

Australian Food and Grocery Council
FOOD AND BEVERAGE
ADVERTISING TO CHILDREN
ACTIVITY REPORT

DECEMBER 2010



PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 150 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

With an annual turnover of \$100 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector¹ is Australia's largest and most important manufacturing industry. Representing 28 per cent of total manufacturing turnover, the sector is comparable in size to the Australian mining sector and is more than four times larger than the automotive sector.

The growing and sustainable industry is made up of 38,000 businesses and accounts for \$49 billion of the nation's international trade. The industry's total sales and service income in 2007-08 was \$100 billion and value added increased to nearly \$27 billion². The industry spends about \$3.8 billion a year on capital investment and over \$500 million a year on research and development.

The food and grocery manufacturing sector employs more than 315,000 representing about 3 per cent of all employed people in Australia paying around \$14 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia³. It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

1 Fast moving consumer goods includes all products bought almost daily by Australians through retail outlets including food, beverages, toiletries, cosmetics, household cleaning items etc..

2 AFGC and KMPG. State of the Industry 2009. Essential information: facts and figures. Australian Food and Grocery Council. Oct 2009.

3 About Australia: www.dfat.gov.au

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1. EXECUTIVE SUMMARY

AFGC acknowledges there is a high level of community concern about the nature and extent of advertising of foods high in energy, fat, sugar and salt to children. The Responsible Children's Marketing Initiative (RCMI) was developed by the Australian food and beverage industry to provide a framework for collective action to address these concerns.

Monitoring of company activity in this area is essential to quantify the extent of food and beverage advertising to children and to further strengthen the initiative. AFGC obtained three months of television food and beverage advertising data for 2010 and undertook an assessment of activity that covered both RCMI signatories and non-signatories.

There were 410 individual food and beverage advertisements shown in the five major Australian capital cities from March to May, of which 39% were shown in children's programs. Of these, less than a quarter (21%) were for non-core foods. When the content of the advertisement and the frequency of screening in children's programs was considered, advertisements for non-core foods that directly targeted children represented just 2.4% of all food and beverage advertisements.

This is a positive finding; however, that some advertisements for non-core foods (albeit very few) were shown in children's programs indicates there is a need to promote the RCMI more widely to AFGC members and non-members to enhance the coverage, and ultimately the effect, of the initiative. AFGC will continue to monitor the extent of food and beverage advertising to children to measure industry performance and track change over time.

2. INTRODUCTION

The Responsible Children's Marketing Initiative (RCMI) was developed by the Australian Food and Grocery Council (AFGC) in 2008 in response to community concerns about the level of advertising of foods high in energy, fat, sugar and salt to children. These concerns were highlighted by the Australian Communication and Media Authority (ACMA) in its Report on the Review of the Children's Television Standards 2005⁴.

AFGC worked in partnership with its members, other sectors of the food industry and the Australian Association of National Advertisers (AANA) to develop the RCMI to provide a framework for collective action and to address these concerns and demonstrate industry commitment to the responsible marketing of food and beverages to children.

The aim of the RCMI is to reduce the amount of advertising of foods high in fat, sugar and salt to children (i.e. 'non-core' foods). Signatories commit not to advertise food and beverage products to children under 12 unless those products represent healthy dietary choices and are presented in the context of a healthy lifestyle. The RCMI captures television, radio, print, cinema and third-party internet sites.

Marketing communication activities are captured if the audience is predominately children (where greater than 50% of the audience is children less than 12 years) and/or the media or communication activities are, having regard to the themes, visuals, and language used, directed primarily to children. Complaints against the RCMI are managed by the Advertising Standards Bureau which also manages the complaints resolution process for a range of other advertising codes.

Companies that sign up to the initiative prepare individual Company Action Plans that outline their specific commitments, including the nutritional standards that will be applied (if applicable) in order to meet the core principles of the initiative. The core principles include publicly committing to undertake marketing communications to children less than 12 years only when it will further the goal of promoting healthy dietary choices and healthy lifestyles. Other core principles relate to:

- Use of popular personalities and licensed characters
- Product placement
- Use of products in interactive games
- Advertising in schools
- Use of premium offers

All of the Action Plans are reviewed by AFGC prior to completion to ensure their robustness, which includes the appropriateness of the signatory's selected nutrition criteria.

Monitoring of company activity is integral to the success of the initiative. Signatories are required to report on their activities on an annual basis and the first RCMI report was published in March 2010. The RCMI activity report for 2010 will be published in the first quarter of 2011, which will capture company reporting and an external audit.

⁴ Australian Communications and Media Authority, Review of the Children's Television Standards 2005 Report, 2008.

An overall assessment of food and beverage advertising to children is also important for quantifying the extent of the situation and to further strengthen the initiative. This report documents activity in relation to food and beverage advertising to children on television and covers RCMI signatories and non-signatories.

3. METHODS

3.1. FOOD AND BEVERAGE ADVERTISING DATA

Three months of food and beverage television advertising data, March to May 2010, were purchased from Commercial Monitors, an Australian advertising information service provider. The data covered free to air television (including digital TV) from the five major capital cities: Adelaide; Brisbane; Melbourne; Perth; and Sydney. Overall, 92 days were included in the analysis (24 hours each day). Commercial Monitors collects the information in real time, i.e. as the advertisement is screened; therefore providing accurate data on television advertising.

For each individual advertisement, details were provided on the date and time the advertisement was screened and during what program. Complete data were available on the date and time; however, some data were not collected regarding the programs in which it ran. This represented only a minor limitation because this analysis predominately focused on the individual advertisement rather than the frequency.

Advertisements from the quick service restaurant industries were excluded as they are covered by a separate industry code and will be reported elsewhere. Alcohol advertisements were also excluded because the alcohol industry is covered by other codes that regulate the promotion of alcohol.

3.2. PROGRAMS

Advertisements were classified as either 'advertising to children' or 'not advertising to children' according to the program in which it screened. All programs classified as P (preschool) and C (children) were automatically included. The remaining programs, including family movies, where the audience is predominately children or are directed primarily to children less than 12 years (assessed through the themes, visuals and language) were determined according to an indicative program list attached to the RCMI and through a review of each program. The programs captured are included in Attachment 1.

While some program information was not collected, if an advertisement was shown during a children's program it was likely to be identified because each advertisement was often shown multiple times. This does, however, represent a limitation with the analysis.

3.3. FOOD CLASSIFICATION

The nutritional composition of the product advertised was assessed according to the Nutrition Information Panel on the product. If the advertisement was from an RCMI signatory, the product was classified as 'core' or 'non-core' according to the company's specified nutrition criteria as detailed in their action plan. For advertisements from non-signatories, the product was classified according to the criteria specified for 'occasional' foods by the Fresh Tastes @ School NSW Healthy School Canteen Strategy⁵, or the Australian Guide to Healthy Eating⁶.

5 <http://www.schoolcanteens.org.au/category/13/fresh%20tastes%20@%20school>

3.4. ANALYSIS

The three months of advertising data were analysed to determine the extent of non-core food and beverage product advertisements to children.

4. RESULTS

During the three month period there were 410 individual food and beverage product advertisements shown, all which ran multiple times (approximately 80,000 occurrences over the three months).

4.1. ADVERTISEMENTS DURING CHILDREN’S PROGRAMS

Approximately four in 10 product advertisements (n=160; 39%) were shown at least once in children’s programs. These were from 44 companies, of which 16 were signatories to the RCMI (out of 17 signatories). Ready meal products⁷ were the most common food advertised (n=28; 18%), followed by dairy products (n=25; 16%), breakfast cereal (n=15; 9%) and confectionary (n=13; 8%) (Figure 1).

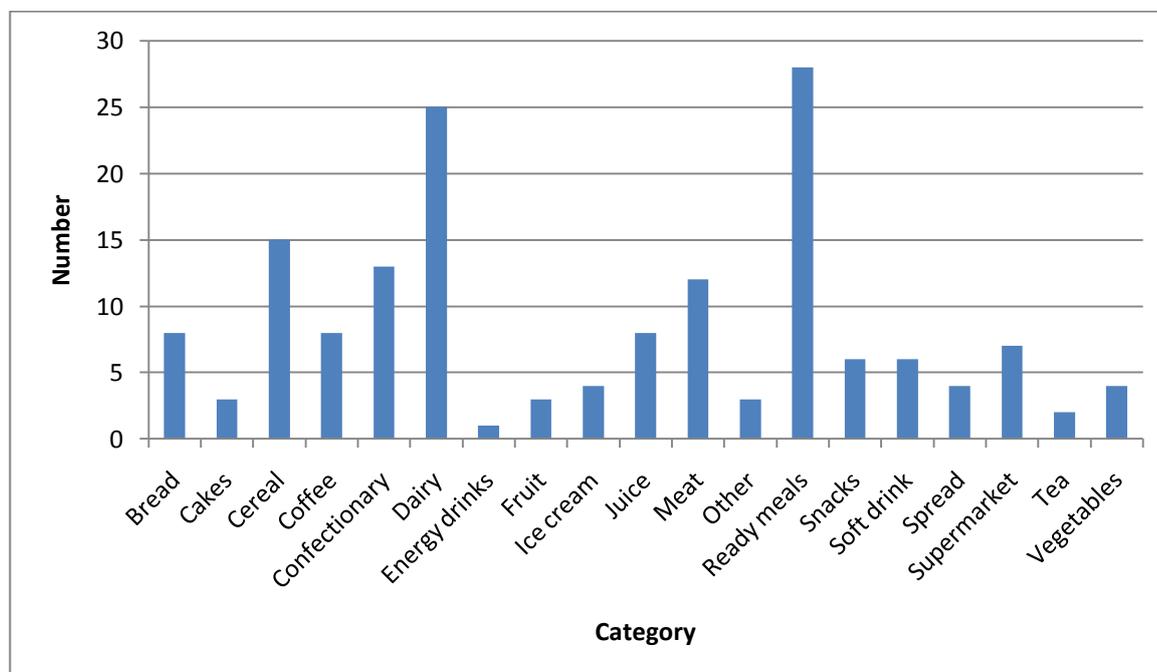


Figure 1: Food and beverage advertisements during children’s programs, March to May 2010

4.2. ADVERTISEMENTS FOR NON-CORE FOODS

Of the 160 individual advertisements during children’s programs, less than a quarter (n=33; 21%) were for non-core foods (Figure 2), which included confectionary products (n=13; 39%), ice cream (n=4; 12%) and soft drink (n=4; 12%). Of the 33 non-core foods advertised, almost two thirds (n=20; 61%) of these were by signatories to the RCMI. Further details on RCMI activities will be provided in the RCMI activity report in the first quarter of 2011.

6 Smith et al (1998), *The Australian Guide to Healthy Eating*, Commonwealth of Australia, available at <http://www.health.gov.au/internet/main/publishing.nsf/Content/health-pubhlth-publicat-document-fdeduc-cnt.htm>

7 Including soups, pasta sauces, side dishes, crumbed fish, diet frozen meals.

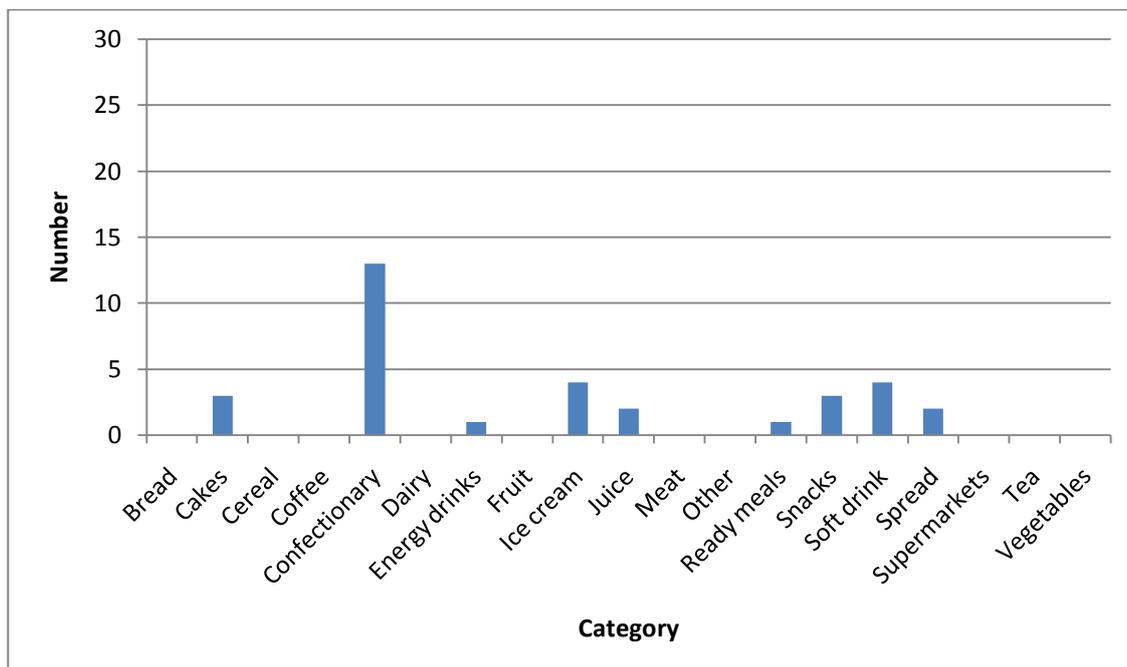


Figure 2: Food and beverage advertisements during children’s programs, non-core foods, March to May 2010

4.3. FREQUENCY AND NATURE OF ADVERTISEMENTS

4.3.1. Advertisements not directly targeting children

It is important to note that these data do not consider the frequency of the individual product advertisements in children’s programs as a proportion of total advertising nor the nature of the advertisement i.e. whether the advertisement was directed to children through the themes, visuals and language. When these aspects were considered, there were a number of advertisements for non-core products shown in children’s programs that would not be considered as directly targeting children. This aspect is summarised below⁸.

- The majority of confectionary advertisements (77%) were shown primarily in programs that were not directed to children, and through the nature of the advertisements it is evident that they were not targeting children.
- The advertisement for the energy drink was screened extensively (approximately 500 times) and captured only twice in one children’s program. Also, through the nature of the advertisement it is evident that they were not targeting children.
- There was one advertisement for a chocolate ice cream that was primarily shown during a morning news program; however, it was shown twice during the program Saturday Disney.
- There were two advertisements for a fruit drink shown eight times in children’s programs; however, these were generic product advertisements and not directly targeting children.

⁸ The program title for some advertisement spots was unavailable in some instances; therefore, screening data is only an approximate.

- The non-core product in the ready meals category (chicken parmigiana) was screened minimally in children's programs (approximately 6% of all screenings) and the advertisement was not directly targeting children.
- There were two advertisements for a snack product; however, they were screened minimally in children's programs (approximately 0.6% of all screenings) and the advertisements were not directly targeting children.
- There were four advertisements for soft drinks; however, they were screened minimally in children's programs (approximately 0.2% of all screenings) and the advertisements were not directly targeting children.
- The two spread advertisements were for chocolate spread and savoury yeast extract; however, they were screened minimally in children's programs (approximately 9% of all screenings).

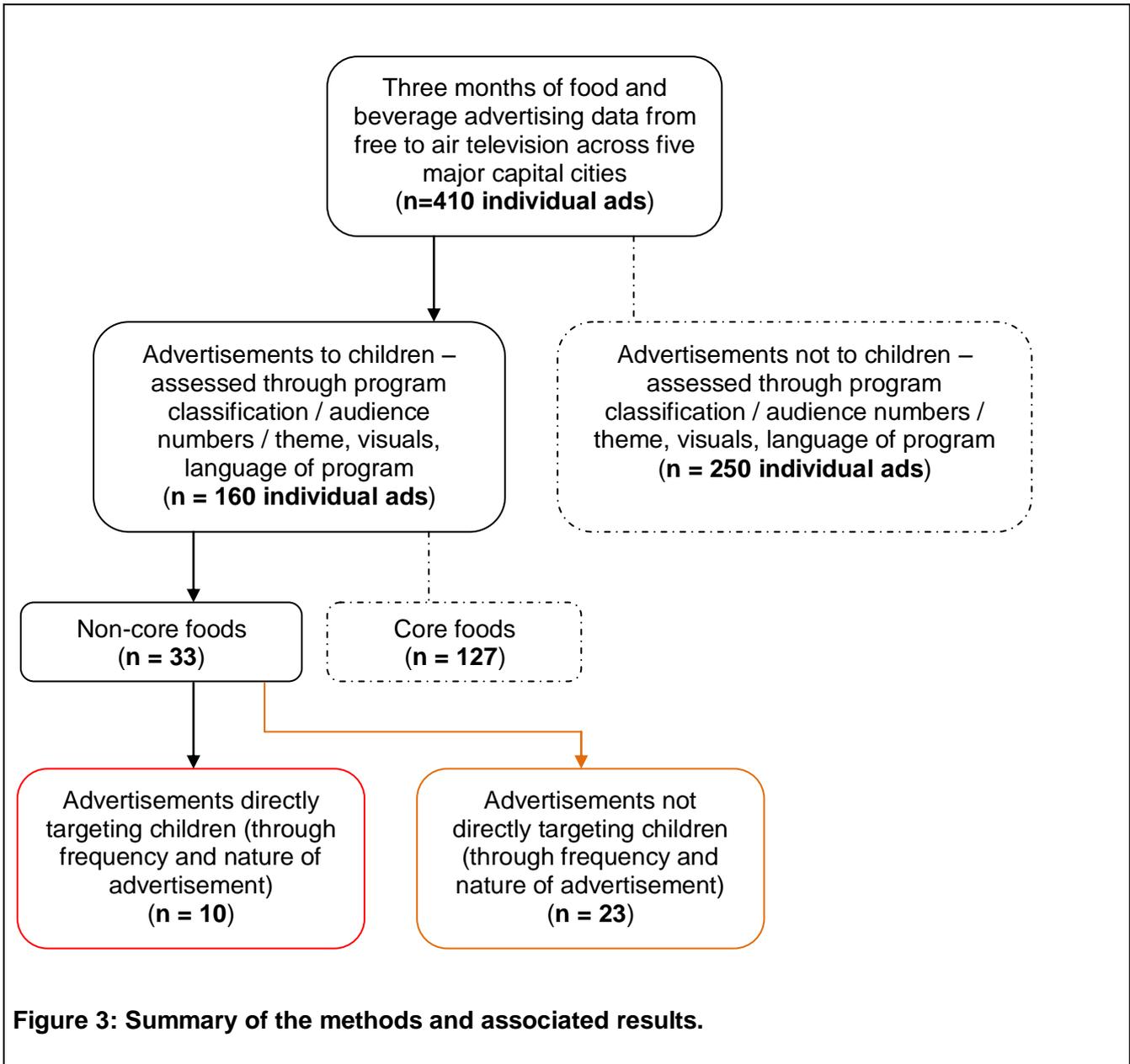
4.3.2. Advertisements directly targeting children

There was evidence of products being directly targeted to children through the frequency and/or nature of the advertisement being shown in children's programs. This was the case for nearly a third (n=10; 30%) of the 33 product advertisements in children's programs, of which three were by RCMI signatories. This represents just 2.4% of all food and beverage advertisements. This aspect is summarised below⁹.

- All three of the advertisements for cakes were shown fairly frequently in children's programs (approximately 15% of all screenings) and, given the themes, visuals and language used in the advertisement, would appeal to children.
- There were three confectionary product advertisements that were only shown in children's programs and the advertisement was directly targeting children. These were by non-signatories to the RCMI.
- There were three separate advertisements for an ice cream product that were shown fairly frequently in children's programs (approximately 15% of all screenings) and, given the themes, visuals and language used in the advertisement, would appeal to children.
- One advertisement for a snack product was shown minimally in children's programs (less than 2% of all screenings); however the themes, visuals and language of the advertisement along with the product would appeal to children.

The methods and results for this activity report is summarised in Figure 3.

⁹ The program title for some advertisement spots was unavailable in some instances; therefore, screening data is only an approximate.



5. DISCUSSION

Whilst it was not possible to estimate the precise number of times an advertisement was shown that would be considered advertising to children, this report provides an overview of the extent of food and beverage advertising to children.

Of all food and beverage advertising, advertisements for non-core foods that directly target children make up a very small proportion. Of the 410 individual food and beverage advertisements shown from March to May 2010, all of which ran multiple times, 160 (39%) were in children’s programs. Of these, just 21% were for non-core foods. When their frequency and nature was taken into consideration, only 10 out of the 33 product advertisements were directly targeting children; representing just 2.4% of all food and beverage advertisements.

That some advertisements for non-core foods (albeit very few) were shown in children's programs indicates further communication and promotion of the RCMI is required. Companies that are signatories to the RCMI have reported that, while they have implemented internal and external training programs that guide when particular advertisements can be screened; there are instances that they are provided with 'bonus air time' slots by the media agency. It is in these slots that advertisements for non-core foods may be inadvertently shown.

Signatories to the RCMI need to communicate clearly their commitments to media agencies, particularly in relation to the scheduling of advertisements in bonus air time. This aspect also relates to the screening of advertisements in family movies, which may have a large child audience or be directed primarily to children.

6. CONCLUSION

The findings indicate that, while there is minimal advertising of non-core foods that directly targets children, there is scope to achieve higher levels of compliance with the RCMI core principles.

AFGC has been acting on these findings, with preliminary feedback from signatories being that they are subsequently strengthening their internal and external training programs to ensure all parties are aware of the requirements. There is also a need to promote the RCMI more widely to AFGC members and non-members to enhance the coverage, and ultimately the effect, of the initiative.

AFGC will continue to monitor the extent of food and beverage advertising to children over the same three month period each year to track change over time.

ATTACHMENT 1: PROGRAMS CAPTURED IN THE REVIEW

Alf
Action Man A.T.O.M.
Animalia
Avatar: The Legend Of Aang
Bakugan
Ben 10: Alien Force
Bubble Town Club
Camp Lazlo
Chaotic
Chowder
Count Duckula
Daffy Duck's Quackbusters
Deadly
Dennis and Gnasher
Dex Hamilton
Digimon Data Squad
Dive Olly Dive
Dora the Explorer
Dragon Ball Z
Erky Perky
Flipper
Go Go Stop
Go, Diego, Go
Gogoriki
It's Academic
Josie and the Pussycats
K9
Kid Detectives
Kidspeak
Kim Possible
Legend of Enyo
Looney Tunes Back in Action
Maddigan's Quest
Marine Boy
Mickey Mouse Clubhouse
Mortified
Movie: A Little Princess
Movie: Alice in Wonderland
Movie: Alvin and the Chipmunks
Movie: Charlie and the Chocolate Factory
Movie: Finding Nemo
Movie: Free Willy
Movie: Mickey's Adventures in Wonderland
Movie: Mickey's Great Clubhouse Hunt
Movie: Stuart Little
Movie: The Jungle Book 2
Movie: Toy Story
My Gym Partner is a Monkey
Pinky and the Brain
Power Rangers
Saturday Disney
Scooby-Doo Where Are You!
Scope
Shaggy and Scooby Doo Get a Clue
Skippy – The Bush Kangaroo
Space Jam
Spectacular Spiderman
Spongebob Squarepants
Sumo Mouse
The Bugs Bunny Road Runner Movie
The Fairies
The Flintstones
The Jetsons
The Lost Children
The Marvellous Misadventures Of Flapjack
The Saddle Club
The Shak
Toasted TV
Tom & Jerry Tales
Totally Wild
Trapped
Treasure Island
Wind in the Willows
Yu Gi Oh! 5 Dragons

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