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Marketing and B2C Communication on the Market of Foods for Infants and Young Children

Summary

Marketing of food products for infants and young children can have tremendous influence over the day-to-day the nutrition choices made by parents. Pursuant to EU legislation, the marketing efforts of the aforementioned food products are subject to provisions of the International Code of Marketing of Breast-Milk Substitutes Drafted by the World Health Organization. Food manufacturers, however, pursue a number of avenues to sidestep these restrictions and establish a conversation with potential consumers, particularly pregnant women, as early as possible. This particular industry is dominated by transnational corporations with tremendous marketing power. The article discusses the specific nature of the baby food industry and the marketing and B2C communication efforts employed by its major players. Restrictions placed upon marketing efforts, originally intended to protect the practice of breastfeeding as an optimal method of feeding infants and young children, turned out to be ineffective, while the relative stability of the baby food industry coupled with cutting-edge B2C communication methods allow most brands to effectively reach a high percentage of potential consumers.

Key words: marketing, consumer, foods for infants and young children, B2C communication.

JEL codes: M31, M38, I10

Introduction

According to EU legislation an ‘infant’ is a child under the age of 12 months and a ‘young child’ is a child aged between one and three years of age (Regulation (EU) 609/2013). The importance of appropriate feeding in the first three years of life is well recognized and a number of publications and studies show that this time is crucial for metabolism programming, cognitive functions development and affects future health, both in childhood and in adulthood. The safety of foods for infants and young children is essential but also feeding practices influences the above mentioned issues.

Specificity of market of foods for infants and young children

The specificity of the discussed market derives from the fact that products are intended for children while the purchase is made by the parent. Moreover it can be assumed that moth-

ers actually decide which product to choose (Kuberska and Suchta, 2016). The European market of infant and young children foods is dominated by global companies, and new entries to the market are limited. At the same time trusted brands or well known trademarks are very important determinants of choice of food for children (Bona 2010; Nielsen 2015; Kuberska and Suchta 2016). Therefore gaining consumers attention and trust is a major issue and is a part of marketing strategies. This applies especially to the long-term use of these products, incl. milk formula which is marketed for the first three years of child's life and even beyond. During the first year of life formula may constitute a very significant part of the diet of not-breastfed infants and may remain its important part after the 12th month of life.

The majority of mothers in Poland claim to buy special baby foods for example jarred meals, cereal-based products etc. (Bona 2010, Kuberska and Suchta 2016). In Europe, on average 13% of infants are exclusively breastfed during the first 6 months (www 1) which means, that formula milk use is common. According to Rolins et al. (2016) the global sales of breast-milk substitutes totaled 44.8 billion USD, and is expected to rise to 70.6 by 2019. It is worth to underline that the size of this market potentially involves almost 10 million of the consumers. Eurostat data shows that 5.1 million children were born in the EU-28 in 2015 and there was almost no change in number of births comparing to 2013 and 2014. In the USA the number of registered births in 2015 was almost 4 million (Martin et al. 2017). Nielsen (2015) estimation of the value of infant food and formula sales is lower and amount to nearly 35 billion USD worldwide in 2015 and the majority of value sales came from North America and Europe. The growing value of the baby and young children food market, low breastfeeding rates in the European Union countries and constant birth rates may show that the group of recipients of the products in question is stable, or even growing up.

Foods for infant and young children vs. breastfeeding

It should be underlined that breastfeeding is considered globally to be a normative standard for infant and young children feeding and nutrition. There are a number of positive health implications and correlations for breastfed children and breastfeeding mothers:

- for the children it's the reduced risk of: otitis media, respiratory tract infections, asthma, atopic dermatitis, inflammatory bowel disease, diabetes (type I and II), leukemia, NEC (necrotizing enterocolitis) in premature infants and SIDS (Sudden Infant Death Syndrome);
- for the mothers there are long and short-term benefits of breastfeeding, including: decreased postpartum blood loss and more rapid involution of the uterus, decreased risk of postpartum depression, type 2 diabetes mellitus (for mothers without a history of gestational diabetes), reduction in hypertension, hyperlipidemia, cardiovascular disease, ovarian cancer and breast cancer (ESPGHAN 2009; AAP 2012).

According to the European Union guidelines it is recommended that for the first six months of life infants should be exclusively breastfed and after this period breastfeeding should be continued together with the introduction of safe and appropriate solid foods in

the first and second year of life (EUNUTNET 2006). The European Society for Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN 2017) states that “exclusive or full breastfeeding should be promoted for at least 4 months (17 weeks, beginning of the fifth month of life) and exclusive or predominant breast-feeding for around 6 months (26 weeks, beginning of the seventh month) is a desirable goal” and “continued breastfeeding is recommended along with the introduction of complementary foods”. There are few health conditions of the infant or the mother that justify introducing formula feeding (WHO 2009), however many women in European countries cease to breastfeed earlier than recommended for different reasons. According to the WHO data “in 2006–2012 only an estimated 25% of infants in the WHO European Region were exclusively breastfed for the first 6 months”. It is also known that mothers with low socioeconomic status are less likely to begin breastfeeding, and this tendency is transmitted through generations (www 1). Factors influencing such a situation include: suboptimal maternity hospital policies and practices, insufficient information and lack of guidance and encouragement from health workers, policies in the workplace and the employment market, lack of social and family support and marketing of breast-milk substitutes, commercial “follow-ons” and complementary foods (EUNUTNET 2006).

Business to consumer (B2C) communication

There are many ways to reach the potential consumer and give him information about the products. These include traditional channels of communication, innovative IT channels resulting from increasing digitization, but also in store presentation, food labeling and certification. Traditional channels like press, television and radio are followed by social media, mobile applications and a large number of websites, portals and blogs, which are addressed to a wide audience as well as especially for future and new parents. Companies producing food for infants and young children in communication with parents also use websites, portals, parent clubs online and live events, help-lines for parents, sponsored press and internet articles, cooperation with parenting bloggers, social media and educational materials like leaflets, posters, as well as organize conferences and trainings for medical professionals. Also in Poland number of such commercial websites and parent-clubs online are available¹.

Especially recommendations from health experts cooperating with companies are very powerful and appear to be one of most important source for learning and influencing, beside recommendations from friends and family (Nielsen 2015).

The growing role of digitization and popularity of mobile devices provides a major opportunity to reach consumers and maintain their engagement. Mobile technologies allow to contact the consumers wherever they are handling a mobile phone or another device, but more importantly may provide a lot of data about different market behaviors, choices,

¹ <http://www.enfamil.pl/pl/enfamama-klub>; <http://www.bebiprogram.pl>; <http://www.klubmaluszka.hipp.pl>; <http://www.zdrowystartwprzyszlosc.pl>; <http://www.1000dni.pl>; <http://www.bebikomed.edukacjamedyczna.pl>; <http://www.dietetykapediatryczna.edu.pl> [access: 05.04.2017].

lifestyle and interests. This creates opportunities for reaching the consumer with a specific, personalized messages and making marketing very effective (Panagiotopoulos et al. 2015; Yadava et al. 2015; Davidavičienė et al. 2017; Swani et al. 2017).

Eurobarometer Survey (EC 2012) results showed that quality of food is a very important determinant of choice for the European consumers. In all Member States (except Portugal) more than half of the respondents regarded quality as a very important consideration when buying food. Two-thirds (67%) of EU citizens check if food products have quality labels indicating specific characteristics. Thereupon it is observed that the product labeling with Quality Assurance and Certification Schemes (QAS) became an important tool for B2C communication. On the market of food for infants and young children this issue is even more crucial, since quality and safety of the product is one of the most important determinants of buying decision. Moreover, price is not a limiting factor of purchase as for other food groups and consumers are willing to pay more and there is no dependence on household income (Nielsen 2015; Kuberska and Suchta 2016). That is why organic products market for infant and young children is experiencing strong growth as global value sales increased by 26% over the past two years. It can be noticed that producers of foods for infants and young children also use QAS certificates to market their goods. Nielsen (2015) A good example on the Polish market is formula and baby foods from Hipp company, but also own brand foods for children in Rossmann stores called Babydream, both using bio certificates.

Marketing of foods for infants and young children adjustment attempts

In the early 1970s a significant decrease in breastfeeding rates was observed globally together with aggressive marketing activities and strategies of infant formula producers since no marketing regulations were set at this time (Dykes et al. 2011). The situation changed in 1981 when the International Code of Marketing of Breastmilk Substitutes was enacted by the WHO and UNICEF). The aim of this Code was to contribute to the provision of safe and adequate nutrition for infants, by the protection and promotion of breast-feeding, and by ensuring the proper use of breast-milk substitutes, when these are necessary, on the basis of adequate information and through appropriate marketing and distribution (WHO 1981). The Code is followed by eighteen World Health Assembly (WHA) resolutions and the last one is dated in April 2016 (WHO 2016). These resolutions contain recommendations that complement Code's recommendations, that were not taken into account for different reasons, including market development and the increase of scientific knowledge as well as consumer awareness. Resolutions have the same legal status as the Code and should be respected by all members of WHO. The Code and WHA resolutions constitute significant limitations in formula and baby foods marketing and imposes the responsibility for education about appropriate children nutrition on health workers, health systems and governments of member states. Implementation of Code provisions and its monitoring should be held together by cooperation between WHO, UNICEF and United Nation's system, professionals societies

and nongovernmental organizations (NGOs). Moreover, manufacturers and distributors are also supposed to respect and implement the Code's rules in their marketing strategies (Dykes et al. 2012).

The latest WHA resolution defines marketing as "the products promotion, distribution, selling, advertising, product public relations and informational services" (WHO 2016 p.2). It underlines that establishing relationships with parents for example through baby clubs, social media groups, contests and childcare classes should not be practiced by companies that market breast-milk substitutes. Companies that sell foods for infants and young children should not create conflict of interest in health facilities and through the healthcare systems, for example by sponsoring scientific meetings or trainings for health professionals, giving gifts or incentives to health care staff etc.

Despite the great role of appropriate infant and young child nutrition for both individual and public health the WHO Code and WHA resolutions remain not implemented in almost all EU countries. In 2016 WHO and UNICEF together with the International Baby Food Action Network (IBFAN) published the Status Report which showed that 135 out of 194 WHO member countries had at least some forms of legal measure in place covering some provisions of the Code. A total of 39 countries have comprehensive legislation or other legal measures reflecting all or most of the provisions of the Code. An additional 31 countries have legal measures incorporating many provisions of the Code, and a further 65 countries have legal measures that contain a few provisions. Among the remaining countries 49 had non-legal or no measures in place, and for 10 countries no information was available (WHO/UNICEF 2016).

The WHO European Region belongs to the group of countries having only few Code provisions in law. In the case of the European Union the limitations of labeling, presentation and marketing of formula milk and foods for infants are included in Regulation (EU) No 609/2013 of the European Parliament and of the Council of 12 June 2013 on food intended for infants and young children, food for special medical purposes, and total diet replacement for weight control. Articles 9 and 10 of this Regulation state that:

- the labeling, presentation and advertising of foods covered by a regulation shall provide information for the appropriate use of such food, and shall not mislead, or attribute to such food the property of preventing, treating or curing a human disease, or imply such properties ;
- the labeling, presentation and advertising of infant formula and follow-on formula shall be designed so as not to discourage breast-feeding;
- the labeling, presentation and advertising of infant formula, and the labeling of follow-on formula shall not include pictures of infants, or other pictures or text which may idealize the use of such formulae.

Furthermore presentation and information about the discussed food products should be consistent with other EU regulations, especially Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers. Based on this regulation information should not mislead the consumer,

it shall not be ambiguous or confusing and it shall, where appropriate, be based on the relevant scientific data.

Despite the adoption of these regulations the WHO (2016) position is that all EU countries do not cover a number of recommendations included in the International Code of Marketing of Breastmilk Substitutes. Limitations are general and do not provide sufficient conditions contained in the Code.

Conclusions

Proper infant and young children nutrition is a special issue of individual and public health. Despite many health benefits for mothers and children breastfeeding rates in EU countries are very low and remain one of the lowest in the world. In the same time European market of foods for infants and young children is one of the biggest in the world and is still increasing. Breastfeeding is not properly supported and although the WHO Code and WHA resolutions are tools that should limit marketing of breastmilk substitutes effectively. Regrettably, these resolutions are only partially implemented in EU legislation. Consequently, manufacturers do not take into consideration the specificities of the market of food for infants and young children and pursue intensive marketing strategies as in the case of other food products. The sector is dominated by several transnational companies, which is another reason for strong competition and marketing. As a result, the popularity of products is increasing and pregnant women and mothers of infants and young children are getting better familiarised with world-known brands. Moreover new technologies make reaching the customer easier than ever. Public institutions, including governments and especially ministries of health with NGOs support should continue their attempts to reverse this situation and persuade mothers to breastfeed as it is the most natural and best choice for their child. However to help this process more financial resources for education and parent support activities are needed.

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Marketing i komunikacja B2C na rynku żywności dla niemowląt i małych dzieci

Streszczenie

Marketing żywności dla niemowląt i małych dzieci może mieć duży wpływ na wybory rodziców dotyczące żywienia ich potomstwa. W artykule omówiono specyfikę rynku żywności dla niemowląt i małych dzieci oraz stosowane w jego ramach działania marketingowe i komunikację B2C. Zgodnie z prawodawstwem UE, działania marketingowe dotyczące tych produktów są ograniczone na podstawie *Kodeksu marketingu produktów zastępujących mleko kobiece* opracowanego przez WHO. Producenci podejmują jednak wiele działań, które pozwalają nawiązać jak najwcześniejszy kontakt z potencjalnymi nabywcami, w szczególności z kobietami będącymi jeszcze w ciąży. Omawiany rynek jest zdominowany przez transnarodowe firmy o ogromnym potencjale marketingowym. Ograniczenia w marketingu mające zapewnić ochronę karmienia naturalnego jako optymalnej metody żywienia niemowląt i małych dzieci są mało skuteczne, a stabilny rynek omawianych produktów i nowoczesne metody komunikacji B2C pozwalają na skuteczne docieranie do potencjalnych klientów.

Słowa kluczowe: marketing, konsument, żywność dla niemowląt i małych dzieci, komunikacja B2C.

Kody JEL: M31, M38, I10

Маркетинг и коммуникация B2C на рынке продуктов питания для новорожденных и маленьких детей

Резюме

Маркетинг продуктов питания для новорожденных и маленьких детей может иметь большое влияние на выборы родителей, касающиеся питания их потомков. В статье обсудили специфику рынка продуктов питания для новорожденных и маленьких детей, а также применяемые в его рамках маркетинговое действие и коммуникацию B2C. В соответствии с законодательством ЕС маркетинговые действия, касающиеся этих продуктов, имеют ограниченный характер на основании «Международного свода правил маркетинга заменителей грудного молока», разработанного ВОЗ. Однако производители предпринимают многие действия, которые позволяют установить как мож-

но более ранний контакт с потенциальными покупателями, особенно с еще беременными женщинами. Обсуждаемый рынок доминирован сверхнациональными фирмами с огромным маркетинговым потенциалом. Ограничения в маркетинге, призванные обеспечить защиту естественного вскармливания в качестве оптимального метода питания новорожденных и маленьких детей, малоэффективны, а стабильный рынок рассматриваемых продуктов и современные методы коммуникации B2C позволяют результативное привлечение потенциальных клиентов.

Ключевые слова: маркетинг, потребитель, продукты питания для новорожденных и маленьких детей, коммуникация B2C.

Коды JEL: M31, M38, I10

Artykuł nadesłany do redakcji w grudniu 2017 roku

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