Introduction
The aim of this paper is to discuss the approach of the food industry to the issue of rising obesity amongst children in the Czech Republic. Generally there are different corporate approaches to the obesity issue. Industry stakeholders consider that young people have a right to obtain information from advertising, and therefore they support self-regulation rather than statutory regulation resulting from stricter legislation. Self-regulation in the food industry is relatively new compared to other economic sectors (tobacco production as an example). There is a concern that the industry could use it to avoid more stringent regulation (Hawkes, 2007). The research exists on proving the effectiveness of self-regulation on children’s advertising exposure and in changing household purchasing behaviors (Huang and Yang, 2013). The effect of a ban on fast-food television advertising was also estimated with a result of reducing the number of overweight children aged 3-11 by 18% and adolescents 12-18 years by 14% (Chou, Rashad, and Grossman, 2008).

C. Hawkes states that the discrepancy between the proponents of strict national legislation and self-regulation of industry will grow by demanding more evidence about the effectiveness of legislation and self-regulation on both sides and that “the future developments will depend on whether the key stakeholders manage to convince lawmakers and the public that food marketing to young people is either ethically unacceptable (however accurate and truthful it is) or acceptable (provided it is accurate and truthful). The former will lead to greater statutory regulation, the latter to more self-regulation” (Hawkes, 2007). The food industry is obviously more comfortable with self-regulation.

Global food producers face the growing obesity issue with building, supporting and promoting responsible corporate marketing of their standpoint, which is based on the importance of a balance between energy intake and output. They continuously work on adaptation of their product policy by commitments and action plans to produce smaller portions, provide nutrition information on the packaging and changing product formulas. They restrict the communication policy of brands targeted at children and reinforce the other side of the obesity issue, e.g. support energy output by organizing...
or sponsoring different activities supporting sports and a balanced healthy lifestyle (Mondeléz, Nestlé, Unilever as examples).

The other approach is based on applying lower regulations on corporate marketing to children. Those companies target young children and their approach towards the issue of rising child obesity is demonstrated by enhancing a balanced lifestyle with focus on physical activities. An athletics championship organized by Ferrero (producer of Kinder chocolate, Kinder eggs, Nutella and others) or a football competition targeted to primary schools in the Czech Republic – McDonald’s Cup (current statistics shows participation of more than three thousand schools across all regions of the Czech Republic and the number is increasing each year since launch of this activity in 2002) (McDonald’s Cup, 2014) serve as examples.

In this paper, the author will introduce the standpoint of the World Health Organization (WHO) with a summary of its requirements on the food industry. In order to demonstrate the scope of the issue in European context, I will present the prevalence of the child obesity rates through comparison charts of the World Obesity Forum. Further, I will analyze the agenda of the Food Chamber of the Czech Republic, which is the largest association of the food industry and through the internal working group focused on healthy lifestyle; it is one of the most important stakeholders in the legislation and regulations monitoring and development. And finally, I will analyze the activities of a selected food company in order to give an example of best practices and answer the question “How do the food companies apply regulations of marketing to children in their business activities?” The author will use publicly available data on Mondeléz Corporation as well as results of two in-depth interviews conducted with representatives of Mondeléz Czech Republic in April/May 2014.

The Approach of the World Health Organization (WHO) towards the Food Industry

Obesity has been discussed as one of the major concerns since the World Health Organization published the report of its Director General in 1998: “Life in the 21st century. A vision for all” emphasizing that “Obesity is increasing, especially in the younger age group. Nutritional problems, especially overconsumption of fats or sugars, are taking their toll” (WHO, 1998, p. 88).

Today WHO reports that being overweight and obesity are the fifth leading cause for global deaths. More than 40 million children under the age of five were overweight in 2011 and the issue is growing in low- and middle-income countries, particularly in urban settings. More than 30 million overweight children are living in developing countries and 10 million in developed countries (WHO, 2013)

WHO’s position in relation to the food industry is cautious. They understand the approach of the food producers in terms of their support behind active lifestyle activities and a balance between energy intake and output. At the same time, WHO emphasizes that the responsibility of individual consumers for the balance between food intake and the relevant consumption in the form of physical activity, can be effective only in the case that consumers have access to a healthy lifestyle. This means that not just individuals or public officials, but also food companies bear part of the responsibility.

WHO has defined general guidelines on how the food industry should contribute to healthier eating, as follows (WHO, 2013):

- reduction of fat, sugar and salt in food;
- ensure that all consumers have access to a selection of healthy and nutritionally rich foods;
- responsible marketing policy application especially when targeting children and adolescents;
- ensure the availability of healthy foods and support of regular physical activity.

WHO specifies why obesity at childhood creates risk for future adults. Increased BMI drives the risk of diseases such as: cardiovascular diseases (mainly heart disease and stroke), diabetes, musculoskeletal disorders (osteoarthritis) and some cancers (endometrial, breast, and colon).

Obesity of children is, according to WHO, associated with a higher chance of obesity, premature death and disability in adulthood. Additionally, obese children experience breathing difficulties, increased risk of fractures, hypertension, early markers of cardiovascular disease, insulin resistance and psychological effects (WHO, 2013).

Comparison of the Children Obesity Prevalence across European Countries

The World Obesity Federation (WOF) is an association with a mission to lead and drive global efforts to reduce, prevent and treat obesity. It represents members from the scientific, medical and research communities from over 50 regional and national obesity associations. WOF works on five strategic goals: (i) to collate, conduct and disseminate research on obesity, its impact, causes, treatment and prevention, (ii) to influence policy of academics, government and businesses at global,
Figure 1: % Comparison between European countries: overweight and obesity, boys aged 5-10 years

Figure 2: % Comparison between European countries: overweight and obesity, girls aged 5-10 years
Figure 3: % Comparison between European countries: overweight and obesity, boys aged 14-17 years


Figure 4: % Comparison between European countries: overweight and obesity, girls aged 14-17 years

regional and national levels, (iii) to bring consistency and credibility to the issue through educational programs, trainings, publications development and conferences (iv) creating a global community of organizations dedicated to solving the problems of obesity (World Obesity Federation, 2014).

The following comparison will be based on WOF data on percentage of overweight & obesity prevalence. The charts include countries with appropriate data from European countries, sorted by gender and age. The countries were selected based on the appropriateness and availability of the data which means that the national surveys are not strictly comparable due to differences in age ranges and methodology of respective national surveys (World Obesity Federation, 2012).

Chart 1 gives a comparison between European countries in overweight and obese boys of 5-10 years old. Southern countries – Greece, Spain, Italy, Portugal and Romania are the top five in terms of prevalence of obesity and being overweight among this age group. With the exception of Romania, the same countries score in the top five for girls in the same age group (chart 2). Boys and girls aged 5-10 from the Czech Republic rank in comparison to other European countries relatively well, positioned on the second half of the ladder between Lithuania and Latvia (boys, chart 1), respectively Lithuania and Germany (girls, chart 2).

The last two charts compare the prevalence of obesity amongst adolescents across European countries, e.g. boys 14-17 (chart 3) and girls 14-17 (chart 4). In comparison to other European countries, the adolescent ranking looks rather positive – especially for Czech girls (ranked between Turkey and Norway at the bottom of chart 4) while boys (on chart 3) take place in the middle of the chart, between France and Bulgaria.

Czech data used by WOF for compilation of the international comparisons were collected during 2005 for a survey of Dr. Kunešová (Kunešová et al., 2007). The survey found that 18.6 percent of boys aged 6-17 were overweight, 6 percent obese; 12.1 percent of girls aged 6-17 were overweight and 4.8 percent obese.

Compared to results from 2001, the study confirmed increased obesity prevalence of the youngest group of children and a significant increase of obesity in children whose parents are obese or overweight in the Czech Republic. Children 6-12.99 years’ BMI increase was positively associated with consumption of sweetened non-alcoholic carbonated drinks and potatoes including fried ones, negatively with low-calories non-alcoholic drinks and physical activity. BMI growth of the adolescent group (13-17,99) was positively associated with obesity of their parents, consumption of fatty meat products and time spent on the computer. A negative association was proven with consumption of fish and physical activity (Kunešová et al., 2007).

The Role of Industry Associations in the Obesity Issue

The leading companies of the food industry commit themselves to continuous actions proving their serious application of the responsible approach to the growing obesity issue of children. The tools include restriction of advertising to children, adaptation of their product policies, active participation at institutions that deal with the issue of the healthy lifestyle and its promotion.

The Food Chamber in the Czech Republic is the institution with the highest number of represented food producers. One of its working groups (Working group on a healthy lifestyle, WGHL) consists of the most important food producers, in particular: Unilever, Mars, Mondelez Czech Republic, Ferrero, Hamé, Nestlé, Coca-Cola, United Bakeries (Potravinářská komora, 2013). Representatives of different companies within the group meet regularly to debate on the latest developments of European legislation, self-regulation and other topics. This group was one of the leading stakeholders involved in the extension of the Code of Advertising by Chapter 2 related to stricter self-regulation of food and drinks advertising.

The objective of companies associated in WGHL is to be proactive and to act preventively against excessive regulation of the food industry. They are supported by the Food Chamber since the activity of the international companies in this area can positively influence legislation related to the food industry and affect the majority of the food producers who make up a significant part of the Food Chamber member base.

There are specific examples of the WGHL activities over the last decade. The contest “Playfully live healthily”, launched in 2008, targeted at Czech primary schools with the objective to promote a balanced healthy lifestyle, was recently extended. In 2013, the target audience of the contest covered also teenagers from high schools and was promoted under the “Smart Life” brand umbrella. During the first year, the competition took part in fifty classes of 36 high schools. The common position of the food industry is expressed on a separate site of the

\[ \text{BMI} = \text{Body Mass Index}, \text{a measurement of obesity, defined as the weight of an adult human in kg divided by the square of height in meters squared (kg/m}^2\text{). According to the WHO definition BMI} \geq 25 \text{ means overweight, BMI} \geq 30 \text{ obesity.} \]
Food Chamber web page, entitled “Healthy lifestyle = a balance between physical activity and nutrition”. The page contains general and widely accepted information about nutrition, recommendations for consumers, the food pyramid and promotion of a balanced lifestyle. In addition, there is a link to a website that specifically deals with food labeling (Foodnet, 2013).

Both activities are coordinated, along with the Food Chamber (represented by WGHL), by Česká technologická platforma pro potraviny (Czech Technological Platform for Food, ČTPP), which was established in 2008 as an organizational unit of the Food Chamber. The vision of ČTPP is the integration of research in the area of nutrition with the aim to contribute to the development of innovative food products for national, regional and global markets, in accordance with the needs and expectations of the consumers. These products – together with the recommended changes in eating habits and lifestyles of consumers – should have a positive impact on public health and quality of life. ČTPP’s member base consists of companies and institutions that have a relationship with food. It covers the entire supply chain – farmers, the manufacturing industry, universities, research institutes, carriers, retail and consumers.

The main objective of ČTPP is to strengthen the competitiveness of the food industry within the European common market by increasing the innovative capabilities of the producers. The secondary objective is to improve communication with the state administration on the one hand, and consumer organizations and the consumer him/herself on the other hand. On the government’s side, the aim is to participate in the preparation of programs with an impact on the competitiveness of enterprises, and to encourage the consumers’ education in order to shift their preference to higher quality, healthier products, and domestic producers (CTPP, 2014).

There are other important stakeholders involved in dealing with obesity. Among them, the self-regulation authority Advertising Council in the Czech Republic (Rada pro reklamu, RPR) ensures that advertising corresponds to the self-regulation principles published in the Codex of Advertising. RPR is member of the European Advertising Standards Alliance (EASA), which is a non-profit organization based in Brussels. Its main goals are to consolidate the advertising self-regulation in Europe, help European countries create self-regulatory bodies and a legislation framework, promote self-regulation in advertising as a more flexible alternative to detailed legislation and coordinate cross-border complaints with the aim of fast resolution (EASA ALLIANCE, 2013). The food companies in Czech Republic are members of the Council of Advertising directly (Danone, Ferrero, Nestlé and a subsidy of McDonalds) or indirectly through the Food Chamber (Potravinářská komora, PK) and the Czech Association of the Branded Goods Producers (Český svaz značkových výrobů, ČSZV) (Rada pro reklamu, 2013). RPR’s main role is the assessment of complaints regarding the advertising in press, outdoor, direct mail, radio, TV, cinema and the Internet. The complaints with prevailing legal issues are out of its scope as RPR’s competency is limited to ethics and voluntary commitments of the industry as stated in the Codex of Advertising. The Arbitration Committee of RPR is authorized to initiate the assessment process based on a complaint received from any public or private body in the Czech Republic. RPR can also act based on its own initiative once they realize that particular ad may violate certain provisions of the Code of Advertising.

Another important stakeholder involved in the issue of rising child obesity is the European Commission through The European Audiovisual Media Services Directive (AVMSD), codified on the European level in 2010. Namely in its Article 9 (2) it sets the rules for the advertising of “unhealthy” food and drinks in children’s programs by quoting that the governments and the Commission must encourage media service providers to develop codes of conduct curtailing such advertising. National codes of conducts are forced by the directive in different parts, under the title of “Self-regulation, combined with government regulation” (Article 4 (7)). The new rules force governments to encourage self-regulation in certain fields, sometimes combined with government intervention (“co-regulation”) – where national legal systems allow (AMSD, 2013).

In the Czech Republic, the TV stations’ regulator (Rada pro rozhlasové a televizní vysílání, RRTV), following the implementation of AMSD on the local legislation, got more involved in the regulation of advertising of “unhealthy” food and drinks and challenges TV providers to be more consistent with the European regulations. TV stations, represented by their own association (ATO2) despite the regulator’s efforts, do not enter the discussion and rely on the Council for Advertising as the institution responsible for monitoring consistency with the Codex of Advertising. The RRTV approach is stricter than the current legislation and industry self-regulation. They initiated surveys aimed at understanding the perception of ads by children, and they highlight the role of parents in their children’s education and stricter regulation of

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2 ATO = Asociace televizních organizací (Association of TV Organizations)
advertising to children. RRTV does not have a foothold in the legislation and cannot restrict advertisers (RRTV, 2014).

**Food Industry Approach Demonstrated on the Case Study of Mondeléz Activities and Commitments in the Czech Republic**

Mondeléz has been present in the Czech Republic since 1992 (at that time as Kraft Jacobs Suchard), when it entered the market through the acquisition of a coffee roasting factory in Valašské Meziříčí and the Figaro confectionery factory in Bratislava. After the global acquisition of biscuits division of Danone in 2007, the confectionery portfolio range in Czech Republic was significantly extended as the acquisition meant connection with the largest local producer of biscuits, Opavia-LU (representing the brand BeBe, Diskito, Disco, Dukla, Fidorka, Horalky, Kolonáda, Mišonky, PIM ‘s, Piškoty, Tatranky, Telka, TUC, Viníky, and Zlaté). The acquisition brought to the corporation the Opavia biscuit factory in Opava, Lovosice and Mariánské Lázně (Mondeléz, 2014a). The next acquisition of Cadbury in 2010 was important from a global perspective but there was no relation with the business on the Czech market, except for the reorganization of the affected regional functions. On the global level, Mondeléz International formulates its commitment under the program “Mindful Snacking”. By 2020, they aim to grow “healthier”3 products to 25% of the global revenue, reduce sodium and saturated fat by 10%, increase whole grains by 25%, expand portion control options (200 calories or less) by 25% and place calorie labeling on the front of the pack on all relevant products globally (Mondeléz, 2014).

Mondeléz considers the current trend towards a healthy lifestyle as an increasing need of their consumers, which can be used for company growth by offering a diverse selection of products that will satisfy this need. They demonstrate a responsible approach towards rising obesity and growing demand for healthier products by providing consumers with information about the nutrient profiles on the packaging, by prohibition of any communication targeted to children under six years old and by commitments of special regulations on marketing targeted to children 6-12 years old. In media planning practice, they strictly ban advertising on TV, radio and print if children under six years of age are the primary audience of a specific TV program or recipients of advertising contents. Furthermore, they apply a ban on development of online games and web contents, targeted at pre-school children; branded items (corporate logo, brand logo) cannot be marketed to them either. In a broader sense, this means that they are obliged not to use toys that primarily appeal to preschool children as part of a product (products such as Kinder eggs produced by Ferrero would not meet the internal self-regulation of Mondeléz), or use the license on popular children’s characters. The placement of the brands and the products in movies intended for these children is also prohibited. The products like commercially successful chocolate Figaro Tom & Jerry (50g milk chocolate with favorite cartoon characters on the packaging), known from the portfolio of the company from the turn of the millennium, is from today’s perspective of self-regulation unacceptable. The products targeted at children aged 6-11 years can be supported by communication only if they are included in the assortment of “Sensible Solutions”, i.e. its nutritional composition meets the criteria defined for a children’s audience. Detailed criteria for the classification of a product in the range of “Sensible Solution” consists of limiting the number of calories, reducing fat (saturated and trans-fat), sugar, sodium and meeting at least one of three options: (i) the product delivers 10% of the daily dose of vitamin A, C, E, iron, calcium, magnesium, potassium, protein, or fiber, (ii) a half-serving of fruits, vegetables or 8 grams of whole wheat flour, or (iii) a functional benefit. Even if the product meets these criteria, the communication is subject to certain additional restrictions. For example, web games designed for younger schoolchildren may not show the consumption of the brand and advertising must be strictly separated from the content and marked as advertising.

The same age restrictions are applied for the testing of new product concepts, advertising, or product taste preferences. The company does not involve children up to six years old into their research at all. The methodology of such testing is very complex and debatable. In this age group, product acceptance is primarily driven by persuading the mothers that the product meets their expectation in terms of its composition, nutritional requirements, or their requirements on comfort during preparation or serving. In the Czech Republic, the brand Brumík (on other markets known as Barni), which is a soft biscuit with soft filling and is in the shape of a teddy bear, is the brand targeted at the youngest children. Respondents of the product or communication surveys are mothers of children under six years old, whose perception of the product and communication is to make the product successful.

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3 Mondeléz International communicates healthier products as “Better Choice” range.
Restrictions are also related to the company’s activities in preschool and school facilities (excluding universities). During school hours any branding in the building, provision of samples of products, sponsorship or provision of small promotional items is prohibited. Local legal department must provide explicit approval to such activities after school. Philanthropy, otherwise strongly supported by the company, is limited to corporate logo. When targeting children, Mondelēz has its own definition of communication aimed at children, i.e. any advertising with an audience consisting of more than 35% of children. Packaging in shops and advertising at the point of sale are not primarily targeted at children, because buyers are mothers or other adult consumers.

Promotion of an active lifestyle is executed not only through corporate programs but also on a brand level. Brands with a relevant target audience profile and positioning include physical activity to the consumer promotion projects (Summer trail of Brumík bear around the Czech Republic; Milka as long-term sponsor of the former world champion in Alpine skiing Šárka Záhrobská, etc.)

Mondelēz Czech is member of the Food Chamber and the Czech Association of Branded Goods Producers. It is not a member of the Council for Advertising directly, just through those two associations. Cooperation with those organizations on the national level is the responsibility of the Corporate Affairs Manager, who is part of the Prague headquarter team and reports to local management plus, at the same time, to the regional corporate management. In the confectionery factories (Figaro in Bratislava, Opavia in Opava, Deli in Lovosice and Kolonáda in Marianske Lazne), there are nutritional specialists who collaborate with the local and regional Research Managers and Corporate Affairs management on the implementation of the company targets to optimize the recipes and keep on monitoring the commitments made.

International food companies in general highlight a responsible approach towards the issue and proactively seek opportunities for promoting a healthy lifestyle without dividing the food into good and bad. This is based on the belief and experience from other markets that self-regulation is a better option compared to strict legislation, which would set stricter rules for their communication and product policies. Industry associations representing food producers develop programs promoting a healthy lifestyle with a focus on balance between energy intake and output. Self-regulation authorities focus on regulation of food marketing to younger target audiences in order to provide them with accurate and truthful information. Food producers should, besides their activities in industry associations, focus on communication of their targets and actions in terms of product labeling, communication targeted at children, formulations of existing products and targeted nutrient profiles of newly developed products.

The food associations should roll out information to their member base in order to explain the importance of a responsible approach to local food producers who do not have experience with strict regulations from other markets and do not perceive the risk from stricter legislation potentially affecting their sales. Current discussions about “red dots” on chocolate packaging in France prove that comparison with the strict regulation of the tobacco industry with all its consequences is not exaggerated.

Conclusion
According to WHO, being overweight and obesity make up the fifth largest cause of death today. According to their estimates, more than 10% of the world’s population is obese; the occurrence of obesity in the world has almost doubled since 1980. The standpoint of the World Health Organization formulates required actions for the food industry. This paper presents the approach of the food industry in the Czech Republic towards the rising obesity issue amongst children. The specific recommendations of the World Health Organization set broad principles which should be respected by the industry. The industry’s standpoint highlights the importance of a balanced energy intake and consumption through active lifestyle. The global food companies are committing themselves to work on product formulations, restrictions of communication with younger target audiences and promoting a healthy lifestyle in order to provide their consumers with the choices needed to satisfy their needs. The Food Chamber of the Czech Republic, which is the largest association of food producers, through an
internal working group on healthy lifestyle demonstrates the position of the food industry, and monitors and influences the development of its future regulation. Respect for the industry’s self-regulation and application of significantly stricter internal voluntary restrictions is demonstrated using the best practices example of Mondeléz International on both a global and local scale. It stems from the belief that voluntary restrictions and self-regulation are more effective than restrictive legislation. At Mondeléz, there is a broad internal awareness of the rules, regulations and self-regulation. This awareness is not just a matter of corporate managers, whose scope of work includes responsibility for the application of the rules and monitoring of the development, regulation and self-regulation in other companies. Market research, brand marketing and sales are familiar with the basics of the rules restricting the communication targeted at children and their application. The article’s objective was to present best practices of a select food company in addressing the obesity issue in the context of stakeholders forming the external regulatory environment. The companies, acting in accordance with the long-term strategy of social responsibility, approach self-regulation respectfully, because its absence would, in the long run, be responsible for development of stricter legislation.

References


