Jun 8th, 12:00 AM - Jun 10th, 12:00 AM

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Key Words: obesity, social responsibility, ethics, foodservice industry, ethical advertising, portion size, nutrition labeling

Abstract

Obesity has reached epidemic proportions.   Costs associated with obesity pose a severe threat to the U.S. economy. Evidence indicates the foodservice industry has had a major role contributing to the obesity crisis; thus it is argued that the industry has an ethical and social responsibility to now aggressively adopt socially responsible actions that will help alleviate the increasing incidence of obesity. Such actions might include innovative advertising initiatives, modification of portion sizes, and nutrition labeling so that consumers can make healthful food selections. Even though such actions might result in short-term profit losses, socially responsible actions have the potential to yield long-term economic value for the foodservice industry.

Introduction

Obesity has reached epidemic proportions throughout the United States (U.S.).   According to statistics reported by the U.S. Centers for Disease Control and Prevention (CDC), in 2008 obesity rates for adults exceeded 20% in every state but Colorado with six states having rates in excess of 30% (Centers for Disease Control (b), n.d.). Thus, at the present time, there are more than 60 million obese adults in the U.S., a figure that does not include adults who are overweight, but not yet considered to be obese.   The obesity incidence rates for children are particularly alarming as the prevalence of childhood and adolescent obesity has risen from 5 to 6.5% in the 1980's, depending on the age range, to 12.4 to 17.6% for the several age ranges at the present time (Centers for Disease Control (a), n.d.).   Evidence indicates that obese children, particularly obese adolescents, have a high probability of becoming obese

adults, a factor which could potentially continue the upward trend in adult obesity rates (Guo, Wu,

Chumlea, & Roche, 2002; Kindblom, et al., 2009; Li, Law, Conte, & Power, 2008; Whitaker, Wright, Pepe,

Seidel, & Dietz, 1997).

The economic consequences of the rapidly escalating obesity epidemic are potentially

catastrophic for not only the U.S. health care system, but the total U.S. economy. The per capita health

care spending for obese persons increased 63% from 1987-2001 while the comparable spending for

non-obese persons increased only 37% (Thorpe, Florence, Howard, & Joski, 2004). If the obesity

incidence cannot be reduced, it is estimated that the future economic burden of currently overweight

adolescents, exclusive of other currently obese children or adults, will be $254 billion, an amount

exceeding that of any other major public health issue, past or present (Lightwood, et al., 2009).

The Foodservice Industry's Responsibility for the Obesity Epidemic

The foodservice industry, particularly the "fast food" component and food industry advertising,

has been implicated as a major factor contributing to the obesity epidemic (Alvy & Calvert, 2008;

Chandon & Wansink, 2007; Colapinto, Fitzgerald, Taper & Veugelers, 2007; Edwards, Engstrom, &

Hartwell, 2005; Harris, Brownell & Bargh, 2009; Harris, Pomeranz, Lobstein, & Brownell, 2009).

Consumers spend about half of their food dollars on food away from home (National Restaurant

Association (b), 2010); thus, the foodservice industry is clearly a factor contributing to the current

obesity epidemic.   Even though the foodservice industry has played a contributing role to the rising

obesity prevalence, not everyone agrees that the foodservice industry has responsibility relative to

alleviating the obesity epidemic (Aranceta, Moreno, Moya, & Anadon, 2009; Binkley, 2006; Edwards, et

al., 2005; Grotz, 2006). The purpose of this concept paper is to suggest that the industry does have an

ethical and social responsibility to take actions which may help reduce the obesity incidence, particularly

among children.

Defining Ethics and Social Responsibilities

      To discuss whether or not the foodservice industry has an ethical responsibility relative to the obesity epidemic, it is necessary to define and understand the concepts of ethics and social responsibility.   Business ethics might be considered the application of personal moral norms to the activities and goals of commercial enterprise (Nash, 1993 as quoted in Ross, 2004). Today, business firms are expected to accept ethical responsibilities; they are expected to go beyond their profit-oriented activities and boost the well-being of the community. This expectation is exemplified through the concept of corporate social responsibility (CSR).   Through CSR activities, business firms voluntarily integrate social and environmental concerns into their business operations and their interactions with their stakeholders (Jones, Comfort, & Hillier, 2006).

      As a result of fundamental changes which have occurred in today's business environment, businesses are increasing their focus on CSR. Key drivers influencing the new focus on CSR include: 1) direct stakeholder pressures; 2) greater stakeholder awareness of corporate ethical, social, and environmental behavior; 3) investor pressure; 4) peer pressure; and 5) an increased sense of social responsibility (Jones, et al., 2006).   The ideas of corporate citizenship, sustainability, responsibility, fairness, and concerns for community are practical guidelines for CSR.

      Lantos (2002) has suggested three types of CSR: ethical, altruistic, and strategic. Two of these types, ethical and altruistic, focus on a firm's moral responsibility to an extent that goes beyond a firm fulfilling its economic and legal obligations to the owners. From the perspective of ethical or altruistic CSR, foodservice firms would have a moral responsibility to offer products to consumers which would help them avoid excessive weight gain. That is, they would have a moral responsibility to ensure that their food products would not do harm to their consumers and that responsibility would outweigh the firm's responsibility to create profit (and thus to remain in business) if their profit responsibility was in conflict with their moral responsibility.

In contrast, strategic CSR incorporates caring corporate community service activities that also accomplish strategic business goals. Here, firms contribute to their constituencies and their communities not only because it is ethical for them to do so, but also because they believe doing so is in their best financial interests. Lantos (2002) suggests that socially responsible practices are justifiable when such practices can be demonstrated to yield benefits to the firm commensurate with their costs as they are then consistent with the firm's primary role as an economic entity. Thus, from the perspective of strategic CSR, a foodservice firm should engage in socially responsible actions which will help alleviate obesity. However, such actions should be in accord with the overall strategic objectives of the firm while also reflecting the community's perspective on major social concerns which may extend beyond obesity to other issues, such as environmental sustainability.

Reasons Hospitality Firms are Engaged in CSR Activities

One way to consider CSR is to see it as a process of managing and balancing the relationships between a business and its many stakeholders in a professional, proactive, responsible, and sustainable way. Indeed, concerns about social and environmental issues may bring opportunities for innovations and new products (Peattie, 2006). While there is limited information available regarding the foodservice industry, there are reports that lodging firms are increasingly incorporating CSR into their strategic operations and utilizing socially responsible activities as a means of enhancing their overall business success. Reflecting increasing world-wide public interest in business ethics and corporate social responsibility, several of the leading lodging firms now mention social responsibility in their vision or mission statement or related documents, indicating that CSR has moved into these firms' strategic thinking (Holcomb, Upchurch, & Okumus, 2007).

Evidence is beginning to accrue that indicates that CSR activities have a positive economic impact on a firm's value, yet another reason for firms to engage in CSR activities (Kang, Lee, & Huh, 2009; Lee & Heo, 2009: Park & Lee, 2009). While this positive economic impact has been identified for

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both foodservice and lodging firms, the impact is primarily realized over the long-term and may not result in short-term profits. Thus, it is suggested that foodservice firms should prepare CSR investment plans which recognize that long-term returns should compensate for the required investment to implement CSR activities in the short-term (Kang, et al., 2009).

Marketing Practice as Strategic CSR Within the Foodservice Industry

Marketing should be involved in the development of a firm's strategic CSR to help ensure that the firm's philanthropic giving to society and the community is tied to its organizational objectives and strategy. Strategic CSR activity should improve a firm's image while also increasing both employee motivation and loyalty among the firm's customers and other key constituencies. When a firm chooses to support a social program for reasons of good image, public relations, or other strategic interest, such support is a matter of marketing strategy rather than a duty required of the firm (Lantos, 2002).

Marketing strategy is closely linked with ethical issues and CSR, and many concerns about foodservice industry marketing practices have recently emerged. Unethical marketing involves the use of marketing practices to pursue corporate or individual managers' ends without consideration of what is right and beneficial for both the firm and society. Deceptive advertising is an unethical marketing practice of particular concern to the foodservice industry (Panda, 2008). Relative to the obesity crisis, the practice of targeting advertisements for foods of limited nutritional value or which have high sugar or fat content to children may be considered unethical because of the impact on children's nutritional status. Concern for such advertising is growing as the number of venues for nutrient-poor, calorie-dense food advertisements oriented toward children is increasing through the use of video games, cell phones, and other such electronic devices (Harris, Pomeranz, et al., 2009). Similarly, advertisements for high calorie foods, such as many fast foods, have been implicated as unethically targeting low income and ethnic minority populations, contributing to their higher incidence of obesity (Grier, Mensinger, Huang, Kumanyika, & Stettler, 2007; Henderson & Kelly, 2005; Ramirez-Ley, et al, 2009).

Because advertisements have proven to be highly influential regarding consumers' food selections and eating habits, advertising offers an important opportunity for the foodservice industry to engage in CSR. The question is -- would the industry be willing to forego potential short-term profits and invest in the long-term health and well-being of today's consumers, especially children? Much is known about advertising psychology (Harris, Brownell, & Bargh, 2009), and that knowledge could be applied to innovative advertising of healthful foods for the long-term benefit of all.

Need for Foodservice Industry CSR to Address Other Key Concerns

In addition to advertising practices, two other key concerns regarding the obesity epidemic are portion size and nutrition labeling for menu items. Portion sizes have increased markedly over the past 30 years paralleling the increased incidence of obesity. As a result, consumers now have a distorted perception of what constitutes a nutritionally acceptable portion size (Ledikwe, Ell0-Martin, & Rolls, 2005). As a socially responsible action, the foodservice industry, along with food processing firms that package products for sale in venues such as vending machines and grocery stores, could take the initiative to reduce portion sizes while also engaging in an aggressive consumer education program through advertising. Such a program should be focused on changing consumers' perception of portion size and their idea of "value for their money".

Consumers need to be encouraged to make more nutritional food choices, but to do so, they need to have information about the nutritional content of products offered to them. While there have been efforts to require foodservice establishments to provide nutrition information about their menu items to consumers, only recently have such efforts gained strong support. A bill has been proposed in the U.S. Congress which, if passed, would required nutrition labeling for foodservice establishments with 20 or more locations and would provide consistent national standards for such labeling. Unfortunately, only the larger corporations would be required to provide product nutrition information to consumers (Center for Science . . ., 2003; National Restaurant Association, 2010(a)). A positive CSR activity for the

foodservice industry would be voluntarily providing product nutrition information in all types of

foodservice establishments.   However, to be socially responsible, foodservice firms, as well as food

packaging firms, would need to exercise care in determining items' nutritional value accurately and

would need to actively engage in the education of consumers about the availability and value of such

information.

Conclusions

The foodservice industry has been a major factor contributing to the current obesity epidemic.

Thus, this industry should recognize that it has an ethical responsibility to help address the obesity issue.

Accordingly, the industry should take the initiative to assume a leading role in activities to combat

obesity.   Critical areas where foodservice industry CSR actions are needed include innovative, ethical

advertising, portion sizes, and nutrition labeling.   While socially responsible actions in regard to these

areas may seem to be a reversal of profitable industry actions, it should be recognized that industry

commitment to such actions now may result in long-term profitability and enhanced market value for

the firm in the future.

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