Marketing of Sugar Drinks—and Disease—in Developing Countries

By Michael Jacobson
Co-founder and Senior Scientist
Center for Science in the Public Interest
(Based on talk given at WPHNA Conference, Cape Town, South Africa, September 2016)

I would like to start by introducing myself. I direct a non-profit consumer-advocacy organization in Washington, DC. We focus mostly on nutrition and food safety. We work by informing consumers, pressing companies to improve their marketing practices, and campaigning for improved nutrition policies by government at the local, state, and national levels.

Over the years we have led the efforts—with other NGOs and sympathetic lawmakers—to get laws and regulations to:

- ban partially hydrogenated oil, the source of trans fat;
- get junk foods out of, and healthier foods into, all schools;
- restrict the use of several harmful food additives;
- get nutrition labels on all processed foods; and
- get food manufacturers to begin reducing sodium levels.

In the last 10 years, we have mounted a campaign to increase attention to sugar and sugar-sweetened beverages, including the world's best-known brand, Coca-Cola. Our efforts were built on a foundation of new biomedical research. It was long known that sugar promotes tooth decay. But in the last 15 years metabolic, intervention, and epidemiology studies have demonstrated that sugar, and in particular sugar drinks, also increase the risk of obesity, diabetes, and heart disease. As a result, the WHO has recommended that people consume no more than 10 percent of their calories in the form of added sugars.

The United States has long been the world's leading consumer of carbonated sugar drinks. It is no coincidence that Americans have also been among the world's fattest people.

The good news from America is that per-capita consumption of carbonated sugar drinks has declined by 27 percent since 1998. The bad news is that as consumption has declined in the United States, Coca-Cola and Pepsi are pouring billions more dollars into low- and middle-income countries to maximize global consumption—without any regard to the health consequences.

Back in 1971, the CEO of Coca-Cola said, "We are increasingly global because 95 percent of the world's consumers are outside this country. It's that simple." And in 2014, the president of Coca-Cola International was drooling with anticipation when he observed that, "half the world's population has not had a Coke in the last 30 days. There's 600 million teenagers who have not had a Coke in the last week." And last year, the head of marketing for Coca-Cola in Egypt, said, "We have young generations who can consume any kind of food and beverage; [they're] not caring about their health yet."

The major soft-drink companies are focusing ever more on emerging markets in Africa, Latin America, Asia, and the Middle East. In fact, Coca-Cola is investing roughly US$1 billion per year in China. Another billion dollars in Brazil. Another billion in Mexico. And almost $2 billion a year in Africa. That's at least $25 billion over five years. That money is buying up local producers. Building bottling plants. Deploying delivery trucks. Sponsoring advertising. And doing everything else needed to basically smother those countries with advertising and products in an effort to boost sales. They're taking all the sophisticated practices that they honed over 50 years in wealthier nations to those new markets—6-packs, 12-packs, TV commercials, smartphone apps, slogans, distribution systems, and all the rest.

Those investments will certainly increase consumption of products that promote deadly chronic diseases. Those increased rates of major health problems will be especially burdensome on countries that have limited health-care resources.

So what's the consequence? Mexico serves as a good example.

- Soda consumption in Mexico doubled between 1999 and 2006.
- Between 1999 and 2006, the average waist size among women of childbearing age increased by 4 inches.
- And obesity among children aged five to 11 rose by 40%.
- Diabetes – the country's leading cause of death – has increased by at least 50 percent since 1990.

Other countries will likely experience exactly the same kind of problems if the soda marketers get their way. Soda, of course, is not the only cause of chronic diseases, but it is certainly a big one.

Whether consumption of sugar drinks in a particular country is low or high, it is critically important for public health experts and government officials to work to keep consumption at low, safe levels. As consumption rises, the beverage companies gain increasing influence over legislators, health officials, trade officials, and the media, making it ever more difficult to obtain effective health policies.

One thing to be especially mindful of is marketing to children. It is in childhood that lifelong eating habits are formed. Coke and Pepsi are sensitive to public opinion and know that parents don't want companies to market sugar-water to their children. So Coke and Pepsi have adopted advertising guidelines that ban marketing in elementary schools or high schools and ban advertising aimed at children under 12. See Figure 1.

Figure 1. Coca-Cola policy on advertising to children

But they seem to take their policies as something to *get around* instead of something to *abide by*. See Figure 2.

Figure 2. Actual Coca-Cola advertising practice regarding children, from the Coca-Cola “Education Program” in Ghana

In 2001, Jeffery Dunn, was Coca-Cola-North America president. He made frequent trips to Brazil, where the company had recently begun a push to increase Coke consumption among Brazilians living in favelas…. But on one trip, as he walked through one of the slums, he said to himself, “These people need a lot of things, but they don’t need a Coke,” and then he almost threw up. Shortly thereafter, Dunn left Coke to sell carrots and other healthier vegetables, but Coke didn't leave Brazil and other countries.

Companies like Coke don't just use advertising to sell products. Rather, they insert themselves into a country's daily life to both bolster their reputations—and to sell more soda. The most obvious thing is plastering their brand names everywhere. A more subtle approach is sponsorships. Companies sponsor all kinds of good causes, especially related to women, sports, education, and the environment. But underneath that veneer is marketing—and plenty of it! Figure 3 shows just one little example from India.

Figure 3. Coca-Cola marketing via sponsorship in India

The theory is simple: You spend some money to refurbish schools, you probably spend more money publicizing their good deed, you generate good will…and people will buy more of your product. Companies also use sports and celebrities to publicize their brands.

But academics, citizens, and legislators have started fighting back, because the health impact of sugar drinks is recognized globally. Some measures that are being proposed or adopted to reduce (or maintain a low level of) consumption of sugar drinks include:

- Bold statements on fronts of packages saying "high in sugar," as in Chile and Ecuador,
- special excise taxes, as in Mexico and Chile, and soon in the United Kingdom,
- warning notices in advertising, as San Francisco, California, is requiring
- bans in schools and on government property, as in the United States and elsewhere,
- bans on junk-food advertising to children, as in Quebec, Canada, and Scandinavia

Also,

- warning notices on labels, as has been proposed in the United States,
- limit on serving sizes in restaurants, as New York City tried to do, and
- a limit on the sugar content, as we have petitioned the U.S. government to do.
- In addition, the beverage industry could adopt measures of its own, such as not advertising to children and reducing container sizes, to hold down consumption.

In conclusion, sugary drinks are causing huge health problems in countries consuming large amounts, and they *will* be causing huge problems in other countries as consumption increases. Members of this association could play a critical role in advocating policies that prevent those problems.