

DOOMSDAY FOR JUNK FOOD...

Does HFSS face the same fate as Tobacco?



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HOW HFSS BECAME THE VILLAIN IN THE WAR AGAINST OBESITY

Obesity is the new public health enemy number one.

According to the WHO, 39% of adults and 18% of young people are now overweight. The number classified as obese has tripled since 1975. The UK has more reason to worry than most too, with some of the highest levels of obesity in Western Europe.

The latest government figures show that 28% of adults in England are obese, and a further 36.2% are overweight. In children aged between 10-11 years old, more than a third (35.1%) are either overweight or obese. It's thought too that COVID-19 – and the impact on levels of activity, diet and mental health – have only accelerated the problem. As a result, obesity is now a bigger killer in England and Scotland than smoking, according to a recent study.

It's against this backdrop that the WHO, the OECD and several other public health organisations have sounded the alarm, calling on governments around the world to take action and intervene when it comes to our diet.

Their primary target? HFSS foods. The term HFSS refers to any food high in fat, salt or sugar, the exact criteria for which is determined by the 2004-2005 Nutrient Profiling Model. More commonly labelled as 'junk food' in media headlines the term encompasses a significant proportion of soft drinks, snacks and confectionery products sold in supermarkets and foodservice outlets. Overconsumption of these is seen as a key driver of escalating obesity levels globally.

Already we've seen Chile introduce health warnings on HFSS products, Mexico banning sales of HFSS food and drink to young people, and five Nordic countries join forces to monitor all HFSS marketing to children. In the UK too, there have been a series of regulatory interventions culminating in the planned clampdown on both advertising and promotions of all HFSS products, set to come into force in late 2022.

In this way, the approach to HFSS foods appears to mirror that of another major public health concern: smoking.

On May 20, 2016, the UK became the second country in the world – and the first in Europe – to enforce standardised plain packaging for cigarettes and tobacco. Far from a bolt out the blue, the radical move followed a series of incremental clampdowns on the sale of tobacco products over many

years, from the addition of health warnings to a ban on promotions and POS displays.

So could HFSS face the same fate?

"For several decades smoking has been a major target of public health interventions as it is a leading cause of avoidable deaths," said Jill Pell, director of the Institute of Health and Wellbeing at the University of Glasgow. "As a result, the prevalence of smoking has fallen in the UK. At the same time the prevalence of obesity has increased.

"It is not enough to tell people that it's bad for them to be overweight and expect them to do it all themselves," she added. "We have to tackle society as a whole and make it easier for people to walk and cycle to work, make it easy for young kids to get into parks and run around and play, make sure that in schools, shops and restaurants, people are being offered affordable healthy food and that food is properly labelled to let people make informed choices."

So, to what extent could HFSS face tobacco-style regulations in the future? What will these mean for grocery brands and retailers? And what do the public make of the treatment of obesity's biggest villain?

IN THIS WHITEPAPER WE'LL EXPLORE

- A closer look at the parallels between tobacco and HFSS foods
- What both the current and next regulatory steps for HFSS look like
- The lessons to be learned from international examples
- The potential impact of stricter regulation on the food and drink industry – and which fmcg categories are particularly vulnerable in the UK



FROM PERSONAL BATTLE TO PUBLIC WAR, HOW THE FIGHT AGAINST OBESITY WENT GLOBAL

In the last decade, rising levels of obesity have come under increasing scrutiny, with a global debate on how best to tackle the public health challenge.

'Fat crisis.' 'Obesity disgrace.' 'Obesity war.'

As a result, where once individual diets were seen as strictly off-limits for authorities, increasingly a more interventionist approach is hailed by experts as the only viable solution.

The argument goes that politicians need to stop leaving accountability for dietary choices on individuals - and giving the food and drink industry free rein - and instead nudge them into healthier choices, with a blend of higher prices, fewer promotions and reformulated family favourites.

This shift in health policy has partly been shaped by the likes of the WHO. In 2010, the organisation specifically called on its member states to implement new restrictions to limit underage ad impressions for HFSS foods to children - a position that it strongly reiterated in 2019.

"We are in a new and emerging regulatory environment in which WHO has a role in ensuring that technology and policy innovation is harnessed effectively to ensure that brands respect and protect children's right to health," said Dr. Joao Breda, of the WHO regional office for Europe.

In the years since, a number of governments around the world have closely followed these recommendations [see boxout, *'What can we learn from international approaches to obesity?'*]

The UK is no different. This more interventionist approach to HFSS foods, for example, was the clear ethos behind the release of the National Food Strategy in July 2021,

commissioned by the government and led by entrepreneur Henry Dimbleby.

"We have become trapped in a vicious circle - the junk food cycle," summarised Dimbleby. "This plague of dietary ill health crept up on us slowly, without generating much public uproar. But the COVID-19 pandemic has provided a painful reality check. The UK now has a once-in-a-lifetime opportunity to reshape the food system."

In fact, Dimbleby's report followed a series of related moves by the government in the last 10 years toward HFSS products, many of which closely mirror the pattern seen in the run-up to the introduction of plain packaging for tobacco in 2016 [see boxout, *'Spotting the parallels'*]. Most recently, it announced its plan to clampdown on all advertising and promotions of HFSS food products, with the first measures set to be introduced as early as 2022 [see boxout, *'Plans for a marketing crackdown'*]

Against this backdrop, further restrictions on the marketing of HFSS foods are unavoidable, believe many experts. "The Covid-19 pandemic has brought the dangers of obesity into sharp focus," Zoe Betts, legal director at Pinsent Masons has said. "With pressure on the NHS mounting, there is certainly political will to make changes. As governments try to address the challenges both in terms of health outcomes and environmental commitments, legislative change imposing additional burdens is almost inevitable,"

But surely a trajectory toward tobacco-style regulations is far-fetched?

THE REGULATORY PARALLELS

	TOBACCO	HFSS
Advertising restrictions	<p>February 2003: The majority of advertising and sponsorship of tobacco products banned</p> <p>July 2005: Tobacco's sponsorship of international sport banned</p>	<p>November 2006: Ofcom announces a ban on the scheduling of HFSS advertising during children's airtime and around programmes with a disproportionately high child audience</p> <p>November 2006: In parallel the Advertising Standards Authority (ASA) introduces additional restrictions on the content of advertisements. In particular, a ban on the use of licensed characters in HFSS ads where the content targets under 12s.</p>
Health warnings added	<p>October 2008: Pictorial health warnings compulsory on cigarette packs</p>	<p>2013: Consistent front-of-pack labelling – known as the 'traffic light system' – is introduced for food products in the UK to flag where levels of fat, salt and sugar are high. The measure remains voluntary.</p>
Tax introduced	<p>March 2010: Tobacco duty is raised by 1% above inflation (15p on 20 cigarettes) with a commitment to increase by 2% above inflation from 2011 to 2014</p>	<p>April 2018: A levy is introduced on the sale of soft drinks. Drinks with more than 8g sugar per 100ml are taxed at 24p a litre. Drinks with more than 5g – but less than 8g– are taxed at 18p a litre.</p>
Promotions banned	<p>April 2012: In-store displays of tobacco products banned in large stores</p> <p>April 2015: In-store displays of tobacco products banned in small stores</p>	<p>June 2018: The government announces its plan to ban promotions of HFSS products based on location and price. A consultation on the details runs from January to April 2019.</p> <p>June 2021: The government confirms that it will implement a total ban on paid-for advertising online for HFSS products by the end of 2022. It will also introduce a 9pm watershed on TV.</p>
Plain packaging	<p>May 2016: Standardised packaging for cigarettes and tobacco products is introduced</p>	<p>?</p>

It goes without saying that there are some stark similarities between the regulatory timeline currently being adopted for HFSS foods, and that followed for tobacco. Authorities are clearly drawing from tobacco's regulatory playbook when it comes to their current clampdown on HFSS foods. The question remains though, will their final move for HFSS follow the same pattern?





**“WE ARE IN A NEW
AND EMERGING
REGULATORY
ENVIRONMENT IN
WHICH WHO HAS
A ROLE”**

DR. JOAO BREDA
W.H.O. REGIONAL OFFICE FOR EUROPE

Not so much as you'd think. Already brand-generated characters, such as Tony the Tiger and Coco the Monkey, used on child-friendly products have come under repeated attack. Licensed characters used on products targeting under-12s are already restricted for HFSS products in the UK, but there have been several calls for the government to go further and extend this to cartoon characters created by brand teams themselves.

Most recently, a [2020 report](#) led by Sustain Children's Food Campaign and Health Equalities Group's Food Active called for all brand-generated characters to be stripped from HFSS foods to prevent 'pester power' in stores. Under this pressure, many retailers have already voluntarily removed such characters from their own label ranges, including Asda, Aldi, Lidl, Tesco and Co-op.

This is accompanied by calls from key campaign groups, such as the Children's Food Campaign, to put in place [significant extensions to the existing levy on high-sugar soft drinks](#), an extension that would more broadly encompass HFSS products.

Then there are the more radical proposals. In its high-profile report '[Ending the Blame Game](#),' for instance, the Institute for Public Policy Research (IPPR) called for a regulatory parallel to be directly drawn between tobacco and HFSS food products. In addition to the provision of free fruit and vegetables in UK schools, supermarket sponsored community cooking classes and a ban on fast food outlets near schools, the think tank called for significant restrictions on the marketing of HFSS products, and the introduction of plain packaging for confectionery, crisps and high-sugar drinks.

"This would level the playing field between confectionery products and fruit and vegetables which do not benefit from the same level of branding and product recognition," its authors argued. "This mirrors the action taken against smoking without reducing the availability of confectionery."

In 2019, [then chief medical officer Sally Davies](#), echoed this, proposing the introduction of cigarette-style plain packaging for unhealthy foods as well as an extension to the soft drinks levy and an overhaul of existing VAT arrangements were the food and drink industry to fail to step up its efforts on voluntary reformulation targets.

Whether or not such measures are effective, of course, is a contentious issue. While [some studies](#) have advocated strongly for an interventionist approach from government in order to place less accountability or burden on individual's shoulders, others have insisted such measures are a '[stupid, idiotic, pointless waste of effort](#).'

The reality though is that the efficacy of any measures will be complex to evaluate, and take years before any conclusions can be clearly drawn. The more certain focus for industry in considering the future regulatory landscape for HFSS is: what exactly could be the impact for retailers, brands and consumers?

WHAT CAN WE LEARN FROM THE REST OF THE WORLD

The UK isn't the only country in the world where governments have opted for increasingly interventionist measures in order to tackle obesity.

Here are five examples of international approaches that closely mirror – or move beyond – regulation in the UK.

Chile: In many ways Chile has proved a pioneer when it comes to restrictions on the sale and promotion of HFSS products. Laws in the south American country already ban advertising of such foods (including those high in calories) to children under 14, or where the audience is likely to be composed of at least 20% children. These same foods can't be marketed in schools, and the use of cartoons or toys in promotional strategies is prohibited. Furthermore, the country has forced brands to add stark black and white labels aimed at warning and educating families about the health dangers of HFSS products to packaging.

Denmark: Between 2011 and 2013 Denmark introduced what was widely labelled 'a **fat tax**' - the first country in the world to introduce a levy on products containing a certain level of saturated fat. Any product that exceeded 2.3g/100g of sat fats be it meat, dairy, oils, or spreads was caught by the tax. After two years, the tax did result in a 4% reduction in consumption of saturated fat, but it also increased salt intake. The takeaway for policymakers was that health taxes on one macronutrient could have unforeseen consequences on others. Following heavy criticism - in particular as the levy was often passed onto consumers via inflated food prices - the tax was scrapped.

Hungary: In 2011, the Hungarian government imposed a tax known as 'the chips tax' which applied new levies to pre-packaged foods and drinks high in salt, sugar or caffeine. The tax was hailed as successful, resulting in a 3.4% decline in consumption of these foods, with unprocessed foods enjoying a 1.1% uplift in parallel. The biggest decline was notably in lower income households too.

Mexico: According to the OECD, about 73% of the Mexican population was overweight in 2020, compared to just one fifth in 1996. This spike has prompted some bold moves by authorities. In October 2020, the state of Oaxaca became one of the first countries in the world to ban the promotion, distribution and sale of junk food to children. The law extends to vending machines in schools too, with all products that fall within the criteria removed from sale. It's the latest in a series of such moves. As of August 2020, many HFSS products are also required to carry stark warning labels on front-of-pack, such as 'high in sodium,' 'excessive sugars,' and 'not for children.' Though these latest measures are yet to be evaluated, previous clampdowns in the central American country have enjoyed some success, with a review of its 2014 tax on soft drinks leading to decline in consumption.

New Zealand: In New Zealand - the country with the second highest obesity levels in the world – the approach has so far been a closely collaborative one between authorities and the food and drink industry. In 2019, a raft of new measures were introduced targeting junk food, but agreed in consultation with food manufacturers and retailers, that include: the removal of all HFSS advertising from around schools, new targets around reformulation and extended restrictions on advertising, including on online platforms such as YouTube. The measures have been criticised by health campaigners though, who say they don't go far enough. In defence, the country's health minister simply said: It isn't "the time for us to be making threats".

As these examples demonstrate, the UK is far from alone in using HFSS foods as a vehicle via which to tackle rising levels of obesity. But as these patchwork examples of interventionist measures also demonstrate, such restrictions are far from a silver bullet when it comes to solving the public health crisis either.



THE WORLD'S WAR ON OBESITY?



THE UK'S PLANS FOR A MARKETING CRACKDOWN

Following its consultation in 2019, the government confirmed its plans to both significantly restrict advertising for HFSS products and curb in-store promotions. The first of these measures is due to be rolled out from October 2022, following a six-month delay agreed by ministers in 2021. There have been widespread calls by industry to extend this further though, citing a lack of clarity over exactly what the new regulation will entail, and how it will be enforced.

So, what do we know so far about the planned clampdown on advertising and promotions?

ADVERTISING

- There'll be a 9pm watershed for advertisements of HFSS foods
- This applies to both TV and on-demand programmes in the UK
- There'll also be a total ban on online advertising
- The restrictions will apply to all businesses with 250 or more employees that make and/or sell HFSS products, meaning small and medium businesses will be able to continue advertising
- Online restrictions will be limited to paid-for advertising, ensuring brands can continue to advertise within 'owned media' spaces online, such as a brand's own blog, website, app or social media page.

PROMOTIONS

- HFSS products can no longer be displayed at store entrances, aisle ends and checkouts [or online equivalents.]
- A ban on any price promotions that encourage consumers to buy higher volumes of any HFSS product. Ex. BOGOF or '3 for 2' offers
- Foodservice outlets can no longer offer free refills of fizzy drinks
- Restaurants banned from free refills of fizzy drinks (unless smaller than 2,000 square feet).
- These rules are not intended to apply to stores of less than 2000 sq ft or with fewer than 50 staff



DOOMSDAY FOR JUNK FOOD: COULD HFSS SURVIVE THE SAME FATE AS TOBACCO?

It's estimated that British shoppers currently spend some 40% of their grocery budget on HFSS goods, 15% of which goes to the types of products that will face the most restrictions. Or, in other words, the proposed clampdown on promotions and advertising, as well as further touted restrictions, looks set to affect some £17bn of grocery spend per year in the UK.

But how significant will this impact be?

There have been varying estimates as to the financial blow that could be caused by the planned changes to advertising and promotions of HFSS food and drink. In 2019, before full details were revealed, the Food and Drink Federation (FDF) put likely revenue losses at £1.2bn. Government has forecast the impact to be far smaller, at just £27m for retailers, and £175m for suppliers. And in September 2020, research by IRI diverged once again, with an estimated impact of £3bn on UK grocery as a result of the proposed ban. Confectionery alone faces losses of £791m, said the market research company [see boxout, 'A bitter blow for Britain's sweet tooth?'].

None of which takes into account the impact to the UK's more

than £20bn advertising sector.

The prospect of this has (unsurprisingly) prompted some strong reactions from industry.

"I am astounded and hugely disappointed that headline-grabbing, hollow actions have trumped evidence-led solutions," said Jon Mew, CEO of IAB UK, at news of the online advertising ban. "This blunt and ill-informed policy will not only do untold damage to the digital advertising industry, it creates the illusion of progress being made on the critical issue of childhood obesity, when in fact the evidence shows that banning ads online will achieve next to nothing in terms of reversing children's obesity rates."

This was echoed by Kate Halliwell, chief scientific officer at the FDF. "It's a great headline [a total online ban on junk food] and it makes the Government appear as if it's taking action – plus it's something they don't have to invest in. The onus is, once again, on industry."

A BITTER BLOW FOR BRITAIN'S SWEET TOOTH?

With some 97% of chocolate and sweet SKUs in the UK currently falling within the scope of the HFSS definition, confectionery looks set to bear arguably the biggest brunt of the upcoming rules planned for both advertising and promotions. In fact, IRI estimates that some 14% of chocolate and 5% of sugar confectionery sales could be lost as a result of the changes.

It isn't only the overwhelming proportion of confectionery falling into an HFSS definition that lies behind that impact either.

For one, chocolate is also more technically challenging than many other products to reformulate and bring below the HFSS threshold. Much of its mouth-feel, structure and shelf-life depend on the use of saturated fats, for example. When Mars reformulated its Mars, Snickers, Milky Way and Topic bars in 2017, it had to investigate and scrutinise the role of every individual ingredient, painstakingly testing analytical and sensory tools to ensure substitutions didn't affect enjoyment of the final product. Even then the company achieved only a 15% reduction in saturated fat levels.

Then there is the reliance of confectionery on impulse. Sweets and chocolate consistently sit at the top of the list when it comes to unplanned buys, particularly for countines, with both their in-store positioning and price promotions therefore critical. Removing product from both gondola ends and store checkouts will therefore impact a greater proportion of incremental purchases than for other categories.

In fact, in a [letter to the Prime Minister](#) in November 2020 industry heavyweights including Kellogg's, Britvic and Mars said the plans to ban promotions and a significant volume of advertising represented: "A disproportionate proposal with an impossibly short time period given for responses given the level of technical detail sought...The evidence base underpinning these proposals is lacking in both detail and efficacy."

To navigate the current proposals, it's thought that brands will shift marketing spend to non-HFSS SKUs in their portfolio, reformulate where viable and focus on halo brand advertising (an exemption under the current proposed rules). I would expect us to see a lot more brand advertising as a work-around, which would be smart for brands anyway- to develop

a stronger connection between consumers and the brand as a whole, versus just one single product," agrees Melissa Minkow, director of retail strategy at digital consultancy CI&T.

"There will always be demand and craving for HFSS foods, so I doubt this motion will do much in terms of making consumers healthier," she adds. "Further, there is a lot of history and nostalgia attached to many consumers' relationships with HFSS foods. While advertising and merchandising may help remind us of that, banning the marketing aspect won't eradicate that brand love, which often still drives purchase."

But would that still be true if the government clampdown went further and – as has been explored in Chapter 1 – echoed the trajectory of regulation for tobacco?



It's unlikely. It seems even the middle ground of mandatory health warnings or the removal of brand mascots could have a significant impact. A [2020 study](#) by the Harvard T.H Chan School of Public Health, for example, found that adding health warnings to soft drinks not only led to a fall in sales, but created negative brand perceptions around the links between the product and disease. Brand mascots or characters meanwhile, are well-understood to create emotional connections, with a material impact on brand loyalty and even perceptions of how good a product *tastes*, as per [this 2017 summary](#) by The European Consumer Organisation.

Meanwhile, the prospect of plain packaging could be calamitous. Research by brand valuation consultancy [Brand Finance](#) has estimated that the potential value loss to businesses worldwide would be around \$430bn if standardised packaging were extended to drinks, including alcoholic drinks, alone.

In examining the potential losses across eight major fmcg operators (AB InBev, Coca Cola, Danone, Heineken, Mondelez, Nestle, PepsiCo and Pernod Ricard) they concluded that: "Plain packaging damages a brand's ability

RESTRICTIONS ARE FAR FROM A SILVER BULLET WHEN IT COMES TO SOLVING THE PUBLIC HEALTH CRISIS

to differentiate itself from others on the market. We have calculated that with plain packaging in place, the value that brands contribute to the overall business of these eight parent companies would fall from US\$631.4 billion to US\$397.5 billion, seeing overall enterprise value decline from US\$1.2 trillion to US\$966.4 billion. The staggering loss of US\$234.0 billion represents a 37.1% drop in the value of brand contribution and a 19.5% fall in total enterprise value across these eight companies."

These additional losses would largely be driven by the erosion of brand equity that will accompany a plain packaging model. In fact, in their report Brand Finance forecast this impact would be around 50% greater than had such a policy been introduced in 2017 due to the increasing reliance of fmcg companies on their brand identity. [see boxout, *Can brand equity survive tightening restrictions?*]

Which makes it logical to ask: what do consumers make of it all?

CAN BRAND EQUITY SURVIVE TIGHTENING RESTRICTIONS?

As with all food and drink products, HFSS brands use design, marketing and a strong brand identity to stand out on the shelf.

As a result, were the government to increase restrictions - targeting brand characters, visual displays and marketing campaigns - it isn't only the *volume* of sales that brands may see eroded, it is also their brand equity and the additional *value* this affords them.

Broadly speaking, brand equity refers to the commercial value that a manufacturer derives from the recognition of, association with and loyalty to a particular brand. That extends beyond the product itself to characters, logos, colours and wider company ethos.

Already many of these elements face restrictions. There are increasingly calls for brand generated characters that may appeal to children to be removed from HFSS products, for example. It's an obvious target. One study found that 79% of food and drink commercials making use of brand characters, for example, could be classified as HFSS. But it is *also* why brand equity characters (so long as they don't explicitly target children) have so far been exempt from current restrictions, with the government no doubt aware of the impact their removal could have. Their loss would significantly erode brand differentiation and premiumisation.

The upcoming clampdown on online and offline advertising for HFSS products will have much the same impact. Strategic marketing campaigns can be used to convey quality, excitement, novelty and broader brand ethos to potential consumers, all used by brands to justify their value and build loyalty. The loss of a broad sweep of marketing channels could be catastrophic for some brands.

At the more extreme end, were HFSS products to be stripped of all on-pack branding - including logos, colours and visuals, this brand equity would be all but lost. As with tobacco, brand affinity would all but disappear, price would become the key driver behind purchases as shoppers trade down, and innovation would stall as only the most established manufacturers survived the transition.

The example of tobacco shows the financial impact on the fmcg industry could be profound. Following the introduction of plain packaging in the UK, the rate of decline of tobacco sales almost doubled, according to research by the University of Bath. Overall, net revenue for the tobacco industry fell by 13% after implementation of the tougher policies, from £231m to £198m a month. Furthermore, consumer behaviour toward brands was irrevocably altered. Shoppers traded down. The market saw increased consolidation as brands sought to hold onto profits. And brand loyalty dropped off a cliff.

RICE KRISPIES, Raisin Bran, Crunchy, WHOLE GRAIN, Great Value, Corn Square

Ask for assistance v

Blueberry hex **FAMILY SIZE** **Gluten Free** **Low Price** **3.98**

Chocolate Chex **FAMILY SIZE** **Gluten Free** **Made with 100% Real Cocoa** **3.98**

Cinnamon Chex **FAMILY SIZE** **Gluten Free** **Made with 100% Real Cinnamon** **3.98**

Honey Nut Chex **FAMILY SIZE** **Gluten Free** **Made with Real Honey** **2.38**

Wheat Squares **Great Value** **2.38**

W Chex **3.28**

Rice Chex **FAMILY SIZE** **Gluten Free** **3.98**

Rice Chex **FAMILY SIZE** **Gluten Free** **3.98**

Great Value Rice Squares **2.38**

Rice Chex **Gluten Free** **3.28**

Cheerios OAT CRUNCH CINNAMON **NEW** **3.64**

Corn Chex **FAMILY SIZE** **Gluten Free** **2.38**

Great Value Corn Square **2.38**

Great Value Corn Squares **2.38**

Corn Chex **Gluten Free** **3.28**

Corn Chex **Gluten Free** **2.93**

Great Value Multi

RICE KRISPIES

GIANT SIZE Life ORIGINAL-MULTIGRAIN CEREAL **2.93**

GIANT SIZE Life ORIGINAL-MULTIGRAIN CEREAL **2.93**

Life ORIGINAL-MULTIGRAIN CEREAL **2.93**

Life ORIGINAL-MULTIGRAIN CEREAL **2.93**

Life ORIGINAL-MULTIGRAIN CEREAL **2.93**

FIGHTING BACK: HOW CAN HFSS DEFEND AGAINST THE DAMAGE?

As we outlined in Chapter 2, the food and drink industry faces a significant blow to its profits, dynamism and diversity if future regulation comes into force that treats HFSS products much like tobacco.

Leading fmcg manufacturers have spoken of a sense of inevitability around the current clampdown. And many speak of a dilemma: how can they resist such regulatory action while also being seen to support efforts to tackle rising levels of obesity in the UK?

But the industry isn't powerless.

In fact, even those pushing the anti-obesity agenda have spoken of the ability of brands and retailers to take proactive steps and step off the current trajectory.

"By proactively transitioning towards healthier products and being more transparent on their actions, food manufacturers have an opportunity to demonstrate to customers, regulators and their investors that they can be trusted to support healthy

**LEADING FMCG
MANUFACTURERS HAVE
SPOKEN OF A SENSE OF
INEVITABILITY AROUND
THE CURRENT CLAMPDOWN**

diets and sustainable, future-proofed returns," said Ignacio Vazquez, senior manager for healthy markets at ShareAction, as part of a column written in The Grocer in November 2021, in which he warned tobacco-style regulations could be avoided were UK grocery to step up its own voluntary efforts on tackling obesity. "It will be the ability of food manufacturers to transition that will determine whether Tony the Tiger becomes the new Marlboro Man." But, how?

Already, there are plenty of examples of leading brands having taken clear and unequivocal position on obesity, without stripping product from shelves.

■ CLEVER, TRANSPARENT MARKETING

In 2016, Mars made headlines for splitting its portfolio between 'occasional' and 'everyday' foods. Its Dolmio sauces in particular, were marketed as 'once per week' indulgences due to their high content of salt, fat and sugar. Mars were lauded for the move – by campaigners and consumers alike.

■ MORE BALANCED PORTFOLIOS

In 2021, Kellogg's championed a new non-HFSS trio of cereals in its range, and Nestle did much the same with its new 'The Simple One' Shreddies SKU, made with just four ingredients. Both have also reduced sugar and salt in existing ranges via reformulation but continue to sell some HFSS products, while being seen to take substantial action to help consumers make healthier choices.

■ HALO FOCUS ON HEALTH

With high levels of nut content in their snack bars putting KIND under the HFSS definition, the brand is reportedly lobbying against current criteria. But in the meantime they've emphasised to consumers their focus on health, with the launch of multi-platform marketing campaign 'Live Kind.' The campaign motivates consumers to make 'kinder' choices for their bodies, and includes a podcast, TV advert and social media activity. There is also a sub-section of the campaign targeted specifically at children.

In each of these examples, the brands involved have engaged directly and transparently with consumers. They've been open and honest about levels of salt, fat and sugar in products. They've indicated their support for a balanced, healthy diet. And in many cases they've offered alternatives.

By doing so they create a solid relationship with the public, one that then allows them to leverage this consumer support to speak more openly about the potential impact were regulations seeking to tackle obesity to go further.

Which makes it timely to ask: what do consumers make of it all?



CHAPTER 4

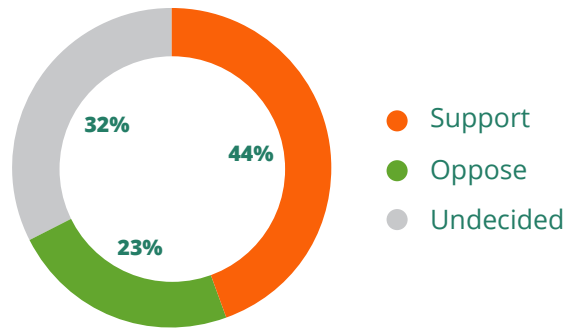
CONSUMER ATTITUDES TOWARDS THE TRAJECTORY OF TOBACCO-STYLE CONTROLS

Be it the WHO, UK government or even top-level trade bodies and campaign groups, so much of the narrative around HFSS is shaped at the top.

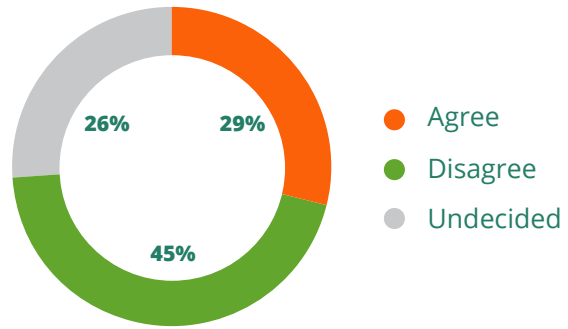
But what does the public think about future options for regulating HFSS products? To find out, SPQR commissioned YouGov to survey 2,000+ UK adults. Here's what we discovered.

*All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,090 adults. Fieldwork was undertaken between 17th - 20th December 2021. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

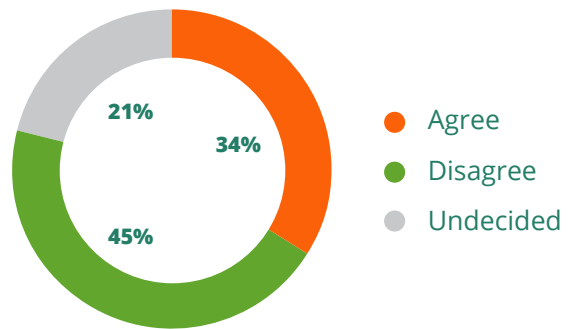
Q1 To what extent would you support or oppose the removal of brand-generated characters/ mascots from HFSS products (e.g. Tony the Tiger, Coco the Monkey etc.), to make them less appealing to children?



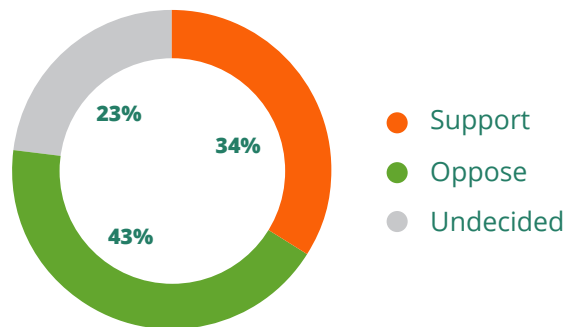
Q2 To what extent do you agree or disagree with the following statement? “All branding (e.g. logos, mascots, etc) should be removed from HFSS products to make them less appealing and help tackle obesity.”



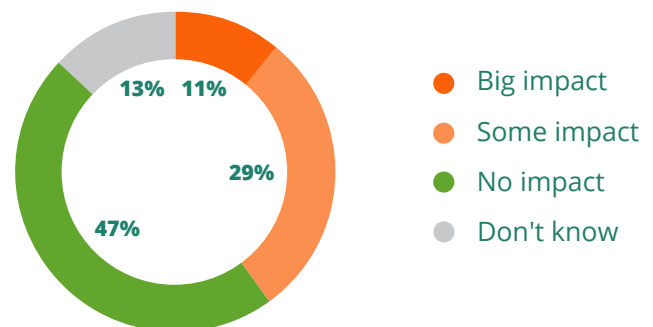
Q3 To what extent do you agree or disagree that HFSS products should carry mandatory health warnings on the packet (i.e. cigarette-style warnings?)



Q4 It has been suggested that some products like sweets, crisps and fizzy drinks will be sold in cigarette-style plain packaging, in a move to combat obesity. Would you support or oppose this plan?

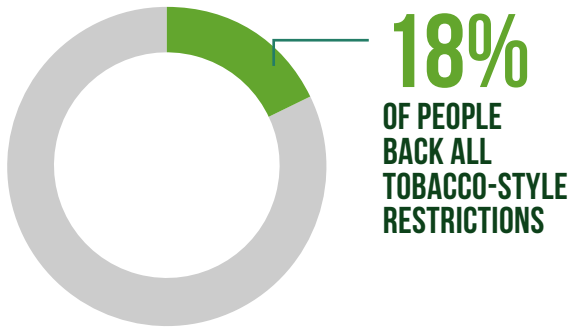


Q5 To what extent would this change in packaging impact your decision to purchase HFSS products?

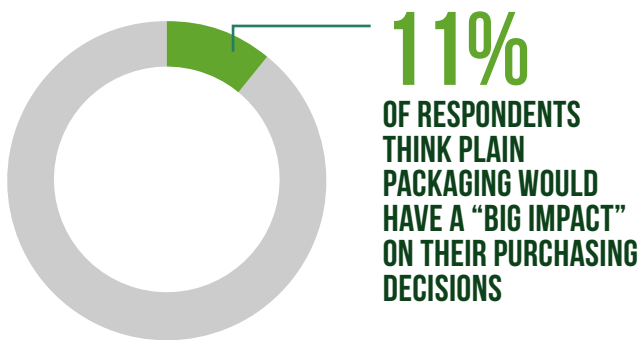


NINE TAKEAWAYS FOR BRANDS

1 The majority of Brits would not support the introduction of tobacco-style controls on HFSS products. From brand character bans all the way through to plain packaging, only 18% of people back all the restrictions in this survey.

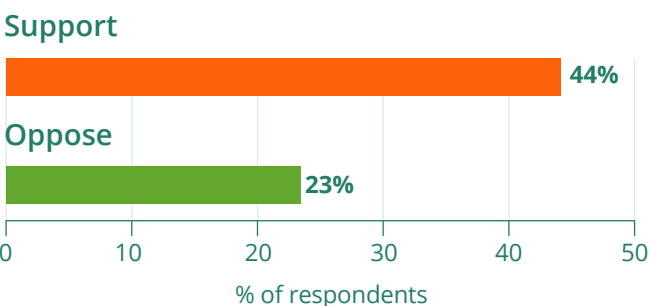


2 What's more, only 11% of respondents thought that plain packaging would have a "big impact" on their decision to buy HFSS products.

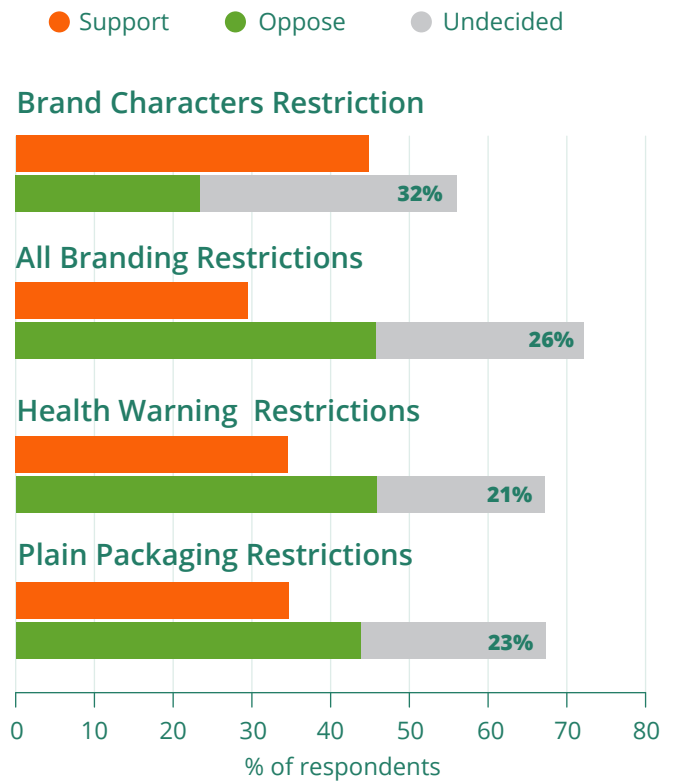


3 Though public support for more draconian restrictions is lacking in the UK, 44% of people would support the removal of brand characters (mascots) to make HFSS products less appealing to children. On this question alone, nearly twice as many people would support rather than oppose restrictions.

How do Brits feel about the removal of brand-generated characters/mascots from HFSS products?



4 And a lot of people are still undecided about tobacco-style controls on HFSS products (that is, they answered either "don't know" or "neither support or oppose" / "neither agree nor disagree" to our questions). 33% of people are undecided about brand character bans; 23% of respondents are unsure about plain packaging.



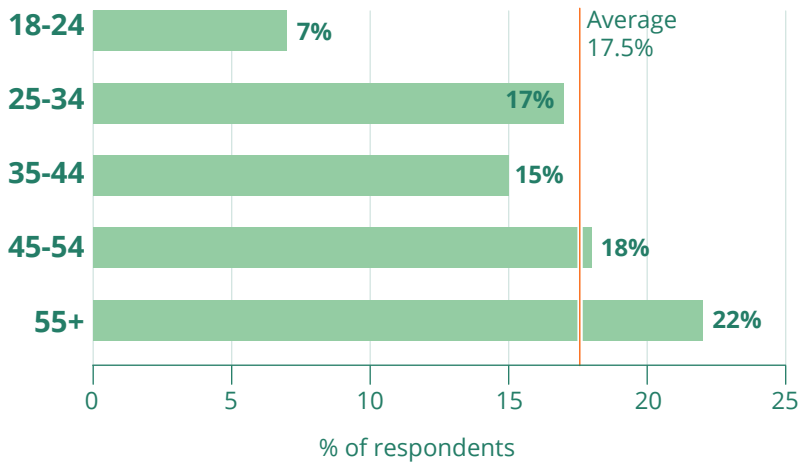
BEHIND THE HEADLINE POLLING FIGURES, CRUCIAL DIFFERENCES EMERGE BETWEEN THE AGE AND GENDER CATEGORIES.

5 On the whole, support for tobacco-style controls among men and women is relatively equal, except when it comes to brand characters, where 47.3% of women support controls vs. 40.8% of men.

6 Inter-generational differences between the sexes are more obvious, however. More than half of women aged 18-44 are opposed to the introduction of mandatory health warnings. You see similar levels of opposition to plain packaging for women.

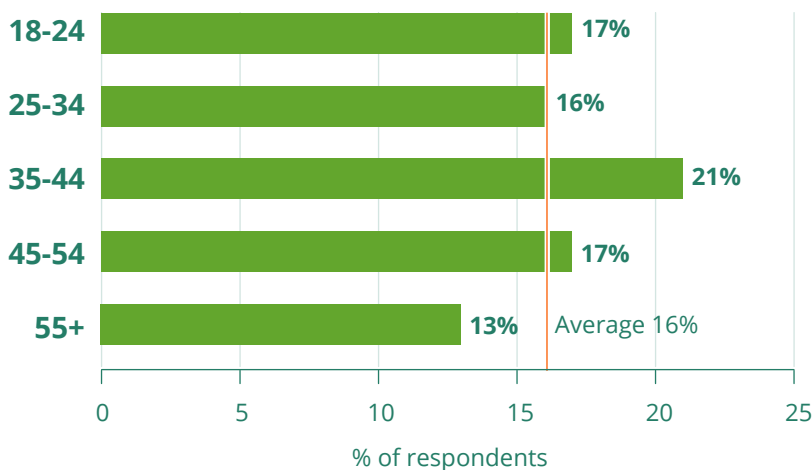
7 The biggest supporters of HFSS restrictions are the over-55s. Net support for mandatory health warnings actually exceeds net opposition among this age group. Aside from brand character brands, we don't see that dynamic anywhere else in the data set.

Support for HFSS Restrictions by age



8 18-24 and 35-44-year-olds are the least likely to support tobacco-style controls on HFSS products. 35-44-year-olds are also the most likely to oppose restrictions. **Millennials, however, are more in favour in government intervention to tackle the problem of obesity.**

Opposition for HFSS Restrictions by age



9 When all other variables are held constant, people with children are more likely to support restrictions than those without.

FINDING THE BOUNDARY OF PUBLIC TOLERANCE

What's next in the war on obesity? Well, that depends on a number of things, not least the public's appetite for more draconian restrictions on what we eat.

As our exclusive polling with YouGov reveals, there's limited support for heavy-handed interventions. But that doesn't mean the trajectory of tobacco-style controls stops here.

Taking a step back, a survey conducted by YouGov for The Grocer in May 2021 revealed that a slim majority (57%) of British adults would support the proposed ban on internet ads. That compared to 58% who backed the proposed TV ad ban. In both cases, Brits were three times more likely to support the bans than oppose them, while around a quarter of respondents were undecided. The Grocer's poll suggests that junk food restrictions in the government's Health and Care Bill, currently going through Parliament, are in-step with the majority public opinion.

When SPQR asked the public about the removal of brand characters to make HFSS products less appealing to children, 44% of people supported the idea; only 23% opposed it. In every other area we polled, opposition to restrictions comfortably outweighed support. That's important because it tells us about the boundary of public tolerance.

Our polling suggests that the public could be persuaded to go a step further and support a brand character ban if the "undecideds" - the 33% of people who have not yet formed an opinion - can be reached and influenced. Go beyond brand characters, however, as pioneering countries like Chile and Mexico have already done, and public support falls away.

This is the future battleground, then - the point at which the scales of public opinion tip one way or the other. Unless brands can de-couple cartoon characters from the childhood obesity debate, iconic brand characters could soon find themselves on the endangered list.



BRANDS NEED TO CREATE PUBLIC RELEVANCE IF THEY WANT TO KEEP THE GOVERNMENT'S HANDS OFF THE COOKIE JAR

Mike Coppen-Gardner
Managing Director of SPQR Communications

The idea that junk food should be treated like tobacco seems far-fetched. How can a pasta sauce, no matter how loaded with salt, be compared to a product that kills one in two of its users? Or a sugary soft drink picked up at your local supermarket for pennies be treated akin to the number one cause of preventable death globally?

But as we've outlined in this whitepaper, there are clear parallels between the way that tobacco was treated in the run-up to the introduction of plain packaging in 2016, and the current regulatory approach to HFSS products.

Rising obesity rates have become such a concern that deeply interventionist measures are becoming the de facto solution for policy makers. In the UK, we've seen that through the recommendations of Henry Dimbleby's National Food Strategy in 2021, the introduction of the soft drinks levy in 2018, and more recently the decision to ban promotions and most advertising of products that fall within the HFSS criteria from 2022.

These decisions spell trouble for the food and drink industry, as once again the government places accountability for the obesity epidemic on the shoulders of brands, rather than individuals. In doing so, the sector will bear the brunt of the financial impact, estimated by some to exceed £1bn, with brand loyalty and awareness simultaneously eroded.

Brands are understandably reluctant to wade into a public health debate, but now is not the time to simply bury heads in the sand and wish these problems away. Pioneering countries like Chile and Mexico have already embraced tobacco-style controls in their attempt to fight the obesity epidemic. There are growing calls for us to follow a similar path here in Britain, as well.

To avoid a checkmate moment where public attitudes align with the objectives of public health officials, brands need to create public relevance. On top of clear, unequivocal commitments to reducing the amount of salt, sugar and fat in product portfolios, and reformulating where viable, brands need to consider where they draw the line.

As our exclusive polling shows, we're approaching the boundary of public tolerance. The fate of brand characters might hang in the balance, but it's clear that popular support for draconian interventions stops there. And as we so often discover, the people will not follow the government line if it strays too far from acceptable norms.

We'll soon know for sure whether The Milkybar Kid faces the same fate as the Marlboro Man, but in the meantime, brands need to mobilise the public and create a sense of jeopardy for politicians.

After all, if the people care, so will the decisionmaker. And on few topics is that more true than when it comes to the food we eat.

FIND OUT MORE

If you want to discuss this report or go deeper into the headline polling data then please get in touch. We'd be delighted to share additional insights that reveal the way forward for brands trying to navigate future HFSS restrictions.

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ABOUT SPQR

SPQR is a communications and strategy consultancy that turns business and regulatory challenges into issues that people care about.

Our innovative approach to **Public Relevance™** is a proven way of solving complex reputational problems and exerting influence.

Because if the people care, then so will the decision makers.

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