

The impact of traffic lights nutritional information on food purchases



The Challenge

In 2006, the UK Food Standards Agency (FSA) recommended food retailers and manufacturers in the UK use of front-of-pack traffic-light (FPTL) labels. The labelling format consists of four separate colour-coded lights indicating the level of fat, saturated fat, sugar and salt in the product (Food Standards Agency, 2008). There is no conclusive evidence that FPTL labels encourage consumers to move towards healthier products, so this study analyses FPTL label impacts on consumer behaviour.

Policy Implication

Labels may have some effect but it depended on the studied category. These categories were:

1. where consumers are becoming increasingly aware of healthier products
2. where households spend a higher proportion on standard products, and the proportion of healthier products (i.e., breakfast cereal, cheese, frozen potato products and ready meals) increased
3. where health messages were ignored (i.e., frozen chips and sweet biscuits).

Research

Tesco and Morrisons, two major food retailers in the UK, introduced FPTL after August 2012. We explored the purchases made by households before and after the introduction of these labels. We used two methods:

1. aggregated analysis, i.e., the market share of healthy and standard products before and after the introduction of the labels in Tesco;
2. disaggregated analysis considered the expenditure allocation before and after August 2012 for households with more than 50% of their total expenditure from Tesco or Morrisons on products within 8 categories, namely: breakfast cereals, soft drinks, sweet biscuits, Cheddar cheese, total cheese, frozen chips, frozen potato products and ready meals.

Results

Standard products represent the majority of the sales. Time series tests showed that branded healthier products had not increased market share after the introduction of FPTL labels.

The allocation on soft drinks remained on the healthier side. In the case of breakfast cereals, cheese, frozen potato products and ready meals, although the proportion towards standard products was greater than healthier ones, the proportion allocated to healthier has increased. Interestingly, the expenditure on purchases of sweet biscuits, Cheddar cheese and frozen potato chips remained on the standard products side.

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Funding

Scottish Government's Rural and Environment Science and Analytical Services Division (RESAS)

UK Department of Food Environment of Rural Affairs (Defra)

Scottish Funding Council supported Universities Innovation Fund



Scottish Government
Riaghaltas na h-Alba
gov.scot



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About

The Land Economy, Environment and Society (LEES) Research Group is one of the largest groupings of economists and social scientists working in the rural, agricultural and land based sectors in the UK. Our vision is to be recognised as one of the leading centres for agricultural and wider rural economic and social research globally, benefiting the land use sector, the environment and rural communities.

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