In-store promotions of food and drink products

An observational study

Obesity Action Scotland

Healthy weight for all

May 2024

Introduction

Promotions in stores and retail outlets influence what goes into our shopping baskets and can often lead us to purchase more than we intended. There is clear evidence from purchasing data that over a third (34%) of what we spend on take-home food and drink are items on promotion, and lead consumers to spend around 18% more on average than intended[1]. Promotions contribute to our consumption of high fat, salt and sugar – HFSS - foods and also tend to be on items that are more expensive in the first place, cause consumers to spend more money than intended[1], and can increase overall calorie consumption.

The Scottish Government is committed to action to restrict the promotion of HFSS food and drink products. In February 2024, the Scottish Government launched their latest consultation on proposed regulations to restrict price and location promotions of products high in fat, salt and sugar (HFSS)[2]. The findings of this study offer critical evidence on the proposals in the consultation.

Background and summary

This report presents a snapshot of price and location promotions in a selection of stores in Glasgow in July 2023. Whilst we undertook similar work in 2020, various methodological differences and data that was unavailable for this study (e.g. store floor space), make it impossible to compare the two studies directly.

The purpose of this study is to explore the extent and balance of food and drink promotions (both monetary and non-monetary) in retail settings Scotland, by conducting a survey of in-store promotions in five supermarkets in central Glasgow.

Methods summary

We visited five local supermarkets (A, B, C, D & E) in Glasgow city centre in July 2023. Each supermarket belongs to a different national supermarket chain. Each store was visited twice – once for primary data collection and once for quality control purposes.

Data on all food and drink promotions were collected in the stores visited by use of a covert camera. Each store was visited twice to ensure all promotions were captured and accounted for. As the supermarkets were not approached for permission to collect this data, chain names and store addresses are not provided. Data was recorded using the categories outlined in the 2022 consultation held by the Scottish Government[a]. A full description, and definitions where required, of product categories and types of promotion are described in the full methodology in Appendix 1.

Limitations summary

The survey has some limitations, including the range of stores visited and being unable to determine what proportion of all food and drink sold was food and drink on promotion. The limitations are outlined and summarised in Appendix 2.

[a] The study was conducted before the February 2024 consultation on food promotions, was launched and so therefore uses the product categories and other definitions outlined in the 2022 consultation by the Scottish Government.

Summary of main findings

- There were a total of 5,804 food and drink promotions recorded – 63% (3,642) were price promotions, and 37% (2,161) location promotions (prominent parts of the store). An example of each type of promotion is shown below.

- Temporary price reductions (TPRs) and meal deals were the most commonly used types of price promotions, accounting for 86% of all price promotions.

- TPRs were the most commonly used type of price promotion and were the only type of price promotion used across all of the five stores in the study. Other types of price promotions were used in some of the stores but not all.

- Promotional aisles and shelf-edge labels were the two most commonly used types of non-monetary promotions, accounting for 55% of all non-monetary promotions.

- There were a wider variety of location promotions than price promotions.

- The proportion of price to non-monetary promotions differed significantly between stores. In three supermarkets (A, B & C), 75% were price promotions, but in the other two supermarkets, 75% of promotions were non-monetary promotions. This highlights how important both aspects of promotions are.

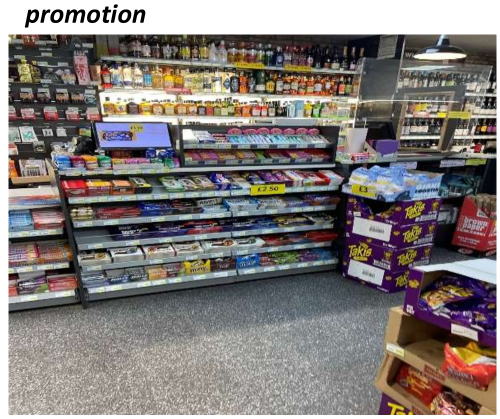
- 34% of promotions were on discretionary[b] items. A discretionary item is a food or drink product not required in our diet and is usually high in fat, salt and sugar. Examples include sweets, cakes, crisps, and sugary soft drinks. Meal deals and TPRs were most commonly used to promote discretionary items.

- The most extensively promoted discretionary product categories were: confectionery (28% of all promoted discretionary items), crisps (18%), and soft drinks with added sugar (14%).

Image 1: Example of an in-store price promotion

Source: Licensed stock image

Image 2: Example of an in-store location promotion



Source: Obesity Health Alliance

[b] The term discretionary is used in this study, as this aligns with the language used in relation to the food categories identified in the Scottish Government consultation. Our preferred approach is to refer to these products as unhealthy food drink (i.e., products that are high in fat, salt and sugar)

Main findings

Overall – all promotions

In the five supermarkets in Glasgow visited in July 2023, we recorded a total of **5,804 food and drink promotions** including 3,642 price promotions (63%) and 2,161 non-monetary promotions (37%).

5 local grocery stores
5,804 promotions

3,642 price promotions (63%)

1,748 temporary price reductions (48%)
1,373 meal deals (38%)
521 multi-buys (14%)

2,161 non-monetary promotions (37%)

686 promotional aisle (32%)
544 shelf-edge labels (25%)
263 prominent price (12%)
260 end of aisle (12%)
215 checkout area (10%)
106 islands and hanging displays (5%)
53 branded displays (2.5%)
27 in-store advertising (1.2%)
7 front of store (0.3%)

Temporary price promotions (TPRs) and meal deals were the most commonly used type of price promotions, accounting for ***86% of all price promotions (TPRs 48%, meal deals 38%)***. By contrast, multi-buy deals accounted for only 14% of price promotions.

For non-monetary promotions, there was a variety of types of promotions used. **Promotional aisles and shelf-edge labels** were the two most commonly used types of non-monetary promotions, accounting for ***55% of all non-monetary promotions***.

The proportion of price to non-monetary promotions differed significantly between stores. In three supermarkets (A, B & C), 75% of promotions were price promotions, but in the other two supermarkets, 75% of promotions were non-monetary promotions.

Promotions on discretionary products

Overall, **34% (1,993) of promotions on food and drink products were on discretionary items**, and 66% (3,881) for non-discretionary items. A possible reason for this is there is likely to be more non-discretionary items in stores and so they would as a result be expected to make up a greater proportion of total promotions.

Techniques used most often to promote discretionary products were: meal deals (29.9%; n=595), TPRs (28.9%; n=577), prominent locations (comprised of checkout areas, aisle ends, front of store and island and hanging displays) (13.5%; n=269) and promotional aisles (11.5%; n=230).

Promotions by discretionary product category

The most extensively promoted discretionary categories were confectionery (28% of all promoted discretionary items), crisps (18%), and soft drinks with added sugar (14%). Confectionery was the most extensively promoted discretionary category overall and, in both price, and non-monetary promotions. Price promotions were used more often than non-monetary promotions to promote these three categories, as outlined in figure 1 below.

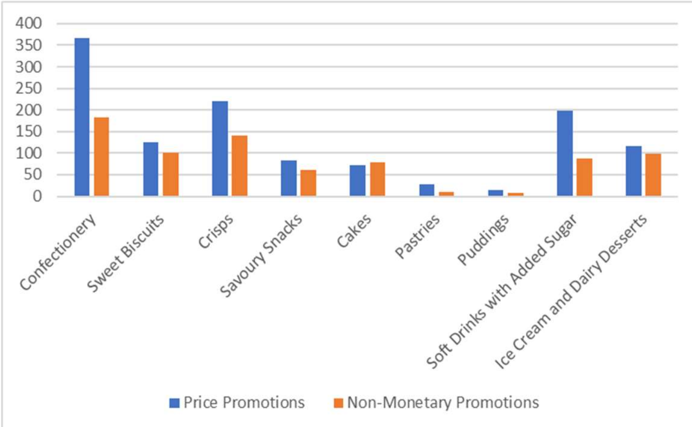


Figure 1: Number of promotions by discretionary category and type of promotion. (N = 1993)

Patterns and differences in promotions between stores

The study found considerable difference in the composition of the profile of promotions for each of the five stores.

A) Total promotions (price and non-monetary)

There were considerable differences between the number of all food and drink promotions between stores. Store A had 2,261 promotions, while Store D had 573, for example, as outlined in figure 2 below.

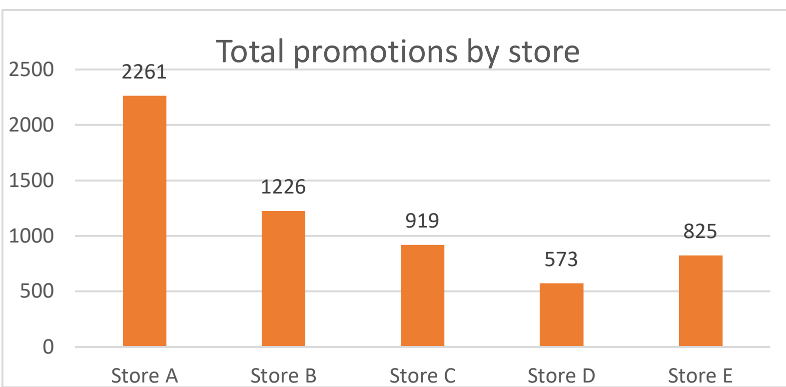


Figure 2: Total promotions (all types) by store. (N = 5,804)

B) Price promotions

There was considerable variation in the number and type of price promotions between the supermarkets visited.

Store A had 1,692 price promotions (both discretionary and non-discretionary products) while Store D had only 123. This is illustrated in figure 3 below.

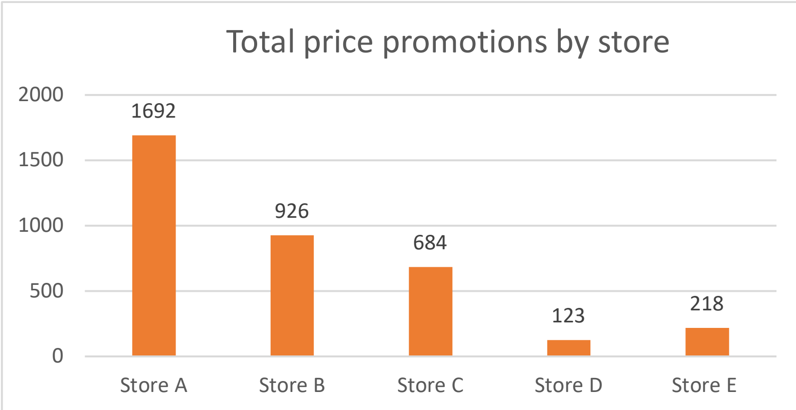


Figure 3: Total price promotions (discretionary and non-discretionary products) by store. (N = 3,643)

Two stores (D and E) did not use meal deals, and two stores (B and E) did not use multi-buys. There was only one instance of an extra-free promotion recorded in one store (D). **TPRs were used in all stores and was the only type of price promotion to be used across the five stores we visited**. This is illustrated in figure 4 below.

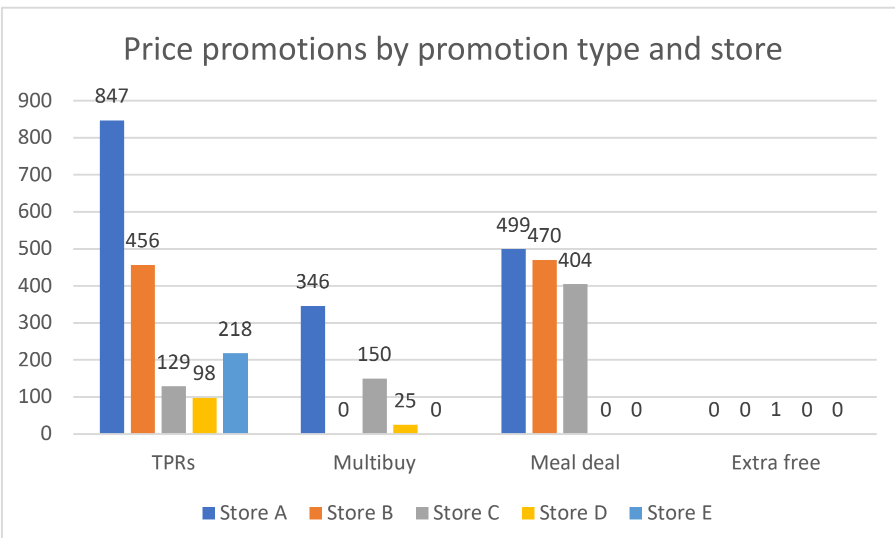


Figure 4: Price promotions by promotion type and store. (N = 3,643)

TPRs were the most commonly used type of price promotion across the five stores in the study.

C) Non-monetary promotions

There was also variation between stores in both the number and types of non-monetary promotions used.

There was less variation between stores in the overall number of non-monetary promotions used, ranging from 607 in Store E to 235 in Store C, as detailed in figure 5.

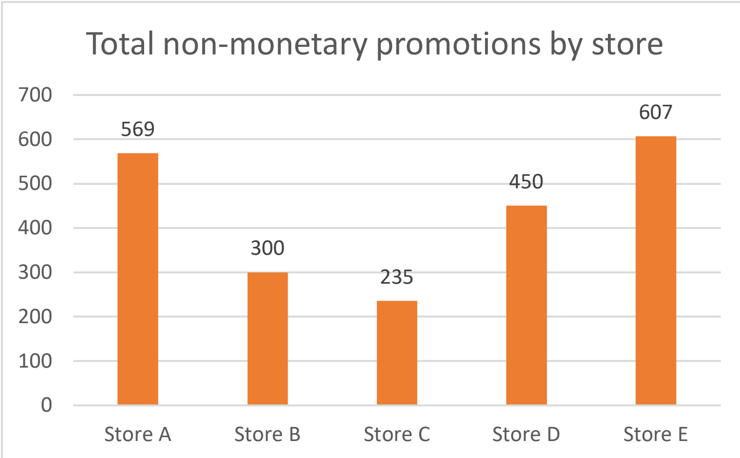


Figure 5: Total non-monetary promotions (discretionary and non-discretionary products) by store. (N = 2,161)

The stores had different profiles with regards to the types of non-monetary promotions used. Two stores didn't use promotional aisles (B and C) and two stores didn't use in-store advertising (D and E). The store profiles for each type of non-monetary promotion are presented in figure 6 below.

Promotional aisles had the overall highest number of promotions (686 recorded promotions) across all types of non-monetary promotions, despite not being used in two of the stores visited.

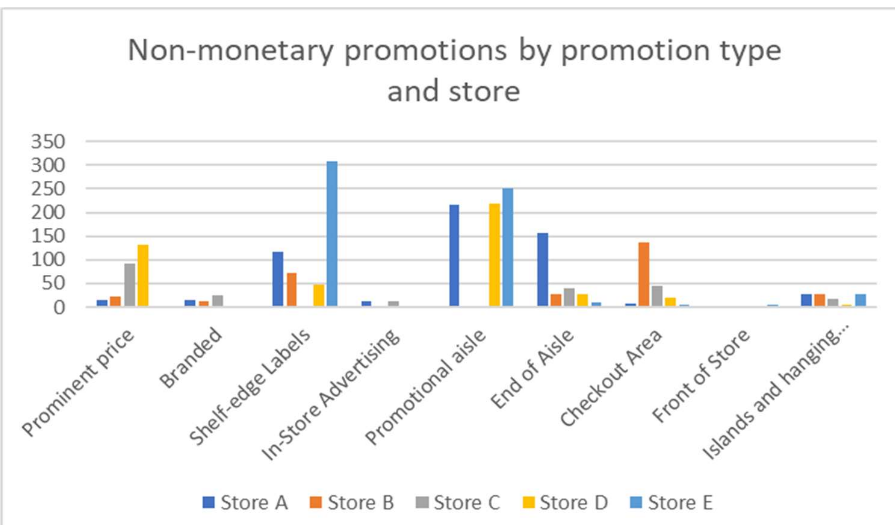


Figure 6: Non-monetary promotions by promotion type and store. (N = 2,161)

D) Promotions on discretionary products

Across the five stores, a **total of 1,993 promotions on discretionary products** was recorded.

The proportion of discretionary promotions to all other food and drink promotions varied considerably between stores - 49% of food and drink promotions in Store C were on discretionary items, while only 21% of food and drink promotions in Store E were on discretionary items.

Across all stores, there were more promotions on non-discretionary products, such as meats, grains and cereals, and milk, than discretionary products. In store C, however, there was almost the same number of promotions on discretionary as there were on non-discretionary items. The store profiles for promotions of discretionary and non-discretionary promotions are outlined in figure 7 below.

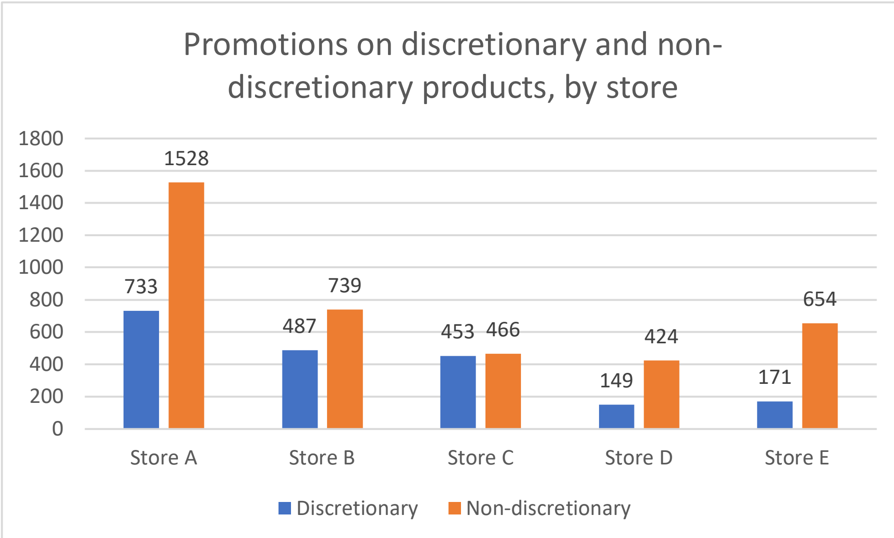


Figure 7: Promotions on discretionary and non-discretionary products, by store. (N = 5,804)

Simultaneous and multi-location promotions

Simultaneous promotions are when a single product is promoted by two or more promotional techniques at the same time, usually by a price and non-monetary promotion. For example, a product could be promoted on a TPR price promotion and also simultaneously promoted at an aisle end. A product on promotion can also be found in multiple locations in a supermarket, resulting in maximum exposure opportunities to consumers. An example of a simultaneous promotion is shown below.

Image 3: Example of an in-store simultaneous price and location promotion

Source: Licensed stock photo

Discretionary items were slightly more likely to be promoted by price and non-monetary promotions simultaneously in the five supermarkets we visited - 19% of discretionary items on promotion and 14% of non-discretionary promoted items were on both price and non-monetary promotions simultaneously.

Promotions on the same discretionary products were more likely to be found in multiple locations in the same stores – 11% of promotions on discretionary products occurred in at least two locations within the same store, compared to 5% of promotions on non-discretionary products.

Observations and conclusions

There are a number of key conclusions and observations from the study.

Firstly, the fact that more than a third (34%) of total promoted food and drink products in the five supermarkets were on discretionary items, highlights how normalised the presence and promotion of these items has become in supermarkets. More than a third of all in-store promotions being on discretionary foods we do not need in our diets is considerable and clearly demonstrates the need for legislative action to address these promotions. As outlined earlier, this is in the context of it being likely that there are more non-discretionary items available in stores. Recently published consumer survey evidence from Food Standards Scotland highlights that more than two-thirds (67%) of adults agreed that unhealthy foods seemed to be available on promotion more often than healthy foods, with 64% also reporting that it is too easy to buy larger pack sizes and consume this as a result[3]. Further, the majority of consumers (81%) say they would prefer promotions on healthier staple items, like fruit and vegetables, than on unhealthy product options like confectionery and cakes[1]. This indicates there is a real need to take action on promotions of unhealthy discretionary products in the retail environment.

To determine which products were less healthy (discretionary), we used a category-based approach, proposed by the Scottish Government (outlined in the methods section in Appendix 1). However, there are many other methods for identifying unhealthy products. The products included are those classified as discretionary products, based on the proposed category approach, and so therefore may not include some products that are generally considered unhealthy. Information on the products and categories included and not included in the study are detailed in Appendix 1.

Secondly, the most commonly used types of promotions on discretionary products were meal deals, temporary price reductions (TPRs), prominent locations[c] and promotional aisles. The findings show that both price and non-monetary promotions need to be addressed. While meal deals are popular in local supermarkets that are convenient for people during their lunch breaks, prominent location and temporary price reductions are not specific to local supermarkets and are widely used.

The findings on TPRs and meal deals in the study align with what is known about the overall retail promotions landscape in Scotland. Data from Food Standards Scotland reports that TPRs are the most commonly used type of price promotion, accounting for 21.1% out of a total of 27.6% of products sold in retail premises on price promotion[4], with multi-buys accounting for only 0.1% of price promotions. Similarly, for meal deals, recently published research indicates that meal deals available for sale often fall short of UK nutritional guidelines, and they may drive less-healthy purchases[5].

[c] Prominent locations include: end of aisles, checkout areas, front of store and island and hanging displays

Thirdly, the most commonly promoted discretionary product categories were confectionery, crisps, and soft drinks with added sugar.

Fourthly, the study found the use of simultaneous promotions (where a product is promoted on both a price and non-monetary promotion) was more common on discretionary items. This further highlights that both price and non-monetary promotions need to be addressed, particularly for discretionary products.

Lastly, the profile of promotions in Store E demonstrates that it is possible to develop a business model that encourages the purchase of non-discretionary food and drink products. Ending promotions in discretionary foods is therefore consistent with a business model that succeeds.

The supermarkets we visited in the study used a wide and varied array of quantities and types of promotions, indicating that supermarkets have considerable flexibility when deciding how many and which types of promotions to use. It also indicates just how prevalent promotions are in the retail landscape and how widely shoppers are exposed to them.

The study has demonstrated that regulations to restrict promotions of discretionary products could reduce shoppers' exposure to in-store promotions and their negative nudges to buy unhealthy food. Such policies would also help to create a level playing field for retailers, helping to make sure that those who decide to promote healthier products are not disadvantaged financially, while all are encouraged to adjust to business models that promote essential and nutritious food and drink.

Recommendations and call for action

The findings from the study clearly indicate the widespread use and variety of price and non-monetary promotions in the in-store retail environment in Scotland.

We therefore recommend and call on the Scottish Government to take **bold and urgent policy action by comprehensively regulating all forms of promotions of unhealthy food and drink products.** The more comprehensive the curbs on promotions, the lower the likelihood that food industry would switch between promotion types, and the greater the potential benefit to and improvement of the diet of the population.

Appendix 1 – Product classifications and promotions categories

Overall product classification

All products on promotion were classified as either 'Discretionary' or 'Non-discretionary' (or other) using the categories outlined in Option 2 of Section 1 of the 2022 Scottish Government consultation paper[6] on restricting promotions of food and drink high in fat, salt and sugar. These are widely recognised as the main categories of discretionary products. The categories are:

1) Confectionery
2) Sweet Biscuits
3) Crisps
4) Savoury Snacks (for example, cereal snacks, popcorn, corn snacks)
5) Cakes
6) Pastries
7) Puddings
8) Soft Drinks with Added Sugar
9) Ice Cream and Dairy Desserts

Classification of the products was not always straightforward as definitions for the above categories have not yet been proposed or agreed. It was also out with the scope of this study to calculate Nutrient Profile Model (NPM) scores and therefore whole category approaches were applied. The following assumptions were also applied. First, it was assumed that the 'ice cream and dairy desserts' category will be covered by any forthcoming regulations on promotions. Second, soft drinks with any amount of added sugar were classified as discretionary irrespective of sugar concentration. This included products not covered by the Soft Drinks Industry Levy. Thirdly, items such as jam, honey, sweet and flavoured spreads were categorised as non-discretionary in the study. As a whole category approach was adopted, categorisation was applied to the whole category of products, rather than individual items. Fourthly, all yoghurts, regardless of flavours etc. were categorised as non-discretionary for the purposes of this study.

Price promotions classification

Price promotions were classified into four categories based on the categories outlined in Section 2 of the 2022 Scottish Government consultation paper[1]. The categories are:

- ***Temporary price reductions (TPRs)*** – a temporary reduction for a limited period of time in the cost of a product i.e. 10% off
- ***Multi-buys*** - where purchase of multiple items is cheaper than purchase of each individual item alone. This includes buy-one-get-one-free offers (BOGOFs), 3 for £2, and 3 for 2 offers, for example
- ***Meal deals*** – where purchase of multiple items as part of a meal is cheaper than purchase of each individual item alone, and includes, for example: lunch meal deals of a main, snack and drink and/or dinner meal deals of a main, dessert, starter, and sides
- ***Extra free*** – where an enlarged pack size is offered at no additional cost

Location and non-monetary promotions classification

Location promotions place products in prominent locations to attract customer attention. In this study, these promotions were classified into four categories based on the categories outlined in Section 3 of the 2022 Scottish Government consultation paper[1]. The 'Promotional aisles' and 'Hanging Display' categories were added according to research findings.

- ***Checkout area*** – items placed in the area surrounding the checkouts, including self-service checkouts
- ***End of aisle*** – items placed prominently at the end of an aisle
- ***Front of store*** – items placed in the entrance area(s), window and covered outdoor spaces
- ***Island displays*** – items prominently displayed away from other products to increase their visibility
- ***Promotional aisles*** – designated aisle or area with a supermarket or store solely for displaying items on promotion, which is usually located in a prominent location
- ***Hanging displays*** – items hung up in an aisle

Other non-monetary promotions were allocated into five categories based on existing research into non-price marketing[7]. These categories are:

- ***Branded displays*** – displays of prominent branding to display products from a particular brand. This includes branded chillers, display shelves and units, and other displays. If branded displays were in prominent locations, they were firstly classified as location promotions with branding elements not branded displays
- ***In-store advertising*** – posters and signs promoting products in the store, window or covered outside area
- ***Shelf-edge labels*** – labels highlighting specific products using bright colours or icons. This includes bright labels highlighting products as new. These can also co-occur with other promotion types to bring extra attention to certain products. For example, a product at the end of an aisle may also have a large or brightly coloured shelf-edge label. In these instances, shelf-edge labels are not separate promotions but an additional promotional element
- ***Prominent price*** – prominent display of the price of a product using large lettering or labels indicating a low price. If these were used in prominent locations, the promotion was classified as a location promotion using prominent pricing elements

Promotions were also categorised by whether they required a membership, such as those accessed via store points or loyalty card or app. This includes promotions which require a membership and those which are tiered, that is available to everyone but with additional benefits offered to those with a membership. These promotions had to be clearly visible in store.

Appendix 2 – Limitations and data collection

Limitations

First, as we collected data on promoted food and drink products only, it was not possible to determine what proportion of **all** food and drink products within the stores were on promotion. We also do not have any data on retail floorspace within each store to determine whether that impacted on the number of promotions offered.

Second, although data was collected in five supermarkets in only one city in Scotland, due to limited researcher resources, those five supermarkets most likely represented other local supermarkets from the same chains in other locations across Scotland. This can be assumed because chain supermarkets use planograms – diagrams which stipulate where each individual product is positioned and how many facings each product is allocated.

Types of promotions differ considerably in their visibility, prominence, and effect on customers. Additionally, stores may use the same types of promotion in very different ways. For instance, a shelf-edge label in one store may be brightly coloured, large, and highly visible and fairly discreet in another. These differences could not be easily accounted for when using the category approach in this study.

Whilst the study aims to replicate a previous study we carried out in 2020, it was unable to make direct comparisons or establish direct trends due to methodological differences between the two studies. These methodological differences were due to the available time and resources of the research team. Some of the supermarkets visited were different than in the 2020 study (although some were the same), and one additional supermarket was also visited in this study. It was not possible to gather the necessary contextual data required to make comparisons e.g. size of store, layout changes. Further, whilst two visits were made to each supermarket in this study, this was done in the same month, rather than at two different points of the year, as in the 2020 study. This was due to availability of the researcher. The purpose of the second visit was for quality assurance and not an additional data collection point.

Despite these limitations, the findings from this study provide useful insight and a snapshot of current use of promotions in in-store retail premises in Scotland.

Note on data collection

Only promotions that were visible in-store were counted. This means that promotions available in a membership app only, or in the form of a coupon were not included.

Items on promotion labelled as out of stock were not counted, as they were not available to purchase at the time of data collection and so were therefore regarded as unavailable.

References

[1] Public Health Scotland and Food Standards Scotland (2024) Transforming our food environment: a spotlight on promotions https://publichealthscotland.scot/media/25680/phs-and-fss-joint-position-statement-on-restrictions-of-promotions-of-hfss-foods-english-feb2024.pdf

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[3] Food Standards Scotland (2024) Food in Scotland. Consumer Tracking Survey Wave 16 https://www.foodstandards.gov.scot/downloads/Food_in_Scotland_Consumer_Tracker_Survey_Wave_16_report.pdf

[4] Food Standards Scotland (2022) Overview of Food and drink landscape in Scotland 2021 https://www.foodstandards.gov.scot/publications-and-research/publications/overview-of-the-total-food-and-drink-landscape-in-scotland-2021

[5] Public Health Scotland (2024) Restricting promotions of food and drink high in fat, sugar or salt Evidence briefing 2: Meal deals https://publichealthscotland.scot/media/24917/v3_hfss-meal-deals-evidence-briefing-2_1380.pdf

[6] Scottish Government (2022) Restricting promotions of food and drink high in fat, sugar or salt: consultation https://www.gov.scot/publications/consultation-restricting-promotions-food-drink-high-fat-sugar-salt/

[7] https://www.medrxiv.org/content/medrxiv/early/2021/09/16/2021.09.13.21258115.full.pdf