

Can Advertising Make You Fat?

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What Does Food Advertising Do?

- Advertising caters to consumer preferences
 - Flavor
 - Convenience
 - Taste
 - Nutrition
 - Price (cheaper is good, not bad)

- Fact: Persuading people to buy what they don't want is hard to do
- Fact: Heavily advertised failures are common in the food and restaurant markets
 - Even McDonald's Happy Meals are in trouble

Does Advertising Make People Eat More?

- There is little if any research finding that advertising causes obesity
- Advertising typically shifts brand shares – which is the goal of advertising
- Supporting brand shares is reason enough to advertise
 - A family is going to eat dinner anyway – why not at McDonald's?

- Total industry advertising typically fails to increase total market size
 - Why advertise for your competitor?
 - Does shampoo advertising cause people to take more showers?
 - Does political advertising increase voting?
 - In general, we cannot assume that successful brand advertising increases total market sales

Why the Obesity Epidemic?

- The modern world is a world of exercise-free jobs
 - We used to exercise to get money to pay for things
 - Now we pay to exercise
- Food is cheap
 - Almost everyone can afford to be fat
 - Critics of U.S. welfare programs point out that the poor don't need more calories, because they, too, are getting obese

- Serving sizes have been getting bigger at home as well as in fast food restaurants:
 - “Patterns and Trends in Food Portion Sizes, 1977-1998,” by Samara Joy Nielsen and Barry M. Popkin, *Journal of the American Medical Association*, Jan. 22, 2003.

	Hamburger size in calories		
	1977-78	1989-1991	1994-1996
Fast food	419	414	497
Home	390	397	608

- High technology makes preparing tasty food at home cheaper and faster than ever

Cultural Differences

- French -- still pretty thin?
- Germans -- not so thin?
- Anglo-Saxons (U.K., U.S., New Zealand):
not so thin?
 - But, U.S. Hispanics and Afro-Americans not so thin, either

Do Ad Warnings Work?

- The historical record: Warnings in ads have little or no impact
- What can warnings tell consumers that they don't already know?
 - Exercise more?
 - Reduce caloric intake?
 - Big Macs are not low-cal?

Do Ad Bans Work?

- If advertising does not cause obesity, it is hard to see how an ad ban could help
- Alcohol ad bans did not reduce drinking
 - Communist Russia and Eastern Europe suffered from widespread alcoholism – before Western-style advertising arrived
- There is negligible evidence of benefits from ad bans anywhere

What Can Be Done?

- Advertising can be a powerful tool for disseminating nutrition information
 - Food advertising could contain more health information
 - FTC staff has documented the impact of health claims for foods
 - Findings: Health claims improve consumer information and consumer choices, and motivate product improvements

- Unnecessary restrictions on health claims forces food advertising to emphasize taste, convenience, etc.
- Good news: The FDA is relaxing its near-prohibition on using food advertising to provide new information about diet and health