

## ETHICS AND MARKETING OF PROCESSED FOODS IN INDIA

**G.R. Jayadevan**

Academic Consultant / Assistant Professor Cadre,  
College of Dairy Science & Technology, Mannuthy, Kerala  
Email: jayadevan.gr@gmail.com

### ABSTRACT

*Ethics of Food industry applications have been identified as one of the most important topics worthy of academic research in marketing and producing fields. Changing lifestyle, food habits and working environments have posed a whole lot of challenges before the consumers and marketers to go for a trade-off between ethics and profit. Many food business operators not only resort to unethical practices, but are also creating many adverse societal impacts through the use of various media. These necessitate the need to create a robust regulatory framework on the food marketing practices and also to advice the marketers to follow some basic ethics in their operations. In this paper we particularly examine the ethical issues raised by the fast food sector companies in India and a few strategies which could be adopted by food products marketers to perform ethical business.*

**Keywords:** Ethics, Peer pressure, Globalization, Contemporary foods, Labelling.

### INTRODUCTION

Modern day consumers are fond of variety, novelty and fun. Anything that surrounds them for too long lures them. With higher disposable income, consumers today demand for quality and healthy food that is offered as per their convenience and changing needs. Their palate dictates the very existence of any food outlet or even the entire fast food industry in the country. This has virtually posed a great hurdle before the food marketers who therefore, intentionally resort to unethical practices. These have sprouted a series of lively international debates on ethical marketing practices of food items besides the intervention of regulatory authorities to implement necessary legislation wherever required to reduce the ill-effects on the society. For numerous good reasons like development of ICT, tourism, infrastructure, liberalization, globalization etc, world has turned up to a truly 'global village'. Indian economy is characterized by a burgeoning middle class population. All these reasons are enough for the food industry to bring here, a multitude of different food milieu from across the globe – like the pastas & spaghettis from Italy, the ever-popular chowmein from China, the tacos and enchiladas from Mexico, the Continental pizzas and burgers, the French flambé etc., to name a popular few which were normally never heard of and were limited within the confines of star hotels and among those people who could afford them. But of late, there

have been a slew of contemporary foods pouring into the market at affordable prices that are targeted at the growing numbers of 'fashion-conscious' consumers. Increasing demands largely from the perpetually growing niche segment – the children and the young adults have propelled rigorous sale of 'junk foods' that mainly includes energy-dense fast foods like the puff pastries and burgers containing large quantity of margarine, butter or cheese; carbonated soft drinks with high calorie content; sugary breakfast cereals; salty snacks; and other baked goods like patties, cookies, etc. Food marketers like to reach children and youth as they are the 'future shoppers' and also, they influence their parents' purchases. The goal is to make children and youth buyers of a product for many years.

Youth and children are behind the so called 'fast food culture'. The ready availability, taste, low cost, marketing strategies and peer pressure make fast food items popular. Fast food restaurants are primed to maximize the speed, efficiency and conformity. The menu is kept limited and standardized essentially to minimize the waiting time so that the customers eat quickly and leave. Fast food sale is promoted through event sponsorships with attractive free gifts. The sponsors offer cash discounts on purchase of their brand. Film celebrities and sports personalities are often involved for marketing their products. Fast foods are marketed to children through television advertisements by use of animation and favorite cartoon characters [2]. Television advertisement has an important role in promoting unhealthy dietary practices among children, including diets which are high in fat, sodium or added sugar [1]. Apart from advertising through television, other media like newspaper, magazines, billboards, radio and cinemas are also used for marketing [2]. Healthy foods have become an exception rather than the norm in many situations. Foods with low nutrient value have become a large part of many children's diets, accounting for about *one third* of average calorie intakes [4]. At these levels, the nutritious foods that children need for health, growth and optimal school performance are being squeezed out. Though these food products are claimed to be manufactured using the best technology under most hygienic standards by trained professionals, they generally tend to be nutrient-poor and High in Saturated Fats, Sugars and Salt (HFSS foods) 'selling' obesity among people coupled with diet-related diseases like the cardiovascular diseases, diabetes, osteoporosis, certain forms of cancer, and high blood pressure [6].

### **Advertising And Children's Food Choices**

Children's food choices and advertising are closely related. Food advertisers rely on a range of tools, all with the purpose of encouraging children to eat their products. To make matters worse, the advertising of food to children is weighted heavily towards unhealthy foods, with very few advertisements promoting healthy foods [9]. Sadly, one study reported that only 4% of food advertisements shown during children's viewing time are for healthy foods. There is evidence that advertising unhealthy foods to children influences not only which brands they choose, but the overall balance of their diet, encouraging them to eat energy-dense salty, sugary or fatty foods in place of those which are more nutritious and wholesome. Children on the whole understand which foods are healthy and which are unhealthy, but they are surrounded by ads branding sweets, chocolate and fast food as 'fun' and 'cool'. Unhealthy food is promoted in supermarkets, on billboards, on the internet, by text message, on television, in magazines, in video games, even on the back of bus tickets. This ubiquity makes it much more difficult to resist unhealthy food choices, even if children understand

the difference. The frequency with which unhealthy food advertisements appear in almost every sphere of children's lives contributes to an obesogenic environment.

Several studies were performed across different parts of the world to understand the impact of fast food advertising on children and many of such studies ended up with shocking revelations. Dr. Tom Robinson from Stanford University chose 63 preschoolers aged 3 and 5 from low income families. Half of them were given foods and beverages without disclosing brands and the other half were given with McDonald's branded food stuffs. Just two of the 63 children studied said they had never eaten at McDonald's, and about one-third ate there at least weekly. Most recognized the McDonald's logo but it was mentioned to those who didn't. The products were the same but the children claimed that McDonald's branded ones were better tasted. The study revealed the power of advertising and branding on children. We can thus conclude that it is the brand that children go for it, not the taste of the food (Child Health Alert, 2007).

### **The Hidden Agenda!**

Fast food marketers eyeing on the susceptible segment, exploit many innovative practices and use unethical deeds and techniques to promote their brands. Though most of the practices used by the food marketers seem upright and lawful, it would be found to be immoral only when appropriately examined where it becomes difficult for one to judge and draw a clear line between normal marketing practice and unethical behavior of the marketer. All of us are victims of the marketing gimmicks of many companies in some form or the other – like the *'Buy Two Get One Free'*; some pop-ups sprouting on the screen when browsing the Internet informing that we have won a prize; or a banner of some sponsor placed at the venue during an event attended, etc. Once the consumer gets attracted by this 'publicity stunt', he is further lured to become a customer and then a permanent customer. It is really a question of ethics on the part of food companies to offer junk and unhealthy food to its valued customers and again chase them to visit regularly. There is nothing to criticize the food industry here as such with regard to its quality of products or services offered or even doubt on its credibility. It is only on the type of food that they offer. It is agreed that there is nothing called 'bad food' as such, but it is mainly the kind of food that does not add any value to the health of the people. It rather acts as nutrition-less junk food showing its ill effects on the health of consumers..

Modern day consumer is too busy and insists on fast food. But how far is it good on the part of the marketer to lure and tempt this naive segment unaware or limitedly aware of the consequences, with attractive offers, ads and promotions. The insistence from the consumer to provide such food does not come on its own unless shaped by the industry. This is created through the heavy dose of advertisements and promotions, the peer pressure, and with the rapid expansion and opening of new branded fast food outlets even in smaller towns of the country.

### **Challenges Confronting Ethical Marketing of Food Products**

#### **Interests, Behaviours and Concerns of Consumers**

Surrogate advertising though banned is still observed and continued on television, generally seen at places like sports stadiums, art exhibitions in the form of sponsorships of the event. Most companies, as part of their Corporate Social Responsibility give a statutory warning on

their products as in the case of statutory warning on cigarette packs. Some food companies also warn in similar way – on products that contains Monosodium Glutamate (MSG). But still people keep on consuming such products and the companies who just try to behave in a socially responsible manner are fully aware that the sales loss resulting from their CSR '*concern*' is negligible. On the other hand, there is sometimes resistance from the consumers themselves when the companies genuinely struggle to find avenues to reduce the ill effects of too much consumption of their products. Keeping the calorie conscious people in mind, Coca-Cola and Pepsi introduced the Diet Coke and Pepsi One brand with low calorie content. Coca-Cola also recently announced the launch of Coca-Cola Zero, a new, zero-calorie cola drink. All these are the results of feedback and behavior from the consumers themselves as well as the pressures from the regulatory bodies.

### **Interests and Behaviors of Food Marketers**

A food business operator will try his level best to maximize product sales or service operations and leave the negative consequences of such food consumption to be the result of free choice of consumers. Some food stuffs like pastries, burgers, sweets, pizzas and carbonated soft drinks are not so harmful as compared to alcoholic drinks, cigarettes or drugs but the former are poor in nutritive value with rich fat, sugar and salts content causing obesity and other diseases. As mentioned earlier, children and youth are virtually addicted to such 'junk' food stuffs. These customer segments are the company's treasures who later become heavy users in due course accounting for their huge margins.

### **Role of Government/Regulatory Bodies and Public Interest Groups**

To reduce the consumption of junk foods that are harmful to health is a matter of the free choice of individuals. As such the role of Government/Regulatory bodies and public interest groups to intervene and regulate marketing practices of food business operators especially branded players has become a serious issue for debate now a days. Though the ultimate motive behind any business is to sell more and earn good profits for the shareholders in a legal way, huge personal and societal costs are associated with unregulated consumption of junk food stuffs. This is evidenced by heavy health costs of various diseases caused due to the over consumption of such foods. These costs affect everyone as they lead to higher medical costs and taxes.

### **Regulatory Framework on Food Products Advertising and Sales Promotion**

Many countries have brought into force various regulations and restrictions with regard to the promotional activities of fast food marketers in order to reduce its usage and avoid the related ill effects on the society. In quest for profit, these marketers particularly target the most susceptible and naive segment; the children and youth who are found to be the most influential decision makers during any purchases. They use multiple channels to reach this segment such as in school marketing or via social media. As Friedman claims, they do not need to care about the social responsibility since their prime motive is to make profit. On the contrary, organizations like WHO (World Health Organization) and many governments though aware of this mass advertising campaigns of fast food giants, merely emphasize on healthy diets and nutritional concerns rather going for control measures.

International bodies which regulate the media advertisements include confederation of food and drink industries of Europe (CIAA) and Union of European beverages association

(UNESDA). CIAA is a body governing the food and drink sector in Europe. It facilitates the development of an environment where all the European food and drink companies can meet the needs of consumers and society. It has laid down principles for food and beverage product advertisement. The key features of CIAA principles include: advertisement should depict size, content, nutritious and health benefits; nutritious benefits must provide scientific basis; should not encourage excessive consumption or large portion size; it should not undermine the promotion of healthy lifestyle and balanced diet. Union of European beverages association (UNESDA), in addition has laid down guidelines to restrict marketing communication to be placed in printed media, web sites, or programs aimed at children. It directs not to directly appeal to children to persuade parents to buy their products, nor should the promotional activities encourage children to consume larger quantities for participation [8].

The effect of Television on fast food advertising has been so great over the past few years that there have been strong proposals to restrict television advertising, particularly to children in many countries including India, Australia, Brazil, Germany, United Kingdom, Ireland, Italy, New Zealand, Poland and France. In countries like Malaysia, the government banned fast food advertisements during the childrens' programmes. Also they force fast food companies to display nutritional values of product on the packages. In England, the government is in the move for restricting the opening up of fast food restaurants which are close to schools. Product placement (a visual or graphic uses the message, logo, or object of the food company in exchange for payment) has been identified as a powerful marketing tool of stealthy advertising and is widely used to market food and beverage products. It is a cost-effective technique compared to the purchase of normal airtime and it is less disruptive than commercial breaks as the viewer is held captive, giving the product his undivided attention. It is explicitly banned in countries like Austria, Belgium, UK, and Norway and is used with restricted time in Philippines. Popular strategies adopted by food marketers via online marketing include interactive games and activities, competitions, attractive offers, chat and e-mail facilities. Targeting at the children and teenagers, the websites are made more interactive, providing free downloadable games & general information. Subsequently, personal data of the visitors are collected for future promotions and sale of database. There are statutory guidelines and restrictions with self-regulatory codes specific to Internet marketing, e-commerce, data collection, consumer protection, broadcast advertising, link to other websites which are still in the budding stages.

In India, media advertisement and publicity is under the control of ministry of information and broadcasting (Government of India). A committee has been set up by the ministry to review the complaints, decide whether the advertisement violates the rules and issue a notice to TV channels in case of violation. Media rules and regulation are set in India cable television network act 1994 and advertising standard council of India (ASCI). Guidelines related to quality of food products advertised in Indian media should be urgently formulated.

## **Nutritional Labelling**

Nutritional labelling refers to disclosure of nutritional content (calories, added sugar, total fat, Trans fat, saturated fat, sodium and protein content) in product labels. Nutritional value should be provided in menu, menu boards, food wrappers and containers even for the fast food items. This might restrict the quantity and choice of food among children of educated

parents. In a recent study conducted on parents of children aged 3-6 years, it was observed that parents who were offered the nutritional value menu card ordered food of lesser calories [5]. However in a study by Yamamota *et al.*, it was observed that provision of nutritional value did not modify the food ordering behavior among the enrolled adolescents [6]. It has been often debated that labelling might result in financial loss to fast food industry, but it has been shown that restaurants which project lower fat menu have a better customer satisfaction [3].

## **Strategies to Address Ethical Issues in Marketing Processed Food Items**

**Making safer products:** The food to be manufactured and marketed to the consumers should have minimum quantities of fat and calories. This can be made possible by means of selling more of salads and healthy sandwiches. The beverage companies can think of introducing non-alcoholic products in huge quantities as the young population largely consumes it. Similarly, soft drinks companies can focus on increasing their packaged drinking water production which is safer and healthier than carbonated soft drinks. The soft drinks can be added with nutrients and vitamins so as to deliver better health benefits to the consumers.

**Support the efforts to promote healthy eating habits:** Consumers in general, have limited proficiency in nutritional aspects of various food stuffs. The companies who have extensive expertise in persuasive techniques should support the Government/regulatory authorities in communicating the effects of various 'junk foods' on the health of a person. Communicating with the target audience about the low-nutrition foods that does not benefit in any way and rather harm their health, by means of effective media like television via cartoon characters, celebrities, contests etc. will discourage them from buying and will indirectly help the society to improve itself.

**Follow the basic ethical norms and values:** Marketers must strictly adhere to applicable laws and regulations, which will automatically add value to their organizations and customers. The products should be appropriate for their intended uses and intentionally deceptive or misleading marketing communication should be avoided. The ethical values should be embraced, communicated and practiced so as to safeguard consumer interests. They should be responsible and accept the consequences of any marketing decisions and strategies, should be fair by trying to balance the needs of the buyer with the interests of the seller and respect the basic human dignity of all stakeholders.

**Restrict the sale or use of certain products:** Whenever a product is proved to cause any ill-effect to the consumer, such items should be either restricted or totally banned from the market. Such products should never be advertised or promoted to prevent any illegal usages. This could be made effective only with the adequate support of the companies who should take responsibility and show more concern for the society than on its own profit motive. Of course, equal support is required from the society as well to make it successful.

**Focus on some specific issues:** Marketers should focus on some specific issues particularly in case of marketing the food products for children such as it should mislead them regarding the emotional, social or health benefits of a product. They should never market any food by negatively portraying the parents, teachers or any other popular personalities. They are advised not to suggest that a person who buys a certain product for the child is better than the



person who does not. Also, they should not use pictures of healthful foods like fruits or vegetables to market the low-nutrition foods.

**Use appropriate and ethical marketing strategies:** Packaging or serving the food in reasonable portion sizes without encouraging overeating would be an appropriate strategy for ethical food products marketing. The products also should be reformulated to reduce the amount of calories, the sodium content along with refined sugars and saturated fats. Emphasis should be to improve the nutritional value of food stuffs by concentrating more on fruits, vegetables, whole grains and low-fat milk contents. Food marketers should promote healthy eating habits by portraying 'healthy foods' in a positive way. The advertisements centered on nutritionally poor food products especially on those Television channels watched by children should never be encouraged.

### **Healthy Food Choices: A Community Responsibility**

Making healthy food choices is a matter of personal choice. Individually, we make daily decisions about the food we eat. Having the desire, facts, and practical skills to choose healthy foods helps us to make the best decisions. These are important, but there are many things that impact our decision-making. These include:

- The types of foods in our grocery stores, work places, schools, recreational facilities, and restaurants
- The quality of foods available and information on food labels
- Purchasing power to buy nutritious foods
- Right knowledge about food and nutrition

A healthy public policy influences all the above factors. Policies provide guidelines for making decisions. They set guidelines for government, schools, and other organizations to provide the "greatest good for the greatest number". Healthy public policy also influences our every day food choices and makes it easier to make the best decisions. Healthy nutrition policies protect the health of all people by ensuring access to food that is personally acceptable, affordable, and safe. Setting policy involves arriving at a balance between science and the values, needs, concerns and financial realities of all those affected by policy. Community input and action is the key to the development of healthy public policy. Making wise food choices is an important personal responsibility, which is influenced by the community around us. As citizens, we need to be aware of what influences our food choices and bring these issues to the attention of those who make the decisions.

### **CONCLUSION**

The world is shrinking for all of us day by day, so a small change on any part of the world ripples its effects all over the world today. This is also valid for most companies. If they make a decision about their business it will have its effects all around. This is because most of them are not small as they were before. Surely, their marketing strategies directly affect them through their objective of profit maximization. Most of the fast food companies now a day do not care so much about public health. They do their promotions just to obey the prevailing food laws. They always try to find out the best marketing methods how they can attract more customers within the legal frame work. But nobody can say that laws alone are

enough to safeguard public health. Consequently, we know that most of the fast food companies have their customers as teenagers and children. A child who is not aware of the difference between good and bad are the victims to all these unscrupulous marketing invasions done by many fast food giants. Does it have an ethical side, Should it have an ethical side? Still debates. But all we know is that exploiting a child's emotions to gain money does not sound ethical at all. The marketers, being the responsible citizens should be concerned more about ethics instead of focus on their company's profit alone. To conclude, it is not only in the hands of food companies or the Government or the interested groups at large to create a healthy society but a more patronage and sustaining effort is required from the consumers themselves to make the world a better place to lead a meaningful life.

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