

A stylized purple globe graphic occupies the left side of the slide, showing the outlines of continents in a darker shade of purple.

# IMPACT OF ADVERTISING & CLAIMS ON THE BUYING CHOICES OF CONSUMERS

**Mondelēz**  
International  
SNACKING MADE RIGHT

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- Why Advertisement needed: Business Objective
- Claim Entry & Impact
- Validations of Impact of Claims
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# Advertisement

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*“Advertising is the process of calling the attention of the public to a product or service by a business”*

- (Johnson)



## Claim

*an assertion that something is true.*



DO YOU KNOW  
YOUR CORE PRODUCT?



# Why is advertising needed?

- *Awareness about the existing product and launch of new product*
- *Ensure right product info reaches the customer*
- *Brand awareness*
- *Build brand loyalty*
- *Helps increasing sales*

# Advertising: A Business Objective



- People appreciate advertisements for their creativity. But David Ogilvy once said, "When I write an advertisement, I don't want you to tell me that you find it 'creative.' Creativity is just one side of the coin, and the other side is a **business objective**."

**Based on the objectives**, different kinds of advertisements are created. With time, objectives change, and accordingly, advertisements also change. So, let's have a look at a few of the objectives:

### Category penetration:

If a category is new, less popular, or less understood, then the target audience is required to be educated about the benefits of that category, interesting example is

*'Mutual Funds Sahi Hai'* campaign. This campaign has a series of advertisements that communicate the benefits of mutual funds in a conversational style. Once the target audience becomes familiar with the benefits of a category, it becomes easier for brands to penetrate.

### Brand penetration:

As people buy benefits, brand penetration advertisements focus on meaningful benefits. In the early 90s, consumers were not used to choosing a color for their house walls, and this choice was left to a shopkeeper or painter. But then Asian Paints launched a game-changing campaign

*'Mera Wala.'* The tagline became so popular that people started asking for *'mera wala green'* or *'mera wala cream'* at hardware shops. This advertisement also built a distinct identity of Asian Paints in a highly crowded and commoditized market.

## Business objective

### Increase usage frequency:

Frequency is about how often your brand offering is consumed by your target audience.

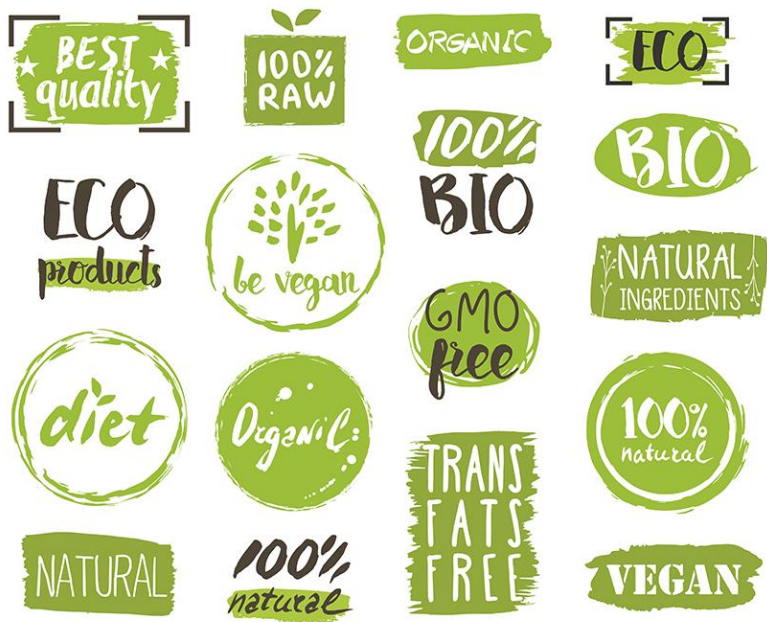
For instance, Colgate's Brush Brush Brush song made brushing teeth fun for kids and created awareness among children to brush their teeth twice a day.

### Increase usage volume:

Here, I would like to share the example of

Ujala advertisement with the jingle *'Aaya Naya Ujala, Char Boondo Wala...Ahaa'*. This advertisement not only popularized Ujala as the whitening solution but also emphasized quantity, i.e., 4 drops.





## ADVERTISING CLAIM

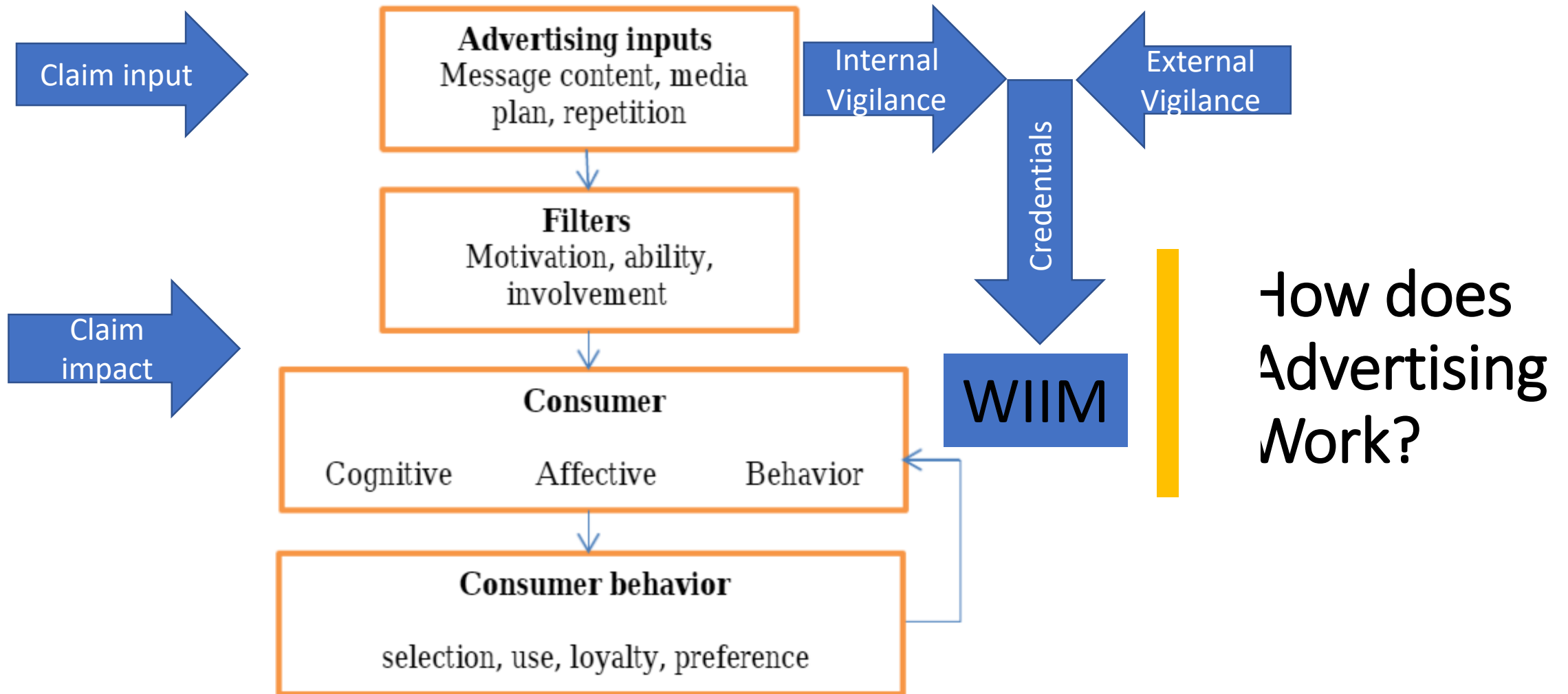
(Examples only)

- A Claim synthesises great value and attributes to a brand/ product
- **Claims draw a lot of consumer attention; chances of purchase**
- Usually, claims are determined by listing the recognized properties of each ingredient contained in the formulation.
- Or if any study is conducted ; product claims can be made
- Origin claims are also emerging e.g. ASSAM TEA, COSTA RICA Coffee (Biodiversity law)
- Reduction / Comparative claims



Strong bones

**Figure 3 The conceptual framework in studying the effects of advertising**



Source: Demetrios Vakratsas, Tim Ambler – How Advertising Works: What Do We Really Know?, Journal of Marketing, vol 63, January 1999



# Consumers' Implicit and Explicit Recall, Understanding and Perceptions of Products with Nutrition-Related Messages

- Study aimed to assess consumers' implicit and explicit recall, understanding and perceptions of products with a nutrition claim and a symbol depicting 'health,' and to determine whether these perceptions differed among Nutrition Facts table (NFT) users vs. nonusers. In an online survey, participants (n = 1997) were randomized to one of eight conditions in a 2 × 2 × 2 factorial design, consisting of a label with a claim (present/absent) a heart-shaped symbol depicting 'health' (present/absent) for a healthier or less healthy soup.*
- For claim condition, most participants (75%) were able to recall the presence of a claim**
- Claims attracted consumers' attention and increased the perceived nutritional quality (i.e., the 'halo' effect), regardless of the product's nutritional composition (Even for less healthy version)**
- Most participants (77%) made their decisions implicitly using the front of labels.**
- Consumers used NFT along with health symbol claim had a better understanding of the nutritional quality of products**
- As consumers are less likely to use nutrient declarations when assessing and/or purchasing foods, results from this study stress the importance of providing consumers with nutrition labels that also support fast decision-making.**

**Source:** Vítor João Pereira Domingues Martinho Agricultural School (ESAV) and CERNAS-IPV Research Centre, Polytechnic Institute of Viseu (IPV), 3504-510 Viseu, Portugal; vdmartinho@esav.ipv.pt Received: 26 October 2020; Accepted: 10 November 2020; Published: 12 November 2020

Claim



Nutrition Facts	
Serving Size 100 g	
Amount Per Serving	
Calories 250	Calories from fat 10
% Daily Value*	
Total Fat 4%	4%
Saturated Fat 1.5%	4%
Trans Fat	
Cholesterol 50mg	25%
Sodium 150mg	15%
Total Carbohydrate 10g	3%
Dietary Fiber 5g	
Sugars 3g	
Protein 10%	
Vitamin A 1%	Vitamin C 3%
Calcium 2%	Iron 2%
*Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs.	

ESTABLISH CLAIM  
ON PACK,  
RELATED RIGHT  
NUTRITIONAL  
FACTS

# CONSUMERS' HEALTH-RELATED MOTIVE ORIENTATIONS AND REACTIONS TO CLAIMS ABOUT DIETARY CALCIUM

*This study investigated how consumers' explicit and implicit health-related motive orientations (HRMOs) together with the type of calcium-claim (nutrition claim, health claim and reduction of disease risk claim) influence perceived credibility and purchasing intention of calcium-enriched fruit juice. Data were collected in April 2006 through a consumer survey with 341 Belgian adults.*

- **Health claims may contribute to better informed and healthier food choices** and to improved **industrial competitiveness**
- Findings indicate that stronger implicit HRMOs (i.e., indirect benefits of calcium for personal health) are associated with higher perceived credibility
- The implicit meaning and relevance attached to health benefits from calcium emerged as more predictive for consumers' appeal of claims on calcium-enriched fruit juice than the explicit meaning and value of calcium for health.
- Health claim communications that refer to the implicit values of calcium for personal health are expected to be more effective, especially among younger consumers
- Overall, the claim type was found to be a more important determinant of consumers' perceived credibility than their health-related motive orientation

**Source:** *Nutrients* 2013, 5, 82-96; doi:10.3390/nu5010082; Christine Hoefkens \* and Wim Verbeke  
Department of Agricultural Economics, Faculty of Bioscience Engineering, Ghent University, Coupure Links  
653, B-9000 Ghent, Belgium; E-Mail: Wim.Verbeke@ugent.be Received: 16 November 2012; in revised form:  
20 December 2012 / Accepted: 21 December 2012 / Published: 10 January 2013



Competition

Merging  
Story line &  
applied  
Science well



Products offering more than one health claim are more attractive to consumers and this could translate into a 20 per cent sales boost, a study in Germany has found.

The online survey, commissioned by National Starch, tested consumer perception on a leading brand of bread, nutrition bars and cereal, and how the appeal of the product was altered with the addition of a claim, such as "increases dietary fibre intake." A total of 1,007 men and women aged between 25 and 65 were sampled, with a total of fifteen claim combinations tested. These comprised of the following five claims: "increases dietary fibre intake," "promotes a healthy digestive system", "helps to control blood sugar highs," "provides a balance of energy" and "delivers prebiotic properties." The survey found an "increases dietary fibre intake" claim was seen as relevant across all product categories. The study found that corn flakes are perceived to benefit most from the claims "increases dietary fibre intake" and "helps to control blood sugar

**Source: More health claims increase sales, study finds**, 24-Jul-2007 By Alex McNally, [HTTPS://WWW.NUTRAINGREDIENTS.COM/ARTICLE/2007/07/24/MORE-HEALTH-CLAIMS-INCREASE-SALES-STUDY-FINDS](https://www.nutraingredients.com/article/2007/07/24/more-health-claims-increase-sales-study-finds)

# REGULATORY FRAMEWORK: An important Credibility factor



## Food Safety and Standards (Advertising and Claims) Regulations

These regulations are aimed at establishing fairness in claims and advertisements of food products and make food businesses accountable for such claims /advertisements so as to protect consumer interests. Eg: Nutritional Claims, Infant Milk Food (Formula)

Advertisements in respect of a food product that undermines the importance of healthy lifestyles or portrays the food product as a complete replacement of normal meal are not permitted. Further, food businesses are also prohibited to advertise or make claim undermining the products of other manufacturer so as to promote their own food products or influence consumer behaviour

Any person, including a third party, who advertises or is a party to the publication of any misleading advertisement not complying with these regulations would be penalised with a fine extending up to Rs ten lakh, as per Section 53 of the Food Safety and Standards Act 2006



## Advertising Standards Council of India (ASCI):

The Indian advertising market as a whole is regulated and controlled by a non-statutory body, the Advertising Standards Council of India (ASCI)

**Role of ASCI:** it is a voluntary self-regulatory council established in 1985 to promote responsible advertising and to enhance public confidence in advertisements under MoU with FSSAI

To ensure that , Advertisements are not offensive to generally accepted standards of public decency To safeguard against the indiscriminate use of advertising for the promotion of products regarded as hazardous to society or to individuals.

Advertisements observe fairness in competition so as to inform the consumer on choices in the marketplace while observing the canons of generally accepted competitive behaviour in business



## Consumer Protection Act, 1986:

CCPA Established in Jul2020

An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith or incidental thereto.

In general , the consumer rights in India are listed below,

- Right to safety,
- Right to Informed,
- Right to Choose,
- Right to be Heard,
- Right to seek redressal ,
- Right to consumer Education

# Foods Claims and Advertisement: Regulatory Check points, FSSAI

Clear Definitions	Criterion of Claims
<p><b>ADVERTISEMENT</b></p> <p><i>“advertisement” means any audio or visual publicity, representation or pronouncement made by means of any light, sound, smoke, gas, print, electronic media, internet or website and includes through any notice, circular, label, wrapper, or other documents</i></p>	<p><b>Non-addition of sugars claims, conditions to be met:</b></p> <ul style="list-style-type: none"> <li>• <i>No sugars of any type have been added to the food (Examples: sucrose, glucose, honey, molasses, corn syrup, etc.);</i></li> <li>• <i>The food contains no ingredients that contain sugars as an ingredient (Examples: jams, jellies, sweetened chocolate, sweetened fruit pieces, etc.)</i></li> <li>• <i>The food contains no ingredients containing sugars that substitute for added sugars (Examples: non-reconstituted concentrated fruit juice, dried fruit paste, etc.)</i></li> <li>• <i>The sugars content of the food itself has not been increased above the amount contributed by the ingredients by some other means (Example: the use of enzymes to hydrolyse starches to release sugars)</i></li> </ul>
<p><b>CLAIMS</b></p> <p><i>“claim” means any representation which is printed, oral, audio or visual and states, suggests, or implies that a food has particular qualities relating to its origin, nutritional properties, nature, processing, composition or otherwise</i></p>	<p><b>Minimum requirement for claims on Nutrients level:</b></p> <ul style="list-style-type: none"> <li>• <i>Vitamins and minerals is 15%RDA per 100g</i></li> <li>• <i>Stricter requirements for Proteins 10% E</i></li> <li>• <i>Stricter levels of Omega 3 Fatty Acids (DHA/ALA)</i></li> <li>• <i>ALA: at least 300mg per 100g and 100 Kcal</i></li> <li>• <i>DHA: at least 40mg per 100g and Kcal</i></li> </ul>
	<p><b>Comparative claims (Nutrient):</b></p> <ul style="list-style-type: none"> <li>• <i>The reduction or increased in content is at least 25% compared to a similar product</i></li> </ul>



A CREATIVE & WELL-EXECUTED ADVERTISEMENT HAS ALWAYS A GREAT IMPACT ON THE BUYING TRENDS OF THE CONSUMERS; CLAIMS ADD GREAT VALUE AND CREDIBILITY



Business Objective, Science,  
Validation, Clear messaging,  
Vigilance (internal & external)



Consumers  
(Need, Price,  
Claims implicit/  
explicit connect)

Consumer Centricity is Key



# THANK YOU

