Advertising for Cereals: Is Self-Regulation Enough?

Growing up in the mid-1990s, I spent many hours glued to my TV. Average TV consumption by children at that point was about 3 hours per day (Nielsen). Some of my most vivid memories are from television commercials. I can still picture an animated rooster reeling out of control on a chocolate roller coaster screaming, “I’m coo coo for Cocoa Puffs!” I can recite all of the marshmallow shapes included in Lucky Charms. I remember when Cap’n Crunch called on me to vote for what new berry (read: “color of food dye”) would be included in his cereal. It’s no accident that these memories persist in my mind. Each was part of a lavishly funded campaign to influence my buying decisions both as a child and later in life.

Advertising is one of the defining characteristics of the intensely competitive breakfast cereals market. In their struggle to grow market share, leading companies are always searching for new advertising methods. Two methods that have been hugely successful, advertising to children and marketing health claims, have come under harsh criticism by advocacy groups, governmental agencies and consumers. As the industry attempts to respond with self-regulatory guidelines, the issue at stake is whether or not industry self-regulation is sufficient.

Objectives

- Investigate the trends of marketing in cereals.
- Examine the key issues of marketing to children and marketing health claims.
- Discuss the industry’s attempts to self-regulate.
- Provide insight for future analysis of cereal industry advertising.

Summary of Findings

Marketing Breakfast Cereals

Advertising is a cornerstone of the breakfast cereal industry. Cereals fall within the most heavily advertised category of food products, prepared and convenience foods, but even within this category, cereals stand out for their enormous advertising budgets. In 1997, a USDA survey found that of all products, breakfast cereals were the most heavily advertised with a combined budget of $792 million dollars (Gallo 1999, 180). Since the new millennium, cereal advertisers have invested heavily into new fields of advertising such as the internet. Their budgets have accordingly grown much larger. Kellogg alone spent $765 million on
advertising in 2006, with 27% of it devoted to children under the age of 12 (Brown 2007).

The food industry relies on advertising because food must be repeatedly purchased and is therefore more prone to shifts in market share than other industries. For breakfast cereals, establishing brand loyalty is especially important. Cereal producers spend huge sums of money on fictional character design, market research, box design, and new media research such as online games and product placement (Nestle 2006, 338). For children’s cereals, there are often multilayered advertisements with some features designed to win children over (such as beautifully designed cartoon characters) and others to convince parents (for example, health claims along the lines of “Great Source of Vitamin D”). These extensive advertising campaigns are effective in influencing purchasing decisions and “branding” lifelong consumers. My fellow Carleton College students often reminisce about their favorite breakfast cereals and many dorm rooms are stocked with name brand cereals.

Health Claims

A quick survey of the cereal aisle will show health claims on many if not most of the cereal boxes. Before 1990, the Food and Drug Administration prohibited the use of health claims to market foods. Their logic for doing so was that substituting any single food for another could not be scientifically proven to affect an individual’s health, (Nestle 2006, 354). Due to industry lobbying around the passage of the 1990 Nutrition Labeling and Education Act, health claims were made legal. Since then they have become ubiquitous.

Even after the legalization of health claims, some advertisements have provoked harsh condemnation from consumers and the FDA. Amidst concerns about the Swine Flu epidemic in May 2009, Kellogg began marketing vitamin enriched Rice Crispies and Cocoa Puffs with the slogan “now helps support your child’s immunity.” Responding to criticism from prominent nutritionists such as Kelly Brownell, the slogan was removed (Datamonitor, 2009).

The Food and Drug Administration Weighs in on Cheerios

One key argument in the health labeling debate has been whether or not Cheerios reduces cholesterol. Since the legalization of health claims by the Nutrition Labeling and Education Act of 1990, the FDA has taken contradictory stances. In 1997, the FDA surprised the industry by allowing manufacturer Quaker Oats to advertise Cheerios a cholesterol-lowering food, (Raloff 1997, 71). At the time, even nutritionists at Quaker Oats were hesitant to tout its ability to lower cholesterol as a fact and were shocked at the breadth of the FDA’s ruling.

Last year, the FDA apparently decided to reverse its 1997 decision. Responding to the advertisement, “Did you know that in just 6 weeks Cheerios can reduce bad cholesterol by an average of 4 percent?” the FDA sent a letter to Quaker Oats warning the company:
These claims indicate that Cheerios is intended for use in lowering cholesterol, and therefore in preventing, mitigating, and treating the disease hypercholesterolemia... It may not be legally marketed with the above claims in the United States without an approved new drug application.

Some internet analysts have speculated that the Obama administration appointees to the FDA are attempting to reclaim the authority to regulate health claims on food packages. The authority was lost during the mid 1990s under constant legal assault by the food industry, (Nestle 2007, 236).

**Defining “Healthy”**

Beyond the issue of specific health claims on packaging, there is currently a nationwide demand for “healthy” food. What healthy means and who defines it are questions that go the heart of industry’s relationship with the food industry.

Throughout the twentieth century, the food industry carried out a public relations campaign designed to discredit traditional forms of knowledge while promoting new kinds of food, (Vilesis 2008, 9). The modern incarnation of this ongoing struggle is the industry’s battle to restructure governmental advice on nutrition in a way that will benefit industry (Nestle 2007, 14).

Facing an unprecedented obesity epidemic, the public is aware that something is wrong and has been calling for clearer nutritional advice. In 2009, the food industry set out to define healthy with the Smart Choices program. From the Smart Choices website:

> The qualifying criteria were developed by a diverse coalition of scientists, academicians, health and research organizations, food and beverage manufacturers, and retailers. The criteria were derived from the Dietary Guidelines for Americans, FDA standards, reports from the Institute of Medicine, and other sources of authoritative dietary guidance.

The program set laid out a list of “Nutrients to Limit – General Benchmarks” which included sodium, fat and added sugars. It failed, however, to limit sugars in general. As a result, some of the most notorious children-targeted cereals such as Froot Loops, Frosted Flakes, and Lucky Charms were labeled “Smart Choices.”

The FDA immediately responded with a letter to Smart Choices Program encouraging them to discontinue the use of the labeling system. FDA Commissioner Margaret Hamburg commented to reporters, "There are products that have gotten the Smart Choices check mark that are almost 50 percent sugar," (Perrone 2009). The industry discontinued the Smart Choices Program with a press release noting that they wish to remain involved in future nutrition labeling programs.

**Marketing to Children**

Advertisements that target children (up to age 18 under the United Nations Convention on the Rights of the Child but especially important for those children
under the age of 14) have been a controversial topic in food politics since the late 1980s. In recent years, advocacy groups and governmental health organizations have lobbied for the introduction of regulatory bodies that would police or abolish advertising to children.

**Criticisms of Child-Targeted Advertising**

The greatest factor driving lobbying on this issue is the stunning increase in childhood obesity rates over the last 30 years. In the twenty first century, nearly one in three American children aged 10 to 17 are obese, (WHO, 2006). The rate has more than tripled since the 1970s when it was in the single digits. Of 24 ranked countries, the United States was ranked second most obese in 2001.

A growing body of research has drawn a link between childhood obesity and advertising, (Nestle 2007, 173). A recent study has shown that television, the most targeted symbol changing childhood lifestyles, may not be the issue, “Television advertising, rather than viewing per se, is associated with obesity,” (Zimmerman, 2010).

The World Health Organization has also published several reports about the effects of food advertising on children. In a 2009 summit held in Oslo, they agreed that, “Food promotion influences children’s nutritional knowledge, food preferences, purchasing and purchase-related behavior, consumption, and diet and health status,” but softened the conclusions by adding, “The extent of the influence is difficult to determine,” (WHO 2006, 10).

Industry’s response to many criticisms is to claim that the responsibility of health rests on the individual and not on the marketer. In the case of children who cannot be expected to make responsible choices, the responsibility for a healthy diet falls on the parents. However, the WHO rejects the argument that parents should be held accountable for declining health standards:

> While parents have ultimate responsibility for their children’s food choices, the way that foods are marketed makes it more difficult for parents to influence their children’s choices. Food marketing is increasingly sophisticated and integrated, making it difficult to keep abreast of the messages that children are exposed to. (WHO 2006, 23)

Although there is a large body of scientific research confirming the link between advertisements and childhood obesity, governmental organizations are often hampered by the concerted lobbying of the food industry (Nestle 2007, 10). The industry-proposed alternative is self-regulation.

**Industry Attempts Self-Regulation**

Responding to criticism by governmental and non-governmental sources, the food industry has made some steps to attempt self-regulation, largely out of fear that government may impose harsh regulations if it was forced to intervene.
Commenting in the well-known advertising journal *Advertising Age*, Jeffrey Greenbaum wrote:

> The health problems are very real. Although people can disagree on what level of responsibility the food companies should have for childhood obesity, it's clear that both consumers and government are looking to marketers to provide some of the solutions. If you're creating food advertising, this is the time to take a step back and consider some of these weighty issues, or you may just find yourself weighed down with a lot of new regulation in the future. (Greenbaum 2006)

The most well publicized effort was the establishment of the Children's Advertising Review Unit (CARU) by the Council for Better Business Bureaus (CBBB). CARU is a voluntary self-regulatory organization for all child-related industries. It has set forth a number of guidelines about how products should be marketed to children. For example, “Advertising should not stimulate children's unreasonable expectations about product quality or performance,” (CARU 2009).

CARU has no enforcement capabilities but instead relies on member companies to comply with its recommendations. Searching through the website, I found one of the few examples of CARU making recommendations to a food producing company.

**CARU Case Study: Cookie Crisp Overconsumption**

For an example of what CARU recommends, take a common General Mills advertisement for its cereal Cookie Crisp. In the advertisement, several children are eating Cookie Crisp (manufactured to look like chocolate chip cookies). The animated Cookie Crisp mascot fails to steal the cereal and one of the children pours more into their bowl. CARU questioned General Mills about possibly promoting “overconsumption.” General Mills reedited the advertisement so that the child did not pour more cereal into the bowl, (CARU 2008).

This example highlights how ineffective the Children's Advertising Review Unit is. The organization is right to take issue with the ad, mainly because it advertises to children under the age of 10 using market-researched methods (children outsmarting adult stand-in) that are targeted at preteens. Instead, CARU ignores the fundamental questions about the ad targeting children and instead critiques a superficial feature of the advertisement that could be easily corrected.

Even more discouraging, CARU’s comment was a non-enforceable recommendation that General Mills voluntarily chose to comply with. Seeing as the press release was made after General Mills complied, it's possible that CARU would not have published the results if the recommendation had been ignored.

**The Future of Marketing Breakfast Cereals**

Advertising has become so central to selling breakfast cereal that it’s difficult to imagine what the industry would look like without it. Nevertheless, the obesity
epidemic in the United States will cause governmental agencies and the public to reexamine the effects of completely unregulated advertising. The two closely linked issues of advertising to children and the marketing of health claims will become central battles in the fight for who is allowed to advertise what. Industry is currently looking for new ways to shift the debate towards self-regulation. Four companies, Coca-Cola, Mars, Hershey and Cadbury, have declared that they will no longer advertise to children under the age of 12, (Goodman 2010). According to FDA press releases, they are planning their own program in the contentious Front Of Box labeling debate. Consumers should remember that when they take a bite of cereal, it comes enriched with more than the recommended serving of advertising.
Sources


Perrone, Matthew. Sugar cereals are 'Smart Choices'? FDA not so sure Associated Press. USA Today 10/20/2009.


