

**Study Report on the  
Direct Observation of Marketing Practices  
at Points-of-sale Selling  
Formula Milk or Formula Milk Related Products  
for Children up to the age 36 months in Hong Kong**

**Family Health Service**

**Department of Health**





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## **1. Executive Summary**

### **1.1. Background**

- 1.1.1. To protect breastfeeding from being undermined by inappropriate marketing, the World Health Organization (WHO) adopted the International Code of Marketing of Breast-milk Substitutes (the International Code) in 1981 and the subsequent relevant Health Assembly resolutions, there should be no advertising or other form of promotion to the general public of breast-milk substitutes, and the related products including feeding bottles and teats.
- 1.1.2. The Family Health Service (FHS) of the Department of Health (DH) commissioned Consumer Search Hong Kong Limited (CSG) to conduct a study to observe the marketing practices at points-of-sale selling formula milk for children up to the age of 36 months or formula milk related products (feeding bottle and/or teat) (the “study”) with a view to assessing the local marketing situation.

### **1.2. Study Objective**

The objective was to observe the points-of-sale's marketing practices of formula milk targeted at infants and young children up to the age of 36 months and formula milk related products in Hong Kong.

### **1.3. Methodology**

- 1.3.1. The study covered 50 points-of-sale (POS) in Hong Kong, including 12 supermarkets, 5 personal stores, 12 department stores/ baby stores, 18 pharmacies/ drug stores, and 3 other retail stores (e.g. cosmetics store and miscellaneous grocery store), which were engaged in the selling of any formula milk targeted at infants and young children up to the age of 36 months or formula milk related products.
- 1.3.2. The study was conducted by direct observation in POS distributed in the Hong Kong Island, Kowloon and New Territories East and West regions between 2 October and 6 November 2015.
- 1.3.3. An observational checklist designed with reference to the local marketing practice and the International Code was used for recording the findings made by the observers. The observers were instructed to record the presence of the following 6 marketing practices in the POS:
  - (i) Presence of Point-of Sale Advertising
  - (ii) Use of Sales Inducement Devices



- (iii) Giving out sample(s) of formula milk or formula milk related products to customers/potential customers
- (iv) Giving out promotional gift(s) to potential customers without purchasing formula milk or formula milk related products
- (v) Seeking contact of potential customers (pregnant women/fathers/mothers) directly and its purpose and format
- (vi) Seeking contact of potential customers (pregnant women/fathers/mothers) indirectly and its purpose and format

1.3.4. A pilot study was conducted on 7 September 2015 and 9 September 2015 in a supermarket, a baby store and a pharmacy prior to the actual fieldwork. Adjustments to the content of the checklist were made prior to conducting the main actual fieldwork.

1.3.5. The fieldwork was carried out between 2 October and 6 November 2015 by 2 observers and 1 assistant supervisor at each POS.

1.3.6. The completed checklists were coded, the dataset was validated and possible outliers were cross checked.

## **1.4. Study Findings**

### **1.4.1. Presence of Marketing and/or Promotional Activities for Formula Milk and Formula Milk Related Products**

49 of the 50 POS visited (98.0%) were observed to have marketing and/or promotional activities for formula milk and/or formula milk related products.

### **1.4.2. Marketing Practices of Formula Milk**

- (a) Point-of-sale advertising items and use of sales inducement devices were prevalent. Distribution of samples was observed in 1 POS. The provision of promotional gifts without purchase, and the seeking of contact directly or indirectly with potential customers were not found.
- (b) A total of 321 occurrences of point-of-sale advertising were observed in 33 POS including 17 pharmacies/ drug stores (171 occurrences), 5 personal stores (77 occurrences), 5 department stores/ baby stores (48 occurrences), 4 supermarkets (21 occurrences) and other 2 retail stores (4 occurrences).
  - (i) The point-of-sale advertising items involved 17 brands of formula milk, with 3 brands of formula milk covering over 60% of the advertising items. More than half of the advertising items (195 occurrences, 60.7%) involved formula milk for children aged 12 to 36 months, followed by those for children aged 6 to 12 months (123 occurrences, 38.3%). There were 3 advertising items (0.9%) from 3 different brands that involved formula milk for children aged 0 to 6 months.



- (ii) Common types of point-of-sale advertising items observed included wobblers/ special display at price label (12 brands), followed by special display of product (9 brands).
- (c) A total of 425 occurrences of sales inducement devices were observed in 26 POS including 10 supermarkets (155 occurrences), 5 personal stores (147 occurrences), 5 department stores/ baby stores (103 occurrences), 4 pharmacies/ drug stores (14 occurrences) and 2 other retail stores (6 occurrences).
  - (i) 18 brands were observed to carry sales inducement devices and the majority (97.4%) targeted at children aged 6 to 36 months. There were 8 (1.9%) occurrences from 6 different brands and 3 (0.7%) occurrences from 1 brand found in formula milk targeted at children aged 0 to 6 months and aged 0 to 12 months respectively.
  - (ii) Common types of sales inducement device found included price discount involving 18 brands (266 occurrences, 62.6%), followed by provision of gift with purchase of formula milk from 8 brands (87 occurrences, 20.5%).
- (d) Only 1 pharmacy/ drug store was observed to provide samples of formula milk to potential customers. The targeted age range of the samples was 6 to 12 months.
- (e) Seeking contact and obtaining personal details directly or indirectly from potential customers were not found during our observation.

#### 1.4.3. Marketing Practices of Formula Milk Related Products (Feeding Bottles and Teats)

- (a) Out of the 6 types of marketing practices, only point-of-sale advertising items and sales inducement devices were observed, whilst provision of sample, gift and seeking of contact directly or indirectly of potential customers were not found.
- (b) A total of 50 occurrences of point-of-sale advertising items were observed in 10 POS including 9 department stores/ baby stores (49 occurrences) and a supermarket (1 occurrence).
  - (i) The point-of-sale advertising items involved 17 brands of formula milk related products.
  - (ii) The commonest point-of-sale advertising item was special display of product which was found in 11 brands (32 occurrences, 64.0%).
- (c) A total of 92 occurrences of sales inducement devices were observed in 12 POS including 9 department stores/ baby stores (83 occurrences) and 3 personal stores (9 occurrences).
  - (i) Sales inducement devices involved 18 brands of formula milk related products (15 brands of feeding bottles and 14 brands of teats).



- (ii) Common types of sales inducement device included price discount for 16 brands (76 items, 82.6%), followed by tie-in sale for 5 brands (11 items, 12.0%).

## 1.5. Conclusion

- 1.5.1. Many brands of formula milk for children up to the age of 36 months and formula milk related products were commonly found to have marketing and / or promotional activities in local POS. The activities mainly involved products targeted at children aged 6 months or over, but a minority of marketing and/or promotional activities targeted at children aged 0 and above were also observed.
- 1.5.2. Marketing practices were observed in different categories of POS including supermarkets, pharmacies/ drug stores, personal stores, department stores/baby stores.
- 1.5.3. For marketing practices related to formula milk, pharmacies/ drug stores were observed to have a lot of point-of-sale advertising items, whilst supermarkets, personal stores, department stores and baby stores used more sales inducement devices.
- 1.5.4. For marketing practices related to formula milk related products, use of sales inducement device was more pervasive than point-of-sale advertising items.
- 1.5.5. Distribution of samples and promotional gifts without purchase of products was not common in this study, and seeking personal details of potential consumer directly or indirectly as a marketing practice were not observed.
- 1.5.6. Multiple factors affect mothers' decision to initiate and sustain breastfeeding. Nonetheless, prevalent marketing practices of formula milk and formula milk related products do not aid in fostering a promotive and supportive breastfeeding community. According to the principles of the International Code and the subsequent relevant Health Assembly's resolutions, steps should be taken to ensure that there should be no advertising, or any form of promotional activities to promote formula milk for children under 36 months and its related products, and relevant traders should be encouraged to regard themselves as responsible for monitoring their sales practice.



## **2. Introduction**

### **2.1. Background**

Breastfeeding is the unequalled way of providing infants with the nutrients they need for healthy growth and development. The benefits of breastfeeding are proportional to the exclusivity and duration. Breastfeeding confers the immunity of the infants, with a decreased risk of infections, hospital admissions and deaths<sup>1,2,3</sup>. It also extends the lifelong benefits by preventing obesity and chronic non-communicable diseases such as cardiovascular diseases and diabetes<sup>4</sup>. Breastfeeding also protects mothers from breast and ovarian cancers<sup>1,5,6</sup>.

The World Health Organization (WHO) recommends exclusive breastfeeding babies up to six months of age, with continued breastfeeding along with appropriate complementary foods up to two years old or beyond<sup>7</sup>. To contribute to the provision of safe and adequate infant and young child nutrition by protecting and promoting breastfeeding, and to avoid unnecessary and improper use of breast-milk substitutes, the World Health Organization (WHO) issued the International Code of Marketing of Breast-milk Substitutes (the International Code) in 1981<sup>8</sup> and subsequent relevant Health Assembly resolutions<sup>9</sup>. According to the International Code, there should be no advertising or other form of promotion to the general public of breastmilk substitutes, and the related products including feeding bottles and teats. Among others, there should be no point-of-sale advertising, giving of samples, or any other promotion device to induce sales directly to the consumer at retail level, such as special displays, discount, special sales, loss-leaders and tie-in sales.

With a view to assessing the local situation with reference to the International Code and its subsequent resolutions, the Family Health Service (FHS) of the Department of Health (DH) commissioned Consumer Search Hong Kong Limited (CSG) to conduct a study at the points-of-sale (POS) selling formula milk and formula milk related products (namely, feeding bottles and teats) for children up to the age of 36 months (the “study”) to observe their marketing practices.

### **2.2. Study Objective**

The objective is to observe the points-of-sale's marketing practices of formula milk targeted at infants and young children up to the age of 36 months and formula milk related products in Hong Kong.

## **3. Study Methodology**

### **3.1. Study Design**

The study was conducted by direct observation.



### **3.2. Study Coverage**

The study covered different types of POS in Hong Kong engaged in the selling of formula milk targeted at infants and young children up to the age of 36 months or formula milk related products.

### **3.3. Sampling Frame and Sample Size**

3.3.1. The sampling frame was compiled from the following 3 sources in which the POS were likely to be engaged in the sale of formula milk or formula milk related products:

- (a) Retail shops listed in DH's "Authorised Sellers of Poisons";
- (b) Retail shops listed in DH's "Listed Sellers of Poison"; and
- (c) Baby care shops listed in the Yellow Pages/ Internet.

Some branches of some types of POS were engaged in the sale of formula milk or formula milk related products only at selected periods of time. Telephone enquiries were made before the commencement of the main fieldwork to the head offices of those POS to check which of their branches would be selling the relevant products during the fieldwork period. Branches that would not be selling such products were excluded from the sampling frame.

Shop types that were unlikely to sell formula milk or formula milk related products (e.g. convenience store, bookstore and shop selling dried seafood) were taken out of the sampling frame.

3.3.2. The POS were classified into 5 categories:

- (a) Supermarket;
- (b) Personal store;
- (c) Department store/ Baby store;
- (d) Pharmacy/ Drug store; and
- (e) Other retail store (e.g. cosmetics store and miscellaneous grocery store).



3.3.3. Based on available resources, the number of POS sampled was 50. Taking into consideration of number of POS for each categories, and prevalence of the involved products being sold, the distribution of the POS sampled was as below:

| Category                        | Number in sampling frame | Number sampled | Hong Kong Island | Kowloon   | New Territories East | New Territories West |
|---------------------------------|--------------------------|----------------|------------------|-----------|----------------------|----------------------|
| Supermarket                     | 706                      | 12             | 5                | 4         | 2                    | 1                    |
| Personal store                  | 666                      | 5              | 2                | 2         | 1                    | 0                    |
| Department store/<br>Baby store | 93                       | 12             | 4                | 4         | 2                    | 2                    |
| Pharmacy/ Drug store            | 1 237                    | 18             | 5                | 6         | 3                    | 4                    |
| Other retail stores             | 422                      | 3              | 1                | 1         | 0                    | 1                    |
| <b>Total</b>                    | <b>3 124</b>             | <b>50</b>      | <b>17</b>        | <b>17</b> | <b>8</b>             | <b>8</b>             |

3.3.4. The selection of POS in each category took into consideration the following:

- (a) The POS sampled in each category covered the Hong Kong Island, Kowloon and New Territories East and West regions to ensure geographical representation; and
- (b) The POS selected had a reasonable shopper flow as they were likely to have more marketing or promotional activities on formula milk and formula milk related products than POS with relatively lower shopper flow.

### 3.4. Data Collection, Study Instrument and Areas of Investigation

3.4.1. A checklist (Appendix 1) was used for recording the findings made by the observers.

3.4.2. The items in the observational checklist were designed with reference to the local marketing practice and the International Code.

3.4.3. The observers were instructed to record the following 6 marketing practices in the POS:

- (a) Presence of Point-of-sale Advertising items, namely:
  - (i) Signboard of shop
  - (ii) External wall mural
  - (iii) Exterior banner
  - (iv) Exterior poster
  - (v) Exterior video promotion
  - (vi) Display window decoration
  - (vii) Light box/ Neon light
  - (viii) Anti-theft gate
  - (ix) Trolley/ Basket
  - (x) Interior poster
  - (xi) Floor poster



- (xii) Pamphlet/ Leaflet
  - (xiii) Shopping bag
  - (xiv) Interior video promotion
  - (xv) Audio promotion
  - (xvi) Wobbler /Special display at price label
  - (xvii) Cardboard advertising sign
  - (xviii) Special display of product
  - (xix) Hanging advertising sign
  - (xx) Brand signage
- (b) Use of Sales Inducement Devices
- (i) Price discount
  - (ii) Discount coupon
  - (iii) Premium
  - (iv) Gift
  - (v) Rebate
  - (vi) Special sale
  - (vii) Tie-in sale
  - (viii) Loss-leader
  - (ix) Lucky draw/ Prize
  - (x) Rationing
- (c) Giving out sample(s) of formula milk or formula milk related products to customers/ potential customers
- (d) Giving out promotional gift(s) to potential customers of formula milk or formula milk related products
- (e) Seeking contact of potential customers (pregnant women/ fathers/ mothers) directly and its purpose and format
- (f) Seeking contact of potential customers (pregnant women/ fathers/ mothers) indirectly and its purpose and format

### **3.5. Pilot Study**

3.5.1. A pilot study was conducted in a supermarket, a baby store and a pharmacy prior to the main actual fieldwork to test the checklist and the logistics of the fieldwork execution.

3.5.2. The pilot study was carried out on 7 and 9 September 2015.

3.5.3. Based on the results of the pilot study, adjustments to the content of the checklist, including the addition of other commonly found point-of-sale advertising items (e.g. “brand signage” and “hanging advertising sign”) were made to the observational



checklist prior to conducting the main actual fieldwork. Observers were also reminded to observe the entire shop area of the POS carefully and particular attention had to be paid to possible relevant activities of other types of baby products, such as baby personal care products which might include promotional and marketing activities of formula milk and formula-milk related products.

3.5.4. The observations in the pilot study were not counted as part of the main study.

### **3.6. Fieldwork Details**

#### **3.6.1. Deployment and Training of Staff**

- (a) The team consisted of 1 research manager, 1 supervisor, 2 assistant supervisors and 6 observers.
- (b) The research manager conducted briefing to the team to ensure they had a thorough understanding of the study.
- (c) The supervisor was supported by 2 assistant supervisors. The supervisor provided training and coaching to the observers.
- (d) Debriefing was conducted by the research manager with the supervisor, assistant supervisors and observers after completion of each observational visit.

#### **3.6.2. Fieldwork Procedures**

- (a) The fieldwork was carried out between 2 October and 6 November 2015.
- (b) 2 observers and 1 assistant supervisor were deployed for each POS.
- (c) Each observer recorded the findings on the checklist independently and the assistant supervisor checked the 2 completed checklists on the spot. If there was any discrepancy in observations between the 2 observers, the Assistant Supervisor made the final judgement on-site.
- (d) The length of observation for each POS was between 20 and 45 minutes.
- (e) The completed checklists were checked again randomly by the supervisor in the office.



### 3.6.3. Quality Control

8 (16.0%) of the successful observations were randomly selected for checking purpose. The checking was conducted by independent checkers (who were not observers or assistant supervisors) to evaluate the accuracy of the information collected.

### 3.6.4. Data Management and Data Analysis

The completed checklists were coded, the dataset was validated and possible outliers were cross checked.



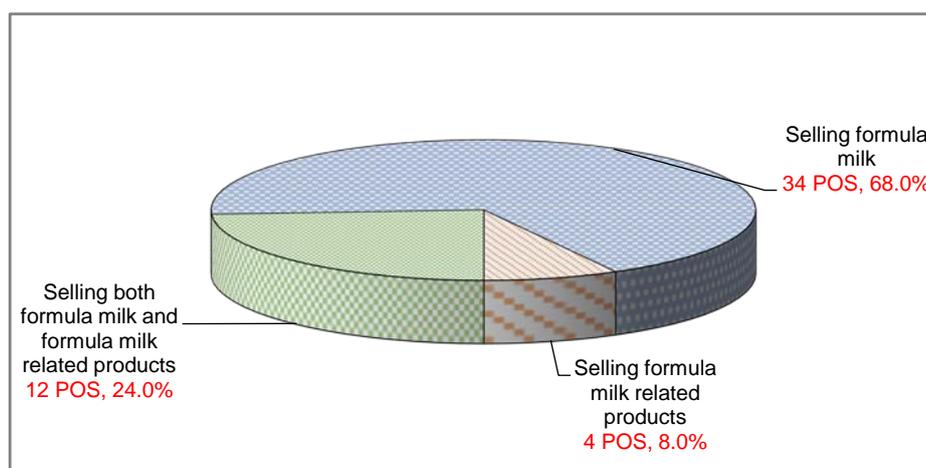
## 4. Study Findings

### 4.1. Overview

#### 4.1.1. Presence of Marketing and/or Promotional Activities for Formula Milk and Formula Milk Related Products

- (a) Among the 50 POS visited, 34 POS were selling only formula milk, 4 POS were selling only formula milk related products, and 12 POS were selling both formula milk and formula milk related products for children up to the age of 36 months. (Chart 1)

Chart 1. Number of POS selling formula milk and/ or formula milk related products

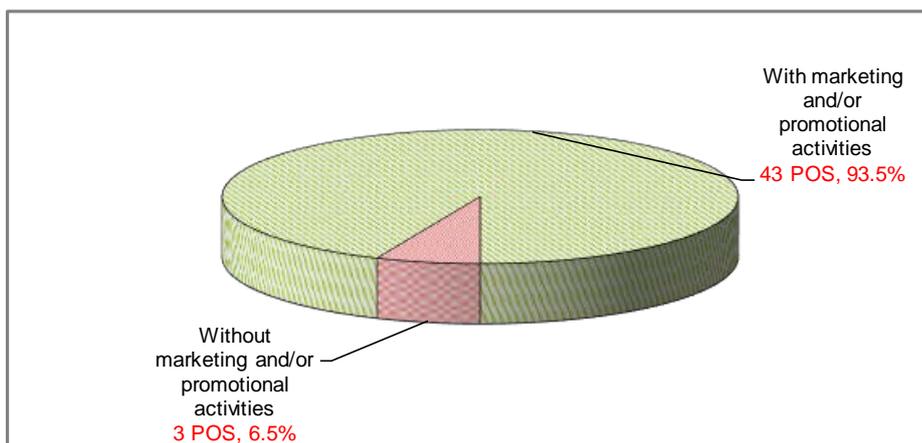


Base: Total number of POS visited (50)



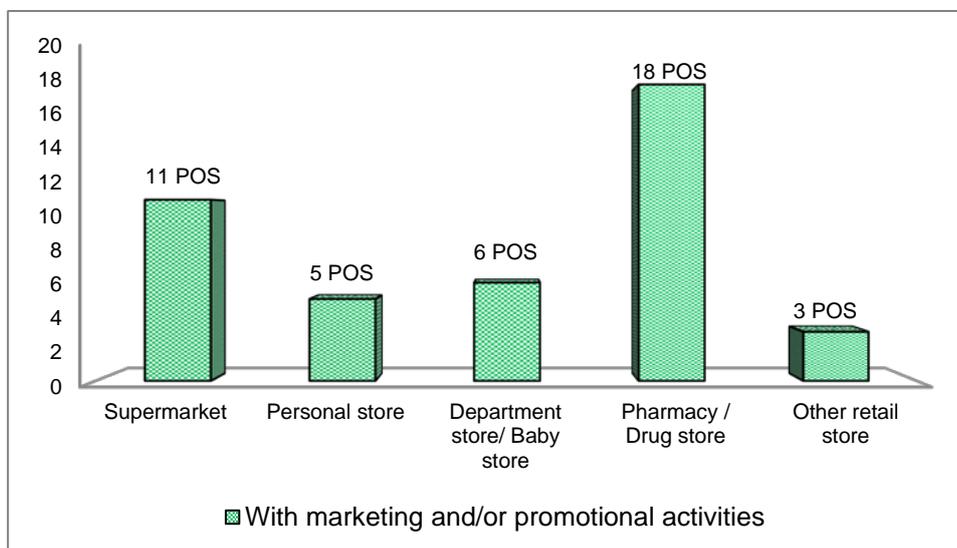
- (b) 49 of the 50 POS (98.0%) visited were observed to have marketing and/or promotional activities for formula milk and/or formula milk related products.
- (c) 43 out of the 46 POS (93.5%) that were selling formula milk were observed to have marketing and/or promotional activities (Chart 2). The distribution of POS with marketing and/or promotion activities for formula milk is shown in Chart 3.

Chart 2. Number of POS with marketing and/or promotion activities for formula milk



Base: Total number of POS that were selling formula milk (46)

Chart 3. Distribution of POS with marketing and/or promotional activities for formula milk

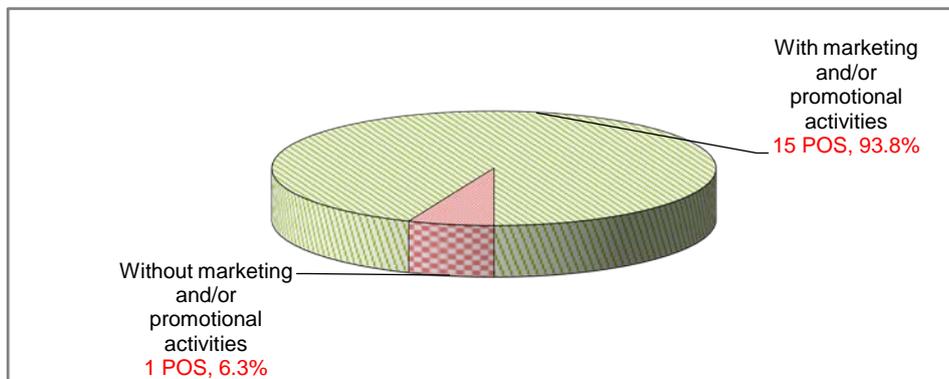


Base: Total number of POS with marketing and/or promotional activities for formula milk (43)



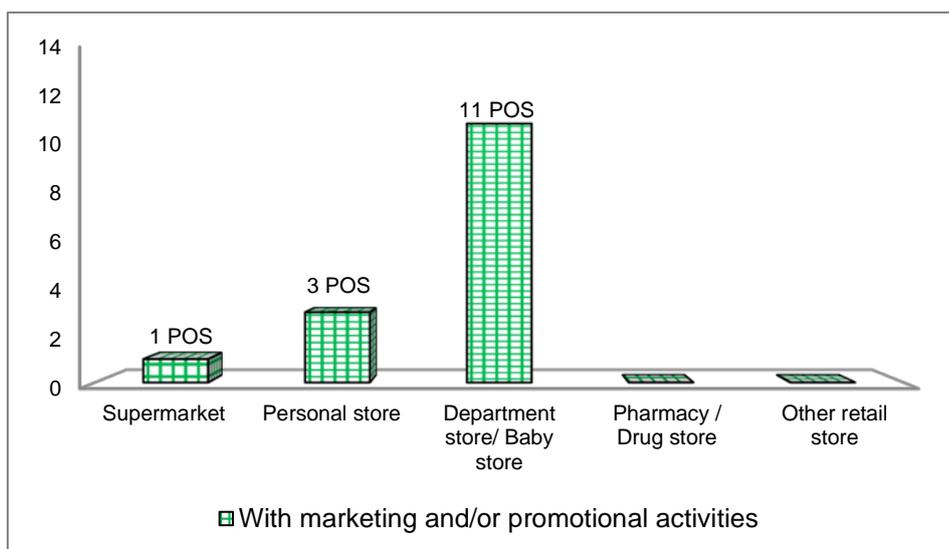
- (d) 15 out of the 16 POS (93.8%) that were selling formula milk related products were observed to have marketing and/or promotional activities (Chart 4). The distribution of POS with marketing and/or promotion activities for formula milk related products is shown in Chart 5.

Chart 4. Number of POS with marketing and/or promotion activities for formula milk related products



Base: Total number of POS that were selling formula milk related products (16)

Chart 5. Distribution of POS with marketing and/or promotion activities for formula milk related products



Base: Total number of POS with marketing and/or promotion activities for formula milk related products (15)



## 4.2. Formula Milk

### 4.2.1. Presence of Any Marketing and/or Promotional Activities for Formula Milk

- (a) Among the 43 POS with marketing activities for formula milk targeted at infants and young children aged up to 36 months, 3 types of marketing practices, namely point-of-sale advertising items, sales inducement devices and provision of samples were seen, with 747 occurrences.
- (b) Point-of-sale advertising items and sales inducement devices were prevalent, whilst the provision of sample was only observed once in a pharmacy/ drug store. The provision of gift and seeking of contact directly or indirectly with potential customers were not found. (Table 1)

Table 1. Marketing practices of formula milk by type of POS

| Marketing practice                                   | Number of occurrence | Supermarket | Personal store | Department store/ Baby store | Pharmacy/ Drug store | Other retail stores |
|--|----------------------|-------------|----------------|------------------------------|----------------------|---------------------|
| <b>POS with marketing practice</b>                   | <b>43</b>            | <b>11</b>   | <b>5</b>       | <b>6</b>                     | <b>18</b>            | <b>3</b>            |
| Presence of point-of-sale advertising item           | 321                  | 21          | 77             | 48                           | 171                  | 4                   |
| Use of sales inducement device                       | 425                  | 155         | 147            | 103                          | 14                   | 6                   |
| Provision of sample of formula milk                  | 1                    | 0           | 0              | 0                            | 1                    | 0                   |
| Provision of gift                                    | 0                    | 0           | 0              | 0                            | 0                    | 0                   |
| Seeking of contact directly of potential customers   | 0                    | 0           | 0              | 0                            | 0                    | 0                   |
| Seeking of contact indirectly of potential customers | 0                    | 0           | 0              | 0                            | 0                    | 0                   |
| <b>Total</b>   | <b>747</b>           | <b>176</b>  | <b>224</b>     | <b>151</b>                   | <b>186</b>           | <b>10</b>           |

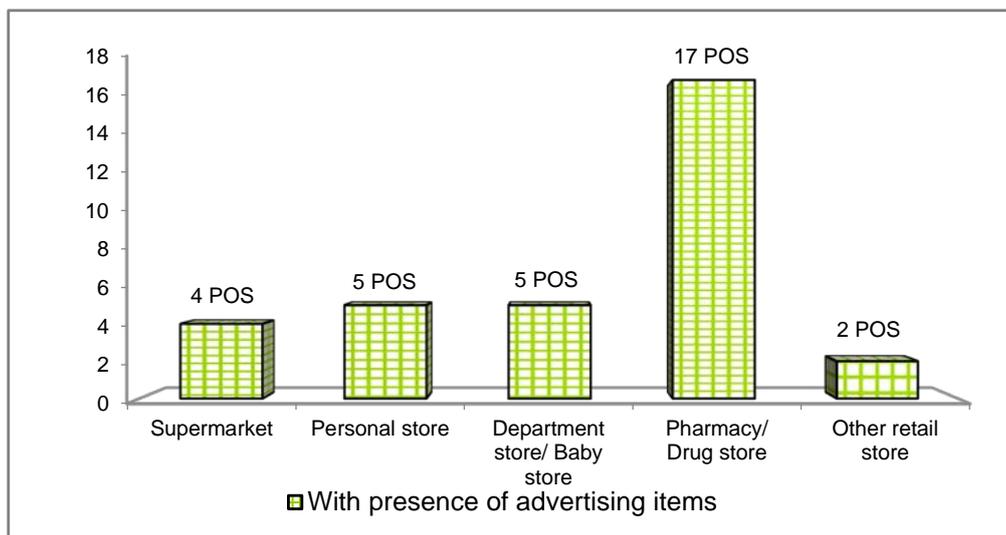
Base: Total number of items of marketing and/or promotional activities for formula milk (747)



#### 4.2.2. Presence of Point-of-sale Advertising Items

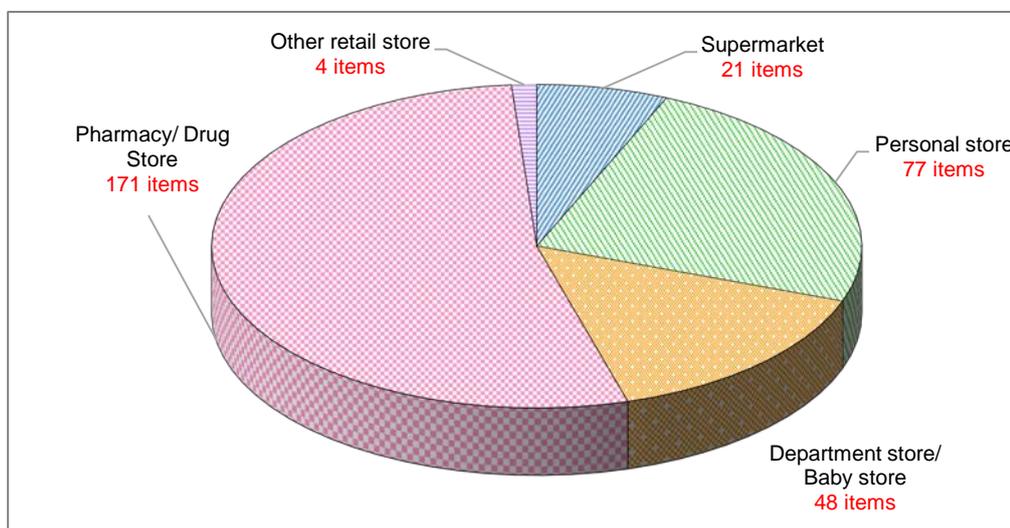
- (a) Among the 43 POS observed with presence of marketing and/ or promotional activities for formula milk, 33 POS (76.7%) carried a total of 321 occurrences of point-of-sale advertising items. (Chart 6 and Chart 7)

Chart 6. Type of POS with advertising items



Base: Total number of POS with advertising items (33)

Chart 7. Point-of-sale advertising items of formula milk by type of POS



Base: Total number of point-of-sale advertising items for formula milk found in POS (321)

- (b) The point-of sale advertising items involved 17 brands of formula milk, with 3 brands of formula milk covering over 60% of the occurrences of advertising items.



- (c) More than half (195 occurrences, 60.7%) of the advertising items involved formula milk for children aged 12 to 36 months, followed by those for children aged 6 to 12 months (123 occurrences, 38.3%). It is noteworthy that there were 3 advertising items (0.9%) from 3 different brands of formula milk promoting products for children aged 0 to 6 months. (Table 2)

Table 2. Number of point-of-sale advertising item by target age range of formula milk

| Target age range | Number of occurrence of point-of-sale advertising item | Percentage    |
|------------------|--|---------------|
| 0 - 6 months     | 3  | 0.9%          |
| 6 - 12 months    | 123  | 38.3%         |
| 12 - 36 months   | 195  | 60.7%         |
| <b>Total</b>     | <b>321</b>   | <b>100.0%</b> |

Base: Total number of point-of-sale advertising items for formula milk found in POS (321)

- (d) Among the 321 occurrences of advertising items, the commonest type observed was wobblers/ special display at price label (92 occurrences, 28.7%), followed by special display of product (84 occurrences, 26.2%). (Table 3)

Table 3. Number of occurrence of point-of-sale advertising item for formula milk observed

| Point-of-sale advertising item          | Number of occurrence | Percentage    |
|---|----------------------|---------------|
| Wobbler/ special display at price label | 92                   | 28.7%         |
| Special display of product              | 84                   | 26.2%         |
| Exterior banner                         | 17                   | 5.3%          |
| Pamphlet/ leaflet                       | 15                   | 4.7%          |
| External wall mural                     | 15                   | 4.7%          |
| Interior poster                         | 12                   | 3.7%          |
| Display at the product                  | 11                   | 3.4%          |
| Interior banner                         | 11                   | 3.4%          |
| Hanging advertising sign                | 10                   | 3.1%          |
| Shelf poster/ light box                 | 9                    | 2.8%          |
| Signboard of shop                       | 8                    | 2.5%          |
| Light box/ neon light                   | 8                    | 2.5%          |
| Cardboard display (attached to shelf)   | 7                    | 2.2%          |
| Internal wall mural                     | 7                    | 2.2%          |
| Floor poster                            | 5                    | 1.6%          |
| Brand signage                           | 2                    | 0.6%          |
| Display window decoration               | 2                    | 0.6%          |
| Exterior poster                         | 2                    | 0.6%          |
| Exterior video promotion                | 2                    | 0.6%          |
| Brand box display                       | 2                    | 0.6%          |
| Anti-theft gate                         | 0                    | 0.0%          |
| Trolley/ basket                         | 0                    | 0.0%          |
| Shopping bag                            | 0                    | 0.0%          |
| Interior video promotion                | 0                    | 0.0%          |
| Audio promotion                         | 0                    | 0.0%          |
| <b>Total</b>                            | <b>321</b>           | <b>100.0%</b> |

Base: Total number of occurrences of point-of-sale advertising item for formula milk found in POS (321)



- (i) Wobbler/ special display at price label is a tag stuck to a display shelf or other surface and stands out to grab customers' attention. The age range of the formula milk displayed by the wobbler/ special display at price label is shown in Table 4. A total of 12 brands had wobbler/ special display at price label.

Table 4. Number of occurrence of wobbler/ special display at price label by target age range of formula milk

| Target age range | Number of occurrence of wobbler/ special display at price label | Percentage    |
|------------------|---|---------------|
| 0 - 6 months     | 0   | 0.0%          |
| 6 - 12 months    | 41  | 44.6%         |
| 12 - 36 months   | 51  | 55.4%         |
| <b>Total</b>     | <b>92</b>   | <b>100.0%</b> |

Base: Total number of wobbler/ special display at price label for formula milk found in POS (92)

- (ii) Special display of product refers to a product that is not displayed in the shelf alongside with similar products but is displayed separately to draw customers' attention. The targeted age range of the special display of product for formula milk observed is shown in Table 5. A total of 9 brands had special display of product. Two occurrences of special display of products were observed in formula milk for children aged 0 to 6 months from 2 different brands.

Table 5. Number of occurrence of special display of product by target age range of formula milk

| Target age range | Number of special display of product | Percentage    |
|------------------|--------------------------------------|---------------|
| 0 - 6 months     | 2                                    | 2.4%          |
| 6 - 12 months    | 30                                   | 35.7%         |
| 12 - 36 months   | 52                                   | 61.9%         |
| <b>Total</b>     | <b>84</b>                            | <b>100.0%</b> |

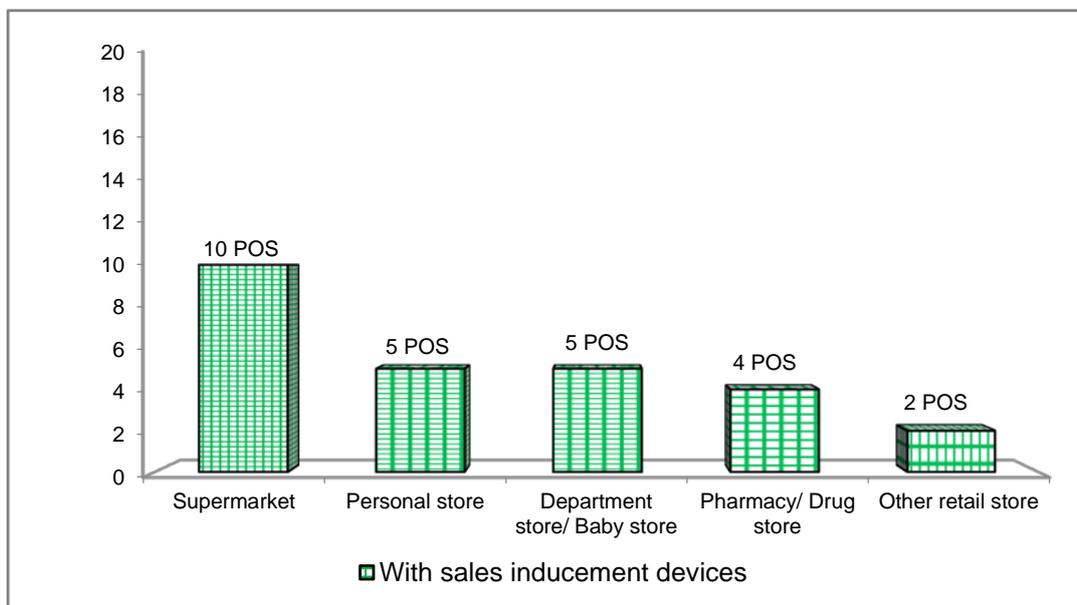
Base: Total number of special display of product for formula milk found in POS (84)



### 4.2.3. Use of Sales Inducement Devices

- (a) Among the 43 POS observed with presence of marketing and/or promotional activities for formula milk, 26 POS (60.5%) were observed to have the presence of sales inducement devices. (Chart 8)

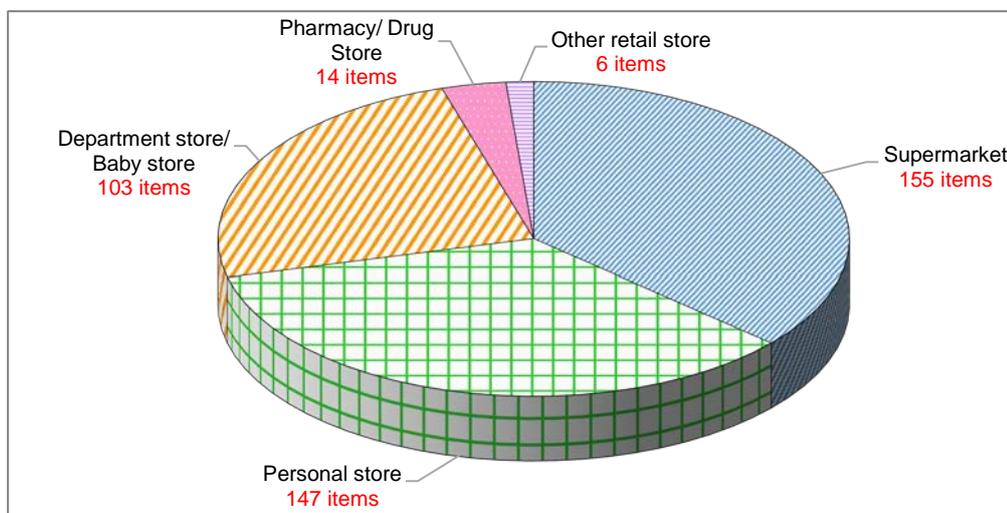
Chart 8. Type of POS with sales inducement devices



Base: Total number of POS with sales inducement devices (26)

- (b) A total of 425 occurrences of sales inducement devices were observed, with 155 occurrences in supermarkets, followed by 147 occurrences in personal stores and 103 occurrences in department stores/ baby stores. There were 14 occurrences in pharmacies/ drug stores and 6 occurrences in other retail stores. (Chart 9)

Chart 9. Sales inducement devices of formula milk by type of POS



Base: Total number of sales inducement devices for formula milk found in POS (425)

- (c) A total of 18 brands with sales inducement devices were found.



- (d) The majority (97.4%) of the sales inducement devices were observed in formula milk for children aged 6 to 36 months. There were 8 (1.9%) occurrences from 6 brands found in formula milk for children aged 0 to 6 months and 3 (0.7%) occurrences from 1 brand found in formula milk for children aged 0 to 12 months respectively. (Table 6)

Table 6. Number of sales inducement devices by target age range of formula milk

| Target age range | Total number of occurrence of sales inducement device | Percentage    |
|------------------|---|---------------|
| 0 - 6 months     | 8   | 1.9%          |
| 0 - 12 months    | 3   | 0.7%          |
| 6 - 12 months    | 198   | 46.6%         |
| 12 - 36 months   | 216   | 50.8%         |
| <b>Total</b>     | <b>425</b>  | <b>100.0%</b> |

Base: Total number of sales inducement device for formula milk found in POS (425)

- (e) The commonest type of sales inducement devices found was price discount (266 occurrences, 62.6%). Others included gift (87 occurrences, 20.5%), lucky draw/ prize (36 occurrences, 8.5%) and discount coupon (25 occurrences, 5.9%). Bonus points and tie-in sale were observed infrequently. Rationing, rebate, special sale, premium and loss-leaders were not seen. (Table 7)

Table 7. Number of occurrence of sales inducement devices observed

| Sales inducement device | Number of occurrence | Percentage    |
|-------------------------|----------------------|---------------|
| Price discount          | 266                  | 62.6%         |
| Gift                    | 87                   | 20.5%         |
| Lucky draw/ prize       | 36                   | 8.5%          |
| Discount coupon         | 25                   | 5.9%          |
| Bonus points            | 9                    | 2.1%          |
| Tie-in sale             | 2                    | 0.5%          |
| Rationing               | 0                    | 0.0%          |
| Rebate                  | 0                    | 0.0%          |
| Special sale            | 0                    | 0.0%          |
| Premium                 | 0                    | 0.0%          |
| Loss-leader             | 0                    | 0.0%          |
| <b>Total</b>            | <b>425</b>           | <b>100.0%</b> |

Base: Total number of sales inducement device for formula milk found in POS (425)

- (i) Price discount refers to a product being sold at a reduced cost. The targeted age range of the formula milk with price discount is shown in Table 8. Price discount was mainly found in formula milk targeted at children aged 6 to 36 months (97.4%). There were 7 occurrences (2.6%) of price discount present in formula milk targeted at children aged 0 to 6 months from 6 different brands, and 3 occurrences (0.7%) targeted at children aged 0 to 12 months from 1 brand. A total of 18 brands of formula milk were observed to have price discount.



Table 8. Number of price discount by target age range of formula milk

| Target age range | Number of price discount | Percentage    |
|------------------|--------------------------|---------------|
| 0 - 6 months     | 7                        | 2.6%          |
| 0 - 12 months    | 3                        | 1.1%          |
| 6 - 12 months    | 131                      | 49.2%         |
| 12 - 36 months   | 125                      | 47.0%         |
| <b>Total</b>     | <b>266</b>               | <b>100.0%</b> |

Base: Total number of price discount for formula milk found in POS (266)

- (ii) Gift refers to a present or a good given by the manufacturer or distributor to the customer upon purchase of a specific product. The targeted age range of the formula milk with gifts is shown in Table 9. Gifts for formula milk were mainly found in formula milk targeted at children aged 6 to 36 months (98.9%). One occurrence of gift for formula milk targeted at children aged 0 to 6 months was found. A total of 8 brands of formula milk were observed to provide gifts to customers. Common gifts included shower products, toys and other personal care products.

Table 9. Number of occurrence of gift by target age range of formula milk

| Target age range | Number of gift | Percentage    |
|------------------|----------------|---------------|
| 0 - 6 months     | 1              | 1.1%          |
| 0 - 12 months    | 0              | 0.0%          |
| 6 - 12 months    | 37             | 42.5%         |
| 12 - 36 months   | 49             | 56.3%         |
| <b>Total</b>     | <b>87</b>      | <b>100.0%</b> |

Base: Total number of gift for formula milk found in POS (87)

#### 4.2.4. Provision of Sample

Out of the 43 POS observed with marketing and/or promotional activities for formula milk, only 1 pharmacy / drug store provided samples of formula milk to potential customers. The targeted age range of the samples was 6 to 12 months.

#### 4.2.5. Provision of Gift

None of the POS provided gifts from manufacturers/ distributors to potential customers who did not purchase any products.

#### 4.2.6. Seeking of Contact of Potential Customers Directly

Obtaining personal details directly from potential customers were not observed in all POS.

#### 4.2.7. Seeking of Contact of Potential Customers Indirectly

Obtaining personal details indirectly (e.g. presence of mother clubs' forms or other contact information of the manufacturer/distributor) from potential customers were not observed in all POS.



#### 4.2.8. Observations of point-of-sales advertising items and sales inducement devices covering a wide age range

In addition to the above, it was observed that 15 brands of formula milk with 44 occurrences of point-of-sales advertising items and 13 occurrences of sales inducement device involved the entire brand of products, that is, the target age of children included but was not limited to children age below 36 months.



### 4.3. Formula Milk Related Products

#### 4.3.1. Presence of Any Marketing and/or Promotional Activities for Formula Milk Related Products

Among the 15 POS with marketing and/or promotional activities for formula milk related products, only 2 types of marketing practices, namely point-of-sale advertising items and sales inducement devices were seen, with 142 occurrences in supermarkets, personal stores and department stores/ baby stores. No marketing practices were seen in pharmacies/ drug stores or other retail stores. (Table 10)

Table 10. Marketing practices of formula milk related products by type of POS

| Marketing practice                                   | Number of occurrence | Supermarket | Personal store | Department store/ Baby store | Pharmacy/ Drug store | Other retail store |
|--|----------------------|-------------|----------------|------------------------------|----------------------|--------------------|
| <b>POS with marketing practice</b>                   | <b>15</b>            | <b>1</b>    | <b>3</b>       | <b>11</b>                    | <b>0</b>             | <b>0</b>           |
| Presence of point-of-sale advertising item           | 50                   | 1           | 0              | 49                           | 0                    | 0                  |
| Use of sales inducement device                       | 92                   | 0           | 9              | 83                           | 0                    | 0                  |
| Provision of sample of formula milk related products | 0                    | 0           | 0              | 0                            | 0                    | 0                  |
| Provision of gift                                    | 0                    | 0           | 0              | 0                            | 0                    | 0                  |
| Seeking of contact directly of potential customers   | 0                    | 0           | 0              | 0                            | 0                    | 0                  |
| Seeking of contact indirectly of potential customers | 0                    | 0           | 0              | 0                            | 0                    | 0                  |
| <b>Total</b>   | <b>142</b>           | <b>1</b>    | <b>9</b>       | <b>132</b>                   | <b>0</b>             | <b>0</b>           |

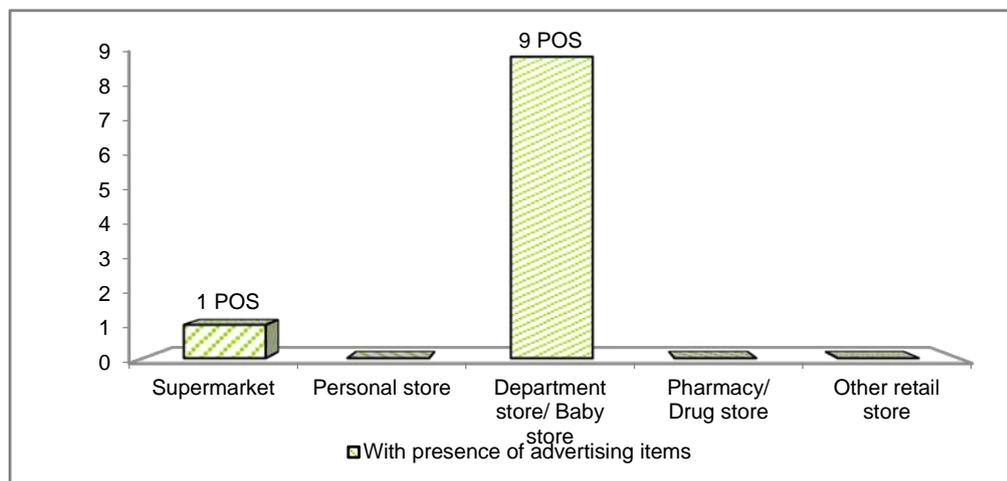
Base: Total number of items of marketing and/or promotional activities for formula milk related products (142)



### 4.3.2. Presence of Point-of-sale Advertising Items

- (a) Among the 15 POS observed with presence of marketing and/or promotional activities for formula milk related products, 10 POS (66.7%) were observed to have 50 occurrences of point-of-sale advertising items. (Chart 10)

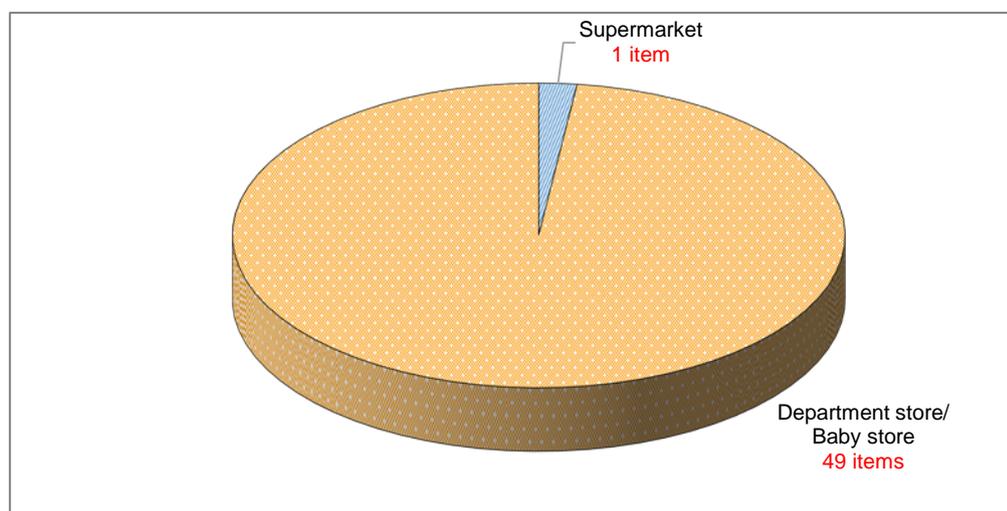
Chart 10. Type of POS with advertising items



Base: Total number of POS with advertising items (10)

- (b) There were 49 occurrences in department stores/ baby stores and 1 occurrence in supermarket. (Chart 11)

Chart 11. Point-of-sale advertising items of formula milk related products by type of POS



Base: Total number of point-of-sale advertising items for formula milk related products found in POS (50)

- (c) The point-of-sale advertising items involved 17 brands of formula milk related products.



- (d) Among the 50 occurrences of point-of-sale advertising items for formula milk related products, the commonest occurrence was special display of product (32 items, 64.0%) which involved 11 brands. Other included brand signage (5 items, 10.0%), wobblers/ special display at price label (5 items, 10.0%), display window decoration (3 items, 6.0%), interior poster (2 items, 4.0%), internal wall mural (2 items, 4.0%) and pamphlet/ leaflet (1 item, 2.0%). (Table 11)

Table 11. Number of occurrence of point-of-sale advertising item observed

| Point-of-sale advertising item           | Number of occurrence | Percentage    |
|--|----------------------|---------------|
| Special display of product               | 32                   | 64.0%         |
| Brand signage                            | 5                    | 10.0%         |
| Wobbler / special display at price label | 5                    | 10.0%         |
| Display window decoration                | 3                    | 6.0%          |
| Interior poster                          | 2                    | 4.0%          |
| Internal wall mural                      | 2                    | 4.0%          |
| Pamphlet/ leaflet                        | 1                    | 2.0%          |
| Exterior banner                          | 0                    | 0.0%          |
| External wall mural                      | 0                    | 0.0%          |
| Hanging advertising sign                 | 0                    | 0.0%          |
| Display at the product                   | 0                    | 0.0%          |
| Interior banner                          | 0                    | 0.0%          |
| Shelf poster/ light box                  | 0                    | 0.0%          |
| Signboard of shop                        | 0                    | 0.0%          |
| Light box/ neon light                    | 0                    | 0.0%          |
| Cardboard display (attached to shelf)    | 0                    | 0.0%          |
| Floor poster                             | 0                    | 0.0%          |
| Exterior poster                          | 0                    | 0.0%          |
| Exterior video promotion                 | 0                    | 0.0%          |
| Brand box display                        | 0                    | 0.0%          |
| Anti-theft gate                          | 0                    | 0.0%          |
| Trolley/ basket                          | 0                    | 0.0%          |
| Shopping bag                             | 0                    | 0.0%          |
| Interior video promotion                 | 0                    | 0.0%          |
| Audio promotion                          | 0                    | 0.0%          |
| <b>Total</b>                             | <b>50</b>            | <b>100.0%</b> |

Base: Total number of occurrences of point-of-sale advertising items for formula milk related products found in POS

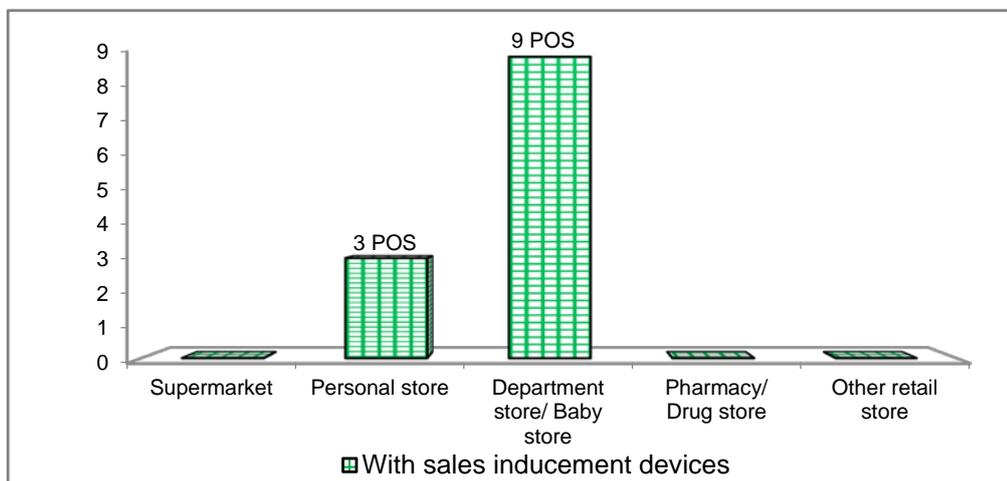
(50)



### 4.3.3. Use of Sales Inducement Devices

- (a) Among the 15 POS observed with presence of marketing and/or promotional activities for formula milk related products, 12 POS (80%) carried sales inducement devices with a total of 92 occurrences. (Chart 12)

Chart 12. Type of POS with sales inducement devices



Base: Total number of POS with sales inducement devices (12)

- (b) There were 83 occurrences in department stores/ baby stores and 9 occurrences in personal stores. (Chart 13)

Chart 13. Sales inducement devices of formula milk related products by type of POS



Base: Total number of sales inducement devices for formula milk related products found in POS (92)

- (c) A total of 18 brands had sales inducement devices.



- (d) Among the 92 occurrences of sales inducement devices for formula milk related products, the majority was price discount (76 items, 82.6%) which involved 16 brands, followed by tie-in sale (11 items, 12.0%) which involved 5 brands. (Table 12)

Table 12. Number of occurrence of sales inducement device observed

| Sales inducement device | Number of occurrence | Percentage    |
|-------------------------|----------------------|---------------|
| Price discount          | 76                   | 82.6%         |
| Tie-in sale             | 11                   | 12.0%         |
| Gift                    | 4                    | 4.3%          |
| Premium                 | 1                    | 1.1%          |
| Lucky draw/ prize       | 0                    | 0.0%          |
| Discount coupon         | 0                    | 0.0%          |
| Bonus point             | 0                    | 0.0%          |
| Rationing               | 0                    | 0.0%          |
| Rebate                  | 0                    | 0.0%          |
| Special sale            | 0                    | 0.0%          |
| Loss-leader             | 0                    | 0.0%          |
| <b>Total</b>            | <b>92</b>            | <b>100.0%</b> |

Base: Total number of occurrences of sales inducement device for formula milk related products found in POS (92)

#### 4.3.4. Provision of Samples / Gifts and Seeking Contact of Potential Customers Directly or Indirectly

Provision of samples or gifts and seeking contact of potential customers directly or indirectly were not found in these POS.



## 5. Conclusions

Many brands of formula milk targeted at infants and young children up to the age of 36 months and formula milk related products were commonly found to have marketing and promotional activities in a variety of local POS. Marketing and promotional activities of formula milk were more prevalent than that of formula milk related products.

The activities mainly involved products targeted at children aged 6 months or over. The major manufacturers of formula milk in Hong Kong stated that no advertising or other form of promotion on formula milk targeted at babies from birth to 6 months old were made to the general public<sup>10</sup>. However, some marketing practices on formula milk for children aged 0 to 6 months were observed in this study. In addition, a significant proportion of point-of-sales advertising items and some sales inducement items included but not limited to children age below 36 months were also observed.

For marketing or promotional activities related to formula milk, pharmacies/ drug stores were observed to have a lot of point-of-sale advertising items, whilst supermarkets, personal stores, department stores and baby stores used more sales inducement devices.

For marketing or promotional activities related to formula milk related products, use of sales inducement device was more pervasive than point-of-sale advertising items.

Multiple factors affect mothers' decision to initiate and sustain breastfeeding. Nonetheless, prevalent marketing practices of formula milk and formula milk related products do not aid in fostering a promotive and supportive breastfeeding community. According to the principles of the International Code and the subsequent relevant Health Assembly's resolutions, steps should be taken to ensure that there should be no advertising, or any form of promotional activities to promote formula milk for children under 36 months and its related products, and relevant traders should be encouraged to regard themselves as responsible for monitoring their sales practice.



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## 6. Limitations

- 6.1. Due to limited resources, only 50 POS were sampled in the study. Although different categories of shops and different geographical regions were covered, the findings might not be generalisable to all the POS in Hong Kong.
- 6.2. The study was conducted between 2 October and 6 November 2015. The observations were only snapshots of the marketing practices of formula milk and formula milk related products within a short period of time. Some marketing practices (e.g. seeking contact of potential customers by promoters) might have occurred but not observed within the study period.
- 6.3. Since the observers did not make purchases in the POS, some marketing strategies linked only to purchases (e.g. provision of samples or gifts upon purchase) might have been missed.
- 6.4. As time spent in POS with small floor area was limited, some marketing activities might have been missed during the observation.



## 7. References

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## Appendix 1 – Observational Checklist

### Part A: Visit Information

Observer No.: \_\_\_\_\_ Date of Visit: \_\_\_\_\_

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Name of Point-of-sale: \_\_\_\_\_

Address of Point-of-sale: \_\_\_\_\_

**[Observer: Take pictures of exterior of store]**

### Part B: Types of Product

1. Please tick those types of product for children aged 0-36 months WITH marketing and/or promotional activities that you can find in this store.

- (a) Formula milk
- (b) Formula milk-related products
- (bi) Feeding bottle
- (bii) Teat
- (c) None of the above  → End

### Part C: Observation and Checking

2. Please write down ALL the BRANDS on formula milk and formula milk related products WITH marketing or promotional items that you can find in this store

(a) Brands and Targeted Age Range

| Point-of-sale advertising item                 | Brand(s) and targeted age range |
|--|---------------------------------|
| (i) Signboard of shop                          |                                 |
| (ii) External wall mural                       |                                 |
| (iii) Exterior banner                          |                                 |
| (iv) Exterior poster                           |                                 |
| (v) Exterior video promotion                   |                                 |
| (vi) Display window decoration                 |                                 |
| (vii) Light box/ Neon light                    |                                 |
| (viii) Anti-theft gate                         |                                 |
| (ix) Trolley/ Basket                           |                                 |
| (x) Interior poster                            |                                 |
| (xi) Floor poster                              |                                 |
| (xii) Pamphlet/ Leaflet                        |                                 |
| (xiii) Shopping bag                            |                                 |
| (xiv) Interior video promotion                 |                                 |
| (xv) Audio promotion                           |                                 |
| (xvi) Wobbler / Special display at price label |                                 |
| (xvii) Cardboard advertising sign              |                                 |
| (xviii) Special display of product             |                                 |
| (xix) Hanging advertising sign                 |                                 |
| (xx) Brand signage                             |                                 |
| (xxi) Others, please specify<br>_____          |                                 |



(b) Format and Amount of Sales Inducement Devices

| Sales inducement device              | Format and Amount | Brand(s) and targeted age range |
|--------------------------------------|-------------------|---------------------------------|
| (i) Price discount                   |                   |                                 |
| (ii) Discount coupon                 |                   |                                 |
| (iii) Premium                        |                   |                                 |
| (iv) Gift                            |                   |                                 |
| (v) Rebate                           |                   |                                 |
| (vi) Special sale                    |                   |                                 |
| (vii) Tie-in sale                    |                   |                                 |
| (viii) Loss-leader                   |                   |                                 |
| (ix) Lucky draw/ Prize               |                   |                                 |
| (x) Rationing                        |                   |                                 |
| (xi) Others, please specify<br>_____ |                   |                                 |

3 (a) Do you see the manufacturer / distributor giving out **sample(s)** of formula milk to its customers?

- Yes  ↘

[Please write down for **EACH** brand]

| Format of sample                     | Brand(s) and targeted age range |
|--------------------------------------|---------------------------------|
| (i) Sachet attached to product       |                                 |
| (ii) Sachet given out by distributor |                                 |
| (iii) Ready to drink                 |                                 |
| (iv) Others, please specify<br>_____ |                                 |

- No

(b) Do you see the retail outlet giving out sample(s) of formula milk related products (i.e. bottle/teat) to its customers?

- Yes  ↘

[Please write down for **EACH** brand]

| Format of sample | Brand(s) & targeted age range |
|------------------|-------------------------------|
|                  |                               |
|                  |                               |
|                  |                               |
|                  |                               |

- No

4. Do you see the manufacturer / distributor giving out **gift(s)** of formula milk or formula milk related products (i.e. bottle / teat) to its customers?



- Yes  →

[Please write down for **EACH** brand]

| Type of gift | Brand(s) and targeted age range |
|--------------|---------------------------------|
|              |                                 |
|              |                                 |
|              |                                 |
|              |                                 |

- No

#### Part D Seeking Contacts

5. Did you see the presence of **promoter** from the manufacturer / distributor attempting to obtain personal details from potential customers (pregnant women/ fathers/ mothers)?

- Yes  → Q6
- No  → Q8
- Not applicable (no presence of promoter booth)  → Q8

6. What were the purposes of collecting personal information from potential customers (pregnant women/ fathers/ mothers)?

| Purpose                                 | Brand(s) |
|---|----------|
| a) Join mothers' club membership        |          |
| b) For ordering or delivery of products |          |
| c) Obtain more product information      |          |
| d) Get samples                          |          |
| e) Get brochures/ leaflets              |          |
| f) Get gifts                            |          |
| g) Enter lucky draw / get prizes        |          |
| h) Others, please specify<br>_____      |          |

7. What were the formats of collecting personal information from potential customers (pregnant women/ fathers/ mothers)?

| Format                                       | Brand(s) |
|--|----------|
| a) Fill in form                              |          |
| b) Facebook / Instagram / other social media |          |
| c) Manufacturers' website                    |          |
| d) Apps                                      |          |
| e) Email to manufacturer/ distributor        |          |
| f) Others, please specify<br>_____           |          |



8. Did you see the manufacturer / distributor indirectly attempt (i.e. presence of booth) to obtain personal details from potential customers (pregnant women/ fathers/ mothers)?

- Yes            → Q9
- No              → end
- Not applicable (no presence of booth)       → end

9. What were the formats of collecting personal information from potential customers (pregnant women/ fathers/ mothers)?

| Format  | Brand(s) |
|---|----------|
| (i) QR code/ website link/ social media platforms                 |          |
| (ii) Brochures/ Leaflets  |          |
| (iii) For order or delivery of products                           |          |
| (iv) Presence of contact information of manufacturer/ distributor |          |
| (v) Invitation to join club membership (e.g. mother's club)       |          |
| (vi) Others, please specify<br>_____                              |          |