

A heavier price: How do restaurant surcharges and labeling improve health?

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The American obesity epidemic is out of control, and health advocates are working hard to ensure that food labels clearly list calorie content and all unhealthy ingredients. But according to a new study in the *Journal of Marketing Research*, labeling alone contributes little to healthier eating decisions unless the item also costs more.

"Obesity rates have more than doubled in the past two decades, and large-scale interventions are necessary to dissuade people from consuming [unhealthy food](#)," write authors Avni M. Shah (Duke University), James R. Bettman (Duke University), Peter A. Ubel (Duke University), Punam Anand Keller (Dartmouth College), and Julie Edell Britton (Duke University). "The best approach to curtail unhealthy [food](#) consumption is to use both an unhealthy label and a [surcharge](#) for unhealthy [menu](#) items."

Participants in the study were given a menu containing six choices, three of which were unhealthy or high in calories. The menu given to one group marked unhealthy items with an asterisk and explanation, while the menu given to a second group listed a surcharge for these unhealthy choices. Finally, a third group received a menu in which unhealthy items were given both a surcharge and an unhealthy asterisk.

The authors found that women avoided food with negative labeling but seemed undaunted by surcharges; men, on the other hand, avoided surcharges but were unaffected by or even preferred food with negative labeling. Both men and women, however, avoided food if it had negative

labeling and a surcharge.

The authors dubbed this combination an "unhealthy surcharge," and noted that according to their study, neither the surcharge nor the unhealthy label reduced customer loyalty, and in fact when an unhealthy label was added, customers gave the restaurant positive marks for caring about its diners.

The authors conclude that being honest about unhealthy items can be a very healthy thing for a company: "We demonstrate that adding an unhealthy label generally increases ratings of how concerned the firm is with the health and well-being of its customers. Increasing customer trust may lead to a number of long term gains, such as higher customer loyalty, greater commitment, and more service usage."

More information: Avni M. Shah, James R. Bettman, Peter A. Ubel, Punam Anand Keller, Julie Edell Britton. "Surcharges Plus Unhealthy Labels Reduce Demand for Unhealthy Menu Items." Forthcoming in the *Journal of Marketing Research*.

Provided by American Marketing Association

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