

Marketing and Advertising

GMA member companies have a longstanding commitment to responsible product promotion in order to help consumers make sound choices about their diets and lifestyles. Informing consumers about products and services available to them is essential if they are to enjoy the benefits of the many options that food companies provide. Educating consumers, especially parents and their children, about how to meet their individual needs, tastes and preferences through the proper balance of activity and nutrition improvements empowers consumers to maintain a healthy weight. Advertising is an important means of communicating that information and is a critical element of the competition that drives innovation. The actions taken by the industry fall within the following areas:

Adopting Industry-Wide and Company-Wide Standards

Drawing on the experience of its member companies, in 2004 GMA developed a set of industry standards to help guide the execution and placement of food and beverage advertising. The GMA Advertising Principles encourage the promotion of healthful choices affecting diet, nutrition and lifestyle while also discouraging overeating and inappropriate consumption of foods. Consumers' attitudes toward diet and nutrition begin taking shape at an early age. Therefore, the industry placed a special emphasis on a series of additional principles regarding advertising products specifically for children. The GMA health and wellness survey found that all companies advertising to children under 12 had specific internal policies governing advertising to kids.

Supporting Industry Self-Regulation, Ensuring That Advertising Meets the Highest Standards of Truth and Accuracy as Well as Reflecting a Balanced Approach to Health and Nutrition, and Proposing Ways to Strengthen an Already Rigorous Advertising Review Process

GMA is a member of Media and Childhood Obesity: Today and Tomorrow, a joint task force on media and childhood obesity. The effort is being spearheaded by Senator Sam Brownback, Senator Tom Harkin, FCC Chairman Kevin J. Martin and Commissioners Deborah Taylor Tate and Michael Copps. The task force provides a forum for the public and private sectors to explore voluntary efforts and initiatives that will address the alarming rise in childhood obesity rates. The task force participants represent a wide range of interests from Congress, the administration, consumer advocacy groups, the food and beverage industry, media companies, advertisers and experts from healthcare and academia. A report and recommendations from the task force will be forthcoming.

In June of this year GMA testified before House Energy & Commerce Subcommittee on Telecommunications and the Internet indicating to the Subcommittee that the industry recognizes that it can help by providing a wider range of nutritious product choices and marketing these choices in ways that promote healthy lifestyles.

GMA went on to tell the Subcommittee that over the last five years alone, food companies have introduced more than 10,000 new and reformulated products with more whole grains and fiber, reduced calories, reduced saturated fat, zero *trans* fat and lower sodium and sugar.

GMA recently gave remarks before a Federal Trade Commission/Department of Health and Human Services Forum titled "Weighing In: A Check-up on Marketing, Self-Regulation and Childhood Obesity" outlining the food and beverage industry's commitment to improved health and wellness. GMA released new data revealing the fact that as food and beverage marketers have shifted the mix of products advertised to children, a recent Georgetown Economic Services study found that children are seeing fewer food, beverage and restaurant ads on television. The study results show that today children are seeing far fewer ads for soft drinks, cookies, snacks

and candy, while being exposed to more ads for soups, juices, fruits and vegetables than they were in 2004.

Because advertising can play an important role in promoting healthy eating and activity choices, it is critical to have in place meaningful, robust self-regulation to ensure the highest standards of truth and accuracy. To build on the effective self-regulation that has been managed since 1971 by the National Advertising Review Council and implemented through the National Advertising Division and Children's Advertising Review Unit of the Council of Better Business Bureaus (CARU), GMA made recommendations in 2005 to strengthen their efforts. That proposal, presented in July of 2006 at the Federal Trade Commission and Department of Health and Human Services Public Workshop on Marketing, Self Regulation and Obesity, prompted CARU to announce in September the following steps to improve self-regulation:

1. More visible, user-friendly CARU complaint process;
2. Free access for nonprofit organizations;
3. Expanded pre-screening of advertisements for business;
4. Expanded pool of child health experts;
5. A review of CARU's guidelines to ensure they address certain marketing practices appropriately, including interactive online games, computer games, video games; paid product placement in children's television programming; and use of third-party licensed characters.

As a result of the FTC workshop and GMA's recommendations, the self-regulatory guidelines of the CARU were recently modernized, clarifying their jurisdiction and strengthening CARU's guidance to all children's advertisers, including food and beverage companies.

CARU Guidelines: <http://www.caru.org/guidelines/guidelines.pdf>

The Council of Better Business Bureaus and the Children's Food and Beverage Advertising Initiative recently announced that 11 food and beverage companies accounting for over two-thirds of all TV advertising to children under the age of 12 have pledged that all such product advertising will meet specific nutritional guidelines. This represents another voluntary step forward by the industry in the battle against childhood obesity and the promotion of healthy lifestyles.

Children's Food and Beverage Advertising Initiative:

<http://www.us.bbb.org/WWWRoot/SitePage.aspx?site=113&id=dba51fbb-9317-4f88-9bcb-3942d7336e87>

Finally, the global marketing communications industry announced a new commitment to strengthening global advertising self-regulation following meetings held during the Global Advertising Summit in Toronto at which GMA urged collective action. The initiative will reinforce advertising self-regulatory mechanisms to ensure the highest level of responsible marketing communications and will initially focus on key emerging markets, including Brazil, China, India, Mexico and Russia. This initiative is being guided by industry leaders including the World Federation of Advertisers, the International Chamber of Commerce (ICC), the International Advertising Association (IAA) and the European Advertising Standards Alliance (EASA).