Brave New Web 2.0: how health claim regulation is circumvented

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Outline Presentation

- Global consumer trends
- The ‘Brave New Web 2.0’
- EU Regulation: Health Claims
- Science x The power of Image
- ‘Tightening the belt’ on health claims: impact for the society and for the food Industry
Global Consumer Trends
Health and wellbeing

- Obesity can increase 50% by 2015 (WHO, 2005)

Source: EUROSTAT database, 2004 (http://www.who.int/infobase IBRef: 101860)
### Global Sales in US Billion

<table>
<thead>
<tr>
<th>Food</th>
<th>2002</th>
<th>2006</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better for you (BFY)</td>
<td>79.2</td>
<td>117.6</td>
<td>48.4</td>
</tr>
<tr>
<td>Naturally healthy</td>
<td>29.1</td>
<td>46.0</td>
<td>57.7</td>
</tr>
<tr>
<td>Functional</td>
<td>26.7</td>
<td>44.6</td>
<td>67.2</td>
</tr>
<tr>
<td>Organic</td>
<td>9.0</td>
<td>16.8</td>
<td>86.3</td>
</tr>
<tr>
<td>Intolerance</td>
<td>2.5</td>
<td>4.3</td>
<td>67.2</td>
</tr>
</tbody>
</table>

Source: Euromonitor, 2007

BFY: reduced sugar, carbohydrates, fibre
Global Consumer Trends
Identity and self-expression

Who do I want to be?
Plastic surgery, diets, exercises, fashion

• 11.7 million cosmetic surgical and nonsurgical procedures were performed in the United States in 2007
• In 10 years, 457% increase
• Nearly 3 million Botox injections in 2007

Europe: second market after US: beauty, but also aging population

Gender differences are more ‘blurred’

Celebrities
Global Consumer Trends
Belonging

- After years of ‘individualism’ and ‘independence’, there is a shift towards ‘conectedeness’
- Generation Y: technology, ‘community’, networks (Gazzag, Orkut, Facebook, MySpace, MSN)
- Mobile phones: 3 billion in 2010 (Euromonitor, 2007)
- The rise of Web 2.0
Global Consumer Trends
Belonging

- Internet users (BRICs 2001-2006)
  - Brazil: 8 to 34.1 million: 327%
  - Russia: 4.3 to 32 million: 663%
  - India: 7 to 72 million: 929%
  - China: 33 to 153 million: 355%
World internet users
Belonging

Market Sizes - Historic - bn number
- World

- 2007
- 2006
- 2005
- 2004
- 2003
- 2002

Internet users

: Euromonitor International 2008
Global Consumer Trends

Cocooning

- ‘The current global turmoil and impending recession will lead to consumers turning even more to their at-home and personal gadgets as they face bleak economic prospects’.
  (Euromonitor, October 2008)

- Interaction and entertainment

- Home shopping, information search
Metatags

- Browse ‘alternative cancer treatments’
  - 15,600,000 potential matches
  - First 20 results: any food supplement? Ingredient? A Miracle?
  - Invisible parts retrieve the search results: Metatags
  - Unsubstantiated claims that might mislead the consumer
Deceptive Health, Safety, and Weight Loss Claims

- In 2006, Americans spent over $2.1 trillion on health care services and products and that number is projected to increase to over $4.3 trillion by 2017.
- 50 million Americans suffer from a chronic pain condition and have found no effective cure or treatment. 70 million Americans are trying to lose weight.
- From March 2007 through February 2008, the FTC initiated or resolved 23 law enforcement actions challenging 36 such products and associated claims.
- ‘Surf Days’
Case Amway (Quixtar) x MonaVie

Cure for cancer?
Circumventing the regulation

Function Drinks Home - Windows Internet Explorer

MAKE YOUR DRINK WORK FOR YOU.

FDA Disclaimer

These statements on this website have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.

Certain ingredients in Function Ultra Detox are classified as dietary supplements under the U.S. Food and Drug Administration, Dietary Supplement Health and Education Act of 1994 (DSHEA). Under DSHEA, dietary supplements do not require FDA approval provided they are a natural product and do not contain drugs.
EC 1924/2006

- It ensures that any claim made on a food label in the EU is clear, accurate and substantiated, enabling consumers to make informed and meaningful choices.
- The Regulation also aims to ensure fair competition and promote and protect innovation in the area of food.
### Nutrition claims under EU Regulation  Annex EU 1924/2006

- Low Energy
- Energy-reduced
- Energy-free
- Low fat
- Fat-free
- Low saturated fat
- Saturated fat-free
- Low sugars
- Sugar free
- With no added sugars
- Low sodium/salt
- Very low sodium/salt
- Sodium-free or Salt-free
- Source of fibre

- High fibre
- Source of protein
- High protein
- Source of [name of vitamin/s] and/or [name of mineral/s]
- High [name of vitamin/s] and/or [name of mineral/s]
- Contains [name of the nutrient or other substance]
- Increased [name of the nutrient]
- Reduced [name of the nutrient]
- Light/lite
- Naturally/natural
Catching up

- European Food Safety Authority (EFSA) has around 3000 claims to be assessed by January 31, 2010
- Panel on dietetic products, nutrition and allergies (NDA)
- ‘Gold standard’ for scientific demands
- EC and EFSA: room for interpretation
- Consumer trust
Plant sterols and lowering of cholesterol level: a true story

31 Oct 2006 The EFSA Journal:

“...the Panel concludes that a cause-effect relationship has been established between the intake of plant stanol esters and lowering of LDL-cholesterol, in a dose-dependent manner”.
31 Oct 2006 The EFSA Journal:

“With respect to the association of LDL-cholesterol lowering with reduction in the risk of CHD, the Panel considers that there is evidence that the risk of CHD can be decreased by cholesterol-lowering therapy including dietary intervention strategies. However, there are no studies demonstrating that plant stanol esters have an impact on population-based CHD morbidity and mortality rates.”
EFSA Rejected Omega-3 claims

- Children Brain Health
  - Mental development
  - Concentration
  - Thinking capacity
  - Learning ability

Eye Health
- Calming
- Serenity
Guidelines from The Standing Committee on the Food Chain and Animal Health EU

‘The claim "super light" is also not included in the Annex and is consequently not allowed.’

‘The present document aims to assist the interested stakeholders to better understand and to apply correctly and in a uniform way the Regulation. However, this document has no formal legal status and in the event of a dispute, ultimate responsibility for the interpretation of the law lies with the Court of Justice.’
Tightening the belt: Impacts for consumers and food industry

- More tolerance to regulation: global warming, banking crisis, sustainability, health issues
- Need for ‘transparency’
- Is there a proven cause-effect on fibre, oils, F&V?
- SMEs – increased risk, safe, traditional branding strategies?
- Less investment in R&D?
- Burden for NPD?
- Middelfart 2008 Declaration?
- Growing market for functional foods
Mintel’s US consumer research

- Sales of Functional Dairy and Margarine: nearly 2 billion dollars in 2007 (34% increase in 2 years)
- From 2006-08 the proportion of respondents who buy:
  - yogurt with heart-healthy and/or cholesterol-reducing claims is up by 11%
  - omega-3-enhanced eggs is up by 9%
  - prebiotic/probiotic yogurt grew by 8%
  - spreads with heart/cholesterol claims increased by 6%
Thank you!

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