Self-Regulation of Children’s Food and Beverage Advertising

The U.S. Children’s Food and Beverage Advertising Initiative

EU Platform on Diet, Physical Activity and Health
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Overview

- BBB and U.S. Advertising Industry Self-Regulation
- The Childhood Obesity Challenge
- Self-Regulation’s Response
- Overview
- Monitoring, Compliance and Reporting
- Advantages of Self-Regulatory Approach
The BBB: Who We Are

- Founded in 1912
- 128 local bureaus throughout the U.S. and Canada
- Goal: To advance trust in the marketplace
- Serves both consumers and businesses
  - Millions of consumers served annually
  - 400,000 small & medium size business members
  - Hundreds of multi-national corporate members based in North America
U.S. Advertising Self Regulation

- BBB administers leading U.S. advertising self-regulation programs
  - National Advertising Review Council (NARC)
  - Children’s Advertising Review Unit (CARU)
- Programs hailed as independent, transparent, accountable
- “Real” Industry Self-Regulation
Advertising In the United States

- Engine for competition
- Spur to product development, innovation
- Constitutionally protected source of information for consumers
Childhood Obesity

Marketing
- Product
- Place
- Price
- Promotion

Culture & Values

Economic Factors

Public Policies
- Production
- Distribution
- Promotion

Individual & Developmental Factors
- Family
- Home

School & Peers

Neighborhood & Community

Genetics & Biology

Diet

Physical Activity

Health Outcomes for Children and Youth
U.S. Regulators Encourage Self-Regulation

- U.S. Federal Trade Commission (FTC) and Department of Health and Human Services (HHS) Workshop – Perspective on Marketing, Self-Regulation & Childhood Obesity” (July 2005)


- Institute of Medicine Report – (December 2005)
Concerns

- Most food advertising on children’s programs is for foods that are high in fat, sodium or sugar

- Recommendation: Change mix of products advertised
Industry Response

- Initiate review of CARU Guidelines (Feb. 2006)
- Revisions to CARU guidelines (Nov. 2006)
- Creation of new Children’s Food & Beverage Advertising Initiative (Nov. 2006)
Children’s Food and Beverage Advertising Initiative

- 10 (Now 12) participants
- Two-thirds of TV advertising expenditures in 2004
Children’s Food and Beverage Advertising Initiative – Core Principles

- At least 50% of ads for better-for-you products or healthy lifestyle messages
- No ads in elementary schools
- No product placement
- Reduce use of licensed characters for foods that do not meet program criteria
- Interactive games must comply
Progress

- BBB announced Pledges from (then) 11 participants at FTC Forum (July 2007)
- Pledges will have significant effect on ads
  - Type of products advertised
  - Number of ads shown by participants
- Pledges’ implementation ongoing
  - Full implementation by end of 2008
Changes in Child-Directed Ads

- Virtually all child-directed advertising will be tied to nutrition standards
- 8 companies: 100% of advertising will be for better-for-you foods
- 3 companies: No advertising of traditional candy & snacks, or beverages
- 1 company: no ads or ≥ 50% for better-for-you product
Companies Pledging No Child-Directed Advertising

- Coca-Cola
- Hershey
- Mars (traditional candy & snacks)
- Cadbury Adams will either
  - No longer advertise Bubblicious gum, or
  - ≥ 50% advertising of product that meets Initiative healthier food criteria
Companies Pledging Use of Nutrition Standards

- 100% commitment to better-for-you food advertising to children under 12
  - Burger King Corp. (new: Sept. 2007)
  - Campbell Soup Company
  - General Mills
  - Kellogg Company
  - Kraft Foods
  - Mars
  - McDonald’s USA
  - PepsiCo
  - Unilever
Basis for Better-For-You Products

- Company developed criteria must be consistent with government and scientific standards and recommendations
  - U.S. Food and Drug Administration standards for “healthy,” “low,” “reduced”
  - U.S. Government Dietary Guidelines
    - Overall limits on fats, sodium, sugar
    - Foods recommended for increased intake
    - Nutrient shortfalls for children
Nutrition Criteria Examples

- **General Mills**
  - 175 calories per serving, and either
  - Meets U.S. government definition of “healthy”, or
  - Includes 1/2 serving of foods targeted for increased consumption, and meets sat fat, trans fat & sodium limits
  - All foods must also meet 12 gram per serving sugar guideline (exclusive of sugars from fruit and dairy)

- **Kellogg Co.**
  - ≤ 200 calories per serving
  - ≤ 2g sat fat, 0 Trans fat
  - ≤ 230mg sodium (460 for waffles)
  - ≤ 12g sugars (excluding sugars from fruit and dairy)
Defining Child-Directed Advertising

- Pledge definitions subject to BBB approval
  - Companies use definitions consistent with their historical business practices

- Definitions include multi-factorial analysis and audience share standards
  - Audience share definitions range from 25% to 50%
Focus On Child-Directed Advertising

- Children under 12 historical focus of children’s advertising self-regulation

- Children’s food ad exposure is concentrated on children shows *
  - 50% of children’s food advertising exposure from “children’s” shows (at least 50% children ages 2-11 share)
  - Children’s food ad exposure increases only modestly (13% more) when “family” shows (20%-50% children ages 2-11) are added

- Most child-targeted food ads are in children’s shows**
  - 85% of all food ads coded as targeting children or teens in children’s shows

*FTC Report (June 2007).
Third-Party Compliance Monitoring

- BBB reviews pledges for adherence to core principles
  - Has baseline commitment been met?
  - Are nutrition criteria reasonable?
  - Based on government standards or scientifically established principles?
  - Appropriate definition of “children’s advertising” been established?
  - Does pledge include other required commitments?
Third-Party Compliance

- Monitoring
  - Companies will submit compliance reports
  - BBB will independently monitor

- Reporting publicly on results & compliance

- Conducting program evaluation in 3 years
Benefits of Self-Regulation

- **Flexible** – Accommodates a broad range of food and beverage companies
- **Dynamic** – Criteria will strengthen over time
- **Transparent** – A single Website shows details of all company’s commitments
- **Accountable** – strong incentives for compliance
- **Nimble** – Can be implemented, changed quickly
More Information

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