Sugar’s web of influence 4: Mars and company: sweet heroes or villains?

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What really lies behind food companies’ willingness to downsize their products in the name of calorie reduction? Jonathan Gornall reports

Global confectioner Mars signed up to the government’s public health responsibility deal in 2011 and has since complied with pledges to reduce salt in its pasta sauces and lower the saturated fat content of some of its chocolate bars.

In 2013 the company announced that as part of its public health commitment it was going to cut the energy content in all of its single serving products to less than 250 calories by reducing their size. It was a move that Anna Soubry, former public health minister, described as “absolutely brilliant.” The company, she told The Grocer, “don’t have to do it but are doing it for all the right reasons.”

But were they? Perhaps something else lay behind the company’s eagerness to reduce the size of its bars in all of its markets, not just the United Kingdom—much easier than reformulating—while keeping the price the same. As The Grocer noted, the company had reduced the size of its bars before, without making any public health claims, “in the wake of big hikes in the cost of chocolate-making over the past decade.” In 2008, it had cut Mars and Snicker bars from 62.5 g to 58 g—again, while keeping the price the same.

Prevailing economic conditions continue to favour such strategic cost cutting. At the end of 2013 Rabobank, a leading bank in the food and agriculture sectors, predicted correctly that sugar prices would increase by more than 8% in 2014. This, reported Confectionery News, would mean “confectioners will be dealt a double blow in 2014 as cocoa prices are also expected to surge as cocoa production fails to keep up with consumption.” In September 2014 the bank predicted prices would rise again, by as much as 7%, by the second quarter of 2015.
Much has also been made of the “slimline” 250 ml can introduced by Coca-Cola, claimed as part of the company’s contribution to its calorie reduction pledge under the responsibility deal. But according to a Forbes investors’ report last June, Coca-Cola and PepsiCo have likewise been inspired to downsize their products as much out of concern for the health of their balance sheets as for their customers’ wellbeing. And there is no evidence that the number of calories being consumed overall has fallen as a result.

“While the US carbonated drinks market continues to battle a negative consumer perception on account of high calorie and sugar content,” Forbes reported, “beverage giants The Coca-Cola Company and PepsiCo have looked to keep their product mix favourable, in order to achieve market expansion.”

Translation? Smaller cans increased sales volumes and profits, and Forbes predicted that as a consequence Coca-Cola’s share price would rise some 6%.4

**Consumer demand**

There is also some evidence that the public health message about sugar is getting through to consumers and that companies are simply giving consumers, rather than potential regulators, what they want. Market research published by Mintel last July suggested that a quarter of UK consumers were drinking fewer carbonated soft drinks than they were six months earlier, and that “half of those are doing so because they contain too much sugar.” The figure rose to a third in the 16 to 24 years age group.

As a result, said Mintel, consumption was expected to fall to its lowest level since 2010, when Britons consumed 5.96 billion litres. This figure rose to 6.17 billion in 2011 but is now expected to drop to 5.95 billion in 2014, leaving the market worth £7.5bn (€10bn; $11bn)—down from £8.3bn in 2011.

For Richard Ford, a senior food and drink analyst at Mintel, there was no doubt that the report’s findings were linked to “the debate over sugar’s contribution towards the nation’s growing obesity [that] continues to be played out in the media” and the change in consumer preference was driving manufacturers to launch more sugar-free and lower sugar variants. The “highest-profile example” of this was Coca-Cola’s green liveried Life, a lower calorie blend of sugar and the sweetener stevia, launched in the UK this September.5

A major advertising campaign for Life, a can of which contains 89 calories instead of Coca-Cola’s usual 139, betrays something of the company’s alarm over the growing disapproval of its products. “More choice, less calories” read the headline on an advert that appeared in UK newspapers throughout October. More than 40% of the Coca-Cola sold in Britain was “without sugar or calories,” the advert pointed out.

**Pitfalls of reformulation**
But it remains to be seen what the introduction of Life will do to that balance. Figures reported in October by market research company IRi suggest that instead of reducing the company’s overall calorie footprint, Life’s healthy image was attracting Coca-Cola customers whose previous drink of choice was Coke Zero, and who were consequently trading no calories per drink for 89.6.

Such reformulation, relied on by industry as evidence that it is doing its bit to battle obesity, is in fact fraught with unpredictable outcomes for public health.

This could perhaps be characterised as the Alpen illusion. The Weetabix Food Company, based in Northamptonshire, makes two versions of the breakfast cereal Alpen—“Original” and “No added sugar.” The second version sounds like a helpful proposition for anyone seeking to lose weight, but the reality is that both versions deliver virtually the same number of calories per 100 g: 377 and 375, respectively. Examine the nutrition information on the back of each pack, and it is clear that although the sugar content has dropped from 23.1 g to 16 g, the missing bulk has been made up by increased doses of fibre (up from 7 g to 7.8 g) and, more importantly, fat (up from 5.8 g to 6.2 g).

**Future threats**

In September last year the Credit Suisse Research Institute, which generates guidance for investors, devoted a 23 page report to an analysis of the future of the sugar industry. The global obesity epidemic and related nutritional issues, it said, were “arguably this century’s primary social health concern” and, “although medical research is yet to prove conclusively that sugar is in fact the leading cause of obesity, diabetes type II or metabolic syndrome . . . The potential for a surge in negative public opinion and the looming threat of regulation and taxation are issues that the food and beverage industry clearly must address, though the extent to which they can do so without hurting their current business models is up for question.”

Although “a major consumer shift away from sugar and high-fructose corn syrup might be some years away, and outright taxation and regulation a delicate process, there is now a trend developing . . . Ultimately, we expect consumers, doctors, manufacturers and legislators to all play a crucial role in changing the status quo for sugar.”

Last July, Mars announced it was creating a new job, chief health and wellbeing officer, as “a reflection of the strategic priority that health and wellbeing represents for Mars.”

The company’s approach, it said in a press release, was “focused on helping consumers make informed choices, improving the nutritional value of its portfolio, conducting scientific research into nutrition, and working to promote active, healthy lifestyles”—repeating the industry standard drumbeat that it is sloth, not greed, that is to blame for obesity.

The new health and wellbeing officer was Debra Sandler, president of Mars Chocolate North America since 2012. In 2013, during a speech at a Miami conference organised
by the National Confectioners’ Association, Sandler had given an insight into the pragmatic nature of that strategic priority. The industry, she told delegates, must act to tackle obesity, because if it didn’t “someone else will do it for us. Don’t wait for regulators to tell us what to do.”

Mars boasts that it has taken “significant steps including leadership in nutritional labelling, commitment to a 250 calorie cap on single servings of its confectionery products and the development and implementation of the industry leading Mars Marketing Code.”

**Marketing**

But the code isn’t all it appears to be. In 2007, the company announced it would stop advertising its products to children under 12 years, “as this is the age at which we believe that people can make informed choices about sensible snack consumption.” In the code’s small print, the company says this “belief”—that, in effect, it is fine to carry on advertising to children over 12—was informed by the findings of a 2006 study carried out in the United States by a committee appointed by the Institute of Medicine (IOM) to look into food marketing and the diets of children.

This committee, says Mars, concluded that there was “insufficient evidence” that television advertising influences the preferences, purchase requests, or beliefs of children aged 12-18 years. In fact, by “insufficient evidence” the committee made clear it meant there simply weren’t enough studies to justify a conclusion one way or the other.

J Michael McGinnis, one of the report’s authors and now executive director of the IOM’s roundtable on value and science driven health care, told The BMJ that the evidence had been strong that television advertising influenced the food and beverage preferences and purchase requests of children aged 2 to 11 years. However, it was “not sufficient to draw conclusions about the nature of influences for children 12-18 years” because the committee’s review had found just two studies in teenagers versus 11 for 2-5 year olds and 17 for 6-11 year olds. Furthermore, says McGinnis, the committee had noted that “the evidence was strong that exposure to television advertising is associated with adiposity in children 2-11 and teens 12-18.”

In a statement to The BMJ, Mars defended its marketing code as “the most comprehensive and restrictive in the food industry.” “We believe that the threshold of 12 years for the age of marketing to young people is the correct one according to the wider scientific consensus, as well as the [IOM] 2006 report.”

In its response, the company cited seven additional studies in support of its claim. A spokesperson added: “For us, the scientific consensus on these points is clear . . . before 4 or 5 years old, children regard advertising as simply entertainment, while between 4 and 7, they begin to be able to distinguish advertising from programs. The majority has
generally grasped the intention to persuade by the age of 8, while after 11 or 12 they can articulate a critical understanding of advertising.”

Soundly based or not, the marketing code is not the only expression of Mars’s commitment to protecting children from its products. Visitors to the Mars UK website are greeted by an age check reminiscent of that now seen on the websites of most alcohol manufacturers. “As a responsible manufacturer,” says the company, “we need to check your age to ensure that we adhere to our commitment to market our brands responsibly.”

The reality, of course, is that such age verification, dependent entirely on the honesty of the user, is an empty gesture, as a research report in March by the UK regulator for online video content made clear. “Requiring users to enter a date of birth,” concluded the Authority for Television on Demand, “is not sufficient.”13 And Mars’s concern seems to vary according to where children live—no age verification is required to visit its US website.

According to recent research on the effect of sports sponsorship on children, it also seems likely that Mars reaches children through its sponsorship of the US National Football League and the Football Association in the UK.10 And although Mars says it does not advertise on websites aimed at children under 13, it uses its UK Facebook page to promote its role as an official partner of the English national football team, a role it shares with companies such as Budweiser and MacDonald’s.

The company has also said it will “refrain from creating new characters with child appeal for chocolate, gum and confections,” but can’t quite bring itself to shed “established brand characters such as the M&Ms characters.” Besides, it adds, the actions and speech of these characters “are intended for an audience over 12 years of age, and we continue to emphasise their mature personalities and adult characteristics.”14

Mars goes to great lengths to emphasise its role as a good corporate neighbour, but sometimes this is a concept with conflicting objectives. Last September the company announced its Galaxy brand was partnering with AIDS charity (RED) “to help prevent the transmission of HIV from mothers to their babies” in Africa. Three celebrities, including Olympic cyclist Victoria Pendleton, had been recruited to “design” special edition bars of Galaxy, with the charity receiving 5 pence from the sale of each bar.15

References


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