

## Exterior Marketing Practices of Fast-Food Restaurants

*This brief provides an overview of exterior advertising by fast-food restaurants in a nationally representative sample of public middle and high school enrollment areas. Data were collected from 2,442 fast-food restaurants in 154 communities across the United States in the spring and summer of 2010. Trained data collectors used validated instruments to observe and code outdoor advertising on the building and property of fast-food restaurants.*

*Exterior advertising includes any signs, posters, banners, flags or stickers on the building exterior and/or property of the fast-food restaurant that are at least 8 1/2 x 11 inches in size and visible from the parking lot or street bordering the restaurant. Signage on vending machines, on the drive-thru menu board, and those signs bearing only the name or logo of the business and/or hours of operation are excluded.*

*This study shows that the majority of fast-food restaurants use exterior advertising, particularly signage with price promotions, to advertise their products. It also finds that exterior advertising is more prevalent among chain fast-food restaurants and is used to a greater extent in low-income and Black and Latino neighborhoods.*

### Introduction

Improving the dietary intake of children and adolescents is an important strategy for reducing obesity in the United States. In the last few decades, consumption of food away from home, particularly fast food, has risen in parallel with the increase in obesity rates.<sup>1, 2</sup> In 2007–08, 17 percent of children and adolescents ages 2 to 19 were obese.<sup>3</sup> Recent evidence shows that, for children and teenagers ages 2 to 18, fast food contributed 13 percent of daily energy intake in 2003–06, up from 10 percent in 1994–98.<sup>4</sup> If considering just teenagers ages 13 to 18, 17 percent of energy intake came from fast food in 2003–06.<sup>4</sup>

Consumption of food away from home, particularly fast food, has been associated with higher overall caloric intake, higher intake of fat, carbohydrates, sugar, carbonated soft drinks and sugar-sweetened beverages, and lower intake of micronutrients, fruits and vegetables.<sup>5–10</sup> Fast-food advertisements are pervasive on television, websites, banner ads, social and mobile media, and through signage.<sup>11</sup> Fast-food advertisements also are the most prevalent food ads seen on television by children and adolescents.<sup>12</sup> Additionally, fast-food restaurants are more likely to locate around schools.<sup>13, 14</sup> Previous research has found that greater exposure to fast-food advertising and lower fast-food prices are associated with greater fast-food consumption and higher body weight among children and adolescents.<sup>15, 16</sup> Evidence

suggests that Black and Latino as well as low-income populations are more likely to be exposed to ads in print and outdoor advertising for high-calorie, low-nutrient foods<sup>17, 18</sup> and ads on television for fast food.<sup>11, 19</sup> However, the extent and content of targeted exterior marketing by fast-food restaurants has not been examined.

Given the prevalence of fast-food consumption among children and adolescents, evaluating the placement, promotion and pricing of fast food is key to understanding how best to improve the nutritional landscape for all children. This brief assesses overall marketing, price promotions and the promotion of dollar/value menus on the exterior of fast-food restaurants in communities surrounding public middle and high schools. It also examines how exterior marketing practices differ in communities by income, race and ethnicity.

## Key Findings

*The vast majority of fast-food restaurants promote their products through exterior marketing and such ads are more prevalent in low-income and Black and Latino neighborhoods.*

- Among all fast-food restaurants, approximately 80 percent use exterior signage on their building or property to market their products. Significantly more chain restaurants than non-chains use exterior advertising, as shown in Figure 1. Among those that do use exterior ads, chain fast-food restaurants also tend to have more ads than non-chains, an average of seven compared with four. On the whole, fast-food restaurants have an average of five exterior advertisements.

## Price Promotions Advertised Outside of Fast-Food Restaurants



- Exterior advertising by fast-food restaurants is significantly more prevalent in lower-income communities (85%–86%) than in high-income areas (76%), as Figure 1 shows. In addition, exterior advertising is significantly more prevalent in communities with majority Black (88%) and majority Latino (87%) populations than in majority White (79%) neighborhoods. Similarly, among those restaurants that use exterior marketing, there are more ads in low-income and Black and Latino neighborhoods than high-income or White neighborhoods.

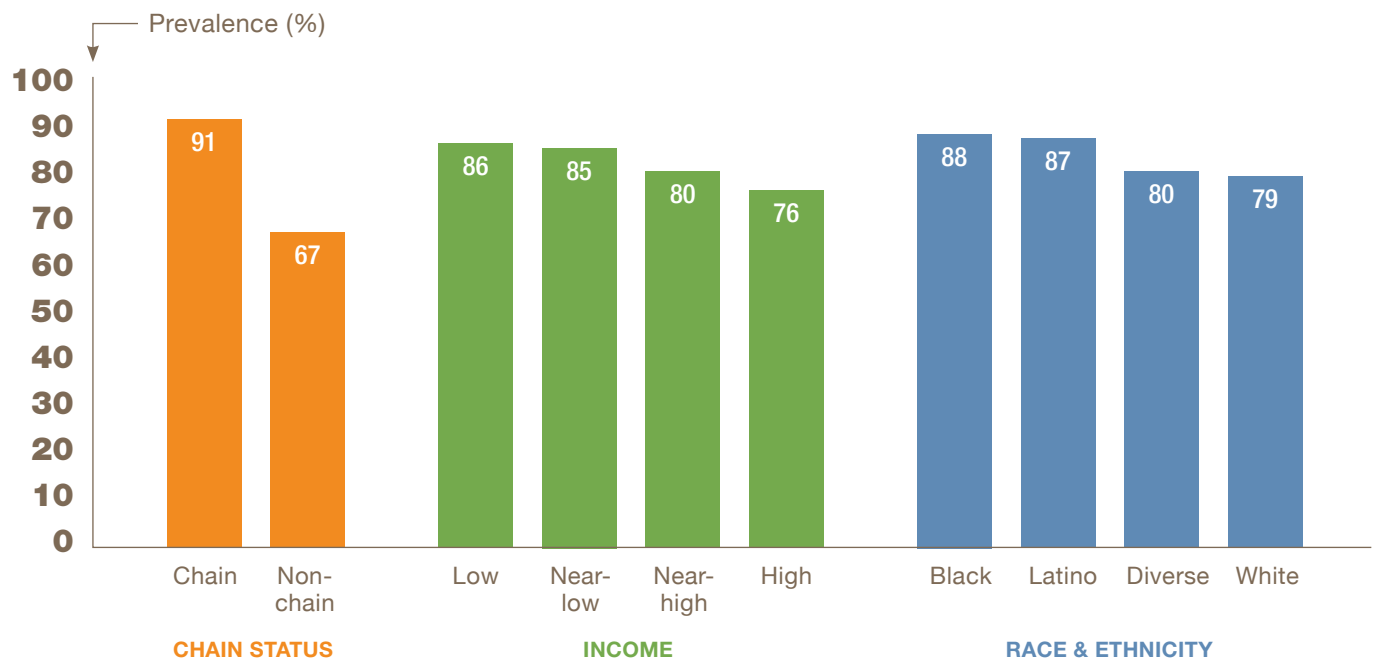
*Price promotions are advertised on the exterior of the majority of fast-food restaurants, particularly chain restaurants, and are more prevalent in low-income and Latino neighborhoods.*

- Among all fast-food restaurants, 58 percent use exterior advertising for price promotions, with ads that promote prices, sales, deals, savings, discounts and value. Exterior

ads with price promotions are almost twice as prevalent among chain restaurants (75%) as among non-chain restaurants (39%). Overall there are an average of two exterior price promotion ads at fast-food restaurants, with three, on average, at chain restaurants and one, on average, at non-chains.

- Exterior price promotion ads are more prevalent among fast-food restaurants in low-income communities (65%) than among those in high-income areas (51%). They also are more prevalent in neighborhoods with majority Latino populations (71%) than in neighborhoods with majority White populations (57%).
- As shown in Figure 2, exterior price promotion ads at chain fast-food restaurants also are more prevalent in low-income communities (89%) than in non-low-income areas (69%–76%). The same is true among chains in majority Latino neighborhoods (88%) compared with those in majority White neighborhoods (72%).

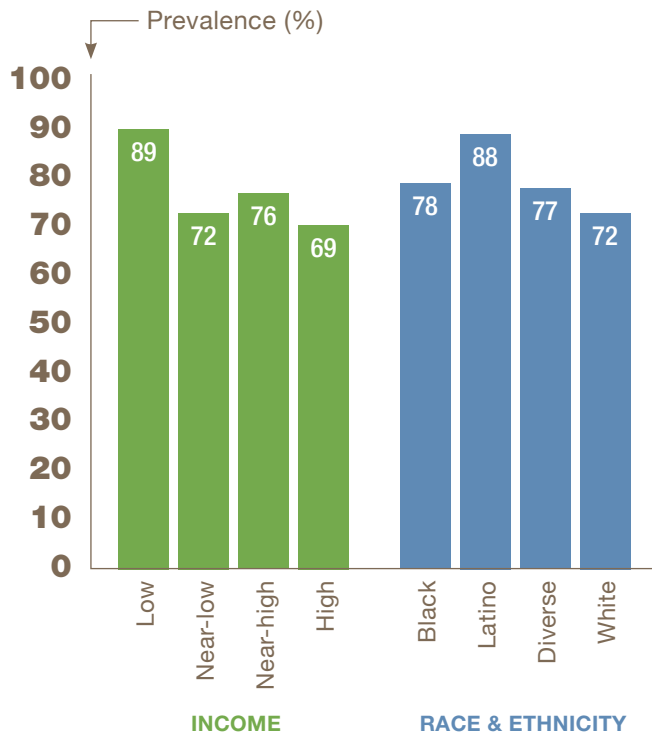
FIGURE 1 **Prevalence of Exterior Advertisements among Fast-Food Restaurants**  
*By Chain Status, Income and Race and Ethnicity, 2010*



Note: The following comparisons are significantly different at  $p \leq 0.05$ : Chain vs. Non-Chain, Low vs. High, Near-low vs. High, Black vs. White, Latino vs. White and Latino vs. Diverse.

**FIGURE 2** Prevalence of Exterior Price Promotion Advertisements among Chain Fast-Food Restaurants

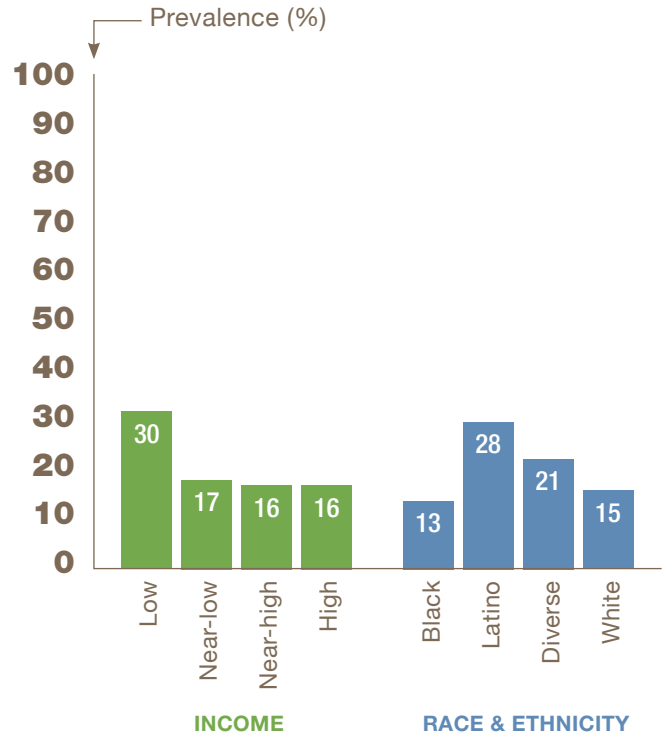
*By Income and Race and Ethnicity, 2010*



Note: The following comparisons are significantly different at  $p \leq 0.05$ : Low vs. Near-low, Low vs. Near-high, Low vs. High, Latino vs. White and Latino vs. Diverse.

**FIGURE 3** Prevalence of Exterior Dollar Menu Advertisements among Chain Fast-Food Restaurants

*By Income and Race and Ethnicity, 2010*



Note: The following comparisons are significantly different at  $p \leq 0.05$ : Low vs. Near-low, Low vs. Near-high, Low vs. High, and Latino vs. White.

*Dollar/value menus are promoted with exterior ads at chain restaurants and such ads are more prevalent in low-income and Latino neighborhoods.*

- Exterior ads that specifically promote dollar/value menus occur almost exclusively at chain fast-food restaurants. Eighteen percent of chain fast-food restaurants market dollar/value menus with exterior signage compared with just 1 percent of non-chain fast-food restaurants.

- Among chain fast-food restaurants, exterior ads promoting dollar/value menus are almost twice as prevalent in low-income communities (30%) as in non-low-income communities (16% to 17%), as shown in Figure 3. Exterior dollar/value menu advertisements by chain fast-food restaurants are also more prevalent in areas that have a majority Latino population (28%) than in communities that are majority White (15%).

## Conclusion and Policy Implications

The vast majority of fast-food restaurants across the United States have exterior advertising on their buildings or property. This is particularly true of chain restaurants, and those in low-income neighborhoods and neighborhoods with majority Latino or majority Black populations. This study contributes to growing evidence showing that populations at highest risk for obesity are particularly targeted through television, print, electronic media and outdoor advertisements for unhealthy, energy-dense foods.<sup>17</sup> Such exposure has important implications for long-term health disparities.

The high prevalence of exterior price promotions suggests they are an important marketing tool for drawing customers onto the premises. Previous research has shown that price and value promotions were more likely to be featured in outdoor signage than in signs at the counter, elsewhere indoors or at the drive through.<sup>11</sup> The price promotions highlight a key feature of fast food—that it is a relatively inexpensive source of calories.<sup>20</sup> Previous research has found that food consumption patterns and weight outcomes among children and adolescents are sensitive to the price of fast food, particularly among children from low-income families and children who are already overweight.<sup>16, 21</sup> As such, the extent of exterior advertising by fast-food restaurants in low-income, Black and Latino communities surrounding middle and high schools may have particularly adverse health implications.

Given the epidemic rates of childhood obesity across the nation, the public health community and government agencies have emphasized the need to address food and beverage marketing directed at children. Numerous policy

options are available to tackle problems associated with fast-food restaurants near schools, but First Amendment protections for commercial speech limit governments' ability to regulate how exterior restaurant ads are designed, what messages they convey and what products they feature.

The Children's Food and Beverage Advertising Initiative (CFBAI) is a self-regulatory group of 17 food, beverage and fast-food companies that have pledged to limit their advertising of unhealthy food products to children. To date, the impact of this self-regulation on the nutritional landscape of food and beverage ads seen by children has been limited, which implies that stronger nutritional standards are needed within the CFBAI.<sup>11, 12, 22</sup> With regard to exterior marketing at restaurants near schools, CFBAI pledges could be improved in a number of ways. The CFBAI agreements do not cover outdoor advertising at all, and they only apply to advertising directed at children under 12. CFBAI companies should agree to limit unhealthy ads targeting both children and adolescents and should consider removing, or improving the nutritional profile of, food advertisements outside restaurants near schools. It also is important for more fast-food companies to join the CFBAI. Currently, McDonald's and Burger King are the only two fast-food restaurants that participate in the initiative.

Finally, continued research is needed to understand the full scope of advertising, the extent to which it is targeted, and its relationship with behaviors and health outcomes to inform the development of appropriate self-regulatory guidelines and public policies aimed at improving children's health.

## Study Overview

The findings in this brief are based on data from the Community Obesity Measures Project (BTG-COMP), an ongoing, large-scale effort conducted by the Bridging the Gap research team. BTG-COMP identifies local policy and environmental factors that are likely to be important determinants of healthy eating, physical activity and obesity among children and adolescents. BTG-COMP collects, analyzes and shares data about local policies and environmental characteristics relevant to fast-food restaurants, food stores, parks, physical activity facilities, school grounds and street segments in a nationally representative sample of communities where students attending public middle and high schools live.

For this study, communities around schools were classified into four mutually exclusive and exhaustive subgroups according to the proportion of White, Black and Latino population. Each community was classified as one of the following: majority White (>66% White residents), majority Black (>50% Black residents), majority Latino (>50% Latino residents), or diverse (no clear majority of White, Black or Latino residents). Communities were also classified by income quartiles as low income, near-low income, near-high income and high income.

## Suggested Citation

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## About Bridging the Gap

*Bridging the Gap* is a nationally recognized research program of the Robert Wood Johnson Foundation dedicated to improving the understanding of how policies and environmental factors influence diet, physical activity and obesity among youth, as well as youth tobacco use. The program identifies and tracks information at the state, community and school levels; measures change over time; and shares findings that will help advance effective solutions for reversing the childhood obesity epidemic and preventing young people from smoking. Bridging the Gap is a joint project of the University of Illinois at Chicago's Institute for Health Research and Policy and the University of Michigan's Institute for Social Research. For more information, visit [www.bridgingthegapresearch.org](http://www.bridgingthegapresearch.org).

## Endnotes

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