

Changes in food and drink advertising and promotion to children

A report outlining the changes in the nature and balance of food and drink advertising and promotion to children, from January 2003 to December 2007.

Department of Health, October 2008

Contents	Page
1. Executive summary	3
2. Introduction	6
3. Background to the review	7
<ul style="list-style-type: none"> • Setting new standards for broadcast (TV) media • Ofcom restrictions for broadcast (TV) media • Setting new standards for non-broadcast media • CAP restrictions for non-broadcast media 	
4. Thomson Intermedia research - Data sources, definitions, and methodology	10
<ul style="list-style-type: none"> • Section 1 - Overall food and drink ad-spend • Section 2 - Child themed ad-spend • Section 3 – Child and housewives with children TV viewing figures 	14 18 26
5. Food and Drink Advertising and Promotion Forum – Findings	30
<ul style="list-style-type: none"> • Packaging; • sponsorship; • point of sale; and • digital and new media. 	
6. Conclusions and next steps	33
7. Annexes	35

All analysis included in this report is based on data from the Thomson Intermedia monitoring contract and reports from the Food and Drink Advertising and Promotion Forum’s key areas of interest.

1. Executive summary

Introduction

Choosing Health: making healthy choices easier, published in November 2004 set out Government's commitment to change the nature and balance of food and drink advertising to children. This commitment was reaffirmed in *Healthy Weight, Healthy Lives*, published by the Government in January 2008. *Healthy Weight, Healthy Lives* lays out a commitment to work with industry leaders on a Healthy Food Code of Good Practice that includes seven elements. One of those is to:

'Rebalance marketing, promotion, advertising and point of sale placement so that we reduce the exposure of children to the promotion of foods that are high in fat, salt or sugar, and increase their exposure to healthy options.'

In 2003, the then Secretary of State for Culture, Media and Sport asked Ofcom to consider whether there was a case for additional restrictions on advertising food and drink to children and *Choosing Health* included a commitment for Ofcom to consult on additional restrictions. These restrictions were announced in February 2007 and began to be phased in from April 2007.

In July 2005, DH established the Food and Drink Advertising and Promotion Forum to review, supplement, strengthen and bring together existing voluntary codes for non-broadcast media. The Forum was created to review, supplement, strengthen and bring together existing provisions for advertising in non-broadcast media.

In order to monitor progress and establish clear evidence of activity in this area, the Department of Health (DH) contracted media monitoring agency Thomson Intermedia, to collect and analyse advertising data across a range of different media. This included a retrospective analysis of advertising going back to January 2003, when public concern about food promotion came to the fore.

This report sets out the current restrictions for broadcast and non-broadcast media; the findings of the Thomson Intermedia research on overall food and drink advertising spend across a range of media, child-themed ad-spend and TV viewing figures; and the output of the Food and Drink Advertising and Promotion Forum.

Child-themed ad spend

Annual spend for overall food and drink advertisements across all media increased by 19% between 2003 and 2007. In comparison, annual spend for child-themed food and drink advertisements (adverts using licensed characters, children's media connection, free gifts or novelty food design) across all media decreased by almost half in this same period, falling 41% from £103m in 2003 to £61m in 2007. Annual child-themed ad-spend across all media has fallen every year since 2003, with the sharpest year-on-year decrease in 2007 of 19%.

This decrease in child-themed ad-spend was not consistent across all media. TV is the only media to have seen consistent annual reductions in child-themed ad-spend since 2003, and this decrease has driven the overall drop in child-themed ad-spend. Annual child-themed ad-spend in press was 42% greater in 2007 than in 2003. On TV, annual child-themed ad-spend in all product categories was lower in 2007 compared to 2003 except for dairy which grew 4%. The biggest decreases have been in confectionery, fast food restaurants, non-alcoholic drinks and cereals.

Annual child-themed ad-spend increased year-on-year in 2004 for cinema, radio and internet, in 2005 for press, cinema and internet and in 2006 for press and radio. All media except press experienced a year-on-year decrease in annual child-themed ad-spend in 2007.

The combined annual child-themed ad-spend for radio, cinema and internet increased by 11% from £2.03m to £2.26m from 2003 to 2007, while the annual child-themed ad-spend for press increased 42% from £4.7m to £6.7m in this same period.

Child-themed press ad-spend

In press, the largest increases in annual ad-spend since 2003 have been in dairy, cereals and supermarkets. Though child-themed annual ad-spend in press has increased by 42% since 2003, this is comparatively slower than overall food and drink annual ad-spend in press, which grew 155% in the same period.

Child-themed TV viewing

On average, children saw 32% less overall food and drink advertising and two-thirds less child-themed food and drink advertising in 2007 than in 2003. This equates to 4.7 billion fewer impacts amongst children aged 4-15 years for child-themed food and drink advertisements in 2007 compared to 2003. This decrease was equal amongst younger and older children and fell fastest in 2005 and 2007.

On average, housewives with children also saw 46% less child-themed food and drink advertising in 2007 compared to 2003, which equates to 1.8 billion fewer impacts. Housewives with children were exposed to 2% less overall food and drink advertising over this same period.

Other forms of marketing to children

There has also been some limited progress in food promotion in non-broadcast media not covered by the CAP code. Reports from the Food and Drink Advertising and Promotion Forum show that work has been on going to draw up best-practice principles and voluntary guidelines for other marketing techniques, most notably sponsorship in schools and best practice principles for advertiser-owned websites. Work on in store promotions and packaging has progressed at a slower rate as these marketing techniques need different consideration to more traditional forms of advertising.

Next steps

Moving forward, the Healthy Food Code of Good Practice as set out in *Healthy Weight, Healthy Lives* clearly states that Government's objective is to rebalance marketing, promotion, advertising and point of sale placement so that there is a reduction in the exposure of children to the promotion of food and drink that is high in fat, salt and sugar, and an increase in their exposure to the promotion of healthier options.

This is one of seven commitments set out in the Code, which builds upon the good work that industry has already taken, while challenging them to take further action to promote healthy eating.

Ofcom is to conduct a full review of whether restrictions in broadcast media are working as intended. They started their review in July and expect to report by the end of 2008. The FSA are reviewing the effectiveness of the nutrient profile model at differentiating HFSS foods from non-HFSS foods in the context of Ofcom's restrictions, one year from the date of use, and launched a public consultation on proposed changes to the model in July 2008. Further details of the Ofcom and the FSA reviews are available on their respective websites. The Department of Health is working closely with Ofcom and the FSA as they conduct their reviews.

For non-broadcast media, the Food and Drink Advertising and Promotion Forum was set up to review, strengthen, supplement and bring together existing codes. Whilst progress was made on reviewing and strengthening the CAP Code, not all the Forum's objectives were achieved. The Government will therefore review the mechanisms for stakeholder engagement and actions in this area. We plan to hold a stakeholder event in autumn 2008 to discuss the findings on non-broadcast media and discussion will inform arrangements for future stakeholder engagement and action.

The Department of Health will continue to monitor changes in the nature, balance and trends of food and drink advertising and promotion to children, and will report annually. The data collected for this report establishes a solid baseline for certain media against which to measure future changes in marketing practices.

2. Introduction

In November 2004, the Government's Public Health White Paper, *Choosing Health: making healthy choices easier*, set out its policy on a range of measures related to the advertising and promotion of foods high in fat, salt or sugar to children. These policies applied to both broadcast and non-broadcast media.

In *Choosing Health*, the Government stated that it would monitor the success of these measures in changing the nature and balance of food and drink advertising to children. If they failed to produce significant changes, the Government would take action through existing powers or new legislation, to implement a clearly defined framework for regulating the promotion of food to children.

This commitment was reaffirmed in *Healthy Weight, Healthy Lives*, published by the Government in January 2008. *Healthy Weight, Healthy Lives* lays out a commitment to work with industry leaders on a Healthy Food Code of Good Practice that includes seven elements. One of those is to:

'Rebalance marketing, promotion, advertising and point of sale placement so that we reduce the exposure of children to the promotion of foods that are high in fat, salt or sugar, and increase their exposure to healthy options.'

In order to monitor progress and establish clear evidence of activity in this area, the Department of Health (DH) contracted media monitoring agency Thomson Intermedia (now Billetts), to collect and analyse data across a range of different media.

This included a retrospective analysis of advertising going back to January 2003, when public concern about food promotion came to the fore, and prior to Ofcom and CAP strengthening of the regulations in this area.

In July 2005, DH established the Food and Drink Advertising and Promotion Forum to review, supplement, strengthen and bring together existing voluntary codes for non-broadcast media. Membership of the Forum is drawn from a range of key stakeholder groups including the food and drink industry, the advertising industry, health and consumer groups, academics, regulatory bodies, and Government departments. The Forum met five times since July 2005, and work has mainly focused in four areas – point of sale, sponsorship, new (digital) media and packaging.

This report sets out the current restrictions for broadcast and non-broadcast media; the findings of the Thomson Intermedia research on overall food and drink advertising spend, child-themed ad-spend and viewing figures; and the output of the Food and Drink Advertisement and Promotion Forum.

3. Background to the review

Building an evidence base

In 2003, in response to growing concerns about unhealthy diets and the high number of adverts for foods high in fat, salt or sugar (HFSS) that were targeted at children, the Food Standards Agency (FSA) commissioned a systematic review of the available evidence on the impact of food and drink advertising to children.

Conducted by Professor Gerard Hastings, the review found that children's food promotion was dominated by television advertising, and that the majority of previous research had been focused on television advertising. It concluded that:

“Food promotion can and is having an effect on children, particularly in the areas of food preferences, purchase behaviour and consumption.”

and that

“These effects are significant, independent of other influences and operate at both a brand and category level.”

In 2006, the Institute of Medicine in the US also conducted a systematic review of the available literature about the impact of food and beverage marketing on the diets and health of US children and youth. Its review concluded that, among many factors, food and beverage marketing influences the preferences and purchase requests of children, influences consumption at least in the short term, is a likely contributor to less healthful diets and may contribute to negative diet-related health outcomes and risks among children and youth.

New standards for broadcast (TV) media

The independent communications regulator, Ofcom, is responsible for setting standards for advertising in broadcast media in conjunction with its co-regulator the Broadcasting Committee for Advertising Practice (BCAP).

Following the publication of the Hastings review in 2003, the then Secretary of State for Culture, Media and Sport asked Ofcom to consider whether there was a case for tighter restrictions on TV advertising food and drink to children.

As part of its response to the Secretary of State's request, Ofcom commissioned Professor Sonia Livingstone to undertake research into the impact of TV advertising to children. Her reports, published in 2004 and 2006, focused on the effects that television advertising of HFSS products had on children and found that:

“Television has a modest, direct effect on children's food choices. While indirect effects are likely to be larger, there is insufficient evidence to determine the relative size of the effect of TV advertising on children's food choices by comparison with other relevant factors.”

To assist Ofcom in its deliberations, the FSA was charged with developing a tool to differentiate between HFSS and non-HFSS foods so that Ofcom could target restrictions on the former, should it be appropriate. The FSA developed a nutrient profile model, which assesses foods on the basis of a wide range of nutrients including energy, saturated fat, sugar and salt, as well as fibre, protein (as a proxy for calcium, iron and polyunsaturated fatty acids) and fruit and vegetables, and identifies if they are HFSS or non-HFSS. The FSA delivered the model to Ofcom in December 2005.

Ofcom restrictions for broadcast (TV) media

Following public consultation, Ofcom announced new restrictions on advertising food and drink to children in February 2007, using the FSA's nutrient profile model. These new rules came into effect on 1 April 2007 for children under the age of 10 and were extended to cover children under the age of 16 on 1 January 2008. HFSS advertising on dedicated children's channels is being reduced progressively and will be eliminated altogether from 1 January 2009.

Briefly, the new restrictions state that there should be:

- No advertising of foods high in fat, salt or sugar (HFSS) in children's programmes (including pre-school children);
- No HFSS advertising on dedicated children's channels;
- No HFSS advertising in programmes of particular appeal to children under 16;
- No celebrities or licensed characters to be used in ads for HFSS products aimed at primary aged children;
- No nutritional or health claims in HFSS ads aimed at primary aged children; and
- No promotional offers in HFSS ads aimed at primary aged children.

Ofcom's assessment was that this package of rules would reduce children's exposure to advertising by 41% for 4-15 year olds and 51% for 4-9 year olds.

Ofcom began its review of the impact of the new rules in July 2008 and expects to report by the end of 2008. DH and the Department for Culture Media and Sport (DCMS) are providing support for Ofcom's review, including the provision of relevant data, and working closely with Ofcom to ensure consistency of approach.

New standards for non-broadcast media

Choosing Health stated that the Government wanted to see a consistent approach to advertising restrictions across broadcast and non-broadcast media including:

- print
- cinema
- billboards
- paid for space on the internet

Non-broadcast media is subject to mandatory industry self-regulation through the Committee of Advertising Practice (CAP). CAP covers a diverse range of media, including:

- advertising appearing in new media, including the internet, commercial emails, SMS messaging, advertisements on computer games and CD Roms;
- direct marketing activity, including direct mail, leaflets, brochures, catalogues, circulars, inserts and facsimiles; and
- sales promotions, including on-pack promotions, front page promotions, reader offers, competitions and prize draws.
- Advertising appearing in the press, outdoor media (i.e., posters etc.) or cinema

CAP restrictions for non-broadcast media

Following the Ofcom announcement, CAP announced in April 2007 new rules for the content of adverts in non-broadcast media, which came into effect on 1 July 2007. There are no rules on the volume or placement of adverts in non-broadcast media.

In brief, CAP's new rules state:

- Ads must not encourage excessive consumption of food or drink products
- Ads must not encourage the purchase of food or soft drinks by using licensed characters, celebrities or promotional offers in ads intended for pre-school or primary aged children
- No ad may promote the pestering of parents
- Ads must not promote consumption of a food purely to get a promotional offer
- Advertisers must not give a misleading impression of the nutritional or health benefits of the product.

CAP rules apply to all food and drink adverts aimed at children, with the exception of fruit and vegetable adverts.

4. Thomson Intermedia research - Data sources, definitions and methodology

In order to monitor changes in the nature and balance of food and drink advertising to children, DH contracted a commercial company, Thomson Intermedia, to collect and analyse data on food and drink advertising across a number of different broadcast and non-broadcast media including:

- TV;
- Radio;
- Press;
- Cinema;
- Paid-for space on the internet; and
- Point of sale promotions.

Thomson were tasked to provide data on both the expenditure on and content of advertising and promotions. They collected data for each media in the following manner:-

TV: terrestrial, satellite, cable and digital

Thomson used proprietary computer technology to monitor and capture TV creative from ITV1 (including ITV sales regions), C4 and Five as well as a cross section of cable and satellite channels and genre-led niche channels such as children's entertainment, motoring or property channels.

Information was captured at key viewing times, when new commercials were most likely to break.

Thomson also subscribe to the Broadcasters Audience Research Board (BARB) who provide information on viewing to commercial advertising, commercial spots and impacts* for all spot advertising, sponsorship and programming across all BARB registered and reported UK TV channels. Spend data is aggregated from the estimated cost of each spot.

Radio: National and regional analogue and digital stations

Using similar technology to its TV system, Thomson monitors all national stations and a cross section of key regional stations. They supplement this creative capture with spot transmission information from the radio industry's electronic booking system J-et, which represents 70%+ of all national radio advertising revenues.

Radio advertising expenditure is calculated on a cost per thousand (CPT) basis using RAJAR average fifteen minute audience data, which is released quarterly. RAJAR audience measurement is the industry standard trading and planning currency. Analysis by creative theme is not available for radio spend.

* One impact is one person seeing one advert once

Print: (national and local newspapers, business and consumer publications)

Thomson scans around 12,000 pages per day from over 300 publications, covering all national daily and Sunday newspapers, key regional publications, business titles and consumer magazines.

Spend data is assigned to each insertion based on its nominal rate-card value then adjusted by averaged discount factors for each genre and insertion type e.g. National Daily Quality Newspapers/Main Section/Display/Colour or National Daily Popular Newspapers/Supplement/Display/Black & White etc.

These 'discounts' place press expenditures on the same basis as those for other media, reflecting best estimates of actual revenues or cost to advertisers and enabling an even basis for evaluation and comparison. Thomson Intermedia's classification of titles allows us to view data for youth media separately*.

Cinema

Creative and spend data is provided by the two main cinema advertising companies; Pearl and Dean and Carlton Screen Advertising. Carlton provides Thomson with spend data only, which is linked across to the creative data Pearl and Dean supplies in addition to its revenues.

Cinema expenditure and creatives are based on media owner revenues and detailed by product/campaign, region and month. Creative data is available as a full digital MPEG with a five-frame storyboard and transcript of any voiceover.

Point of sale

Thomson worked with Assossia, a company with over 3,000 UK shoppers skilled at product pick up. Through Assossia, Thomson monitored 60 outlets per month from September 2006 through to August 2007. Of the 60 stores:

- 50% were major retailers (i.e. 9 Tesco's stores all concepts, 9 Sainsbury's stores all concepts, 6 ASDA stores, 3 Waitrose and 2 Somerfield);
- 30% were convenience and confectionary, tobacconist and newsagent;
- 15% fast food outlets; split between McDonalds, Burger King, KFC and Pizza Hut
- 5% petrol forecourts.

Assossia captured data related to the following:

- Actual promotional activity
- Location of point of sale material and displays
- Number of facings
- Digital photographs of each item on promotion recorded
- Full store name and address

* These titles are listed at Annex B

Internet Display advertising

Thomson uses proprietary spiders (web-crawling computer programs) to visit over 360 of the UK's top URLs several hundred times each day. The search covers home and sub-channel pages two levels deep and retrieves creative banners, buttons and logos including Gif's, Flash, Superstitial overlays and Interstitial pop-ups.

Expenditure represents the estimated value of paid-for display advertising served by the UK's highest traffic websites. Value is calculated on the proportional delivery of each host-sites' banner impressions (page views x insertions) on a cost per thousand basis set against insertions as determined by the advertisement size/type and category of host-site.

Definitions

All data in this report is based on quarterly data from January 2003 to December 2007, and is presented annually.

Data in this report relates to children-focused advertising that sits within the food and soft drink categories and sub-categories.

A children-themed advert is defined as an advert that includes one or more of the following creatives:

- A connection to a children's TV programme, film, book or computer game;
- licensed characters;
- a free toy or gift or collectable; or
- novelty product or packaging design that appeals to children.

A creative qualifies for the "**free gift**" attribute only when the gift or free something is deemed to appeal to children e.g. ring tones, music downloads, toys, cinema tickets for a children's film.

A creative qualifies for the "**kids media**" attribute if there is a connection with a children's TV programme, film, book or computer game.

A creative qualifies for the "**licensed character**" attribute if it includes a cartoon or non-animated licensed character shown visually in any way within the commercial.

A creative qualifies for the "**designed for kids**" attribute if the food product or packaging is designed to appeal to children; for example, unusually shaped food like Alphabet Spaghetti or Animal Crackers, or multi-purpose packaging that lends itself to play oriented applications, and/or featuring cartoons or child-like images on the packaging.

The graphs in the following sections show annual ad-spend, unless otherwise stated.

Due to the number of media reported, expenditure shown are nominal values and have not been adjusted for inflation. Individual measures of inflation vary by medium and there is no unified measure of cross media inflation (other than RPI linked).

Whilst the report identifies changes in spend within and across different media, it is not evident whether or to what extent press is being substituted for TV advertising. The cost of advertising on TV is higher than the cost of advertising in non-broadcast media and the way audiences are targeted also differs across media.

Whilst we initially wanted to show trends in the nature and balance of advertising HFSS and non-HFSS products to children, it was not possible to retrieve ingredient information for all food and drink products advertised to children since 2003, so the model could not be applied retrospectively. The data therefore shows trends in advertising to children across food categories.

Section 1 - Overall food and drink advertising

This analysis covers all food and drink advertising, regardless of whether the creative used is designed to appeal to adults or children.

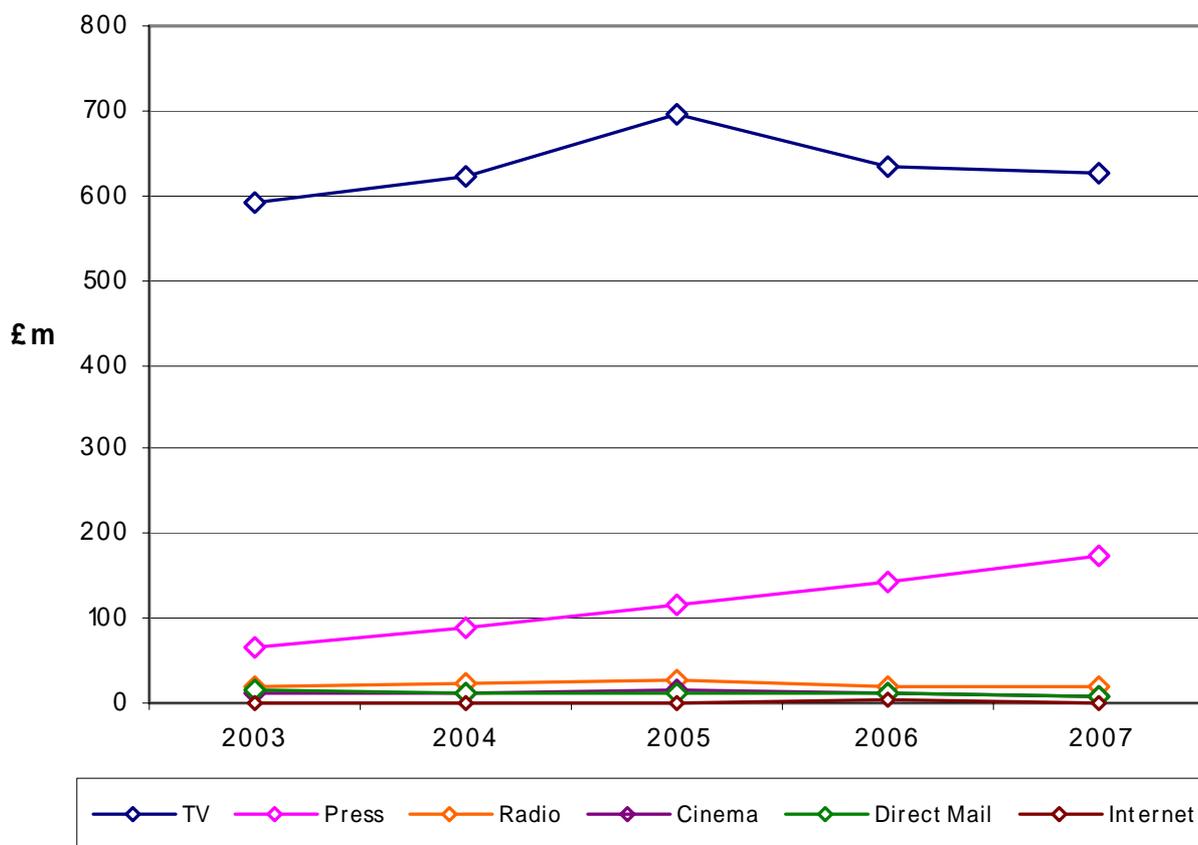
Key Findings

In terms of annual ad-spend, overall food and drink ad-spend across all media has grown 19% between 2003 and 2007, increasing from £704m in 2003 to £838m in 2007.

Press has seen the strongest growth in annual ad-spend, with an increase of 159% or £107m from 2003 to 2007. TV annual ad-spend increased 6% or £34m.

By overall market share*, press has doubled its share of the overall food and drink advertising market from 10% in 2003 to 21% in 2007. TV decreased in market share from 83% to 75% in the same period.

Advertising spend by media, overall food and drink

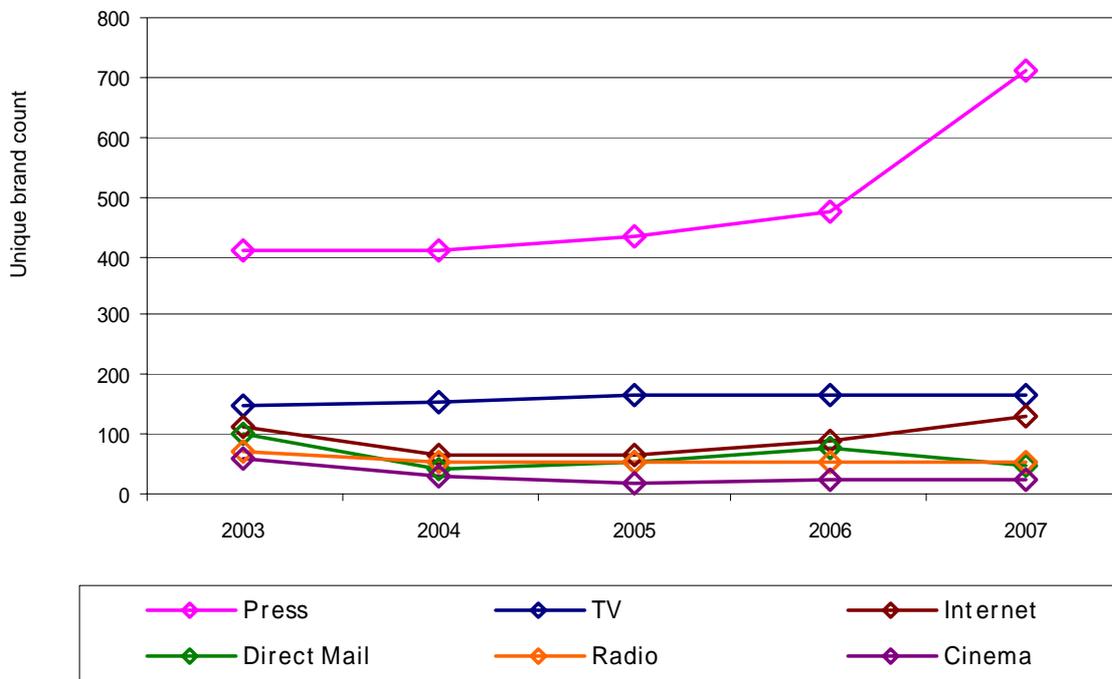


* Market share is the percentage of total ad-spend

Focus on: overall advertiser count

Comparing average quarterly data, TV advertiser count* has remained relatively static since 2004, while press and internet have both attracted new advertisers.

Annual advertisers count by media, overall food and drink

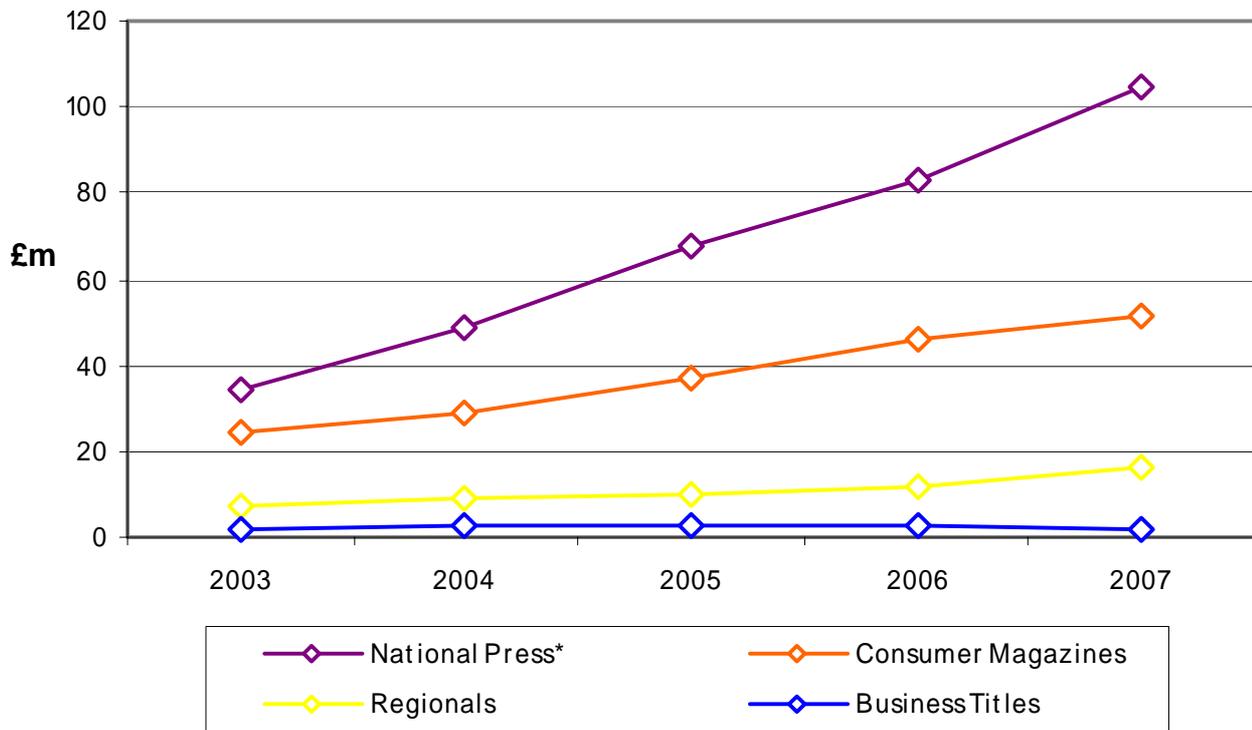


*Annual advertiser count measures the number of unique brands advertised in that media across a year

Focus on: Press market share

In press, national press food and drink annual ad-spend has trebled since 2003, to stand at almost twice that of consumer magazines in 2007. As a result, consumer magazines lost press market share, decreasing from 36% of the overall food and drink advertising market in 2003 to 30% in 2007.

Advertising spend in press, overall food and drink



*National Press is the combined ad-spend for National Daily press and National Sunday press

Conclusions

Overall, food and drink advertising spend has increased by 19% across all media. This growth has been dominated by press, which has grown its food & drink revenues by 159% and doubled its market share of the overall food and drink advertising market since 2003.

In contrast, television has witnessed slower growth of 6% ad-spend and has consequently lost market share to press. Although television remains the most popular advertising medium, the relative and actual increase in the numbers of new food & drink advertisers has been greater for press and internet.

Section 2. Child-themed food and drink advertising

This section covers all food and drink advertising using child-themed creative techniques.*

Key Findings

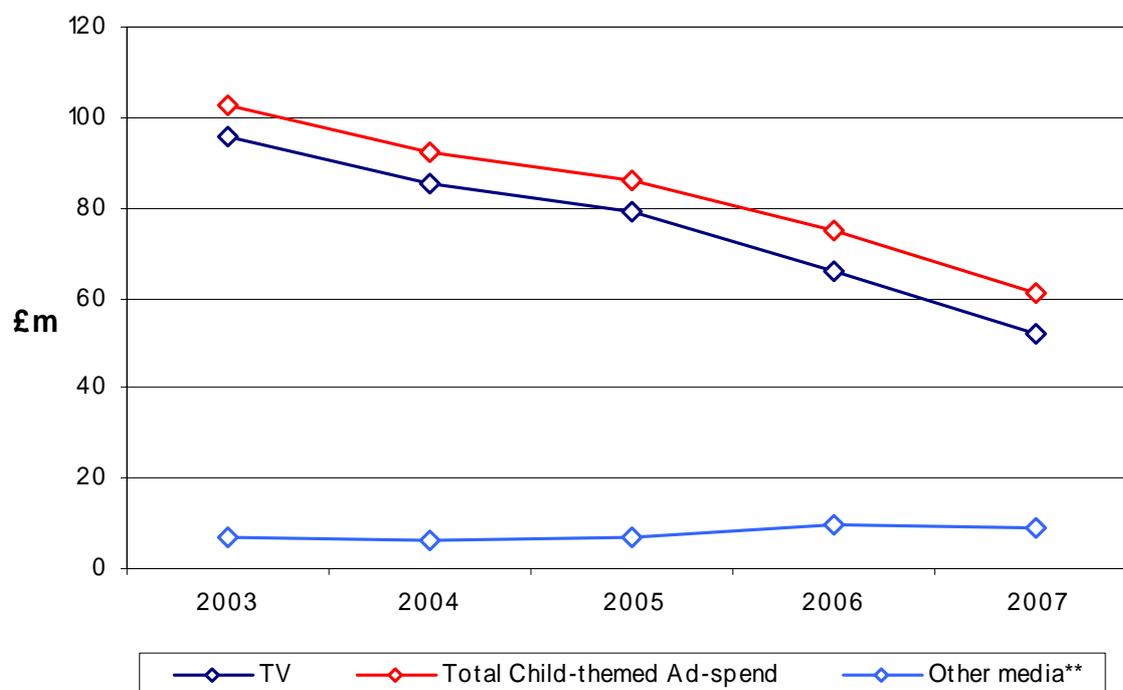
Annual child-themed ad-spend across all media has decreased 41% since 2003, falling from £102.7m in 2003 to £61m in 2007, and has reduced on average every year since 2003. This decrease has accelerated each year since 2004, with the sharpest year-on-year fall occurring in 2007 of 19%.

TV is the only media to have seen consistent annual reductions in child-themed ad-spend since 2003. Annual child-themed ad-spend on TV has decreased 46% since 2003, with the sharpest year-on-year drop of 21% occurring in 2007.

This decrease in ad-spend in TV has driven the overall drop in child-themed ad-spend. Annual child-themed ad-spend in press was greater in 2007 compared to 2003.

By overall market share, press has doubled its share of the child-themed food and drink advertising market from 5% in 2003 to 11% in 2007. In comparison, TV's share of child-themed ad-spend has decreased from 93% to 85% over this same period.

Advertising spend by media, child-themed food and drink



* Child-themed creatives are creatives designed to particularly appeal to children. They are categorised as: designed for kids; free gift; connection to kids media and; licensed characters see pg 10 for further details.

**Other media shows the combined annual ad-spend for press, radio, internet and cinema: see graph overleaf for breakdown of ad-spend in these media

Annual child-themed ad-spend in press increased by 42% between 2003 and 2007, from £4.7m to £6.7m, and was the only media in which child-themed ad-spend increased in 2007 relative to 2006.

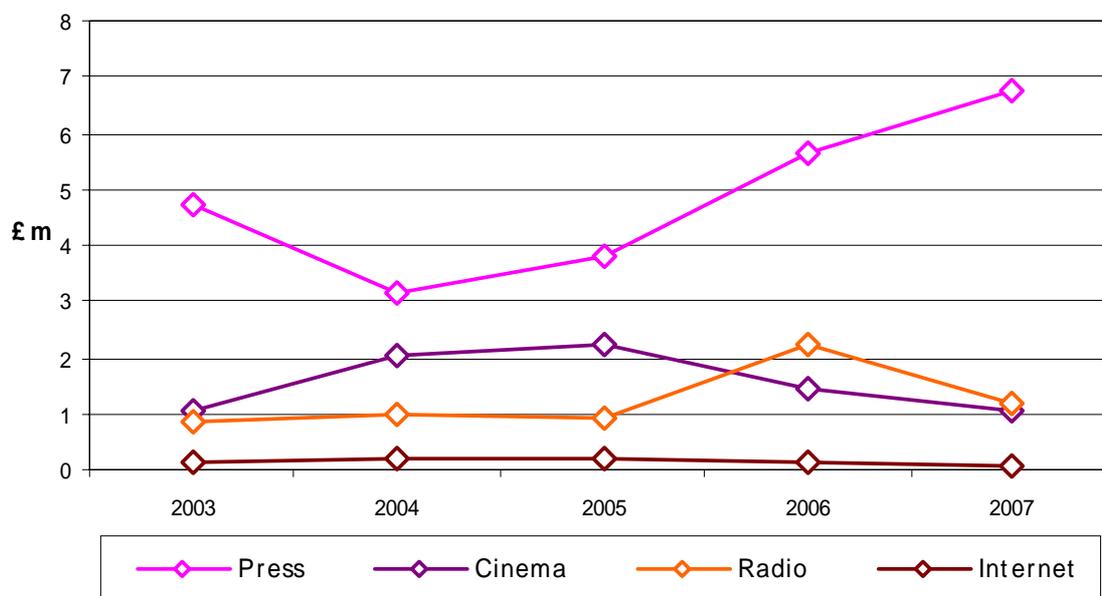
Annual child-themed ad-spend in radio increased between 2003 and 2006 from £0.84m to £2.21m. Annual child-themed ad-spend in this media subsequently decreased in 2007, to £1.15m.

Annual child-themed ad-spend in internet increased between 2003 and 2005 from £0.15m to £0.22m. Annual child-themed ad-spend in this media subsequently decreased in 2006 and 2007, falling to £0.1m and £0.07m respectively.

Annual child-themed ad-spend in cinema increased between 2003 and 2005 from £1.04m to £2.2m. Annual child-themed ad-spend in this media subsequently decreased in 2006 and 2007, falling to £1.5m and £1m respectively.

The combined annual child-themed ad-spend of radio, cinema and internet has increased by 11% from £2.03m to £2.26m from 2003 to 2007. Their combined market share has more than doubled over this same period, from 1.98% of the overall market share in 2003 to 3.71% in 2007.

Focus on advertising spend in press, cinema, radio and internet, child-themed food and drink



Focus on: category* market share in television

Confectionery, cereal, non-alcoholic drinks, fast food and dairy were the top spending categories in TV in 2003, with a combined overall market share of 92% and combined annual ad-spend of £88.1m.

These five categories remained the top spending categories in 2007, increasing their market share marginally from 92% to 93% despite a 45% decrease in combined annual ad-spend to £48.2m.

Annual ad-spend in confectionery has decreased 62% since 2003, with the sharpest year-on-year drop of 52% occurring in 2006.

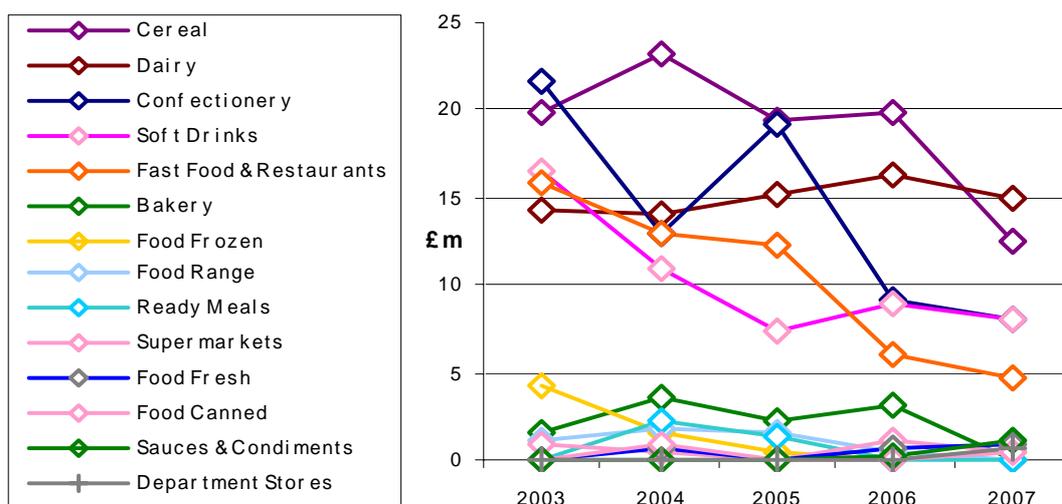
Annual ad-spend in non-alcoholic drinks decreased every year from 2003 till 2005. Category spend increased 23% in 2006 before falling by 10% again in the latest year 2007 to produce an overall long term decrease of 52%.

Annual ad-spend in cereal has decreased 37% since 2003. Spend in this category remained relatively constant between 2003 and 2006, before decreasing sharply in 2007 by 36%.

Annual ad-spend for dairy has increased 4% since 2003. Spend in this category increased 13% between 2003 and 2006, before decreasing by 8% between 2006 and 2007.

Annual ad-spend in fast food has decreased 71% since 2003, with the sharpest year-on-year drops of 54% occurring in 2006 and 24% in 2007.

Television advertising spend by category, child-themed food and drink



* Category refers to type of goods advertised, for example dairy products, cereal products, supermarket food or drink, etc.

•Focus on: Television creatives

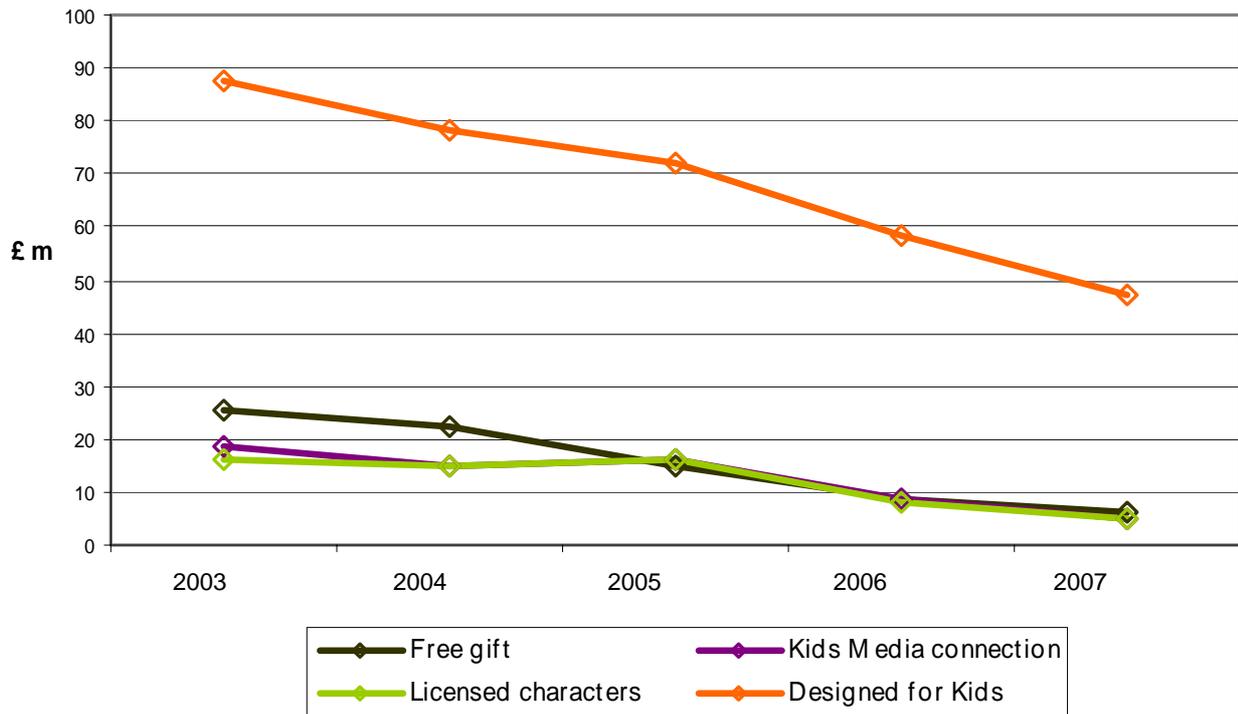
In terms of annual ad-spend, every child-themed form of messaging on TV has declined in 2007 compared to 2003.

While kids design remains the most popular form of messaging, annual ad-spend in this area has decreased 46% since 2003.

In contrast kids gift and kids media connection have each fallen 74% and licensed characters by 70% since 2003.

Kids design still accounts for 91% of total child-themed TV advertising expenditure as it did in 2003, whereas all other forms are less prominent.

Television advertising spend by creative, child-themed food and drink

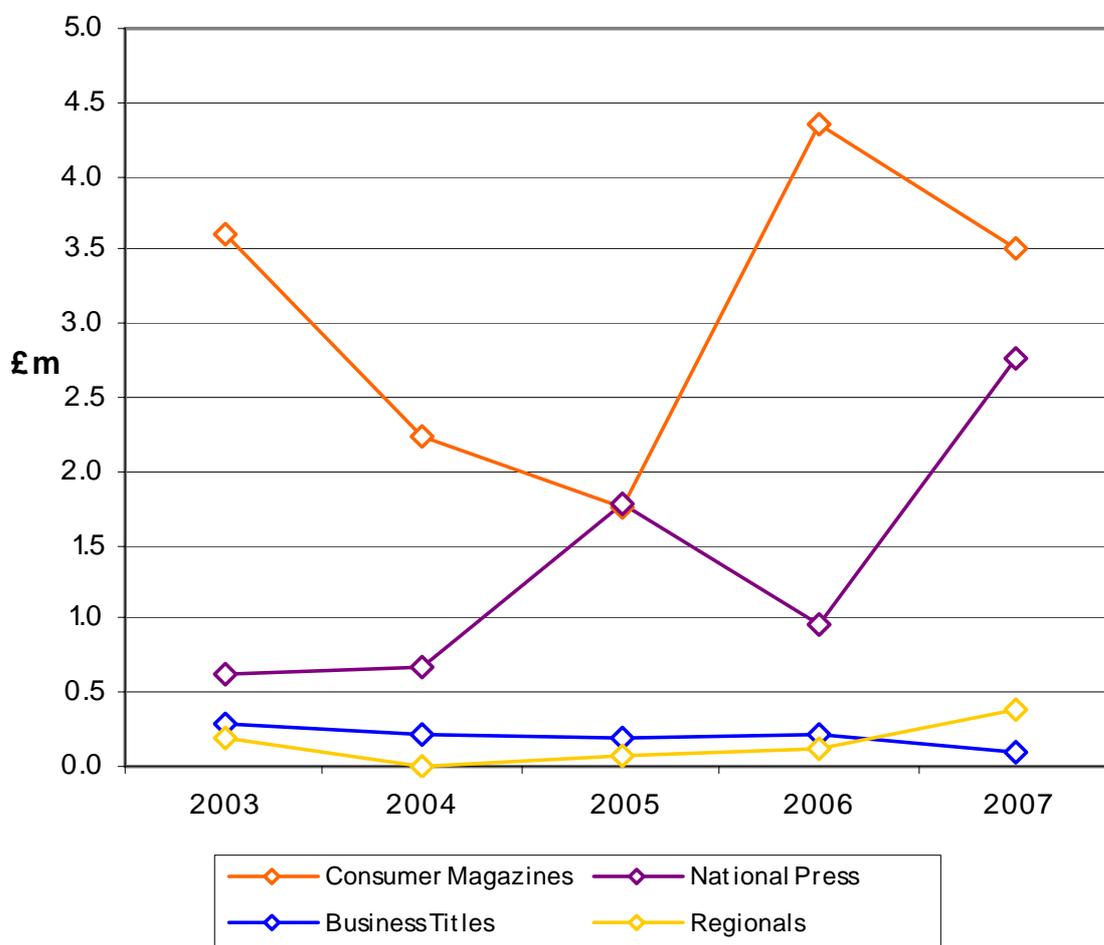


Focus on: Press market share

National press increased its share of child-themed advertising (by spend) from 13% in 2003 to 41% in 2007. This increase seems to be at the expense of consumer magazines, whose market share decreased from 77% in 2003 to 52% in 2007.

This movement is reflected in a lower profile for child-themed advertising in consumer magazines; child-themed advertising made up 7% of total consumer magazine's food and drink spend in 2007, compared to 15% in 2003.

Advertising spend by Press type, child-themed food and drink



Focus on: National daily press category

Annual child-themed ad-spend in national daily press increased by 341% from 2003 to 2007, from £0.624m to £2.754m.

Dairy, soft-drinks, cereal, confectionery and fast-food were the top spending categories in descending order in 2003, with a combined market share of 96% and a combined annual ad-spend of £0.6m.

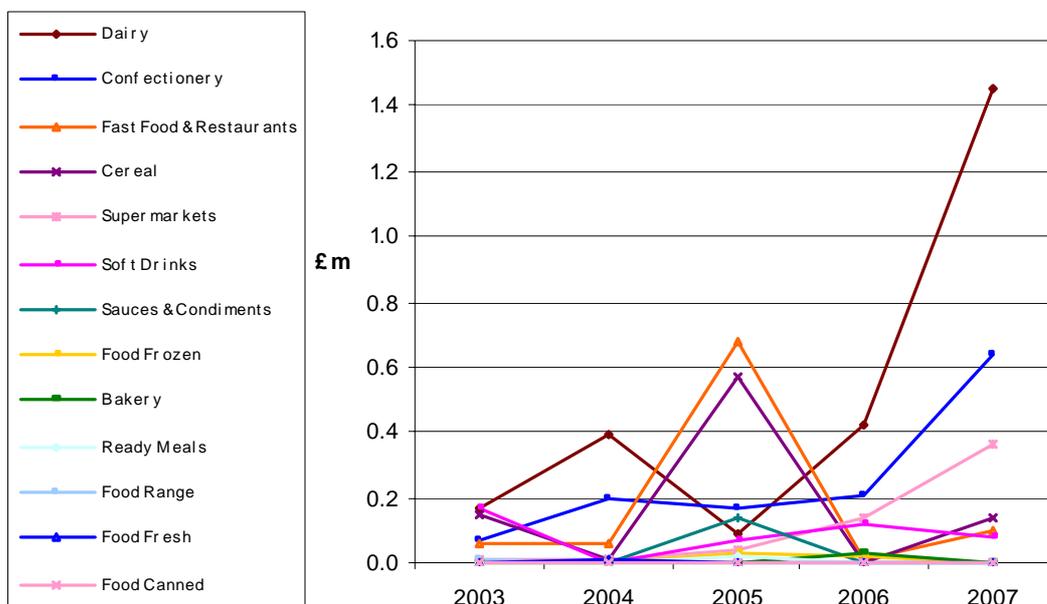
Dairy, confectionery, supermarkets, cereals and fast food were the top spending categories in 2007 with a combined market share of 97% and combined annual ad-spend £2.7m.

Dairy was the fastest growing category, with an increase in annual ad-spend from £0.17m in 2003 to £1.45m in 2007.

Dairy increased annual child-themed national press spend by £1.3m to double its market share from 26% to 53% and extend the gap over second placed confectionery.

Cereals went from position three to four and soft-drinks from five to six as Supermarkets jumped from sixth place in 2003 to 3rd by 2007.

National daily press advertising spend by category, child-themed food and drink



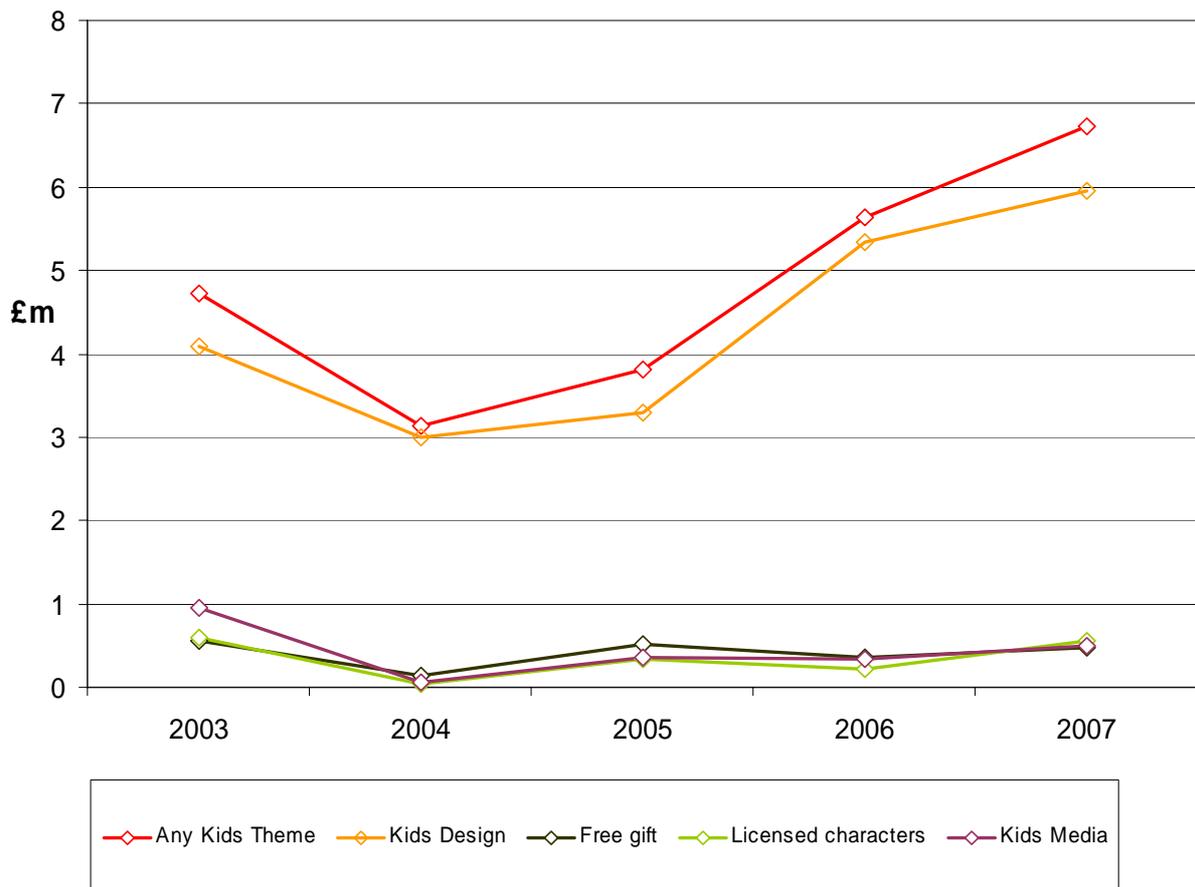
Focus on: Press creatives

In terms of annual ad-spend, all child-themed forms of messaging in press decreased, with the exception of designed for kids which has grown by 42% in terms of ad-spend since 2003.

In terms of annual press ad-spend, kids design has consistently been the most popular form of messaging used in press. Annual ad-spend using this type of messaging increased 46% in 2007 compared to 2003.

Kids media connection press expenditure fell the most, by 48% since 2003.

Press advertising spend by creative, child-themed food and drink



Conclusions

While the overall food and drink advertising market continues to grow, child-themed ad-spend across all media has decreased to almost half of 2003 levels. This long-term decrease has been driven by the decrease in child-themed ad-spend on television, with press the only type of media to see an increase in ad-spend in 2007 compared to 2006.

Accordingly, television has lost market share to press. Though child-themed annual ad-spend in press has increased by 24% since 2003, it has grown comparatively slower than overall food and drink annual ad-spend in press, which grew 155% in the same period, albeit from a fairly low base.

The decrease in television ad-spend and increase in press ad-spend have not been consistent across food categories; the biggest drops in ad-spend on television have been in confectionery, fast-food restaurants and cereals, while in press ad-spend the biggest increases in ad-spend have been in dairy, cereals and supermarkets.

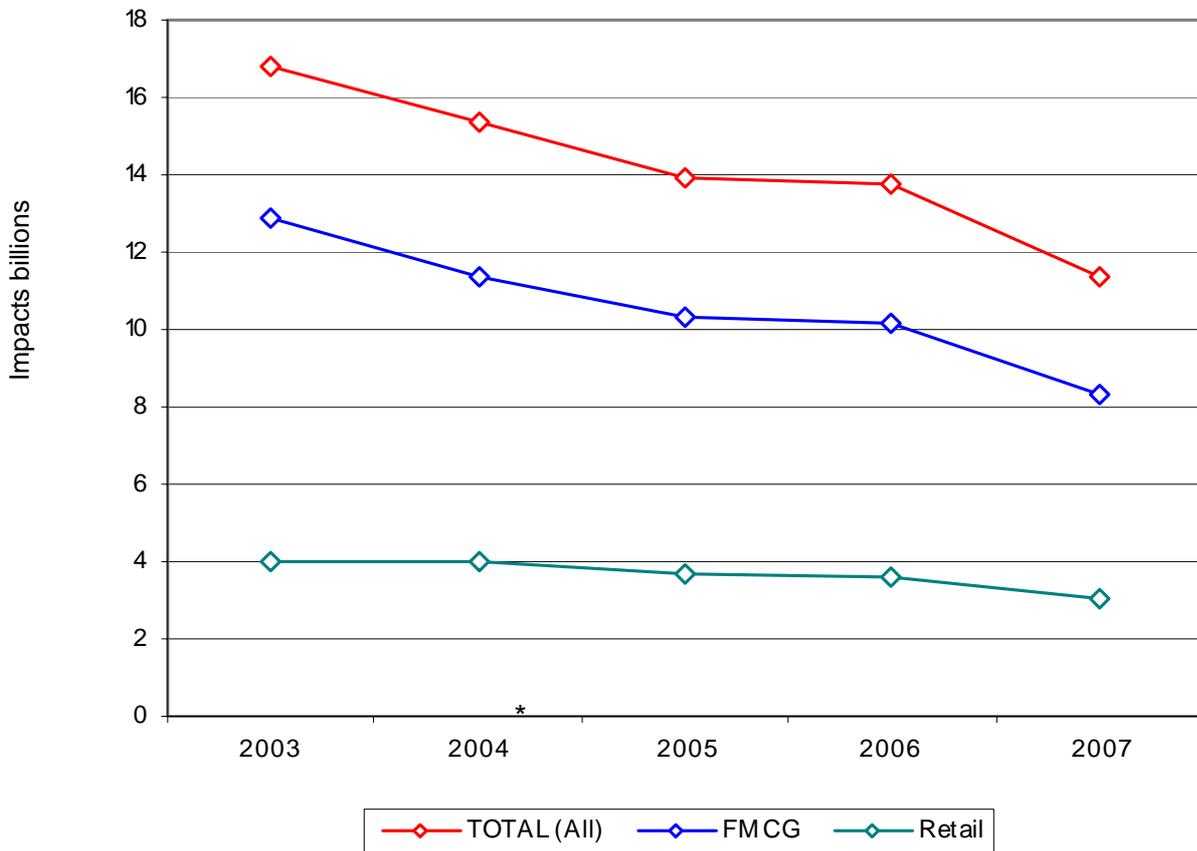
Similar to the trend in overall food and drink advertising, the movement from consumer magazines towards national press suggests that advertisers are less likely to target child-themed advertisements towards female audiences than previously.

Section 3 – Child and parent TV viewing figures

Focus on: Children’s TV viewing for overall food and drink advertising

In terms of annual totals, children (aged 4 – 15 years) saw 32% less overall food and drink TV advertising in 2007 than 2003. The annual number of impacts decreased every year since 2003, with the sharpest year-on-year drop in 2007 of 17%.

Impacts amongst children, overall food and drink



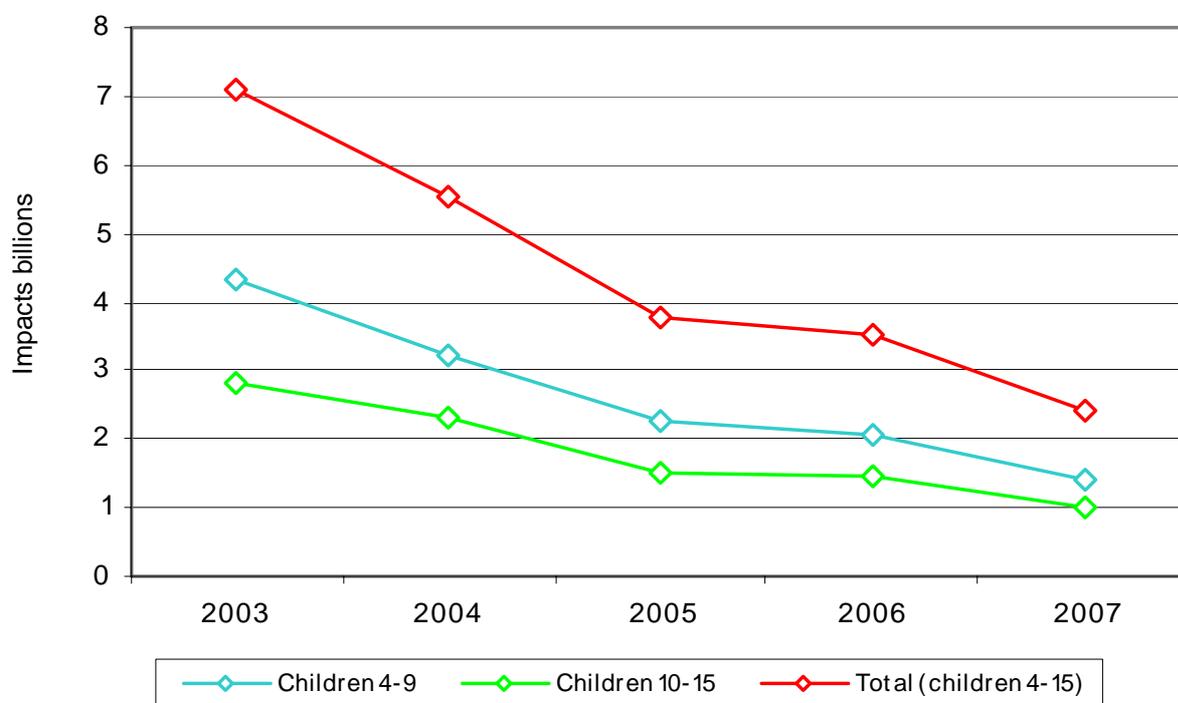
* Fast Moving Consumer Goods

Focus on: Children's TV viewing for child-themed food and drink advertising

Measured in impacts, children are seeing 66% fewer child-themed food and drink adverts in 2007 than 2003.

This decrease is equal among younger and older children. The steepest annual falls came in 2005 and 2007 when children's overall viewing of child-themed food & drink advertising fell 32% year-on-year.

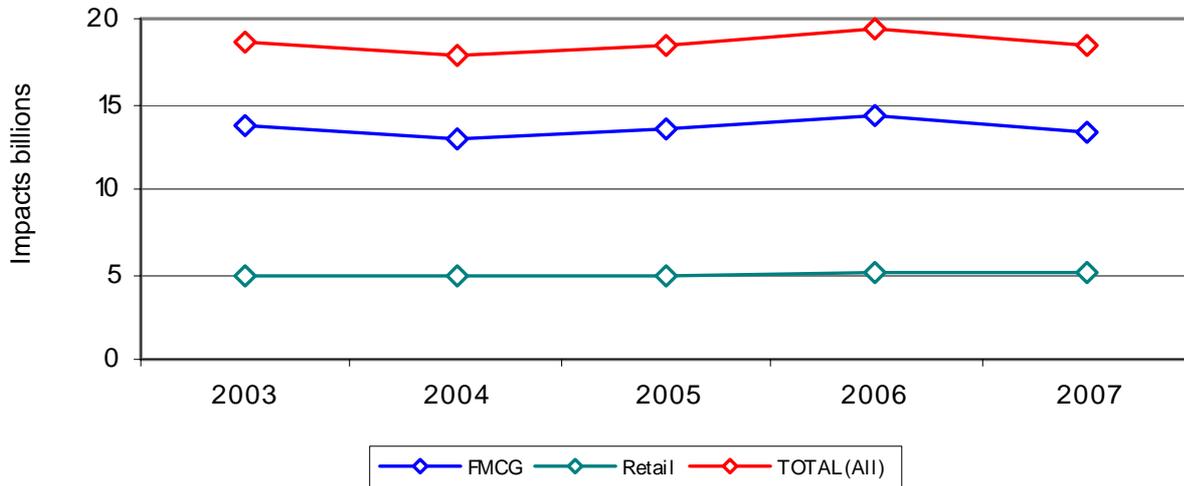
Impacts amongst children, child-themed food and drink



Focus on: Housewives* TV viewing for overall food and drink advertising

In terms of annual totals housewives with children saw 2% less overall food and drink advertising in 2007 than 2003.

Impacts amongst housewives with children, overall food and drink

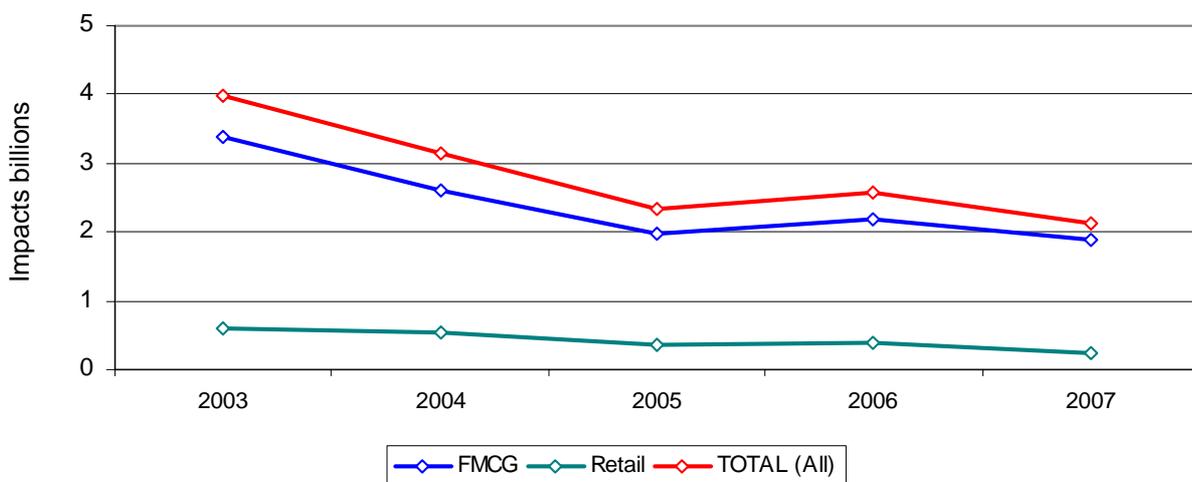


Focus on: Housewives TV viewing for child-themed food and drink advertising

In terms of annual totals, housewives with children saw 46% less child-themed food and drink advertising in 2007 than in 2003. Retail category TV advertising viewing among this audience reduced by 59% and FMCG by 44% over this time.

Confectionery, cereals and soft-drinks experienced the greatest actual drops in impacts between 2003 and 2007.

Impacts amongst housewives with children, child-themed food and drink



* Housewives with Children are defined as the main purchaser in a household with children aged 0 to 15 years

Conclusions

In terms of long-term TV advertising trends, on average children saw 32% less overall food and drink advertising and two-thirds less child-themed food and drink advertising in 2007 than in 2003.

The decrease was equal amongst younger and older children and fell fastest in 2005 and 2007. On average, housewives with children also saw 46% less child-themed food and drink advertising in 2007 than in 2003, whilst being exposed to 2% less overall food and drink advertising over this same period.

5. Food and Drink Advertising and Promotion Forum – Findings and data

Packaging

The Forum identified that some food and drink manufacturers used packaging to attract children through use of cartoon characters, film tie-ins or competitions, collectibles and give-aways. In recognition of this, it established a Working Group to consider what action could be taken to reduce the use of these techniques to market food to children. The group, chaired by Melanie Leech, Director General of the Food and Drink Federation met twice in March 2006 and July 2007.

The FDF reviewed food and drink manufacturers codes and practises relating to packaging but did not find any guidance. However, all members of the Working Group agreed that voluntary regulation of on-pack promotions is desirable. It was felt that guidance should focus on the use of licensed and brand characters, celebrities, free gifts, competitions or any other on-pack promotion to encourage children to purchase healthier foods. Guidance should not prevent on-pack promotions on foods altogether but should be done in a way that was responsible and did not encourage over consumption. Any guidance should help shift the balance of promotions to more healthy foods and in doing so, help make healthier choices more attractive to children.

Sponsorship

Guidelines for schools have been produced as an output from the Working Group on sponsorship for the Food and Drink Advertising and Promotion Forum.

The Working Group looked at guidance on sponsorship around young people and concluded that the guidance offered by the DCSF was the most developed. (At the time the guidance was out of circulation, as one of the original partners (Consumer's Association) had withdrawn its support.)

It was agreed that the guidelines would be updated and should include a reference to the new nutritional standards in schools.

DCSF has been actively using the guidelines, and has placed them on Teachernet for schools to access.

Point of sale

During its survey between September 2006 and August 2007, Assosia found that most point of sale (POS) activity is price/offer only with no additional messaging. Multi-buy and discount are the most used POS mechanisms across all types of POS activity. Of the themed POS activity, kids theme was the most prevalent closely followed by health claims. The categories that carried the most POS activity were cereal, confectionery, drinks, dairy and crisps & snacks.

Since the last meeting of the Forum, work has continued to encourage best practice in promotion of food to children. In particular, activity has focused on developing a project with the convenience sector to improve access to and availability of good quality fruit and vegetables in deprived areas.

Building on the successes from the Scottish Executive's Neighbourhood Shops Initiative, a DH project to promote healthier options in convenience stores will be launched in one of the English regions in autumn 2008. This project will link to other Government initiatives, such as the *Healthy Weight, Healthy Lives* Change4Life social marketing campaign, 5 A DAY and Healthy Start.

The demand by customers for healthier products remains strong and supermarkets have responded to that in the balance of in-store promotion. Retailers have run a number of promotions, particularly on fruit and vegetables and healthy snacks. Reformulation, clearer front of pack labelling and in store information support consumers to make healthier choices.

In addition, ranges such as fruit packaged specifically for lunch boxes are now often a feature in supermarkets and attractive packaging and marketing can help children to accept it as part of their lunch.

New/digital technology

Although internet advertising has increased in the last few years, television remains the most popular medium, followed by press, outdoor and radio. The share of ad spend on internet advertising by food and soft drink companies is remains low at 0.2% of all ad spend in this category.

The CAP Code extends to all paid for space in non-broadcast media, including online advertisements and promotional offers on websites. It does not, however, apply to editorial content, such as company websites (other than promotional offers) as they are seen to be in effect, the same as shops.

The advertising industry is aware of the need to address the issue of how to bring new digital media into the advertising self-regulatory system, so as to avoid loopholes as technological advances, digitization and the convergence of media change the nature of advertising.

The Advertising Association (AA) is also leading an industry-wide review of the advertising self-regulatory system, bringing together a group of representatives with specialist knowledge and expertise, to explore whether there are any gaps that need to be filled and work together to find a long-term solution that is robust, fair and workable.

In response to concerns about food promotion to children on the internet, ISBA (The Voice of British Advertisers) has published best practice principles for commercial communications on advertiser-owned websites.

These are designed for adoption by advertisers on a self-regulatory basis to cover the online environment not subject to the ASA/CAP system and establish a number of principles that are in line with the CAP Code. For example, they state that online communications of food products should not encourage children to 'pester or make a nuisance of themselves' (4.3), and that 'high pressure' or 'hard sell' techniques should be avoided (4.5).

In addition, some major food and drink advertisers have agreed not to target children under the age of 12, changing the nature of their websites to be more family oriented and activity-focused.

6. Conclusions and Next Steps

Conclusions

Annual spend for overall food and drink advertisements across all media increased by 19% between 2003 and 2007. In comparison, annual spend for child-themed food and drink advertisements across all media decreased by 41% in this same period, falling from £103m in 2003 to £61m in 2007. Annual child-themed ad-spend across all media has fallen every year since 2003, with the sharpest year-on-year decrease in 2007 of -19%.

This decrease in child-themed ad-spend was not consistent across all media. TV is the only media to have seen consistent annual reductions in child-themed ad-spend since 2003, and this decrease in ad-spend has driven the overall drop in child-themed ad-spend. Annual child-themed ad-spend in press was 42% greater in 2007 compared to 2003. On TV, annual child-themed ad-spend in all product categories was lower in 2007 compared to 2003, with the exception of dairy which grew 4%. The biggest decreases have been in confectionery, fast food restaurants, non-alcoholic drinks and cereals.

Annual child-themed ad-spend increased year-on-year in 2004 for cinema, radio and internet, in 2005 for press, cinema and internet in 2005 and in 2006 for press and radio. All media except press experienced a year-on-year decrease in annual child-themed ad-spend in 2007. The combined annual child-themed ad-spend for radio, cinema and internet increased by 11% from £2.03m to £2.6m from 2003 to 2007, while the annual child-themed ad-spend for press increased 42% from £4.7m to £6.7m in this same period. In press, the largest increases in annual ad-spend since 2003 have been in dairy, cereals and supermarkets. Though child-themed annual ad-spend in press has increased since 2003, it has grown comparatively slower than overall food and drink annual ad-spend in press, which grew 155% compared to 42% for child-themed advertising in the same period.

On average, children saw 32% less overall food and drink advertising and two-thirds less child-themed food and drink advertising in 2007 than in 2003. This equates to 4.7 billion fewer impacts amongst children aged 4-15 for child-themed food and drink advertisements in 2007 compared to 2003. This decrease was equal amongst younger and older children and fell fastest in 2005 and 2007. On average, housewives with children also saw 46% less child-themed food and drink advertising in 2007 compared to 2003, which equates to 1.8 billion fewer impacts. Housewives with children were exposed to 2% less overall food and drink advertising over this same period.

There has also been some limited progress in food promotion in non-broadcast media not covered by the CAP code. In addition to the new rules on content of non-broadcast advertising in the CAP Code, reports from the Food and Drink Advertising and Promotion Forum show that work has been on going to consider best-practice principles and guidelines in a range of areas, most notably sponsorship in schools and best practice principles for advertiser-owned websites. Work on in store promotion and packaging has progressed at a slower rate

Next steps

The Healthy Food Code of Good Practice set out in *Healthy Weight, Healthy Lives* clearly states that Government policy is for industry to rebalance marketing, promotion, advertising and point of sale placement so that there is a reduction in the exposure of children to the promotion of food and drink that is high in fat, salt and sugar, and an increase in their exposure to the promotion of healthier options.

This is one of seven commitments set out in the Code, which builds upon the good work that industry has already taken, while challenging them to take further action to promote healthy eating.

The Department of Health will continue to monitor changes in the nature, balance and trends of food and drink advertising and promotion to children, and will report annually in the *Healthy Weight, Healthy Lives* annual report. The data collected for this report establishes a solid baseline for certain media against which to measure future activity by industry in this area.

Ofcom started its review of whether restrictions in broadcast media are working as intended in July and expect to report by the end of 2008. The FSA are reviewing the effectiveness of the nutrient profile model at differentiating HFSS foods from non-HFSS foods in the context of Ofcom's restrictions one year from the date of use, and launched a public consultation on this in July 2008. Further details of the Ofcom and the FSA reviews are available on their respective websites. The Department of Health is working closely with Ofcom and the FSA, as they conduct their reviews.

For non-broadcast media, the Food and Drink Advertising and Promotion Forum was a useful forum for discussion, but it did not fully achieve its objective of reviewing, strengthening, supplementing and bringing together existing codes. The Government will therefore review the mechanisms for stakeholder engagement and actions in this area. The Department of Health will hold a stakeholder event in Autumn 2008 to discuss further action on rebalancing marketing of food and drink to children.

Annex A - Resources

Choosing Health: making healthy choices easier

www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4094550

Healthy Weight, Healthy Lives

www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_082378

Healthy Start

www.healthystart.nhs.uk

5 A DAY

www.5aday.nhs.uk

Food and drink advertising and promotion forum

http://www.dh.gov.uk/en/Publichealth/Healthimprovement/Healthyliving/DH_4118965 Thomson Intermedia Research

Thomson Intermedia (Billets)

www.thomson-intermedia.com

Ofcom

www.ofcom.org.uk

Committee of Advertising practice (CAP)

www.asa.org.uk/cap

The voice of British Advertisers (ISBA)

www.isba.org.uk

Annex B - Thomson Intermedia Youth titles

- Beano
- Bliss
- Bratz
- Bratz Special Edition
- Cartoon Network
- CosmoGIRL!
- Dandy
- First News
- Girl Talk
- Go Girl
- J-17
- Jetix
- Jetix Christmas Special Edition
- Jetix Special Edition
- Kick!
- Kick! Special Edition
- Kraze Club
- Kraze Club Special Edition
- National Geographic Kids
- National Geographic Kids Special Edition
- Nineteen
- Scooby Doo
- Shoot
- Shoot Monthly
- Shout
- Simpsons Comics
- Simpsons Comics Presents
- Simpsons Comics Presents Special Edition
- Simpsons Comics Presents Treehouse of Horror Special
- Simpsons Comics Special Edition
- Simpsons Super Spectacular
- Smash Hits
- Sneak
- SpongeBob SquarePants
- SpongeBob SquarePants Special Edition
- Sugar
- Toxic