

Advertising and marketing to children – everybody's business

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Bruce Nixon, author and management consultant, gives his views on how producers, marketers and advertisers can best respond to the current debate about marketing to children. He offers strategic options and some radical and practical suggestions on how to be creative and see the opportunities to do business and do good.

'A successful business will better serve its shareholders by focussing on the needs of its customers, employees, suppliers and the wider community.'

72% of business leaders in a MORI survey

'The greatest challenge of the 21st century will be to change the value system underlying the global economy so as to make it compatible with the demands of human dignity and ecological sustainability.'

Fritjoff Capra

'What if we discover our present way of life is irreconcilable with our vocation to become fully human?'

Paulo Freire

'It is possible to prepare for the future without knowing what it will be.'

Meg Wheatley

THE PRESSURE IS mounting. Food, drinks, lifestyle, health and, more particularly for readers of this journal, marketing to children are hot topics of the day. We are bombarded through the media – television, radio, the newspapers and the internet. These issues are firmly on the agenda and, we can be sure, will not go away. Obesity among adults and, more especially, among children is a growing cause for alarm.

There is a stream of new research, revelations and proposals from bodies representing different interests, and interesting new reports on how other countries, such as Finland, are dealing with the issues. Unfortunately good news, about

what companies and government are doing, is a small proportion of what we are presented with – generally good news does not sell papers. Much of the discussion in the media is about denial: not accepting responsibility and saying it is someone else's responsibility, not ours. It is easy to criticise; the issues are complex, the evidence is not always consistent and of course we should have freedom of choice. But this should not be used as an excuse. Many arguments are transparently specious evasions.

The simple truth is that all of us need to take responsibility. Blaming gets us nowhere. It's not 'either or' but 'and'. It's everyone's business. Ultimately it requires a partnership between government – local, national, regional and global – manufacturers, retailers, restaurants, industry associations, professional bodies, advertising and marketing, media, the health service, schools, consumers, investors, parents and children. It is in all our interests to take full responsibility.

For the time being it looks like a ban on advertising to children is off the agenda. The Government would prefer a voluntary approach. But we are reminded this is not now the case with advertising tobacco – why the difference?

Denial is not an option

The way things work in society and business is: if you deny an issue, things only get worse. Companies will face increasingly harsh consequences unless they stop being defensive and become much more proactive in meeting human

needs, doing good, rather than doing harm. To thrive and survive means spotting the trend and being proactive.

The trend is clear and inexorable. Take the lessons of asbestos, alcohol and tobacco and now the unfolding story of GM. Take the growth in legal cases in the USA against tobacco companies and fast food companies (however the 'Cheeseburger Bill' just passed by Congress, bans class actions against food and drinks companies); protests in France against McDonald's; in India against Coca-Cola. Consumers groups and campaigners are getting more and more effective. The system is working – in the sense that diverse interests are affecting outcomes. Sustainability and Corporate Social Responsibility (CSR) are high on the agenda and rising – CSR is a major industry. Research shows that the ablest people want to work for companies that are good employers *and* do good.

I make the assumption that most people are good. But they may be unaware and they may be in denial. Vested interests and ego can blind us. We are all like this. It's human nature. I remember an interesting experience at an event we were facilitating for an industry body. They were clearly good people, proud of their companies and no doubt conscious of their responsibilities to their employees and other stakeholders, good employers too. They felt attacked, under siege, not understood. The issue for them was 'How can we present ourselves better? Our problems would be solved if only we could communicate better'. Not, 'What do we need to *fundamentally* change and how can we do it?'

Unawareness

Perhaps unawareness, linked with the stress of parents' and children's lives, is the key issue – who would intentionally harm children?

My wife is a researcher and she tells me that most busy mothers she talks to are surprisingly unaware about diet. They are relaxed about their children's high consumption of sugary, fatty snacks as long as they also eat 'one good meal a day'. This, however, most often consists of convenience foods (chips and pizza or burgers) omitting fresh vegetables. It is a symptom of our busy lifestyles that ease and convenience frequently dominate choices about diet.

More than half of the UK's population is either overweight or obese. In 2002, 70% of men and 63% of women were classed as overweight or obese. A fifth of all adults are obese. Obesity kills at least 30,000 people a year in the UK, and causes problems such as heart disease, strokes and diabetes, putting huge unnecessary strains on the NHS. According to a recent study, poor diet and lack of exercise caused 400,000 deaths in the US in the year 2000 – a 33% jump since 1990. Two-thirds of US adults and nine million children are either overweight or obese, the study said.

In their report, *Storing Up Problems: the Medical Case for a Slimmer Nation*, the Royal College of Physicians, the Faculty of Public Health and the Royal College of Paediatrics and Child Health make a raft of recommendations to the government, the food industry, local authorities, the NHS and individuals to help tackle the obesity epidemic. Children are increasingly showing signs of becoming the worst generation yet when it comes to controlling their weight. The report says that obesity among children aged two to four almost doubled between 1989 and 1998, from 5% to 9%. Among those aged six to 15, rates of obesity trebled from 5% in 1990 to 16% in 2001. The report warns that conservative estimates show that if these trends continue, one-third of adults – a fifth of boys and a third of girls – would be obese by 2020.

The Food Standards Agency is now drawing up a range of initiatives.

More than 100 organisations, coordinated by Sustain, a lobby group which campaigns for better food and farming, recently sent a report to Tessa Jowell, the Culture Secretary, and Prime Minister Tony Blair, calling for statutory controls to protect youngsters from the promotion of 'unhealthy' foods.

Tessa Jowell is urging the advertising industry to use its 'creativity' to persuade children to trade crisps and chocolate bars for apples and oranges. She says advertising messages stressing the benefits of healthy eating could have a greater effect than 'all the well-meaning government campaigns put together'. Ms Jowell called on the advertising industry to promote a balanced diet, and said they needed to demonstrate 'that advertising need not be an adversary of those who want a healthier Britain'. Of course, it is not just what we eat and drink; it is exercise and lifestyle too.

How the system works

To put it plainly, what is happening is that our current unhealthy and unsustainable lifestyle is making us ill, causing much misery and grief and costing a fortune both in the UK and the United States. Our eating and drinking habits are creating problems that are putting huge strains on public services, which are out of control. Stress among NHS workers is at extreme levels. Pouring in more money is not working. The problems we create go downstream to public services, which increasingly cannot cope, and we end up with higher taxes. Instead of promoting *health*, we are having to finance increasingly costly *disease* services. Ironically, many good people make a living from disease services, where there are big profits, but it is often

extremely stressful and distressing for many of those involved.

Trends

Nineteenth and early twentieth century entrepreneurs such as Tate, Wills, Cadbury, Rowntree and Lever were socially responsible business people and they did a lot of good with their profits and treated their workers well. Then, we had little idea of the addictive power and dangers of smoking, and excess sugar, salt and fat. Today we know differently. There is increasing information, and growing awareness – though not enough.

Today also, transnational businesses are richer and more powerful than many governments. They are a major source of creativity and innovation but they can do immense harm. They have to take full responsibility because of their power and influence. The role of business today is far more important than simply making profit and increasing share value.

According to AON's European Risk Management & Insurance Survey 2002–2003, across Europe, following September 11th 2001, business interruption heads the list of risks that pose the greatest threat to business. Loss of reputation is seen as the second biggest.

An astute observer of the situation, Barry Coates, former Director of the World Development Movement and now Director of Oxfam New Zealand, notes that the current response of most business leaders is defensive. He describes three levels of Corporate Social Responsibility demonstrated by companies:

1. Saving money through ethical practices (e.g. recycling, avoiding prosecution).
2. Ensuring that the company and its products don't get vilified by taking actions that

improve corporate reputation and protect brands.

3. Acting in a socially and environmentally responsible way because it's the right thing to do.

Increasing numbers of companies are actively pursuing the first two levels. The problem arises at the third level because the costs of behaving in environmentally and socially responsible ways may impact the bottom line. The company may then get punished by the market. Of course some organisations have made a success of taking an ethical stance – for example B&Q, Body Shop, the Cooperative Bank, Ecotricity, Fair Trade, Pret A Manger, Tridos Bank and Waitrose, with their explicit ethical propositions. New, healthier brands are emerging all the time. But are these just niches, which may be small and transient? Will they produce sufficient progress? Or are they forerunners in an emerging trend?

Some of these companies are members of Business in the Community, a UK charity started 22 years ago to improve the way business affects society. It now has 700 members and many programmes to help companies succeed by continually improving their positive impact on society. Its Corporate Responsibility Index was launched two years ago.

Many companies in Europe and the USA find new opportunities for business, new industries and technologies and competitive advantage in tackling the big issues of our time. There are scores of examples. Equally hopefully too, Deutsche Bank finds the top ten companies by governance standards have beaten the bottom ten in the FTSE by 16.2% over the past three years.

However, the problem lies not only with companies but also with the larger trade and finance

systems within which they operate. So, ultimately, action to bring about changes in national and global frameworks for trade and finance is essential. This requires business and government to work in collaboration, in transforming the global system.

‘Activism is my rent for living on the planet.’

Alice Walker

A lot of business people become activists – George Soros, Jerry Mander, Anita Roddick, to name just a few.

Complexity

We are all up to our necks in it; we are all stakeholders, involved in some way or other as directors, managers, employees of hundreds or thousands of people, suppliers, self-employed, consumers, investors, pension providers, pensioners and future pensioners. Our livings and livelihoods are at stake.

Many people I meet today find that not only is their work extremely stressful but also the way they earn their living is in conflict with their values. If they had the means they would get out and do something more worthwhile. That just might be flight. Companies need to change, if they want committed and aware people. There are huge dilemmas for top business leaders. But change we must. Business in the globalised world of today is characterised by complexity, rapidity of change, uncertainty, unpredictability, not being in control, chaos and confusion, information overload and the huge stress that results from all this.

Like everything today, it is a complex problem and needs to be tackled systemically. Complex systems cannot be controlled – they transform spontaneously in a messy, sometimes

chaotic way as awareness increases in the whole system. To find our way through complex issues we need different ways of thinking – intuition, thinking with our hearts and bodies.

Chaos and anxiety are unpleasant at the time but they are an inevitable part of transformation and need to be acknowledged. As one astute observer of the industry tells me:

‘At the moment, the kids’ food, drink, fast food marketing industry is in a state of panic. Is it ethical? Is what we are doing contributing to kids’ shorter life span, obesity, ill health? How can we justify marketing and developing our products? Will legislation be brought in to stop what we are doing and thereby threaten our companies and jobs? The alcohol and tobacco industries before them suggest ways that as an industry these fears can be overcome, both internally and externally. The internal issue is perhaps the most important, as at board level and among corporate affairs issues are well known, but lower down at product manager level, there is a blinkered outlook.’

Fear and panic is a reality in times of radical change. If not openly acknowledged it leads to rigidity and gets in the way of reacting creatively. It needs to be felt and acknowledged before we can move on. Leaders need to understand this – it is part of emotional intelligence. People have feelings and emotional and spiritual needs. They need to be supported and encouraged to believe in themselves and that win-win solutions will emerge.

So what are we to do?

It is clear that the debate over the rise in levels of obesity and children’s food advertising is not

Box 1 Principles for leading transformation in a complex, uncertain world

- Keep meaning, values, your unique purpose and identity in the forefront – they will be your guide and criteria
- Offer your vision *and* enable ways forward to emerge through everyone’s creativity
- Focus people on the bigger picture
- Rigorously face the reality of the situation without defensiveness or denial
- Admit it is an uncertain, unpredictable, complex and challenging situation and you do not have the answer
- In creating change, get the whole system, all stakeholders ‘into the room’ – people on the ground and those most affected – to help you
- Involve everyone in the process of change
- This means encouraging conversation
- Make it safe for people to be completely honest and say what they think and feel
- Welcome conflicting views, diversity and difference – it won’t be easy
- Help people welcome change and chaos as part of the process
- Scan the environment for the big issues and trends affecting the business
- See apparent difficulties and issues as opportunities
- Spot the opportunities for new business, modifying existing brands and for competitive advantage
- Recognise that people have emotions and need support to deal with them.
- Build a culture in which there is trust – reliable relationships are essential in finding ways forward in a complex and uncertain situation
- Communicate often – make it two-way – and with honesty and integrity
- Make sure **everyone** understands the company’s policy
- Creativity depends on a holistic approach to leadership – integrating mind, spirit, heart and body

going to disappear. But what do we know about how to navigate our way through change in a complex system? It helps to see society and the business world as aspects of an adaptive, self-regulating, living system. The machine metaphor, pulling levers to deliver change, does not help us much when clearly we are not in control. We need the metaphor of life. We need a combination of using our energy to encourage things to happen; and allowing them to happen (Nixon 2000, 2001; Capra 2002; Wheatley 2002). Also there is evidence that having a clear sense of your values and purpose is essential. (Collins & Porras 1996).

In Box 1 on the previous page are some principles for leaders and I suggest we are all in a position to lead. However, these principles for leading transformation can not only be applied to those affected by the obesity debate, but are valuable considerations for all types of business. In terms of strategy, there are a few options in Box 2.

I am an optimist. I believe, although it is a chaotic and sometimes tragically destructive path, the trend for humanity is upward. As awareness increases, there is a change in consciousness, our collective creativity takes over and we find ways forward. Part of this trend is towards global collaboration, which is needed to tackle the big issues. We have more in common than divides us and increasingly we recognise that we live in an interconnected world. Sometimes, the result is rapid and unpredictable change. Increasingly we are learning to respect difference and diversity. It will be at our peril if we do not. Transformation will take place whatever we do. The question is how can each of us best influence that process to bring about the best outcomes for everyone and the least pain and harm?

I am encouraged by this:

Box 2 Strategic options

Being a good employer today means doing good out there – not only doing good with profits but meeting human needs and avoiding harm

- Small changes that will make an immediate improvement or do less harm and signify small wins and send immediate signals to consumers
- Alternative emergent brands that respond to the big issues and may grow into big wins
- Industry initiatives that will demonstrate social responsibility – e.g. the Portman Group of the alcoholic drinks industry
- Collaborations with consumer groups and other stakeholders
- Long-term strategies for radical change that will be fundamental responses to the big issues and require all the complex issues to be taken into account
- Public education to build awareness
- Doing good – or looking good? Don't even consider cynical actions – the public, your staff, NGOs and media are too smart and cynical – it will be counter-productive
- Work towards changing the global framework for business
- Have alternatives because the future is unpredictable

Remember the bottom line is survival – unless you decide the best option is to get out – another option

‘Whatever you do may seem insignificant, but it is most important that you do it.’

Mahatma Gandhi

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