Zealand and Australia

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The Role of Credence Attribute Claims in Food Product Launch – A Comparative Study of New Zealand and Australia

Abstract

Purpose: This paper aims to empirically investigate the role of product positioning in the launch of food and drink products using a large dataset of new product development by food companies in Australia (AU) and New Zealand (NZ). As such, positioning through credence attribute claims can be associated with product launch strategies, including brand-new products, expansion of product ranges, new packaging, and relaunch, as a response to market demand.

Design/methodology/approach: Text analysis was used to investigate the descriptions of food claims using Structured Query Language, providing a word list of food claims and further filtered and categorized into groups of claims. Multinomial regression models were then employed to analyse the association between product launch strategies and food claims adopted by firms.

Findings: The results provide evidence that positioning via food claims play an important role in product launch strategies in both AU and NZ. Types of food claims matter differently to firms' product launch decisions in the two markets. The "green" and "ethical" attributes are found to be associated with new launches in NZ but not in AU. Claims that are seen as most important for consumers are more likely to be engendered for the more costly launch approach.

Originality: This study is among the first studies that addresses the role of positioning in product launch strategies of food companies. The results and findings provide insights into the different prevailing credence attributes from the firm side and help policymakers to regulate the delivery of information about credence attributes to consumers.

Keywords: food products, credence attributes, product launch strategy, positioning claim, comparative study

Subject classification codes: D22, L51, Q13

1. Introduction

Competition in the international market for a food business requires the development of differentiated products to meet the demand of more quality-stringent, health-conscious, and attribute-oriented consumers (Boughanmi *et al.*, 2007; Dolgoplova and Teuber, 2018; Martínez Michel *et al.*, 2011; Ortega *et al.*, 2015). Meanwhile, there has been an increasing trend that consumers are willing to pay a price premium for food products with credence attributes, such as eco-friendly, organic, and good animal welfare (Lai *et al.*, 2018; Yang and Fang, 2020; Yang and Renwick, 2019; Zhang *et al.*, 2018). In response to the market demand for “green” and “ethical” products, food companies may consider using marketing strategies (e.g., green marketing strategies) (Sacks *et al.*, 2015) to introduce new products with the desired food attributes to help position food brands in the targeted market – through being seen as high quality or “green” brand (Olsen *et al.*, 2014). Green marketing strategies happen as early as when food companies start designing and developing new products (Bhat, 1993; Grunert and van Trijp, 2014; Sharma and Iyer, 2012). For example, some companies work with organic suppliers and introduce food products with organic certifications to the market (Rabadán *et al.*, 2019); others tend to satisfy the demand for “green” attributes by launching products using less packaging or environmental-friendly packaging materials, such as reusable stainless-steel bottles (Morrison, 2021) and biodegradable plastics (Magnier *et al.*, 2016). There has been an increasing trend toward using food claims to position products and promote brands in the targeted market, and this is particularly the case with credence attribute claims (e.g., carbon neutrality) over the last 20 years (Lucas *et al.*, 2021).

However, launching new products comes with high risk and uncertainty, with many new launches failing to reach sustainable realisation (Lemmerer and Menrad, 2019). Despite the high risk, there has been a significant increase in the number of new launches in the last 20 years, with brand-new products leading the trend, followed by new varieties and product line extensions (Solis, 2016; Yang *et al.*, 2021). Meanwhile, it is noted that the rate of new product failure is found to vary across studies and products (Castellion and Markham, 2013). For example, Gourville (2006) find that between 70 and 90 per cent of new products are removed from shelves within a year, and according to Barczak *et al.* (2009) and Sudhir and Rao (2006), the proportion of new product failure is between 40 and 80 per cent. Note that failure rates for food products differ dramatically across types of product categories and launching approaches (Salnikova *et al.*, 2019): fruit, vegetables, and desserts may have a success rate of up to 88 per cent; new packaging and re-launch strategies also help maintain a high success rate. So far, the mechanisms that drive or hinder new product development are still not well understood (Lemmerer and Menrad, 2019).

Therefore, it is important to understand the relationship between the product launch strategies of firms and their response to demand for products with credence attributes in the market. This is especially important for firms targeting the international market as they need to consider the specific characteristics of the targeted markets and respond with product launches and marketing strategies (Eryigit and Eryigit, 2014). The lack of studies

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3 42 **on the firm side** indicates a clear research gap as studies on credence attributes mainly focus
4 43 on consumers, such as measuring consumers' willingness to pay (WTP) for different
5 44 credence attributes and investigating factors affecting WTP (Bai *et al.*, 2013; Liu and
6 45 Niyongira, 2017; Yang and Renwick, 2019), **whilst the potential linkage between credence**
7 46 **attributes and new product development is ignored.** The literature on the firm side tends to
8 47 evaluate the performance of firms' product launch strategies, such as the survival rate of
9 48 new products (Castellion and Markham, 2013; Salnikova *et al.*, 2019). In addition, existing
10 49 studies generally use case study approach to qualitatively compare firms' marketing
11 50 strategies (e.g. green marketing or brand extension) **in positioning products in** the targeted
12 51 markets (Gurău and Ranchhod, 2005; Lwin *et al.*, 2015; Martinez *et al.*, 2008).

13 52 To the best of our knowledge, with the exception of Yang *et al.* (2021) who studied
14 53 the Chinese market, this study is the first attempt to address the research gap **in**
15 54 understanding the relationship between firms' choices of credence attribute claims and
16 55 their product launch strategies. Using multinomial logit regression models, **the study**
17 56 **provides** empirical evidence of the associations between product launch approaches **and**
18 57 **positioning via the use of food claims**, in particular, credence attribute claims that have
19 58 become increasingly of interest for both firms and consumers (Palma *et al.*, 2016), **using**
20 59 **New Zealand (NZ) and Australia (AU) markets as an example.** By comparing the NZ and
21 60 AU market based on a large dataset **of food and drink products introduced by food**
22 61 **companies between 1996 and 2017**, the results show that food firms respond to consumers'
23 62 preferences concerning positioning claims by varying the approach they use to launch new
24 63 products: similarities and differences are observed concerning the factors, including
25 64 credence attribute claims that influence firms' launching strategies in two markets.

26 65 **The study contributes to the literature in two ways. First, it contributes to the existing**
27 66 **studies on credence attributes by relating product positioning to food claims of credence**
28 67 **attributes and product launch from the firm side. The results show how firms associate**
29 68 **product positioning with product launch strategies in response to the increasing demand**
30 69 **for food products with credence attributes: credence attributes perceived as the most**
31 70 **important by consumers are introduced to the market by the most expensive launch**
32 71 **approaches (e.g., launching brand new products). Second, it contributes to the literature on**
33 72 **new product development and processing of market information, where firms position their**
34 73 **products via food claims to effectively deliver the information about the desired credence**
35 74 **attributes to consumers. In addition, given the study has a focus on the prevailing credence**
36 75 **attribute claims, such as environmentally sustainable, our results and findings may provide**
37 76 **some insights into** understanding the trends of firms' responses to market demand to firms
38 77 that are interested in entering **the AU and NZ markets.** In addition, the study may be of
39 78 interest to policymakers who are interested in regulating position claims and food labels of
40 79 food companies in response to the increasing demand for credence attributes of food
41 80 products **in the two markets.**

42 81 The rest of the paper is organized as follows. Section 2 first specifies the source of
43 82 the sample data and how the data is sorted and cleansed for the empirical analysis. Then,
44 83 the empirical specifications of the econometric models are explained. Section 3 presents

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3 84 the empirical results, with findings and discussion presented, followed by the last section
4 85 to conclude.

6 7 86 **2. Theoretical background and conceptual framework**

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9 87 To achieve competitiveness in the agri-food market, food companies are faced with the
10 88 dilemma of whether to invest in developing new products and confront the possible failure
11 89 of a new product launch, or not to innovate but face the failure of losing market share if
12 90 competitors launch new products. Although there is no single factor that holds the key to
13 91 the success of new product development, many of the widely recognised determinates share
14 92 a common characteristic: the processing of market information (Derbyshire and
15 93 Giovannetti, 2017; Durmusoglu *et al.*, 2022; Ottum and Moore, 1997). Hence, once food
16 94 companies “decode” the market information via understanding consumer demand for
17 95 credence attributes, they are likely to satisfy the demand by providing food products with
18 96 credence attributes. Here, the literature on diffusion theory helps identify the
19 97 communication channels between food companies and consumers, which are how
20 98 information about credence attributes is transmitted to consumers via food labels or claims
21 99 (Hu *et al.*, 2018; Mahajan *et al.*, 1993). Processing of market information is generally seen
22 100 as an effective means of integrating marketing, new product development, and production
23 101 focusing on the sharing of information. That is to say, the effectiveness of processing
24 102 market information, i.e., collecting, analysing, and sharing market information plays a vital
25 103 role in determining the success of new products introduced in the market (Kim *et al.*, 2014;
26 104 Ottum and Moore, 1997). Firms must make good use of market information to embed the
27 105 key messages into product-related conversations with the targeted consumers (Finne and
28 106 Grönroos, 2017), for instance, via food labels and food claims.

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36 107 Another thread of literature tends to associate optimal positioning with effective
37 108 communication of perceived product attributes. Researchers believe that customer-
38 109 perceived positioning effectiveness determines the success or failure of positioning new
39 110 products and brands in the market (Fuchs and Diamantopoulos, 2012) – how firms deliver
40 111 the attribute-related information may determine the effectiveness of new product
41 112 positioning (Eryigit and Eryigit, 2014). Therefore, in the agri-food market, given the clear
42 113 market signal of “green” and “ethical” consumption (Wu *et al.*, 2015; Yang and Fang,
43 114 2020; Yang and Renwick, 2019), food companies may consider using food labels or claims
44 115 to introduce products with credence attributes to help effectively position products in the
45 116 targeted market – with the information on food labels or claims showing the brand image
46 117 of high quality perceived by consumers (Eryigit and Eryigit, 2014; Olsen *et al.*, 2014).

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51 118 However, there is a lack of empirical analyses that provides evidence in understanding
52 119 the relationship between firms’ positioning strategies via food claims and product launch
53 120 strategies in response to the market demand for food products with credence attributes.
54 121 Therefore, the study proposes a conceptual framework, shown in Figure I that illustrates
55 122 how firms respond to consumer demand for credence attributes by positioning new
56 123 products via credence attribute claims. First, the increasing demand for food products with
57 124 credence attributes signals the opportunities for developing and launching products with

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3 125 the desired food attributes. Although the importance of various attributes may differ across
4 126 countries (Eryigit and Eryigit, 2014), the overall trend of consumers' awareness and
5 127 willingness to pay for food products with credence attributes has been increasing in the
6 128 past three decades (Yang and Renwick, 2019). Intuitively, more products with credence
7 129 attributes are expected to emerge in the market as responses to consumer preferences from
8 130 the firm side. Second, to position new products in the market with clear information
9 131 showing the desired attributes, many firms choose to use food labels or food claims to build
10 132 a product-related conversation with targeted consumers (Finne and Grönroos, 2017). The
11 133 analysis above points to linkages between product launch and product positioning via food
12 134 claims to meet the increasing demand for food products with credence attributes, such as
13 135 environmentally sustainable, ethical, safety, and health and nutrition. Hence, the
14 136 conceptual framework guides the empirical analysis of the study to investigate how firms
15 137 respond to market demand for credence attributes by positioning products with credence
16 138 attribute claims when they introduce new food and drink products to the market.
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26 [Insert Figure I]

27 141 **3. Methodology**

28 142 **3.1 Data and descriptive analysis**

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30 143 Data used in this study is sourced from Mintel's Global New Product Development
31 144 (GNPD) database that provides a large dataset of food and drink products introduced by
32 145 food companies in the NZ and AU market between 1996 and 2017 (Solis, 2016). The
33 146 database classifies product launches into four types: launch of an entirely new product; new
34 147 packaging for an existing product; **expansion of product range (including new varieties and**
35 148 **new ranges)** and; launch of a product again (i.e., relaunch). A total of 61,206 observations
36 149 are included in the empirical analysis, each representing a product launched in the NZ
37 150 (n=18,023) or AU market (n=43,183). **Figure II** highlights how food and drink products
38 151 have been launched onto the market during the period under consideration. The highest
39 152 proportion of launches was for brand new products, whilst product extensions were the
40 153 next largest category. The figure also shows that there has been a steady increase in
41 154 launches comprising new packaging over the period. **For comparison purposes, Figure III**
42 155 **shows the trend of product launch types in the AU and NZ market, respectively. However,**
43 156 **there are no obvious differences in the trend of product launches between the two markets**
44 157 **– it was only between 2014 and 2016, the number of launches in the NZ market stayed at**
45 158 **a constant high level whilst in the AU market, the number reached a peak in 2016 and**
46 159 **decreased in the following year.**
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160 [Insert Figure II]

161 [Insert Figure III]

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164 To construct the sample of 61,206 observations, we first use text analysis to analyse

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3 165 the descriptions of food positioning claims using Structured Query Language (SQL). For
4 166 each food and drink product, the text analysis provides a word list of descriptions of the
5 167 food claims, which are further filtered and categorized into groups based on the existing
6 168 studies on credence attributes of agri-food products (e.g., Yang and Renwick (2019)).
7 169 Given that there are more than one credence attribute claims included in the descriptions
8 170 for each product, we assume that the first claim in the word list is seen as the most important
9 171 attribute by consumers. For example, for one food product with the word list of “organic”,
10 172 “nutritious”, and “good animal welfare”, the attribute “organic” is assumed to be the most
11 173 important amongst the three attribute claims for this product. The categorisation process
12 174 produces ten groups of attribute claims, including beauty, convenience (e.g., “on-the-go”),
13 175 cost-saving (e.g., “economy” and “save money”), demographic (e.g., “women”, “toddler”,
14 176 “elderly”), environmental sustainability (e.g., “eco-friendly”, “environmental-friendly”,
15 177 and “organic”), ethical (e.g., “good animal welfare” and “fair trade”), health and nutrition
16 178 (e.g., “high fiber” and “added calcium”), safety (“no additives” and “no hormone”), social
17 179 media (“top-rated in Facebook”), and other attributes that do not fit any existing attribute
18 180 categorisations in the literature.

181 The number of launches with credence attribute claims increased significantly from
182 under 100 before 2000 to over 10,000 after 2013, and more types of credence attribute
183 claims emerged after 2012 (see **Figure IV** and Appendix Table I for details). In addition,
184 **Figure IV** shows the changes in percentages of credence attribute claims in the study
185 period. As shown in **Figure IV**, health & nutrition and safety were the top credence attribute
186 claims (with the highest percentages) that are associated with products launched to the AU
187 and NZ market between 1996 and 2017. The credence attribute claims of ethical and
188 environmental sustainability only appeared in the market in 1999 and 2003, respectively.
189 The number of ethical attributes had had a significant increase since 2006, but the
190 percentage of environmentally sustainable claims seemed to be relatively low since they
191 first appeared with the products launched to market. Note that, being a new communication
192 tool, the attribute claims of social media only emerged in 2012, but they gained a significant
193 increase in the number of new launches. **There are no significant differences between the**
194 **AU and NZ market regarding the trends of credence attribute claims over time – a similar**
195 **trend is observed as that shown in the whole sample (the comparison of the two markets is**
196 **shown in Appendix Figure I and Figure II).**

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198 [Insert Figure IV]
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200 Additionally, we identify the number of attribute claims included in the word list for
201 each product – assuming some firms would like to address as many “popular” attributes as
202 they can to satisfy the market demand, while others tend to focus on only one or a few
203 attributes. Besides drawing the information attribute claims and product launch types, we
204 also recorded other product details, including product type, price, product launch time, and
205 market (NZ and AUS) of each launched product. Detailed definitions and descriptive
206 statistics of the variables used in the empirical analysis are presented in Table I. **Table II**

further shows the results of Welch's two-sample t-tests of mean differences of the key variables to compare the AU and NZ market. As shown in Table II, there are no significant differences in product launch types between the AU and NZ market, which is consistent with the trends shown in Figure III. However, significant differences are identified in the means of credence attribute claims, such as environmentally sustainable, ethical, health & nutrition, and safety. The differences may indicate that firms respond to market demand for different credence attributes differently as they may consider the different importance of various attributes in the two markets.

[Insert Table I]

[Insert Table II]

3.2 Empirical Specification

The key aim of this study is to explore the association between credence attribute claims and the approaches adopted by firms to introduce products to the market. In this sense, an individual firm i has J choices ($J = (0, 1, 2, 3)$) in terms of ways new products can be introduced into the market, namely launching brand-new products (0), launching products with new packaging (1), launching existing products with the **expansion of product ranges** or varieties (2), and relaunch (4). Firms make their decision-making of which launching approaches to choose based on the utility maximisation theory – firm i chooses approach j that maximises its utility U_{ij} amongst all J utilities. We use $Y_i = j$ to denote the choice made, with the probability of choosing j as $Prob(U_{ij} > U_{ik})$ for all other $k \neq j$.

Therefore, **the study employs** a multinomial logit model to explore the relationship between credence attribute claims and the type of product launch. As shown in Equation 1, X_i represents the factors, including those related to credence attribute claims and other product characteristics that may affect firms' choices of product launch.

$$Prob(Y_i = j | X_i) = \frac{e^{X_i \beta}}{\sum_{j=1}^J e^{X_i \beta}}, \quad (1)$$

where the parameters β associated X_i are to be estimated through Equation 2 to show the relationships between the factors and firms' choices:

$$\log\left(\frac{Prob(Y_i = k)}{Prob(Y_i = 0)}\right) = \alpha_i + X_i \beta + \varepsilon_i, \quad k = 1, 2, 3, \quad (2)$$

with the constant α_i and the error term ε_i . Given that four launch approaches are included in the regression model, we have three sets of regression results, with "new product" set as the baseline. For ease of interpretation, we exponentiate the coefficient estimates β to

239 derive the relative risk ratio (RRR). Here, RRR indicates the risk of the outcome falling in
240 the comparison group (i.e., launching new packaging, **expansion of product ranges or**
241 **varieties**, or relaunch) compared to the risk of the outcome falling in the referent group (in
242 our case launching brand-new products) changes with the factors X_i (Greene, 2012).

243 **4. Results and discussion**

244 **4.1 Results for the AU market**

245 **Table III** shows the estimated RRRs obtained from the multinomial regression model for
246 the AU market. Here, an RRR greater than one indicates the comparison outcome is more
247 likely; if it is less than one, the outcome is more likely to be in the reference group (Greene,
248 2012). Note that the full regression model also controls for the fixed effects of food
249 categories (e.g., dairy, desserts, snacks, etc.), but we only present the estimated RRRs for
250 the key independent variables. The full regression results are included in the Appendix.

251

252 **[Insert Table III]**

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254 Based on the estimated results in **Table III**, as for the claims of credence attributes,
255 the attributes of safety and health, and nutrition are found to be associated with firms'
256 strategies of introducing food products to the market. In particular, if food companies were
257 to launch brand-new products to the AU market, they are more likely to consider
258 introducing the safety attribute than have no claims: food products with safety labels
259 (versus no claims) are 19.7%, 5.9%, and 20.9% less likely to be launched with new
260 packaging, as a **new range/variety**, or relaunched, respectively when compared to being
261 launched as brand-new products. Similarly, the health and nutrition attribute is less likely
262 to be considered by firms when launching brand-new products to the AU market. The
263 results show **that** food products with health and nutrition labelling are 1.2% and 1.6% more
264 likely to be launched as brand-new products, compared to being launched with new
265 packaging or as a **new range/variety**, respectively. Interestingly, the environmentally
266 sustainable and ethical attributes are found to have no association with the approach firms
267 chose to launch products in the AU market.

268 Also, **results of the study** indicate that other **claims**, including the attributes of
269 demographic, beauty, and convenience, are associated with firms' decision-making
270 concerning product launches. The demographic claims are more likely to be associated
271 with the strategy of launching brand-new products relative to new packaging and **new**
272 **range/variety**. In contrast, the **food claims** of convenience are more likely to be associated
273 with the strategy of launching brand-new products relative to other launch approaches. In
274 terms of products with beauty claims, **the study** shows that they are more likely to be
275 associated with new packaging for existing products than with brand-new products.

276 Besides considering types of **food claims**, food companies relate the number of
277 **credence attribute claims** to the approach adopted to launch products to the AU market.
278 **Results of the study** show food companies are more likely to launch brand-new products

with more position claims when compared to the other types of launches. Additionally, a higher unit price (in USD) is found to be associated with brand-new products launched to the AU market. Hence, if a food company were to increase the unit price of a food product, the firm would be expected to choose to introduce a brand-new product to the market.

4.2 Results for the NZ market

Table IV presents the estimated RRRs obtained from the multinomial regression model for the NZ market. Based on the estimated results in Table IV, most of the attribute claims are found to be associated with firms' strategies of introducing food products to the market. As for the claims of credence attributes, the attributes of environmentally sustainable, ethical, safety, and health and nutrition are found to be related to firms' launching approaches. In particular, the environmentally sustainable attribute is more likely to be considered by firms when launching brand-new products to the NZ market: food products with green labels are 43.3%, 35.1%, and 46.8% less likely to be launched with the existing products with new packaging, new variety/range, and relaunch respectively, compared to be launched with brand-new products. Likewise, firms are more likely to consider food products with safety attributes when launching brand-new products to the NZ market. Food products with safety labels are 16.5%, 6.1%, and 8.6% less likely to be launched with the existing products with new packaging, new variety/range, or re-launched products respectively, compared to being launched with brand-new products. Also, health and nutrition labelling is more likely to be considered by firms when launching brand-new products to the NZ market. Food products with health and nutrition labels are 2.8%, 5.9%, and 1.8% less likely to be launched with the existing products with new packaging and expansion of product range, compared to being launched with brand-new products. In contrast, the attribute of the ethical variable is less likely to be considered by firms when launching brand-new products to the NZ market. The results show food products with ethical labelling are 56.5%, 38.1%, and 50.8% more likely to be launched with the existing products with new packaging, new variety/range, and relaunch respectively, compared to being launched with brand-new products.

[Insert Table IV]

Other positioning claims, including "demographic", "beauty", and "convenience", are also found to be related to launch strategies. For example, the results show that the use of demographic claims is more likely to be associated with the strategy of launching brand-new products relative to product extensions and relaunches. From the findings, beauty claims are more likely to be associated with relaunches than other launch approaches. And the positioning claims of convenience are less likely to be launched with brand-new products than being launched with the existing products of new packaging and product extensions. In terms of other credence attributes (e.g., good quality), our results show that the claims of other credence attributes are more likely to be related to launching new products relative to product extensions and relaunch strategies.

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3 320 Lastly, food companies also relate the number of position claims to the approach
4 321 adopted to launch products to the NZ market. We find food companies are more likely to
5 322 include a higher number of position claims when they launch a new product compared to
6 323 when products are repackaged, extended, or relaunched. In addition, our results show a
7 324 higher unit price is likely to be associated with brand-new products launched to the NZ
8 325 market.

12 326 **4.3 Comparison between AU and NZ market**

14 327 The regression results shown above reveal the similarity between the AU and NZ
15 328 market. First, firms in the AU and NZ markets are more likely to consider using the strategy
16 329 of launching brand-new products with claims of credence attributes and other positioning
17 330 claims, compared to no claims. These findings are consistent with those of Rex and
18 331 Baumann (2007), who found that if firms invest in more expensive launching strategies, in
19 332 our case new products, they prefer to place the claims perceived as attractive or competitive
20 333 at the beginning of the food description. These include the claims of safety and health and
21 334 nutrition. One possible reason is these two markets are regulated by the Australia New
22 335 Zealand Food Standards Code (FSC) for food product claims (Devi *et al.*, 2014). That is,
23 336 all packaged foods available in Australia and New Zealand are required to meet certain
24 337 criteria^[1] to carry claims from 2012, following strict restrictions on nutrition and health
25 338 claims to products that meet certain “healthy” criteria. This partly explains the relationship
26 339 between positioning claims and product launch strategies, where firms tend to deliver
27 340 information about healthy and quality foods through new product launches. **Currently, it is
28 341 mandatory for firms to display a nutrition information panel (NIP) on most packaged foods
29 342 in the two markets, and if nutrition claims are made, the nutrition information for that
30 343 nutrient must be displayed on the NIP (Ghosh, 2014; Ministry for Primary industries,
31 344 2022). Hence, when introducing brand-new products, food companies may consider using
32 345 health and nutrition claims to reflect the healthiness of their products, supported by the
33 346 information on NIP (Devi *et al.*, 2014). Therefore, food products, such as breakfast cereals
34 347 that meet the “healthy” criteria based on the NIP tend to have more “health and nutrition”
35 348 claims (Devi *et al.*, 2014). In addition to positioning claims, the results show that firms in
36 349 the AU and NZ markets consider the number of positioning claims of products when
37 350 making the decisions of launching products to the market: more numbers of positioning
38 351 claims come with brand-new products than the existing products with new packaging,
39 352 product extensions, and relaunch. One possible reason is the high rate of new product
40 353 failure, and thus addressing as many as desired attributes with position claims may help
41 354 food products survive in the targeted markets (Gourville, 2006; Lwin *et al.*, 2015;
42 355 Salnikova *et al.*, 2019). Second, price is found to be a factor related to firms launching
43 356 approaches in both the AU and NZ market, and in particular, a higher unit price of the
44 357 product is more likely to be associated with brand-new products launched to the market.
45 358 This finding is consistent with Luiten *et al.* (2016) that there is no significant price
46 359 difference between the AU and NZ market for ultra-processed foods.**

50 360 It is noted that, given the **higher** cost of developing new products, food companies in

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3 361 the AU and NZ markets may choose to launch brand-new products with the positioning
4 362 claims that are most preferred by the market, such as safety, health and nutrition, and
5 363 demographic attributes. This finding is consistent with the results based on other markets
6 364 – food companies in China prefer to invest in developing new products with the credence
7 365 attribute of safety rather than other attributes, such as ethical, because food safety is of the
8 366 greatest concern to Chinese consumers (Yang and Fang, 2020). Thus, food companies may
9 367 choose the less costly approaches, such as **new variety/range** and new packaging, to deliver
10 368 information about good animal welfare, as it is less important than safety attributes to
11 369 consumers in the AU and NZ markets (Duan *et al.*, 2019).

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15 370 **Results of the study** also show differences between the AU and NZ market concerning
16 371 firms' launching strategies and the factors that influence the choice. Whilst there is a clear
17 372 connection between launching strategies and **positioning via credence attribute claims**,
18 373 firms' preferences concerning types of **credence claims** differ between the AU and NZ
19 374 market. For example, there is a clear difference in firms' choices of "green" claims in the
20 375 AU and NZ markets regarding product launch strategies. **The study finds** that
21 376 environmental sustainability attributes, such as environmentally-friendly and eco-friendly
22 377 are related to firms' product launching strategies in NZ but not for the AU market. On the
23 378 one hand, the current NZ government has actively promoted environmental protection
24 379 programs, such as the "zero carbon bill" that may motivate firms to focus more on investing
25 380 in product development with the desired attribute, i.e., the "green" attribute (Jackson
26 381 Inderberg and Bailey, 2019; Yang *et al.*, 2020). On the other hand, this finding may reflect
27 382 NZ consumers' preferences for food products, of which those associated with "green"
28 383 claims are expected to benefit the environment (Gan *et al.*, 2008; Yang and Renwick,
29 384 2019). Note that "green" attribute claims are found to be more likely to be associated with
30 385 brand-new products than other launching approaches in the NZ market. However, this
31 386 finding is not consistent with the results of Yang *et al.* (2021) who found that the attribute
32 387 of being environmentally sustainable is more likely to be associated with new packaging
33 388 in the Chinese market. They state that firms tend to address consumers' concerns about
34 389 over-packaging by launching products with environmentally-friendly packaging (Rees *et al.*,
35 390 2019; Singh and Pandey, 2018); also, it is easier and cheaper to focus on
36 391 environmentally-friendly packaging than investing in developing new products with
37 392 "green" attributes (Liu and Niyongira, 2017). This difference between the NZ and Chinese
38 393 market reflects the different marketing strategies of food companies, where companies
39 394 prefer investing in developing new products to address the increasing awareness of
40 395 environmental issues related to food production in NZ. In addition, in contrast to the NZ
41 396 market where firms tend to use ethical labelling when launching products, this attribute is
42 397 found to have no association with firms' product launching approaches in the AU market.
43 398 Likewise, this finding may reveal firms' responses to the market concerning the importance
44 399 of different credence attributes to consumers across different markets (Martinez *et al.*,
45 400 2008; Salnikova *et al.*, 2019).

401 5. Conclusion

402 This study provides evidence that food companies consider using credence attribute claims
403 as a positioning strategy when introducing new products to the AU and NZ markets.
404 Analysing the decision-making from the firm side, the study fills in the research gap in
405 understanding firms' responses to consumer demand for credence attributes and their
406 product launch strategies. Firms use food claims of credence attributes to deliver
407 information about the desired credence attributes to consumers and effectively position
408 products. The association between product launch and product positioning via food claims
409 show that firms may consider aligning different credence attribute claims to product
410 launching approaches, considering the importance of credence attributes perceived by
411 consumers in different markets. The comparison between the AU and NZ market
412 contributes to the literature by adding to the empirical evidence showing similarities as
413 well as differences concerning food companies' product launch and positioning strategies
414 in the AU and NZ markets – the only empirical study focusing on this topic was conducted
415 in the Chinese market (Yang *et al.*, 2021).

416 This study provides important managerial implications for food firms. First, the clear
417 association between product positioning via food claims and product launch strategies
418 suggests that food firms may explore the pathway of increasing the success rate of product
419 launches via attaching the credence attribute claims demanded by the targeted market. For
420 instance, the claims of safety and health, and nutrition may be considered by food
421 companies when making decisions on product launches, especially introducing brand-new
422 products to the market. Second, the study provides insights into the different prevailing
423 credence attributes of food products between the AU and NZ market, indicating that firms
424 need to consider the importance of attributes perceived by consumers from different
425 markets when positioning products via food claims. Understanding the differences in a
426 cross-country context may help firms better position new products in the targeted markets.
427 For example, given the attribute claims of being environmentally sustainable and ethical
428 are preferred by the NZ market but not the AU market, any firm should consider the two
429 claims differently when considering entering or launching new products in these markets.

430 As for policymakers, it is important to understand how firms respond to market
431 demand by relating product positioning to product launch strategies. Understanding the
432 trend of firms' responses and strategies can help policymakers to regulate the delivery of
433 information about credence attributes to consumers. Although there is an increasing trend
434 that consumers are willing to purchase food products with credence attributes, it is not clear
435 whether or not they understand the credence attribute claims – claims such as health and
436 nutrition and “green” can be vague and general. Hence, policymakers may consider
437 specifying ways of describing or presenting the credence attribute claims. Notably, given
438 the different focuses of credence attribute claims of the two markets, policymakers may be
439 interested in developing policy instruments to facilitate specific regulations for different
440 claims (Wood *et al.*, 2013).

441 Note that the study is limited by the data used in the empirical analysis, as it only
442 covers the period between 1996 and 2017. Thus, results and findings of the study are

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3 443 limited by the “historical” analysis, whereas the study aims to understand the current trends
4 444 of product launches, product positioning, and credence attribute claims based on the data
5 445 before 2017. Hence, future studies may consider conducting a following-up study to
6 446 incorporate more recent data to identify the potential changes. To test for the
7 447 generalizability of the findings, it is suggested that future studies test for the relationship
8 448 between product positioning via credence attribute claims and product launch strategies in
9 449 other countries when more data become available.

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14 450 **Notes:**

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17 452 [1] Food labelling standards are set by FSANZ in the Food Standards Code, the standards
18 453 of which are enforced by the Australian states and territories in Australia and by the
19 454 Ministry for Primary Industries (MPI) in New Zealand. The subcategories of labelling
20 455 standards include those for Allergen labelling, Country of origin labelling, ingredients list
21 456 and percentage labelling, nutrition, health and related claims, etc (details of the standards
22 457 can be found on the website of FSANZ (Food Standards Australia New Zealand, 2020).
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Tables:

Table I

Descriptions and descriptive statistics of key variables of food and drink products of the whole sample (n=61,206).

Variable	Description	Mean (S.D.) ^a
Outcome variable		
Launch type:		
New product	Dummy, =1 launching new product, =0 otherwise, set as the baseline.	0.453 (0.497)
New packaging	Dummy, =1 launching new packaging, =0 otherwise.	0.164 (0.368)
Expansion of product range	Dummy, =1 expanding new varieties or new ranges, =0 otherwise.	0.368 (0.481)
Re-launch	Dummy, =1 relaunch, =0 otherwise.	0.031 (0.175)
Positioning claim variable		
Positioning claims:		
No claim	Dummy, =1 product with no positioning claim labels, =0 otherwise, set as the baseline.	0.379 (0.421)
Beauty	Dummy, =1 beauty attributes placed in the beginning of food claims, =0 otherwise.	0.005 (0.025)
Convenience	Dummy, =1 convenience attributes placed in the beginning of food claims, =0 otherwise.	0.083 (0.183)
Cost-saving	Dummy, =1 cost-saving attributes placed in the beginning of food claims, =0 otherwise.	0.011 (0.113)
Demographic	Dummy, =1 demographic attributes placed in the beginning of food claims, =0 otherwise.	0.107 (0.301)
Environmentally Sustainable	Dummy, =1 credence attribute of environmentally sustainable placed in the beginning of food claims, =0 otherwise.	0.044 (0.040)
Ethical	Dummy, =1 ethical credence attribute of placed in the beginning of food claims, =0 otherwise.	0.005 (0.234)
Health & nutrition	Dummy, =1 credence attribute of health and nutrition placed in the beginning of food claims, =0 otherwise.	0.166 (0.350)
Safety	Dummy, =1 credence attribute of safety placed in the beginning of food claims, =0 otherwise.	0.111 (0.480)

	Social media ^b	Dummy, =1 social media attributes placed in the beginning of food claims, =0 otherwise.	0.038 (0.259)
	Other attributes	Dummy, =1 other attributes (e.g., good quality) placed in the beginning of food claims, =0 otherwise.	0.05 (0.192)
	N claims	The number of credence attribute claims of a product.	2.32 (2.26)
Control variable			
	Country	Dummy, =1 product launched in Australia, =0 New Zealand.	0.705 (0.456)
	Price	Unit price (e.g., per g. or per ml.) in USD.	2.14 (3.79)
	Launch year:		
	Before 2000	Dummy, =1 product launched before 2000, =0 otherwise, set as the base.	0.022 (0.146)
	2001	Dummy, =1 product launched in 2001, =0 otherwise.	0.023 (0.149)
	2002	Dummy, =1 product launched in 2002, =0 otherwise.	0.022 (0.147)
	2003	Dummy, =1 product launched in 2003, =0 otherwise.	0.025 (0.156)
	2004	Dummy, =1 product launched in 2004, =0 otherwise.	0.042 (0.200)
	2005	Dummy, =1 product launched in 2005, =0 otherwise.	0.044 (0.206)
	2006	Dummy, =1 product launched in 2006, =0 otherwise.	0.038 (0.191)
	2007	Dummy, =1 product launched in 2007, =0 otherwise.	0.061 (0.239)
	2008	Dummy, =1 product launched in 2008, =0 otherwise.	0.043 (0.203)
	2009	Dummy, =1 product launched in 2009, =0 otherwise.	0.068 (0.251)
	2010	Dummy, =1 product launched in 2010, =0 otherwise.	0.063 (0.243)
	2011	Dummy, =1 product launched in 2011, =0 otherwise.	0.052 (0.222)
	2012	Dummy, =1 product launched in 2012, =0 otherwise.	0.057 (0.232)
	2013	Dummy, =1 product launched in 2013, =0 otherwise.	0.076 (0.265)
	2014	Dummy, =1 product launched in 2014, =0 otherwise.	0.088 (0.285)
	2015	Dummy, =1 product launched in 2015, =0 otherwise.	0.108 (0.311)
	2016	Dummy, =1 product launched in 2016, =0 otherwise.	0.093 (0.291)
	2017	Dummy, =1 product launched in 2017, =0 otherwise.	0.073 (0.261)

a. The number shown in percentage represents the proportion of the category in the sample (e.g., 0.02 represents 2%).

b. The attribute of “Social media” refers to “interest”, “licensing”, or “certificate” the given product gets from social media

Table II

Comparison of mean differences for the key variables of food and drink products between the AU and NZ market.

Variable	Mean difference	P. value	Significance level
Outcome variable			
Launch type:			
New product	0.012	0.11	
New packaging	0.016	0.23	
Expansion of product range	0.002	0.18	
Re-launch	0.013	0.17	
Positioning claim variable			
Positioning claims:			
No claim	0.028	0.11	
Beauty	0.001	0.20	
Convenience	0.003	<0.01	***
Cost-saving	0.002	0.22	
Demographic	0.001	0.03	**
Environmentally Sustainable	0.002	<0.01	***
Ethical	0.002	<0.001	***
Health & nutrition	0.026	0.03	**
Safety	0.036	0.02	**
Social media	0.002	0.22	
Other attributes	0.001	0.14	
N claims	0.16	0.16	
Price	0.89	0.08	*

Notes: ***p < 0.01, **p < 0.05, *p < 0.1 for Welch two sample t-test of mean differences in the AU and NZ markets.

Table III

Estimated RRRs of the multinomial regression model of the AU market

Variable	New Packaging	Expansion of product range	Relaunch
(Intercept)	0.194 (0.317)***	0.504 (0.132)***	0.010 (0.499)***
Convenience	1.275 (0.043)***	1.213 (0.032)***	1.239 (0.072)***
Demographic	0.860 (0.045)***	0.827 (0.032)***	0.970 (0.078)
Environmentally Sustainable	0.331 (0.532)	0.602 (0.789)	0.400 (0.558)
Ethical	1.402 (0.645)	1.271 (0.437)	1.434 (0.755)
Safety	0.803 (0.036)***	0.941 (0.025)**	0.791 (0.064)***
Health and nutrition	0.988 (0.002)**	0.984 (0.001)**	0.992 (0.401)
Social media	0.861 (0.206)	0.860 (0.157)	0.833 (0.371)
Beauty	1.486 (0.163)**	0.964 (0.14)	1.505 (0.259)
Other attributes	0.979 (0.151)	0.875 (0.126)	1.372 (0.247)
N claims	0.926 (0.308)***	0.941 (0.123)***	0.939 (0.016)**
Price in US Dollars	0.966 (0.317)***	0.964 (0.132)***	0.963 (0.017)**

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3	1999	0.797 (1.059)	0.357 (0.753)	6.964 (0.798)**
4	2000	0.003 (5.138)	0.579 (0.208)***	0.066 (2.441)
5	2001	0.612 (0.357)	0.847 (0.122)	2.320 (0.315)***
6	2002	0.375 (0.354)***	0.498 (0.114)***	0.806 (0.379)
7	2003	0.881 (0.326)	1.013 (0.106)	0.379 (0.605)
8	2004	0.765 (0.32)	1.766 (0.085)***	0.237 (0.633)**
9	2005	1.091 (0.304)	1.487 (0.082)***	0.478 (0.438)*
10	2006	0.984 (0.325)	2.267 (0.093)***	1.503 (0.344)
11	2007	1.309 (0.298)	1.083 (0.083)	0.258 (0.538)**
12	2008	0.947 (0.303)	0.954 (0.084)	0.124 (0.737)***
13	2009	1.427 (0.294)	0.995 (0.08)	0.054 (1.015)***
14	2010	1.613 (0.299)	0.963 (0.092)	0.215 (0.627)**
15	2011	1.822 (0.292)**	0.601 (0.092)***	0.695 (0.335)
16	2012	1.481 (0.295)	0.903 (0.084)	0.802 (0.323)
17	2013	1.231 (0.290)	0.735 (0.076)***	1.723 (0.228)**
18	2014	1.892 (0.286)**	1.030 (0.070)	3.775 (0.201)***
19	2015	2.545 (0.286)***	1.224 (0.070)***	3.754 (0.204)***
20	2016	3.817 (0.285)***	1.294 (0.073)***	4.556 (0.203)***
21	2017	3.303 (0.288)***	1.489 (0.077)***	8.220 (0.197)***

Note: values in parathesis are standard errors; *p<0.1; **p<0.05; ***p<0.01 represent significance levels associated with the coefficient estimates.

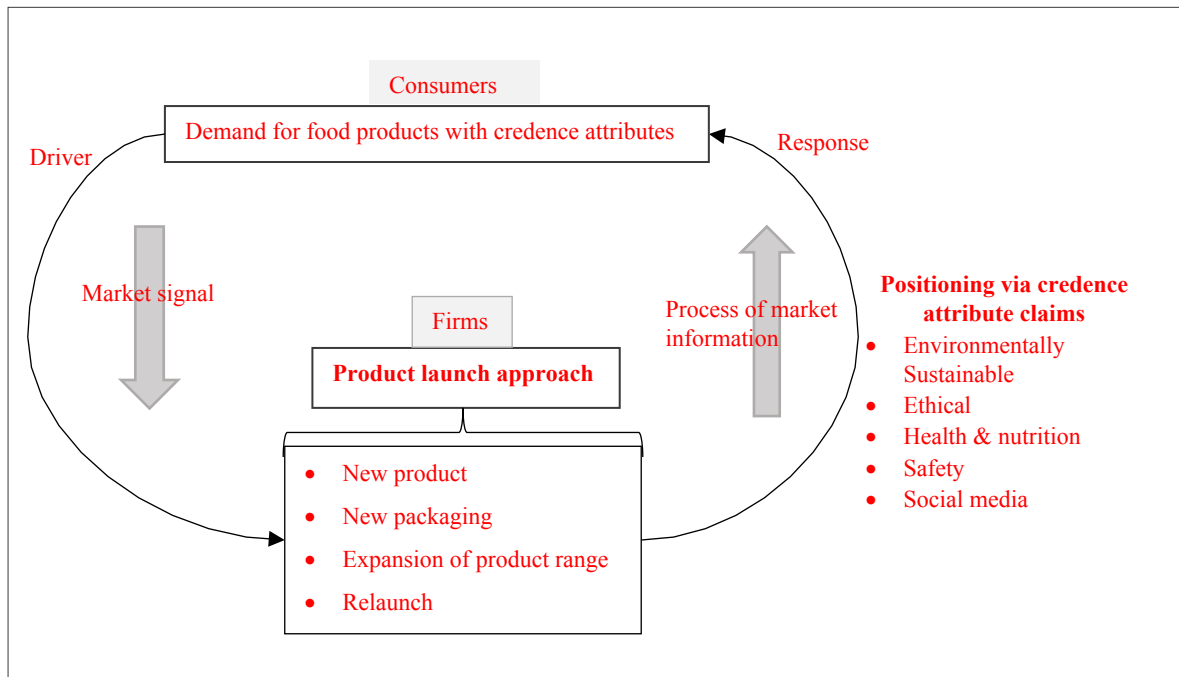
Table IV

Estimated RRRs of the multinomial regression model of the NZ market

Variable	New Packaging	Expansion of product range	Relaunch
(Intercept)	0.274 (0.175)***	0.939 (0.076)	0.061 (0.205)***
Convenience	1.093 (0.029)***	1.059 (0.023)**	1.061 (0.051)
Demographic	0.977 (0.025)	0.938 (0.020)***	0.916 (0.048)*
Environmentally Sustainable	0.567 (0.146)***	0.649 (0.116)***	0.532 (0.283)**
Ethical	1.565 (0.027)***	1.381 (0.024)***	1.508 (0.045)***
Safety	0.835 (0.021)***	0.939 (0.016)***	0.914 (0.0638)**
Health and nutrition	0.972 (0.002)**	0.941 (0.001)**	0.982 (0.04)*
Social media	0.645 (0.355)	0.92 (0.245)	0.876 (0.509)
Beauty	0.784 (0.107)**	0.920 (0.089)	1.549 (0.155)***
Other attributes	0.889 (0.100)	0.712 (0.094)***	0.612 (0.204)**
N claims	0.809 (0.208)***	0.918 (0.210)***	0.895 (0.013)**
Price in US Dollars	0.972 (0.257)***	0.974 (0.129)***	0.976 (0.015)**
1998	0.411 (0.362)**	0.367 (0.195)***	1.573 (0.362)
1999	0.128 (0.743)***	0.488 (0.235)***	0.686 (0.760)
2000	0.029 (2.975)	1.114 (0.365)	1.987 (0.834)
2001	0.719 (0.208)	0.777 (0.086)***	0.251 (0.464)***
2002	0.887 (0.210)	1.349 (0.085)***	0.541 (0.369)*
2003	0.871 (0.199)	1.350 (0.076)***	0.316 (0.418)***
2004	0.676 (0.280)	2.504 (0.108)***	0.546 (0.541)
2005	0.868 (0.233)	0.848 (0.115)	0.885 (0.373)
2006	0.797 (0.189)	1.838 (0.060)***	0.539 (0.281)**
2007	0.789 (0.169)	0.836 (0.049)***	0.169 (0.309)***
2008	1.355 (0.171)*	1.033 (0.058)	0.273 (0.328)***
2009	1.055 (0.164)	0.691 (0.048)***	0.211 (0.250)***
2010	1.600 (0.163)***	0.743 (0.049)***	0.221 (0.259)***
2011	1.855 (0.165)***	0.742 (0.056)***	1.010 (0.169)
2012	2.870 (0.163)***	1.146 (0.054)**	1.649 (0.147)***
2013	2.210 (0.162)***	1.074 (0.049)	2.585 (0.119)***
2014	2.202 (0.162)***	1.161 (0.047)***	3.715 (0.110)***
2015	2.626 (0.160)***	1.189 (0.044)***	3.246 (0.107)***
2016	2.664 (0.161)***	1.133 (0.047)***	4.154 (0.107)***
2017	2.147 (0.164)***	1.344 (0.050)***	5.497 (0.108)***

Note: values in parathesis are standard errors; *p<0.1; **p<0.05; ***p<0.01 represent significance levels associated with the coefficient estimates.

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5 **Figures:**
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30
31 **Figure I**

32
33 Conceptual framework: the relationship between product launch and positioning in response
34 to market demand for food products with credence attributes
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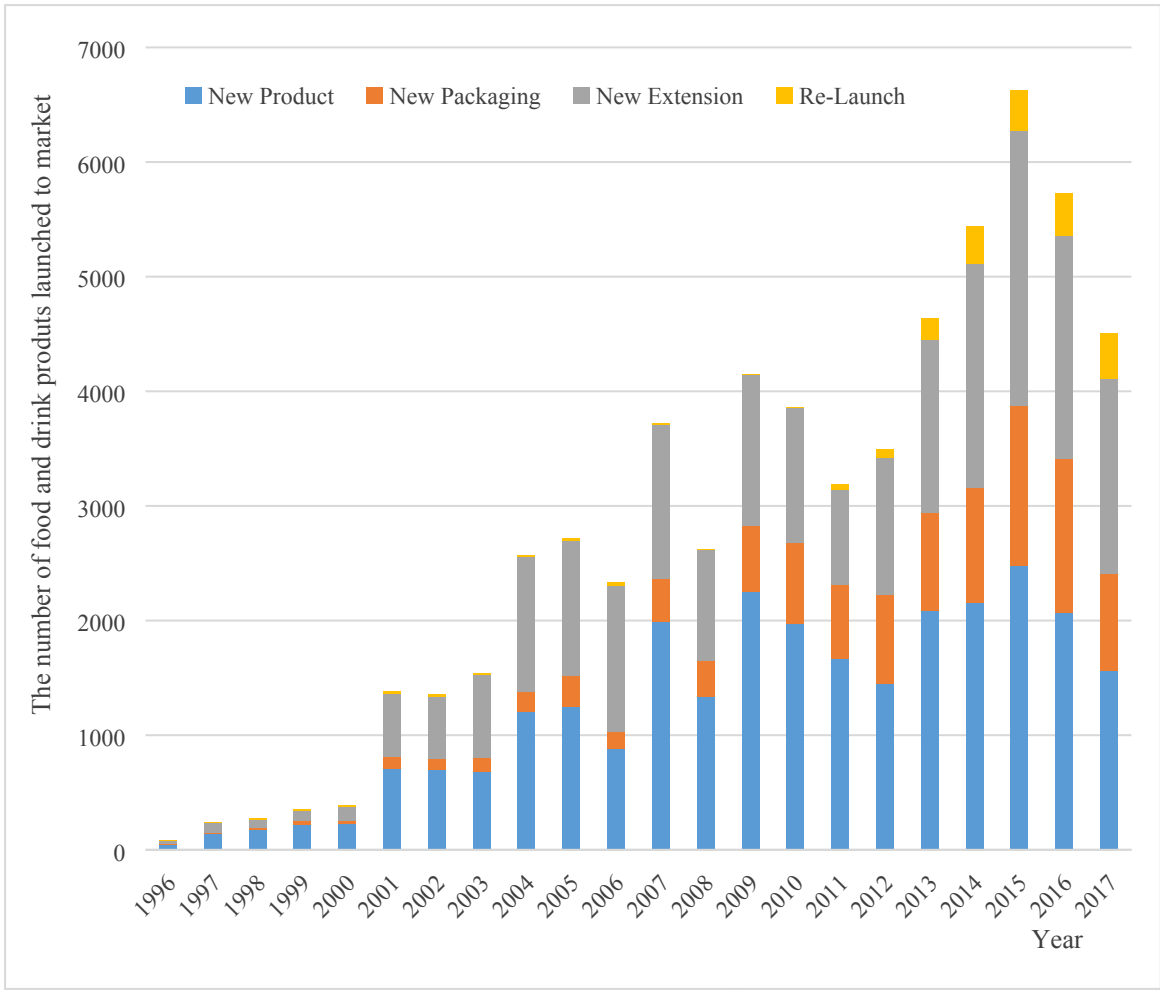


Figure II

The number of new launches by launch approaches between 1996 and 2017.

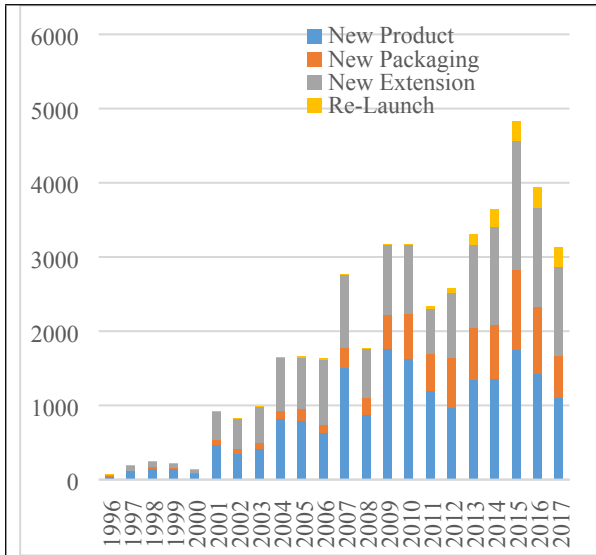


Figure III a. The number of new launches by launch approaches in AU between 1996 and 2017.

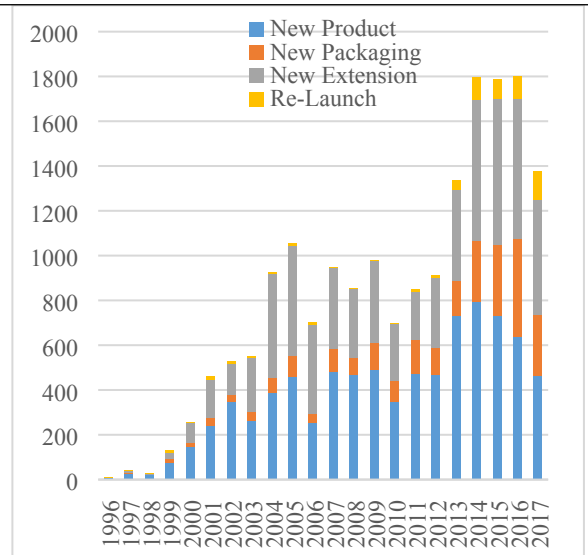


Figure III b. The number of new launches by launch approaches in NZ between 1996 and 2017.

Figure III

Annual percentage change in product launches of the AU and NZ markets.

British Food Journal

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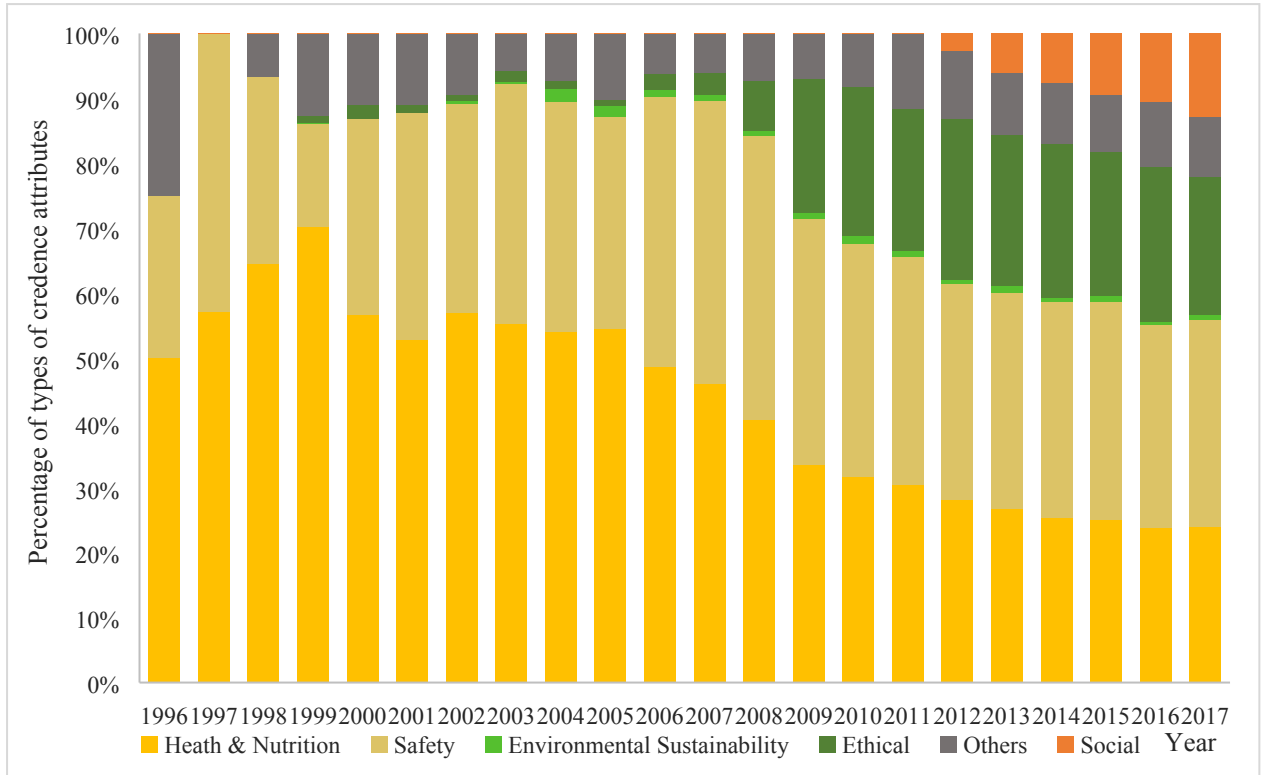


Figure IV

The number of new launches by launch approaches between 1996 and 2017.

British Food Journal

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5 **Appendix**

6 **Appendix Table 1.**

7
8 The number of products with and without types of attributes between 1996 and 2017

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Year	No claim	Convenience	Demographic	Heath & Nutrition	Safety	Environmental Sustainability	Economy	Ethical	Beauty	Others	Social media	Total
1996	58	0	5	6	3	0	0	0	0	3	0	17
1997	55	0	13	16	12	0	0	0	0	0	0	41
1998	30	0	14	29	13	0	0	0	0	3	0	59
1999	183	12	30	66	15	0	0	1	3	12	0	139
2000	183	11	82	82	44	0	1	3	1	16	0	240
2001	463	131	317	380	252	0	1	9	4	79	0	1173
2002	481	100	260	530	300	3	2	9	4	88	0	1296
2003	570	123	284	596	399	3	1	17	5	63	0	1491
2004	1126	228	431	847	553	33	6	18	21	115	0	2252
2005	1265	138	398	860	516	27	9	14	8	161	0	2131
2006	307	210	405	797	682	17	28	40	6	103	0	2288
2007	352	502	842	1236	1172	23	64	91	42	164	0	4136
2008	297	381	632	921	994	18	119	175	28	165	0	3433
2009	1216	740	996	1347	1526	32	227	827	53	284	0	6032
2010	765	782	1102	1490	1684	52	141	1078	98	386	0	6813
2011	645	591	825	1175	1363	35	204	846	51	448	0	5538
2012	532	800	991	1394	1653	30	165	1228	92	520	132	7005
2013	619	1068	1460	1991	2485	69	107	1729	134	720	448	10211
2014	595	1400	1666	2294	2988	67	87	2127	152	847	688	12316
2015	680	1687	1973	2871	3814	115	134	2513	220	1014	1074	15415
2016	600	1324	1790	2412	3134	54	86	2400	137	1013	1055	13405
2017	256	1050	1344	1975	2625	67	121	1743	106	761	1065	10857

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Appendix Table 2

Estimated RRRs of the multinomial regression model of the AU market – full results

Variable	New Packaging	New Extension	Relaunch
(Intercept)	0.194 (0.317)***	0.504 (0.132)***	0.010 (0.499)***
Convenience	1.275 (0.043)***	1.213 (0.032)***	1.239 (0.072)***
Demographic	0.860 (0.045)***	0.827 (0.032)***	0.970 (0.078)
Environmentally Sustainable	0.331 (0.532)	0.602 (0.789)	0.400 (0.558)
Ethical	1.402 (0.645)	1.271 (0.437)	1.434 (0.755)
Safety	0.803 (0.036)***	0.941 (0.025)**	0.791 (0.064)***
Health and nutrition	0.988 (0.002)**	0.984 (0.001)**	0.992 (0.401)
Social media	0.861 (0.206)	0.860 (0.157)	0.833 (0.371)
Beauty	1.486 (0.163)**	0.964 (0.14)	1.505 (0.259)
Other attributes	0.979 (0.151)	0.875 (0.126)	1.372 (0.247)
N claims	0.926 (0.308)***	0.941 (0.123)***	0.939 (0.016)**
Price in US Dollars	0.966 (0.317)***	0.964 (0.132)***	0.963 (0.017)**
1999	0.797 (1.059)	0.357 (0.753)	6.964 (0.798)**
2000	0.003 (5.138)	0.579 (0.208)***	0.066 (2.441)
2001	0.612 (0.357)	0.847 (0.122)	2.320 (0.315)***
2002	0.375 (0.354)***	0.498 (0.114)***	0.806 (0.379)
2003	0.881 (0.326)	1.013 (0.106)	0.379 (0.605)
2004	0.765 (0.32)	1.766 (0.085)***	0.237 (0.633)**
2005	1.091 (0.304)	1.487 (0.082)***	0.478 (0.438)*
2006	0.984 (0.325)	2.267 (0.093)***	1.503 (0.344)
2007	1.309 (0.298)	1.083 (0.083)	0.258 (0.538)**
2008	0.947 (0.303)	0.954 (0.084)	0.124 (0.737)***
2009	1.427 (0.294)	0.995 (0.08)	0.054 (1.015)***
2010	1.613 (0.299)	0.963 (0.092)	0.215 (0.627)**
2011	1.822 (0.292)**	0.601 (0.092)***	0.695 (0.335)
2012	1.481 (0.295)	0.903 (0.084)	0.802 (0.323)
2013	1.231 (0.290)	0.735 (0.076)***	1.723 (0.228)**
2014	1.892 (0.286)**	1.030 (0.070)	3.775 (0.201)***
2015	2.545 (0.286)***	1.224 (0.070)***	3.754 (0.204)***
2016	3.817 (0.285)***	1.294 (0.073)***	4.556 (0.203)***
2017	3.303 (0.288)***	1.489 (0.077)***	8.220 (0.197)***
Baby Food	2.341 (0.243)***	2.458 (0.197)***	7.320 (0.584)***
Bakery	0.800 (0.173)	1.862 (0.134)***	5.048 (0.500)***
Breakfast Cereals	1.440 (0.197)*	2.020 (0.155)***	4.512 (0.535)***
Carbonated Soft Drinks	2.238 (0.216)***	1.498 (0.193)**	3.522 (0.592)**
Chocolate Confectionery	1.293 (0.175)	1.845 (0.141)***	1.159 (0.560)
Dairy	1.541 (0.179)**	1.838 (0.143)***	4.563 (0.517)***
Desserts & Ice Cream	0.843 (0.192)	2.021 (0.142)***	5.731 (0.512)***
Fruit & Vegetables	1.544 (0.209)**	1.819 (0.168)**	3.531 (0.572)***
Hot Beverages	1.510 (0.188)**	2.558 (0.148)***	4.265 (0.529)***
Juice Drinks	1.308 (0.210)	1.374 (0.168)*	3.835 (0.557)**
Meal & Meal Centres	0.389 (0.214)***	1.310 (0.149)***	3.076 (0.527)*
Other Beverages	1.044 (0.228)	1.489 (0.178)**	4.258 (0.560)***

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3	Processed Fish, Meat & Egg	1.293 (0.183)*	2.550 (0.143)***	4.564 (0.517)***
4	Products			
5	RTDs	1.133 (0.343)	0.565 (0.356)	4.767 (0.697)**
6	Sauces & Seasonings	0.931 (0.174)	1.502 (0.136)***	2.339 (0.518)***
7	Savoury Spreads	0.832 (0.284)	1.323 (0.198)	1.207 (0.884)
8	Side Dishes	0.721 (0.217)	1.428 (0.158)**	3.922 (0.543)**
9	Snacks	0.711 (0.178)*	1.248 (0.138)	2.417 (0.516)*
10	Soup	0.805 (0.274)	2.345 (0.180)***	5.699 (0.587)***
11	Sports & Energy Drinks	1.425 (0.262)*	1.177 (0.225)	2.108 (0.713)
12	Sugar & Gum Confectionery	1.222 (0.191)	1.653 (0.150)***	1.890 (0.571)***
13	Sweet Spreads	1.529 (0.227)*	1.374 (0.189)*	6.599 (0.560)***
14	Sweeteners & Sugar	1.743 (0.338)*	1.157 (0.303)	5.002 (0.780)**
15	Water	0.906 (0.285)	0.955 (0.233)	2.878 (0.653)

18 Note: valuese in parathesis are standard errors; *p<0.1; **p<0.05; ***p<0.01 represent
 19 significance levels associated with the coefficient estimates.
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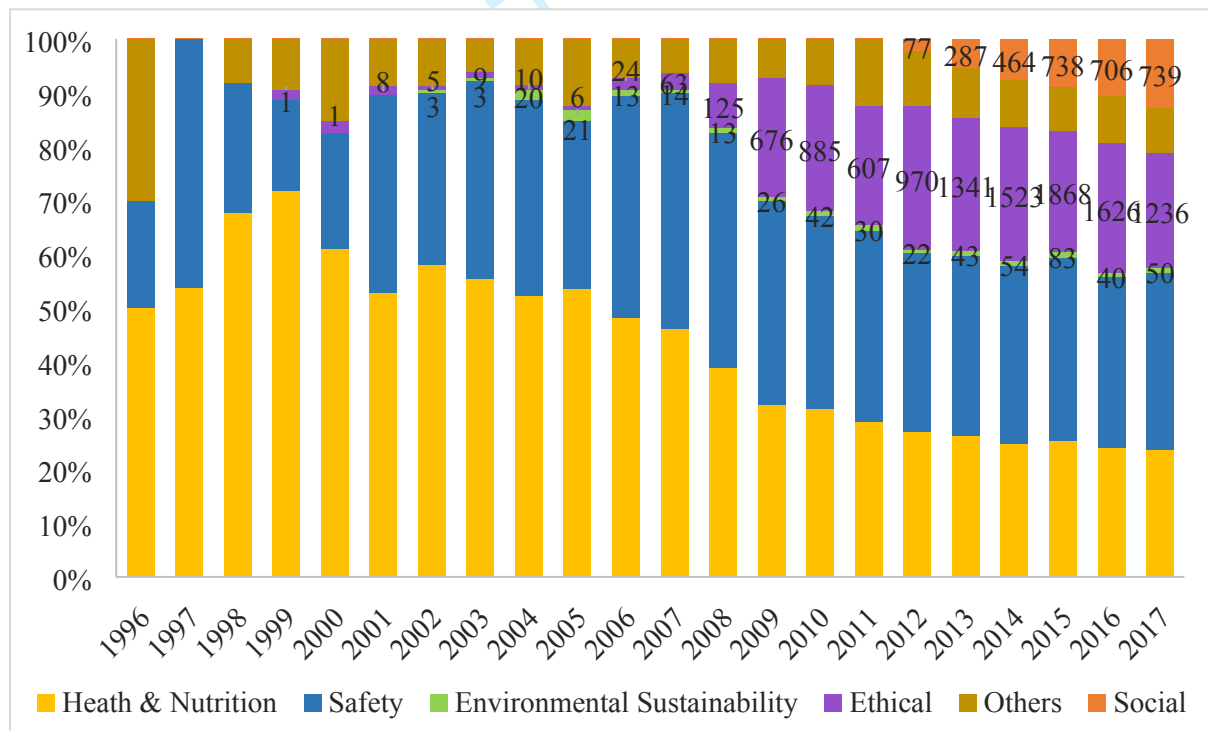
Appendix Table 3

Estimated RRRs of the multinomial regression model of the NZ market – full results

Variable	New Packaging	New Extension	Relaunch
(Intercept)	0.274 (0.175)***	0.939 (0.076)	0.061 (0.205)***
Convenience	1.093 (0.029)***	1.059 (0.023)**	1.061 (0.051)
Demographic	0.977 (0.025)	0.938 (0.020)***	0.916 (0.048)*
Environmentally Sustainable	0.567 (0.146)***	0.649 (0.116)***	0.532 (0.283)**
Ethical	1.565 (0.027)***	1.381 (0.024)***	1.508 (0.045)***
Safety	0.835 (0.021)***	0.939 (0.016)***	0.914 (0.0638)**
Health and nutrition	0.972 (0.002)**	0.941 (0.001)**	0.982 (0.04)*
Social media	0.645 (0.355)	0.92 (0.245)	0.876 (0.509)
Beauty	0.784 (0.107)**	0.920 (0.089)	1.549 (0.155)***
Other attributes	0.889 (0.100)	0.712 (0.094)***	0.612 (0.204)**
N claims	0.809 (0.208)***	0.918 (0.210)***	0.895 (0.013)**
Price in US Dollars	0.972 (0.257)***	0.974 (0.129)***	0.976 (0.015)**
1998	0.411 (0.362)**	0.367 (0.195)***	1.573 (0.362)
1999	0.128 (0.743)***	0.488 (0.235)***	0.686 (0.760)
2000	0.029 (2.975)	1.114 (0.365)	1.987 (0.834)
2001	0.719 (0.208)	0.777 (0.086)***	0.251 (0.464)***
2002	0.887 (0.210)	1.349 (0.085)***	0.541 (0.369)*
2003	0.871 (0.199)	1.350 (0.076)***	0.316 (0.418)***
2004	0.676 (0.280)	2.504 (0.108)***	0.546 (0.541)
2005	0.868 (0.233)	0.848 (0.115)	0.885 (0.373)
2006	0.797 (0.189)	1.838 (0.060)***	0.539 (0.281)**
2007	0.789 (0.169)	0.836 (0.049)***	0.169 (0.309)***
2008	1.355 (0.171)*	1.033 (0.058)	0.273 (0.328)***
2009	1.055 (0.164)	0.691 (0.048)***	0.211 (0.250)***
2010	1.600 (0.163)***	0.743 (0.049)***	0.221 (0.259)***
2011	1.855 (0.165)***	0.742 (0.056)***	1.010 (0.169)
2012	2.870 (0.163)***	1.146 (0.054)**	1.649 (0.147)***
2013	2.210 (0.162)***	1.074 (0.049)	2.585 (0.119)***
2014	2.202 (0.162)***	1.161 (0.047)***	3.715 (0.110)***
2015	2.626 (0.160)***	1.189 (0.044)***	3.246 (0.107)***
2016	2.664 (0.161)***	1.133 (0.047)***	4.154 (0.107)***
2017	2.147 (0.164)***	1.344 (0.050)***	5.497 (0.108)***
Baby Food	0.951 (0.147)	1.150 (0.120)	1.353 (0.290)
Bakery	0.835 (0.091)**	1.166 (0.077)**	0.962 (0.201)
Breakfast Cereals	1.360 (0.120)**	1.115 (0.107)	1.868 (0.238)***
Carbonated Soft Drinks	2.577 (0.122)***	0.842 (0.128)	1.653 (0.257)*
Chocolate	1.186 (0.092)*	1.174 (0.081)**	0.871 (0.215)
Confectionery			
Dairy	1.552 (0.095)***	1.193 (0.084)**	1.353 (0.212)
Desserts & Ice Cream	0.722 (0.106)***	1.197 (0.086)***	1.150 (0.214)**
Fruit & Vegetables	0.911 (0.118)	1.221 (0.096)***	1.113 (0.246)**
Hot Beverages	0.838 (0.113)	1.387 (0.092)***	0.957 (0.237)
Juice Drinks	1.044 (0.114)	0.886 (0.099)	1.149 (0.236)
Meal & Meal Centres	0.480 (0.113)***	0.854 (0.089)***	0.847 (0.222)*

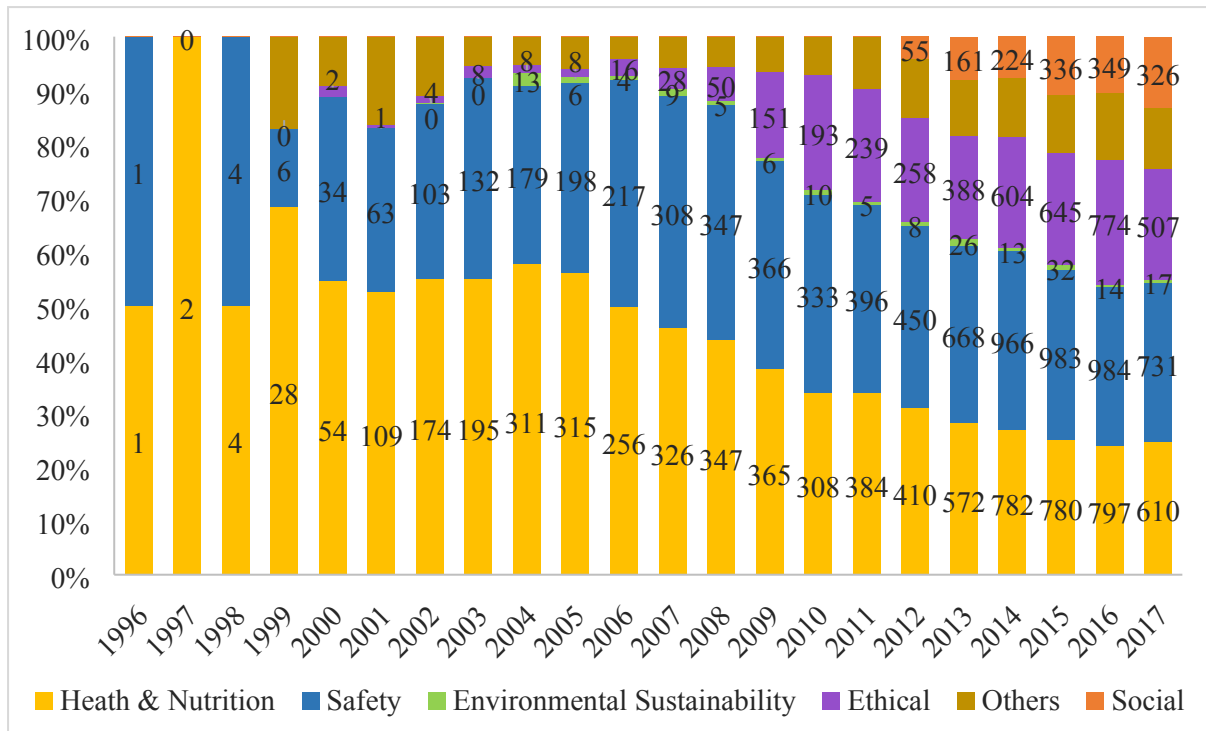
Other Beverages	0.990 (0.134)	0.623 (0.126)***	1.460 (0.250)
Processed Fish, Meat & Egg Products	0.985 (0.096)	1.285 (0.082)***	1.138 (0.207)***
RTDs	1.305 (0.180)	0.614 (0.183)***	0.603 (0.410)
Sauces & Seasonings	0.686 (0.094)**	1.032 (0.079)***	0.594 (0.216)
Savoury Spreads	0.854 (0.148)	0.776 (0.125)**	0.938 (0.297)
Side Dishes	0.662 (0.120)***	1.239 (0.093)**	0.955 (0.243)
Snacks	0.786 (0.094)**	0.956 (0.080)	0.855 (0.206)
Soup	0.481 (0.170)***	1.113 (0.119)	1.092 (0.277)
Sports & Energy Drinks	1.227 (0.170)	0.628 (0.173)***	0.602 (0.446)***
Sugar & Gum Confectionery	0.831 (0.101)**	0.716 (0.088)*	0.689 (0.232)***
Sweet Spreads	0.699 (0.129)***	0.602 (0.113)***	0.702 (0.279)
Sweeteners & Sugar	1.262 (0.206)	0.669 (0.202)***	1.407 (0.386)**
Water	1.266 (0.145)	0.416 (0.157)***	1.056 (0.305)

Note: values in parathesis are standard errors; *p<0.1; **p<0.05; ***p<0.01 represent significance levels associated with the coefficient estimates.



Appendix Figure I

The number of new launches by launch approaches in the AU market between 1996 and 2017.



Appendix Figure II

The number of new launches by launch approaches in the NZ market between 1996 and 2017.

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3 1. Reviewer: 1
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5 Recommendation: Major Revision
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7 Comments:

8 Please the comments in the review
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10

11 Additional Questions:

12 1. Originality: Does the paper contain new and significant information adequate to justify
13 publication?: Yes, however there are certain areas that needs improvement as highlighted in the
14 review
15

16
17 Thanks for your constructive suggestions. We have attempted to respond to every comment you
18 provided and address your suggestions in the revised manuscript. All the revisions have been
19 highlighted in red.
20
21

22 2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the
23 relevant literature in the field and cite an appropriate range of literature sources? Is any significant
24 work ignored?: Yes however it can be improved with some more recent references and discussion
25

26 We have added more recent/new references with discussions in the manuscript. Please see newly
27 added references in the introduction section (e.g., lines 4-11, 30-33) and the new section on page 4-
28 5.
29

30 3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts, or other
31 ideas? Has the research or equivalent intellectual work on which the paper is based been well
32 designed? Are the methods employed appropriate?: Theory has not been clearly augmented.
33

34 We have now added a new section "theoretical background and conceptual framework" which
35 provides theoretical supporting for the study. We believe the newly added section provides a good
36 support for positioning the paper in the literature. Please see the new section on page 4-5.
37
38

39 4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately
40 tie together the other elements of the paper?: Bit more statistical analysis needed to differentiate
41 trends
42
43

44 We have attempted to add some more statistical analysis between the AU and NZ market to show 1)
45 the trends of different approaches to launch products over time in the two markets; 2) the trends of
46 different approaches to launch products over time across different credence attributes in the two
47 markets. We think adding the extra analyses will help better present the trends of product launch
48 over time for the two markets. First we have added a new figure to show the difference in product
49 launch between the two markets (see figure 3 and some interpretations in lines 153-158, also figure
50 1 and 2 in the appendix, and interpretations in lines 193-195) and a new table (using t-test) to
51 compare the two markets (see table 2, lines 205-213).
52
53

54 5. Implications for research, practice and/or society: Does the paper identify clearly any implications
55 for research, practice and/or society? Does the paper bridge the gap between theory and practice?
56 How can the research be used in practice (economic and commercial impact), in teaching, to
57 influence public policy, in research (contributing to the body of knowledge)? What is the impact
58 upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent
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3 with the findings and conclusions of the paper?: With more robust discussion on results and
4 improvements in statistical analysis to show clear trends can highlight the implications in a better
5 way.
6

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8 Based on the newly added section “theoretical background and conceptual analysis”, we have added
9 more discussion about the findings and implications based on the new section. We believe now the
10 discussion and implications of the results and findings have been improved and presented in a better
11 way. Please see the highlighted parts in the results and discussion and conclusion sections.
12

13
14 6. Quality of Communication: Does the paper clearly express its case, measured against the technical
15 language of the field and the expected knowledge of the journal's readership? Has attention been
16 paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms,
17 etc.: Technical language needs to be improved. please see the comments in the attached review
18

19 We agree with the reviewer that the technical language needs to be improved to make the
20 expressions clearer. We have followed the suggestions (and the detailed comments on the
21 manuscript) by the reviewer to revise and improve the clarity of the wordings used in the
22 manuscript. We believe the technical languages have been improved. Please see the highlights in red
23 throughout the text.
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3 2. Reviewer: 2
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5 Recommendation: Major Revision
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8 Comments:

9 The topic of the paper is interesting, but I suggest to enlarge the review of the literature. In my
10 opinion the topic of the paper falls in the wider question related to "information and new products".
11 I have not seen any reference about these aspects.

12 This makes the goals of the paper and the gap that it aims to fill not sufficiently clear or even
13 innovative. For the same reason, I suggest to revise the implications and discussion of the results
14 also considering these aspects.

15 Finally, I suggest in the Conclusion to talk about the limitations of the study and potential future
16 research for the near future.
17

18
19 Thanks for your constructive suggestions. We have attempted to address your comments and
20 suggestions and all the revisions (in text) have been highlighted in red. Specifically:
21

- 22 • We agree that the topic falls in the question of informing consumers with credence attribute
23 labelling in new products, which may help provide a theoretical grounding for the empirical
24 analysis. To address this issue, we have added a new section "theoretical background and
25 conceptual framework" to provide more references and discussion about this question and
26 how it supports the topic of this study. Please see p4-5.
- 27 • Hence, following the above changes, the implications and discussion have also been revised
28 (see the last section) in response to the newly added section & refs (in introduction). Also,
29 we have added limitations of the study in the end of the paper. Please see the last paragraph
30 of the conclusion section.
- 31 • In addition, we have attempted to respond to every comment you provided below and
32 address your suggestions in the revised manuscript.
33
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37 Additional Questions:

38 1. Originality: Does the paper contain new and significant information adequate to justify
39 publication?: Yes.

40 Thank you!
41

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43 2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the
44 relevant literature in the field and cite an appropriate range of literature sources? Is any significant
45 work ignored?: Not enough. In my opinion the literature review conducted by the Authors is not
46 sufficient to justify the motivations of the survey. The question about information and new-products
47 was largely debated in the literature. Please, justify in a better way the real gap that this manuscripts
48 aims to fill.
49

50
51 Thanks very much for suggesting adding the literature on information and new product
52 development. We have added a new section and more relevant studies suggested by the reviewer.
53 We think, given the new contents added, the research gap has been much clearer addressed now –
54 we have added the contributions early in the introduction section see lines 64-73.
55

56 3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts, or other
57 ideas? Has the research or equivalent intellectual work on which the paper is based been well
58 designed? Are the methods employed appropriate?: Yes, the methodology adopted by the Authors
59
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3 is adequate to the goals of the survey.

4 Thank you!

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7 4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately
8 tie together the other elements of the paper?: Yes.

9 Thank you!

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11 5. Implications for research, practice and/or society: Does the paper identify clearly any implications
12 for research, practice and/or society? Does the paper bridge the gap between theory and practice?
13 How can the research be used in practice (economic and commercial impact), in teaching, to
14 influence public policy, in research (contributing to the body of knowledge)? What is the impact
15 upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent
16 with the findings and conclusions of the paper?: It is non sufficient clear what is the gap filled by the
17 survey. Therefore I have some doubts about the implications of the survey for policy makers,
18 operetors etc.

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21 We have now revised the implications and discussion part. We believe it is important to discuss
22 about the implications to the public and society, though we do not have direct evidence (based on
23 the results and finding) to support the impact to a wider community/society (we think regulation on
24 credence attribute claims may be one of the benefits to consumers and the society, see lines 430-
25 439). However, we think there are rooms for us to add some more discussion about the implications
26 from the firm side, which is the main contribution of utilising and analysing the survey – firms'
27 responses to the market demand on credence attributes are a means of addressing 1) the public
28 concerns about, for example, food production using intensive natural resources, and 2) help develop
29 food product toward a more sustainable direction. Please see our revisions in the last section
30 conclusion.

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33 6. Quality of Communication: Does the paper clearly express its case, measured against the technical
34 language of the field and the expected knowledge of the journal's readership? Has attention been
35 paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms,
36 etc.: I am not an English native speaker. In my opinion the language is clear but I suggest to ask for
37 this aspect to a native English speaker.

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39
40 Thanks for the suggestion. We first follow the suggestions of another reviewer regarding technical
41 language revision to revise the language (quite detailed comments), mainly clarifying the logic,
42 expression, and consistency of wordings and structure. In addition, two of the authors for this
43 manuscript are native English speakers. They have had a thorough check through the manuscript
44 after all the revisions are done (all revisions are made in red colour throughout the manuscript). We
45 believe, from the language perspective, the manuscript has been significantly improved.

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3 3. Reviewer: 3
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5 Recommendation: Major Revision
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8 Comments:

9 There is no justification in the manuscript for why Australia and New Zealand were chosen as the
10 two markets to examine and how they are similar or different for the purposes of studying
11 'international markets'. The database of product launch information which is used in this study is
12 getting a bit outdated (1996 to 2017). It is more of a historical study that looking at current market
13 trends and this needs to be stated in the positioning of the study. The contribution of the study
14 needs to be stated upfront in the manuscript.
15

16 The research needs clearer and more specific positioning in the literature to show how it is making a
17 contribution above and beyond existing studies. This is shown in the conclusion section which states
18 that 'results of the study contribute to the fast-growing body of literature on understanding
19 credence attribute claims from the firm side in several ways'. Some supporting references here would
20 show clearly where the contribution is being made and where the research is being positioned. The
21 study outlines its methodology and data sources are also given. It appears to follow the terminology
22 of the Mintel Database and refers to product range extension, rather than product line extension.
23 This is not technically correct terminology so some explanation for the rationale of this decision
24 needs to be given. There is some inference about the implications of the results which is not well
25 founded by the results. For example, the discussion on the top of 9 suggests that the firms studied
26 invest in credence claims that are valued by consumers/the market, but this is not directly tested by
27 the research. There is also a long discussion on page 9 about the differences between the NZ and
28 Chinese market, but it is not examined in this research paper, so it is not directly relevant.
29 Supporting references are also needed where reference is made to claims that are valued by
30 consumers in these markets, as this was not directly addressed in the research.
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32
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34 The implications are almost non-existent and need to be carefully considered and introduced into
35 the manuscript. The manuscript does not engage with the status of different claims or the regulation
36 of these claims in the Australian and New Zealand markets and this needs to be researched and
37 integrated into the manuscript as appropriate for the time period that is being considered. It might
38 be the case that claims were made during that period that were not sufficiently regulated by the
39 government and this would be an important observation. At present, the claims made are too
40 general in nature.
41
42

43 The manuscript reads well, but the quality of the expression could be improved. Some of the phrases
44 can be revised. One example is the use of the phrase 'product range extension' which should be
45 'product line extension' or expansion of product range. Also, for example, the first sentence of the
46 last paragraph on page 6 needs to be rephrased to read more clearly. Positioning rather than
47 position claims would be preferred terminology in the manuscript. But, in this instance it appears
48 that it refers to credence claims, rather than positioning. The logic of the last sentence on the top of
49 page 7 regarding the unit price of an item does not follow from the preceding statement.
50
51

52 **Thanks for your constructive suggestions. We have attempted to respond to every comment you**
53 **provided and address your suggestions in the revised manuscript. All the revisions have been**
54 **highlighted in red. In order not to be repeated - it seems the reviewer provide the comments in the**
55 **above as well as under each of the additional questions below, and hence we have provided our**
56 **responses to the reviewer's comments following each of the questions as follows:**
57
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Additional Questions:

1. Originality: Does the paper contain new and significant information adequate to justify publication?: There is no justification in the manuscript for why Australia and New Zealand were chosen as the two markets to examine and how they are similar or different for the purposes of studying 'international markets'.

Thanks for pointing it out and we were not meant to use the analysis of AU and NZ markets to represent the study of "international markets". Here lines 39-41 "This is especially important for firms targeting the international market as they need to consider the specific characteristics of the targeted markets and respond with product launch and marketing strategies." We were meant to highlight the importance of knowing the different markets (and demand) when choosing positioning and launching strategies. But we think this can be further clarified.

Hence, we have made revisions on the statement of the research purpose and briefly stated that the AU and NZ comparison is chosen as an example to empirically show the relationship between credence attributes claims and product launching approaches (see lines 55-59).

The database of product launch information which is used in this study is getting a bit outdated (1996 to 2017). It is more of a historical study that looking at current market trends and this needs to be stated in the positioning of the study. The contribution of the study needs to be stated early in the manuscript.

We agree that it is not the most updated information about product launch, but the data is the most recent dataset that are available to be used in the empirical analysis. We have now clearly stated that results and findings are based on the data between 1996 and 2017 (line 60-61)- We have also indicated it as a limitation of the study in the conclusion section (last paragraph).

We have also highlighted the contributions early in the introduction section, see lines 65-74.

2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: The research needs clearer and more specific positioning in the literature to show how it is making a contribution above and beyond existing studies. This is shown in the conclusion section which states that 'results of the study contribute to the fast-growing body of literature on understanding credence attribute claims from the firm side in several ways'. Some supporting references here would show clearly where the contribution is being made and where the research is being positioned.

We have added some more literature, in particular theoretical supports for the empirical analysis of the study in the new section "theoretical background and conceptual framework", see p4-5. This will help a clearer positioning of the study in the literature. We believe adding the relevant literature and discussions help highlight the contributions of the study, see lines 65-74 and 405-411.

3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts, or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: The study outlines its methodology and data sources are also given. It appears to follow the terminology of the Mintel Database and refers to product range extension, rather than product line extension. This is not technically correct terminology so some explanation for the rationale of this decision needs to be given.

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3 Thanks for pointing it out. To make the terminology clear and technically correct, we have changed
4 the term “product range extension” into “expansion of product range” which includes introducing
5 new varieties and new ranges throughout the manuscript (e.g., see line 147-148,223, 240 etc. and
6 updates in all tables).
7

8
9 4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately
10 tie together the other elements of the paper?: There is some inference about the implications of the
11 results which is not well founded by the results. For example, the discussion on the top of 9 suggests
12 that the firms studied invest in credence claims that are valued by consumers/the market, but this is
13 not directly tested by the research. There is also a long discussion on page 9 about the differences
14 between the NZ and Chinese market, but it is not examined in this research paper, so it is not
15 directly relevant. Supporting references are also needed where reference is made to claims that are
16 valued by consumers in these markets, as this was not directly addressed in the research.
17

- 18
19 1. We agree that the statement “firm investment in credence claims is valued by consumers”
20 has not been directly tested by the research. Instead, we tested the relationship between
21 product launch and product positioning via credence attribute claims – the relationship is
22 inferred to / seen as a way of responding to market demand/ satisfying consumer demand
23 for credence attributes (please see the conceptual analysis framework). We have now made
24 the point clear that although it is not directly tested, the results may provide some indirect
25 evidence for us to infer to the market drive (see the new section).
26
- 27
28 2. The reasons of having discussions about the differences between the NZ and China market is
29 mainly because 1) the paper on the Chinese market is the only paper that tends to relate
30 product launch strategies to product positioning via credence attribute claims. We think it is
31 important we discuss about the consistency of the results here in the study with the other
32 studies. For example, there are differences between the findings of this study and the study
33 on China. 2) it aligns to the results of the paper on the Chinese market that firms choose the
34 most preferred claims to be associated with the most expensive launching approach. Hence,
35 as one of the implications, we believe it is necessary to discuss about the differences to
36 show that firms may consider the characteristics of different markets when considering
37 product launch strategies and positioning.
38
39

40
41 5. Implications for research, practice and/or society: Does the paper identify clearly any implications
42 for research, practice and/or society? Does the paper bridge the gap between theory and practice?
43 How can the research be used in practice (economic and commercial impact), in teaching, to
44 influence public policy, in research (contributing to the body of knowledge)? What is the impact
45 upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent
46 with the findings and conclusions of the paper?: The implications are almost non-existent and need
47 to be carefully considered and introduced into the manuscript. The manuscript does not engage with
48 the status of different claims or the regulation of these claims in the Australian and New Zealand
49 markets and this needs to be researched and integrated into the manuscript as appropriate for the
50 time period that is being considered. It might be the case that claims were made during that period
51 that were not sufficiently regulated by the government and this would be an important observation.
52 At present, the claims made are too general in nature.
53

54
55 We have added some more implications (including managerial implications and policy implications)
56 in the conclusion section (see lines 416-440).
57

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59 We think we have provided discussions about the status of different claims and regulations of the
60 claims in the AU and NZ markets in the results and discussion section (lines 340-352). However, we

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3 have added more discussions about the suggested aspects regarding, for example the claims made
4 are too general in nature in the AU and NZ markets. (See lines 433-437).
5

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7 6. Quality of Communication: Does the paper clearly express its case, measured against the technical
8 language of the field and the expected knowledge of the journal's readership? Has attention been
9 paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms,
10 etc.: The manuscript reads well, but the quality of the expression could be improved. Some of the
11 phrases can be revised. One example is the use of the phrase 'product range extension' which should
12 be 'product line extension' or expansion of product range. Also, for example, the first sentence of
13 the last paragraph on page 6 needs to be rephrased to read more clearly. Positioning rather than
14 position claims would be preferred terminology in the manuscript. But, in this instance it appears
15 that it refers to credence claims, rather than positioning. The logic of the last sentence on the top of
16 page 7 regarding the unit price of an item does not follow from the preceding statement.
17

18
19 Thanks for the suggestion regarding improving the technical expressions of terminologies:
20 We agree that it is more appropriate to use "expansion of product range" rather than "new
21 extension" (which is vague), and hence we have changed the expressions consistently throughout
22 the paper;
23

24
25 As for the wording of position claims, YES, it means positioning through/via credence claims. To
26 improve the accuracy, we have changed it to "positioning" and "product positioning via claims"
27 throughout the paper;
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29
30 As for "the logic of the last sentence on the top of page 7 regarding the unit price of an item does
31 not follow from the preceding statement", the statement/expression "if a food company were to
32 increase the unit price of a food product, the firm would be expected to choose to introduce a
33 brand-new product to the market." is the standard way of interpreting RRRs given a continuous
34 variable, in our case unit price (and it is associated with a positive RRR).
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