

Food Industry Watch



Marketing Food to Children

2010

Do Producers & Marketers Encourage Poor Eating Habits?

Watch List

- Food and beverage producers and fast-food restaurateurs will be under increasing pressure to modify their products and change the way they market to children in an effort to help curb childhood obesity.
- The food, beverage, restaurant and advertising industries' attempts to self-regulate will continue to be criticized as inadequate. Calls for regulatory action are expected to increase.
- The US Federal Trade Commission (FTC), working with the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA) and the US Department of Agriculture (USDA), will deliver a report to Congress in 2010, outlining a proposed set of standards for marketing food to consumers under the age of 17.
- Opinions are divided on the matter of strengthening regulations for food-related advertising to children. A 2003 report to the World Health Organization (WHO) by the International Association of Consumer Food Organizations (IACFO) called for global regulation, while another major report presented to Congress by the Institute of Medicine (IOM) in 2005 advocated additional self-regulation.
- Food and beverage producers and marketers responded to the IOM report in 2006 by creating the Children's Food and Beverage Advertising Initiative (CFBAI), a set of voluntary steps many companies have agreed to take to promote healthier lifestyles.
- The advertising industry also tightened its Children's Advertising Review Unit (CARU) guidelines in 2006 and 2009. Updates include showing smaller portion sizes, portraying snack foods as snacks and not meal replacements, encouraging healthy lifestyle choices and more clearly differentiating between advertising and editorial content.

Key Takeaways

- Food and beverages are the most heavily advertised products targeted to children. The vast majority of ads children are exposed to promote candy, soft drinks, snack foods and cereal.
- Critics contend that repeated exposure to food and beverage marketing is contributing to a childhood obesity epidemic in the United States and around the world.
- Others argue that childhood obesity is a complex problem caused by many factors including lack of physical activity, genetics and changes in the nuclear family. They also assert that there is no direct evidence supporting a cause-and-effect relationship between food marketing and obesity.
- National governments in Europe have taken the lead in regulating food advertising to children. Some members of the US Congress are also pressing for additional regulation and have asked the FTC to report on the issue by the middle of 2010.

Related Reports

- Advertising Healthy Food & Eating
- Food Laws & Regulations
- Food Merchandising
- Trends in Food Branding



Executive Summary

Childhood obesity is on the rise in the United States and many other industrialized countries. As children get heavier, they often encounter a variety of physical and emotional problems. They are also apt to carry extra weight into adulthood where they will face higher risks for depression, diabetes, cardiovascular disease and other serious health concerns. While many factors contribute to the increase in childhood obesity, food and beverage marketing campaigns are considered a key part of the problem.

Most food ads directed at younger audiences promote high-calorie, low-nutrition products. These products are featured in fully integrated campaigns that incorporate TV ads, celebrity endorsements, movie tie-ins, web-based games, in-store promotions and other effective tactics. Repeated exposure to these messages over time influences young viewers to prefer foods that are high in fat, salt, sugar and calories.

Critics say that food marketing exploits children and must be severely restricted or banned altogether. Others contend that producers and marketers are being unfairly blamed for a large, complex problem. While the two sides disagree on many issues, all acknowledge the need to reverse the childhood obesity trend. The food, beverage and advertising industries in the United States insist that they can self-regulate and have taken steps to strengthen voluntary codes of conduct. To date, the FTC, which regulates advertising in the US, has supported the industries' plans for self-policing. But outside

the US, governments, particularly in Europe, have enacted a variety of laws and regulations aimed at curbing marketing to children. Nevertheless, childhood obesity remains a problem in most industrialized nations—even in places like Quebec which banned most ads directed at children under 13 more than 20 years ago.

There is no easy way to prevent childhood obesity, but producers and marketers will be under increasing pressure to work with parents, researchers, educators and public policy makers to find effective solutions.



Background

According to a 2008 report issued by the Federal Trade Commission (FTC), the top 44 food and beverage producers in the United States spend about \$1.6 billion per year to promote their products to children and adolescents (Lee, Quilliam & Cole, 2009). The majority of these products are high in calories, fat, sugar and sodium. Critics believe that a proliferation of food-related marketing campaigns directed at children has contributed to a rise in childhood obesity. Today at least 17 percent of US children and adolescents aged two to 19 are considered overweight (Lee et al., 2009). Most of them will remain overweight into adulthood and face higher risks of diabetes, hypertension, kidney failure, cardiovascular disease and some cancers, as well as depression and other psychological problems. While there is no empirical evidence to indicate that food-related marketing causes childhood obesity, many believe it is irresponsible for producers and advertisers to stimulate demand for foods with little or no nutritional value, especially to children who may not have the ability to understand the persuasive nature of advertising.

Marketing Tactics

Companies that market food and beverages to children use a variety of proven tactics to build brand loyalty.

- **Integrated campaigns** reinforce common marketing messages across many platforms from television ads and product packaging to web-based games, social media content and in-store promotions.
- **Product packaging** features colors, cartoon characters and celebrity images that capture the attention of children and youth.
- **Kid-oriented shapes, sizes, colors and flavors** for foods such as cereal, pasta, and crackers increase the appeal to a younger consumer.

- **Cross-promotions** with high-profile movies generate brand awareness.
- **Free toys**, prizes and other collectibles encourage repeat purchases.
- **Product placement**, which refers to the practice of showing a product in use in a movie or television program (e.g., main character drinks Coca-Cola® or eats M&Ms®), subtly reinforces direct marketing messages.
- **Online games** and interactive websites increase the amount of time children are exposed to and interact with brands.
- **Locating** products at the child's eye level on supermarket shelves increases awareness and encourages "pester power" (begging for or nagging about the product).
- **Sponsorship** of sporting events, concerts and other activities brings the product into situations that are special to children and youth.
- **School-based initiatives** such as selling the product in the cafeteria or sponsoring a physical education program keep the product in front of children and youth on a daily basis.

Key Criticisms

The fundamental indictment against food and beverage producers and marketers is that they are knowingly leading the next generation of consumers down an unhealthy path, putting them at risk for obesity and other major health problems. Encouraging children to eat and drink products that lack nutritional value and contribute to obesity is as irresponsible, some say, as promoting tobacco or alcohol to young consumers. Specific criticisms include the following:

- **Targeting younger audiences.** Food marketing campaigns are reaching children who do not yet have the capacity to distinguish between



programming (such as cartoons) and television advertising. Although this capacity begins to develop around age four or five, it is not until age 12 or after that children can recognize persuasion and defend themselves against it. That means advertisers can have a decade or more in which to improperly influence future consumers.

- **Normalizing junk food and large portion sizes.** Repeated exposure to ads on TV, the Internet and other advertising venues helps create the impression that a normal diet consists of high-calorie, highly processed foods—loaded with fat, sugar and sodium. Marketing campaigns aimed at “supersizing” the fast-food order also distort the perception of what constitutes a normal-sized portion—for children as well as adults.
- **Portraying junk-food consumers in a favorable light.** The main characters in many food marketing campaigns are young, attractive, smart, funny and athletic, appealing to the target market’s strong desire for popularity. Overweight characters struggling with self-esteem or battling Type 2 diabetes are conspicuously absent from junk-food ads.
- **Bypassing parents and marketing directly to children.** As marketers increase the use of web-based technologies to promote products, commercial messages are being delivered directly to the laptops and smart phones of children and youth, often without their parents’ knowledge.
- **Capturing personal data from interactive sites.** Growth in the use of Internet-based advertising allows producers and marketers to capture personal data about the children and youth who visit their web sites. Often young people provide this information without parental permission and without understanding how the data will be used to influence their attitudes and perceptions.

- **Advocating for voluntary restrictions while using loopholes.** Producers and marketers have protected themselves, critics contend, by incorporating major loopholes into current marketing standards. For example, using a children’s soccer team in a McDonald’s® campaign allows the advertiser to claim it is promoting exercise and physical activity—not just burgers and fries. Likewise, it is acceptable for an advertiser to portray Reduced Fat Oreos® as a “better for you,” despite its lack of nutritional value, because the product does in fact contain fewer calories and less fat than the standard offering.

Counterarguments

Despite the criticism directed at the food, beverage and advertising industries, some believe the case against them is overstated. Proponents contend that blaming producers and marketers is a simplistic answer to a complex problem because many factors contribute to obesity. For example:

- **Less physical activity.** Children and youth are less active today than they were in previous years. Watching television, playing video games and using computers often have more appeal than participating in a sport, riding a bike or playing outdoors. To make matters worse, public schools in many communities have cut or eliminated physical education programs due to budget shortfalls. Safety is a concern in some areas too. Without secure outdoor play environments, opportunities for physical activity are limited. This overall reduction in regular exercise sets children up to experience weight problems.
- **Genetics and family obesity.** Adult obesity is increasing too, and research shows that children raised by overweight parents tend to become overweight themselves, regardless of whether the root cause is genetic or environmental.
- **Changes in the nuclear family.** With more women working outside the home and more sin-



gle-parent households, families have less time to cook healthy meals and are more inclined to eat out or choose processed foods that can be prepared quickly and conveniently. These choices are often higher in calories and lower in nutritional value than fresh foods.

- **Economics.** Fruits, vegetables, whole grains and higher quality sources of protein are often more expensive than convenience foods, and are therefore out of reach for some families experiencing financial challenges.

In addition to pointing out the many factors that contribute to childhood obesity, supporters of food and beverage producers and advertisers offer several other reasons why it is unfair to place all the blame for the obesity epidemic on marketing.

- **No research confirms cause-and-effect.** While many studies show that exposure to food marketing is associated with an increase in childhood obesity, there is no evidence confirming that one causes the other. Some of the limitations of current research include the use of self-reporting (which may or may not be accurate), the lack of longitudinal studies (tracking participants over time), and the lack of data about what happens between the time an ad is viewed and the time a food or beverage is purchased or consumed.
- **No changes in countries that restrict or ban advertising.** Quebec has banned most advertising to children under the age of 13 since the late 1980s. Sweden and Norway have also regulated child-directed advertising aggressively since the 1990s. However, there has been no discernable effect on childhood obesity in any of those locales.
- **Parents are responsible.** Parents buy the food young children eat and help their kids develop healthy eating and exercise habits. They are also responsible for monitoring television, computer and video game usage and educating their chil-

dren about marketing messages. If children are making poor decisions about diet, exercise and screen time, it is the parents' job to change the behavior.

- **Taste matters.** It is not marketing that makes children prefer foods with higher levels of fat, sugar and salt. It is simply a matter of taste. No ad campaign will make turnips more attractive to children, youth or most adults.

Calls for Change

Opinions are divided on the need for additional regulation of food marketing practices. A 2003 report to the World Health Organization (WHO), produced by the International Association of Consumer Food Organizations (IACFO) concluded that children "need greater protection from the marketing of energy-dense, low-nutrient foods." The report stated that voluntary marketing codes were "likely to be inadequate" and "stronger regulation was required." It called for international controls on food marketing and included recommendations such as:

- Restrict or ban advertising of unhealthy foods to children.
- Prohibit in-school marketing of such foods.
- Create incentives for food and beverage producers to develop healthier products.
- Commit public resources to promoting healthy foods, discouraging junk food consumption and improving media literacy.
- Enforce sanctions on producers or advertisers that violate the restrictions (Dalmeny, Hanna & Lobstein, 2003).

Another high-profile report, presented to the US Congress in 2005 by the Institute of Medicine (IOM) of the National Academies, took a less aggressive stance. It concluded that marketing is one of "many intersecting factors" affecting the diets and health of children and youth. Industry players "contribute to an environment that puts (children's) health at risk"



and have “underutilized the potential ... to support healthful diets for children and youth.” The report acknowledged that current public policies and incentives lack “support and authority” and advocated change through “multi-sectoral and integrated efforts.” Specific recommendations for food producers, advertisers, families, governments, researchers and schools were outlined in the document. If voluntary actions did not prove to be effective, however, the IOM report supported the use of government regulation (IOM, 2006).

Industry Response

Food and beverage producers and marketers responded to the IOM report by agreeing to strengthen the voluntary regulations that guide their performance. An existing set of regulations called the Children’s Advertising Review Unit (CARU) guidelines was updated in 2006 and 2009. CARU guidelines address how all products, including food and beverages, are advertised to children under the age of 12. They were developed in 1974 to foster truth and accuracy in national advertising and are administered by the Council of Better Business Bureaus. Recent revisions to the CARU guidelines commit food marketers to:

- Clarify the distinction between commercial messages and editorial content, particularly in online interactive games.
- Present food in a manner that is aligned with the product’s labeled serving size.
- Avoid any disparagement of healthy foods or lifestyles.
- Portray foods in the context of nutritionally balanced meals (CARU, 2009).

A complementary set of guidelines called the Children’s Food and Beverage Advertising Initiative (CFBAI) was launched in 2006 and updated effective January 1, 2010. It is also administered

by the Better Business Bureau. Focused specifically on food and drink promotion, CFBAI participants include most of the top US food and beverage producers. They have pledged to:

- Devote 100 percent of their child-targeted TV, radio, print and Internet advertising to “healthier dietary choices and better-for-you products.”
- Place additional limits on the use of third-party licensed characters, celebrities and movie tie-ins.
- Stop paying for or seeking out product placement opportunities.
- Discontinue advertising branded food and beverage products in elementary schools.
- Feature better-for-you foods and healthy lifestyle messages on websites and in online games (CFBAI, 2010).

Producers and marketers point to these initiatives as proof that self-regulation is sufficient; while critics say the guidelines are weak, fragmented and full of loopholes.

Regulatory Environment

The Federal Trade Commission (FTC) is responsible for regulating all advertising in the United States—including food-related campaigns directed to children. Basic FTC standards say that ads must be truthful and non-deceptive; advertisers must have evidence to back their claims; and advertisements cannot be unfair. Additional laws apply to certain products, and each state has regulations that govern ads running within its borders. In 2009, the FTC began evaluating how food is marketed to children under the age of 17, working in partnership with the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA) and the US Department of Agriculture (USDA). The team has released a draft of tentative marketing standards and will present its recommendations to Congress in 2010.



Outside the United States, some countries have enacted stronger food-related advertising regulations. Quebec and the Scandinavian nations have severely restricted or banned the marketing of food and beverages to children. The French government requires food marketers to either add health messages to their ads or pay a 1.5 percent tax on their ad budgets. Ireland outlaws celebrity appearances in food and beverage ads aimed at children, while Denmark, Finland and the Netherlands forbid characters from children's television programs from appearing in ads for unhealthy food. Despite the proliferation of regulations, childhood obesity remains a concern in these countries (Jardine & Wentz, 2005).

Acronyms

CARU: Children's Advertising Review Unit (CARU)
 CFBAI: Children's Food and Beverage Advertising Initiative
 CDC: Centers for Disease Control and Prevention
 FDA: Food and Drug Administration
 FTC: Federal Trade Commission
 IAFCO: International Association of Consumer Food Organizations
 IOM: Institute of Medicine of the National Academies
 USDA: United States Department of Agriculture
 WHO: World Health Organization

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