KEY POINTS

- Price promotions encourage people to buy more junk food, other products and services. Together with advertising, promotions are the most pertinent form of marketing to young people.
- The UK has the highest proportion of food and drink bought on promotion in the whole of Europe (36%).
- The majority of price promotions in Scotland feature unhealthy products high in fat, sugar and salt (HFSS).
- The Scottish and UK Governments are very concerned, and have therefore recently undertaken consultations on restricting price promotions of HFSS products.
- Regulation of promotions of HFSS products is urgently required, in order to protect children from excess calories and create a consistent, sector-wide level playing field.

KEY ACTIONS

- Legislation must be introduced to restrict effectively all types of price promotions on HFSS products including temporary price reductions, multi-buys and extra free.
- Legislation must be introduced to restrict effectively non-price promotions on HFSS products.
- These measures must apply across retail and out of home.
- These measures must apply to online sales as the UK online grocery market continues to increase and the use of online food ordering increases.
- Businesses must be enabled, encouraged and incentivised to increase the amount of healthy foods on promotion.
Definitions

**Marketing** - is defined by the World Health Organization (WHO) as “any form of commercial communication or message that is designed to, or has the effect of, increasing the recognition, appeal and/or consumption of particular products or services.”

**Promotions** – a form of marketing, “the publicising of a product, organization, or venture so as to increase sales or public awareness.”

**Price promotions** – defined by The Scottish Government as “where the price of a product (or combination of products) is used to promote its sales.” Price promotions usually take one of three forms: a temporary price reduction (TPR), multi-buy or extra-free.

**Non-price promotions** – defined by The Scottish Government as “marketing or promotion that is not a price promotion, e.g. placement promotions.” This includes, positional or location promotions involving store layout (i.e. end of aisle, front-of-store and checkout displays), product information promotions (i.e. banners, flyers, shelf decoration), promotions with prizes (i.e. prize draws).

**HFSS products** – food and drink products that are assessed as being high in fat, sugar and salt.

**Less healthy food** – refers to categories as defined by Food Standards Scotland (FSS): regular soft drinks, biscuits, cakes and pastries, confectionery, pies and pasties, sausages, crisps and savoury snack, puddings and deserts, ice cream and edible ices and frozen dairy desserts

**Unhealthy food** – a term used in consumer surveys by FSS to describe foods with ‘unhealthy ingredients’, particularly high in fat, sugar and salt (HFSS)

**Discretionary Foods** - energy-dense and nutrient-poor foods that are unnecessary in a healthy diet

**Disability-adjusted life year (DALY)** – a unit of measurement in cost-benefit analysis. Defined by WHO as, “one lost year of healthy life. The sum of DALYs across the population, or the burden of disease, can be thought of as a measurement of the gap between current health status and an ideal health situation where the entire population lives to an advanced age, free of disease and disability.”

Promotions in Scotland

The most purchased items on price promotions were crisps and savoury snacks at 53%, whereas plain bread only accounted for 18%. Half of all sugary soft drinks, savoury snacks and crisps, 40% of desserts and puddings and over a third of all cakes and pastries were bought on price promotion from retailers. From some shops, up to 74% of confectionery was purchased on promotion, compared to only 20% of fruit and vegetables. Similarly, evidence from Public Health England (PHE) showed that promotions are more common on products where sugar is added than on products where sugar is naturally present such as milk, fruit and vegetables, with the exception of fruit juice.

A survey of the impact of food and drink marketing on young people in Scotland found that 74% of promotions were for foods high in energy/fat/salt and/or free sugar. The study, led by researchers at the University of Stirling, showed that 54% of all marketing-prompted purchases were related to a price promotion with over a third of those (35%) being sugar-sweetened beverages, chocolate or sugar-based confectionery. The researchers suggested that price promotions together with advertising were the most salient forms of marketing to young people.
Temporary price reductions (TPRs) are the most commonly used price promotion in retail in Scotland, across all categories of food and drink, with more than 26% of all calories purchased in 2016 coming from this type of promotion – a rise of 5% since 2010. In comparison, calories purchased on multibuys (defined as Y for £X, buy one get one free and 3 for 2 offers) fell from 15% to 8% from 2010 to 2016. This means that, in contrast with other types of price promotions, calories purchased from TPRs have continued to grow.

It is also important to consider food eaten outside of the home, as this accounts for up to 25% of the total calories consumed in Scotland. The level of purchase on promotions is lower in the out of home sector than in retail in Scotland (11% vs 36%) and the balance of promotional techniques is different. In the out of home sector the majority of promotions are meal deals or multibuys (76%), with vouchers (10%) and other types of promotions (15%) being only a small proportion. However, since 2016 the level of promotion in out of home sector is higher and has been growing faster than in the UK in general. The outlets that use promotions most in Scotland are convenience stores, bakeries and sandwich shops and supermarkets.

An earlier report on marketing strategies used by businesses in the Out of Home sector in Scotland showed that price promotions were the most common marketing strategy used, in particular multi-buys. Other common strategies included product placement beside till areas, used by 68% of businesses included in the report, and ‘meal deals.” The foods displayed near till areas were most likely to be high sugar products such as sweets, biscuits and cakes.

Why Address Price Promotions?

- The effects of promotions can be seen across all demographic and socioeconomic groups
- Research by Cancer Research UK found that in 2019, 29% of all food and drink items in Britain were purchased on price promotion, and shoppers who purchased the largest proportion of their shopping on promotion were 28% more likely to have obesity than those who purchased the lowest proportion of shopping on promotion. This association was observed in all income groups, independent of age, life stage and geographical area
- Price promotions were one of 18 obesity interventions identified in The McKinsey Global Institute report, which highlighted that the potential impact of price promotion depends on price change
- Evidence from PHE and the McKinsey report suggested that restricting promotional activity in high-calorie foods could decrease consumption
- Promotions make products cheaper and change normal shopping patterns. Promotions do not just encourage shoppers to switch from one brand to another (as is often reported by industry) they also encourage buying and spending more on a particular type of product than normal
- Price promotions increase the amount of food people buy by about one-fifth. The increased volume purchased is unlikely to be compensated by reductions in purchases of similar products
- In the UK, 8.7% of all sugar brought into the home as food and drink is bought on promotion. If these products were not promoted, an average household could potentially consume 8% less sugar
- Price promotions are one of the most common marketing strategies used in the Out of Home sector in Scotland. As most foods purchased when eating out are discretionary foods, targeting price promotions in this sector could lead to a decrease in consumption of these foods
Why Address Non-Price Promotions?

- End of aisle displays can significantly increase purchases of alcoholic and non-alcoholic beverages\(^{16}\)

- In the Out of Home sector, foods placed beside till areas are more likely to be high in sugar, such as sweets, cakes and biscuits. ‘Upselling’ also occurs regularly, most often in the form of meal deals. As less healthy options are offered as part of meal deals, this can make it more difficult for the consumer to make healthy choices, leading them to purchase and consume more than they had planned.\(^{13}\)

- In 2018, the Obesity Health Alliance surveyed food and drink product placement within 5 supermarkets. They included products highlighted in PHE sugar and calorie reduction programmes, as well as drinks included in the soft drinks industry levy. They found that sugary food and drinks made up 43% of all food and drink displayed in prominent areas e.g. checkouts and end-of-aisles.\(^{17}\)

- Of all food and drink located in prominent areas, 42% were targeted by the PHE sugar reduction programme and 27% were in the calorie reduction programme.

- In contrast, fruit and vegetable placement in prime locations was less than 1%.

- A recent study of food purchased from checkout areas of 9 UK supermarkets found those with checkout food policies had an immediate 17% fall in sugary confectionary, chocolate, and potato crisps purchased.\(^{18}\) Although not causal in nature, the results suggest that placement of foods in key locations does impact consumer habits.

The Need to Regulate

Voluntary agreements were previously introduced through the Public Health Responsibility Deal (RD) in England and the Supporting Healthy Choices framework in Scotland, yet they have not produced the results required to have a significant impact on consumer purchasing behaviour.
Durand and colleagues evaluated the RD by conducting 44 semi-structured interviews. They concluded that the drawbacks of the deal were the ‘uneven playing field’ between partners and non-partners, and resource implications.\textsuperscript{19} Both the McKinsey report and the 2016 FSS board meeting paper\textsuperscript{20} pointed out that re-balancing of promotional activity towards healthier food would only work, if all industry players agreed to take action.

Public Attitudes

In 2018, FSS published wave 6 of their Food in Scotland Consumer Tracking Survey,\textsuperscript{21} which showed that, 60% of the 1002 adults surveyed supported action surrounding the promotion of unhealthy foods in general, whilst 48% agreed that the promotion of food high in fat, salt and sugar should be banned.

However, other surveys found higher support. A UK-wide survey by Cancer Research UK sampling 1744 adults found that 66% thought that price promotions on junk food should be reduced, whilst 25% said they shouldn’t.\textsuperscript{22} Similarly, NHS Health Scotland’s survey which explored public attitudes to reducing levels of overweight and obesity in Scotland, reported that 66% of respondents supported ban on placing unhealthy foods next to checkout (non-price promotion) and 52% supported ban on price promotions of unhealthy foods.\textsuperscript{23}

In the context of eating out-of-home, the FSS survey from 2018 found that females were significantly more likely than males (54% vs 39%) to say that they can’t buy the foods they want because of the price. Better promotion of healthy options was one of the main factors that would help responders eat healthily outside of home. This was confirmed in the most recent FSS survey\textsuperscript{24} which showed that respondents ‘preferred the idea of greater choice and more value being offered via healthy promotional deals’. At the same time, the responders thought that promotion of foods in the out of home sector, irrespectively of whether the foods are healthy or unhealthy, should not be restricted for adults. However, they were clear that for children unhealthy choices should be limited, including restrictions of promotional offers of unhealthy products.\textsuperscript{24}

Effect on Business

With 36% of purchases made on promotion in Scotland and the UK, regulation would likely impact manufacturers and retailers. The industry response to the Scottish Government’s ‘A Healthier Future’ consultation in 2017 was opposed to the implementation of restrictions on price promotions.\textsuperscript{26} This was partly due to perceived loss of business, particularly amongst small retailers.

Alongside their consultation, the UK Government released Impact Assessments,\textsuperscript{26,27} where they detailed the costs involved in implementing price promotion restrictions. The estimated loss in profits for retailers, the Out-of-Home sector and manufacturers over 25 years were projected to be £0.7bn, £0.4bn and £0.4bn, respectively, for location promotions. For volume promotions, estimated loss for retailers is expected be around £175m and manufacturers £55m, over 25 years. The loss to the Out-of-Home sector has not been defined.

Current Policy Position

Both the Scottish and UK Governments have concluded that mandatory legislation is required to create consistent, sector-wide action to produce the desired effect and behaviour change.

The Scottish Government in its new Programme for Government 2019-20 included a commitment to bring forward a Bill on Restricting Foods Promotion for introduction in next year’s Legislative Programme (2020-21).\textsuperscript{28} This framework bill should then lead to regulations that restrict promotion of unhealthy products in Scotland.
The Scottish Government consulted on the introduction of legislation surrounding the promotion and marketing through price and position of HFSS product in October 2018. The aim of the proposed policy was to reduce excessive consumption of sugar, salt and fat in Scotland, in turn lowering the associated risks of developing obesity-related disease such as type 2 diabetes and certain types of cancer.

The UK Government’s Department of Health and Social Care launched a consultation in January 2019, focussing on promotions of HFSS products by location and price in England. The proposals within this consultation aimed to reduce HFSS overconsumption in children, whilst encouraging promotions on healthier options, making it easier for families to make healthier choices. Details of the Scottish and UK consultations can be found in Table 2.

Food Standards Scotland issued a separate consultation in November 2018 on improving the Out of Home environment in Scotland, which also covered out of home promotions. A comparison of the Scottish and UK Out of Home proposals in relation to promotion and marketing is shown in Table 3.

The Scottish Retail Consortium has also advised mandatory measures, would level the playing field. They stated that “if restrictions were to apply in one setting but not another, customer purchasing behaviour will not be changed.”

Table 2. Details of the Scottish and UK Governments consultations on promotion of HFSS products

<table>
<thead>
<tr>
<th>Scotland</th>
<th></th>
<th></th>
<th>Settings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defining products that should not be promoted</strong></td>
<td><strong>Suggested Price Promotion Restrictions</strong></td>
<td><strong>Suggested Non-Price Promotion Restrictions</strong></td>
<td></td>
</tr>
<tr>
<td>Discretionary categories: confectionery, sweet biscuits, crisps, savoury snacks, cakes, pastries, puddings, sugar-sweetened beverages, and possibly ice-cream and dairy desserts</td>
<td>Multi-buys*</td>
<td>Placement of HFSS at checkouts, end of aisle displays, front of store, island/bin displays Promotion of value, shelf-edge displays and signage, in-store advertising, upselling, coupons, purchase rewards, free samples and branded chillers and display units*</td>
<td></td>
</tr>
<tr>
<td>*Defined as (a) two or more separate products sold together to obtain a discount or (b) one or more products given free as a result of a purchase. Incl. meal deals</td>
<td>Sale of unlimited amounts for a fixed charge</td>
<td>*Not an exhaustive list</td>
<td></td>
</tr>
<tr>
<td>Any place where targeted foods are sold to the public in the course of business, e.g. retail, Out of Home outlets and wholesale outlets where sales are made to the public</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UK</th>
<th></th>
<th></th>
<th>Settings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defining products that should not be promoted</strong></td>
<td><strong>Suggested Price Promotion Restrictions</strong></td>
<td><strong>Suggested Non-Price Promotion Restrictions</strong></td>
<td></td>
</tr>
<tr>
<td>2004/5 Nutrient Profiling Model applied to foods included in PHE’s reformulation categories and in scope of Soft Drinks Industry Levy</td>
<td>Only pre-packaged products: Multi-buys* Extra-free</td>
<td>Location restrictions apply to both non-pre-packaged and pre-packaged products. Price restrictions only to pre-packaged products. Placement of HFSS at checkouts, end of aisle displays and front of store</td>
<td></td>
</tr>
<tr>
<td>*Defined as – where the discount is obtained by purchasing more than one unit, such as in ‘buy one get one free’ and ‘3 for 2 offers’. Does not incl. meal deals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All retail businesses which sell any food and drink products, including their franchises and online stores Retailers who do not primarily sell food and drink, e.g. clothes retailers and newsagents</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3. Out of home proposals

<table>
<thead>
<tr>
<th>Scotland</th>
<th>Out of home proposals</th>
<th>Out of home settings</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Price Promotions Consultation:</td>
<td>Cafes, restaurants, takeaways, pubs/bars, vending machines, workplace canteens, hotels, leisure and entertainment venues</td>
<td></td>
</tr>
<tr>
<td>Multi-buys</td>
<td>Supermarkets and convenience stores who provide food ‘on-the-go’</td>
<td></td>
</tr>
<tr>
<td>Sale of unlimited amounts for a fixed charge</td>
<td>Places where we purchase food when commuting or travelling</td>
<td></td>
</tr>
<tr>
<td>From OOH Consultation:</td>
<td>Manufacturers and suppliers of food and drink to the Out of Home Sector</td>
<td></td>
</tr>
<tr>
<td>Encouraging food business to reduce upselling and upsizing of non-discretionary HFSS foods</td>
<td>Food delivery services, including online</td>
<td></td>
</tr>
<tr>
<td>Reduction in promotion or marketing of large or multiple portions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businesses positively marketing and promoting fruit and vegetables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising consumer awareness and motivating behaviour change through the use of social marketing campaigns, e.g. ‘say no to upsizing’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>Pre-packaged HFSS products</td>
<td></td>
</tr>
<tr>
<td>Free refills of sugar-sweetened soft drinks in scope of Soft Drinks Industry Levy</td>
<td>Businesses that sell food and drink products to be consumed outside the home or on the go, e.g. restaurants, coffee shops, takeaways</td>
<td></td>
</tr>
</tbody>
</table>

The strategies proposed by both Governments differed in several areas including the definition of products that should not be promoted and the definition of multi-buy (Table 2). Suggested non-price promotion restrictions were described more in-depth by the Scottish Government, going beyond that of the UK Government to include strategies such as upselling, coupons, offering of free samples and branded units.

The Scottish Government also suggested applying the same price promotion restrictions to the Out of Home sector as for retailers, alongside additional considerations, whereas the UK Government only considered the price promotion of pre-packaged HFSS products and free refills of sugary soft drinks in the out of home context.

How could the restriction of price promotions of HFSS products help?

Promotions encourage people to buy more and the balance of price promotions in Scotland favours junk food and sugary drinks. Considering the excessive amounts of discretionary food consumed in Scotland, mandatory measures restricting the promotion and marketing of such foods could have great impact on public health. FSS believes that halving discretionary food intake (the equivalent of 190kcal per person, per day) would be a ‘key step’ to improving the Scottish diet. This would align with the Scottish Dietary Goal, revised in 2016, which advises a 120kcal reduction per person, per day, and would likely bring us closer to the goal for free sugar consumption.
The economic costs associated with obesity are high. It is estimated that the cost of ill-health associated with overweight and obesity cost the NHS £6.1bn in 2014/15. This figure is projected to rise to £9.7bn by 2050. It is also estimated that costs to the wider society are even greater, at £27bn per year, expected to rise to almost £50bn by 2050.

Economic analysis published in the McKinsey report found that implementation of a regulated price promotion intervention in the UK has the potential to both be cost-effective and have a high impact on obesity. Researchers estimated that implementation could save 561,000 DALYs, at a cost of $200 per DALY saved. This would be considered cost-effective from a societal viewpoint, meaning that over the lifetime of the population targeted the restrictions, the amount of money saved from the reduction of obesity, e.g. in healthcare, will be more than the cost of implementing the intervention.

The UK Government Impact Assessments evaluated the cost of implementing the preferred option for both the restriction of volume promotions and location promotions over a 25-year period, assuming a 40% calorie compensation. The consideration of ‘calorie compensation’ makes the calculation more realistic, as it cannot be assumed that the restrictions would lead to people completely cutting out the calories associated with price promotions, as they may ‘compensate’ for them by consuming other food and drink.

The savings on applying restrictions on volume promotions are estimated to total £3.18bn and for location promotions are estimated to total £4.6bn, over 25 years. This takes into account direct savings to the NHS, monetised health benefit, and social and economic savings.

Both analyses show that the NHS and wider society could benefit greatly from the implementation of price promotion regulations. This would be a key step towards changing the obesogenic environment, with the potential to improve the overall health of the population.

References
3. Organization WH (2010) Set of recommendations on the marketing of foods and non-alcoholic beverages to children
MORI Scotland for Foods Standards Scotland.


23. NHS Health Scotland (2017) Public attitudes to reducing levels of overweight and obesity in Scotland.


