



# Federal Trade Commission

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## **FTC/HHS Marketing, Self-Regulation, and Childhood Obesity Workshop**

Thursday, July 14, 2005

Chairman Majoras

9:00 - 9:15 am

Good morning and welcome to the “Marketing, Self-Regulation, and Childhood Obesity Workshop.” I would like to express my appreciation for the hard work of the staffs of the Department of Health and Human Services and the Federal Trade Commission to make this event possible.

A couple of months ago, Bart Simpson was sent off to “fat camp” after he gorged himself on junk food from school vending machines. And Jay Leno introduced a new version of a wall chart for parents to use to record their children’s growth – horizontally. These were funny sketches, but in truth, childhood obesity is no laughing matter. These popular media segments, as well as the huge crowd we have drawn this morning, illustrate that we all know we have a

the food industry for an abundance of good-tasting, convenient, affordable, and calorie-laden foods, which often are marketed in ways that directly appeal to children. I am sure some here today could identify other potential causes of obesity.

But we will accomplish little over the next two days if we merely engage in finger-pointing and defense of the status quo. Our goal at this workshop and beyond must be to identify ways we can work together – industry, government, health experts, consumer advocates, and, of course, parents – to teach our kids how to eat better and to encourage them to develop healthy lifestyles. We must look ahead. The HHS knowledge on public health issues is invaluable to our efforts. We are delighted to have them as our co-hosts.

Our primary focus at this Workshop will be on the advertising and marketing of food manufacturers, restaurant chains, food retailers, and media and entertainment companies. There is little question that advertising and marketing can have a powerful influence on consumers' buying patterns. But where some view this as necessarily negative, we see the potential to engage the industry's experience, technical know-how, and creativity. Industry best understands the business consequences of failing to respond to market demands, and it is these market forces that have the best potential to improve the nutritional profile of the marketplace as a whole – product by product, company by company. Industry knows how to inform consumers about the positive nutritional benefits of their products – maybe even to gradually change the ways we approach our diet and health.

Over the next two days, we will have a series of presentations and panel discussions to explore what we know and don't know about childhood obesity and the impact of marketing. We will take a snapshot of the current state of food and beverage marketing to children and

future trends; examine some of the efforts individual companies are making to modify their products or marketing techniques to promote healthier food choices; and review existing industry-wide self-regulatory efforts. Our goal is to share perspectives from a variety of stakeholders and determine whether there are ways to build on and enhance what is already

both directly and through the parents. We know, for example, that children are spending more time on the Internet, for instance, and that “advergaming” is a new marketing technique. We do not want to overlook product packaging and in-store promotions, or marketing in specific venues, like schools. And we want to learn about the licensing of popular children’s characters. A solid understanding of the scope of marketing and how it has evolved will give us the foundation to evaluate industry efforts and to encourage better nutrition.

With a common understanding of the scope of current marketing, our next two panels will look at the efforts of individual companies to market healthier food choices for children. There are many examples of innovative approaches to the obesity challenge. The first of these two panels will focus on product and packaging changes. Some restaurants are introducing new, lower-calorie options to their menu offerings. Some food and beverage manufacturers have changed the nutritional profile of products, or the overall marketing

with these positive health messages. How do you reach the parent and how do you engage the child? As part of both panels, we hope to have a candid exchange about the strengths and weaknesses of these various industry efforts.

Next, we will look at the role that the media and entertainment industry can play in engaging children and motivating them. As the Institute of Medicine recognized last year in its report on preventing childhood obesity, “there is great potential for the media and entertainment industries to encourage a balanced diet, healthful eating habits, and regular activity.” We will

government action carries when we seek to restrict otherwise truthful commercial speech. For all of these reasons, self-regulation is a promising avenue to explore. We need to have a frank and open discussion about how to make self-regulation as effective as possible.

Our closing panel for the workshop will review what we have learned over the two days and try to identify ways we can enhance and replicate the ideas that show the most promise to improve our children's diet and health. I hope that, at the end of these sessions, we will better understand how all stakeholders can collaborate to make real progress in addressing childhood obesity. Both the FTC and HHS are committed to this issue. The Commission will do all it can to facilitate creative, innovative, and effective industry efforts. The challenge for all of us will be to appropriately seize the momentum.

We are well-aware that some already have called on government to regulate rather than facilitate. We believe that government has an important role to play in this important national health issue. But from the FTC's perspective, based on years of experience with advertising, a government ban on children's food advertising is neither wise nor viable. It would be, however, equally unwise for industry to maintain the status quo. Not only is downplaying the concerns of consumers bad business, but if industry fails to demonstrate a good faith commitment to this issue and to take positive steps, others may step in and act in its stead.

In our focus on what industry can and should do, we are not forgetting the key role of parental responsibility and choice. We know that parents must decide what foods their young children eat. And we know that children often follow the example set by their parents – their eating habits and their lifestyles – healthy or not. Unfortunately, obesity rates for adults are also cause for national concern. But all parents – indeed, all Americans – can use some help. What

we would like to see is competition in developing and offering healthier products that taste great, are convenient and affordable, and are fun for kids. We hope that having more attractive choices and mo

remarks.