

## **It's portion distortion that makes America fat**

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By Shannon Brownlee

**1** It was probably inevitable that one day people would start suing McDonald's for making them fat. That day came last summer, when New York lawyer Samuel Hirsch filed several lawsuits against McDonald's, as well as four other fast-food companies, on the grounds that they had failed to adequately disclose the bad health effects of their menus.

**2** One of the suits involves a Bronx teenager who tips the scale at 400 pounds and whose mother, in papers filed in U.S. District Court in Manhattan, said, "I always believed McDonald's food was healthy for my son."

**3** Uh-huh. And the tooth fairy really put that dollar under his pillow. But once you've stopped sniggering at our litigious society, remember that it once seemed equally ludicrous that smokers could successfully sue tobacco companies for their addiction to cigarettes.

**4** And while nobody is claiming that Big Macs are addictive – at least not yet – the restaurant industry and food packagers have clearly helped give many Americans the roly-poly shape they have today. This is not to say that the folks in the food industry want us to be fat. But make no mistake: When they do well economically, we gain weight.

**5** It wasn't always thus. Readers of a certain age can remember a time when a trip to McDonald's seemed like a treat and when a small bag of French fries, a plain burger and a 12-ounce Coke seemed like a full meal. Fast food wasn't any healthier back then; we simply ate a lot less of it.

**6** How did today's oversized appetites become the norm? It didn't happen by accident or some inevitable evolutionary process. It was to a large degree the result of consumer manipulation. Fast food's marketing strategies, which make perfect sense from a business perspective, succeed only when they induce a substantial number of us to overeat. To see how this all came about, let's go back to 1983, when John Martin became CEO of the ailing Taco Bell franchise and met a young marketing whiz named Elliott Bloom.

**7** Using so-called "smart research," a then-new kind of in-depth consumer survey, Bloom had figured out that fast-food franchises were sustained largely by a core group of "heavy users," mostly young, single males, who ate at such restaurants as often as 20 times a month. In fact, 30 percent of Taco Bell's customers accounted for 70 percent of its sales.

**8** Through his surveys, Bloom learned what might seem obvious now but wasn't at all clear 20 years ago – these guys ate at fast-food joints because they had absolutely no interest in cooking for themselves and didn't give a rip about the nutritional quality of the food. They didn't even care much about the taste. All that mattered was that it was fast and cheap. Martin figured Taco Bell could capture a bigger share of these hard-core customers by streamlining the food production and pricing main menu items at 49, 59 and 69 cents – well below its competitors.

**9** It worked. Taco Bell saw a dramatic increase in patrons, with no drop in revenue per customer. As Martin told Greg Critser, author of "Fat Land: How Americans Became the Fattest People in the World," when Taco Bell ran a test of its new pricing in Texas, "within seven days of initiating the test, the average check was right back to where it was before – it was just four instead of three items."

**10** In other words, cheap food induced people to eat more. Taco Bell's rising sales figures – up 14 percent by 1989 and 12 percent more the next year – forced other fast-food franchises to wake up and smell the burritos. By the late '80s, everybody from Burger King to Wendy's was cutting prices and seeing an increase in customers – including bargain-seeking Americans who weren't part of that original hard-core group.

**11** If marketing strategy had stopped there, we might not be the nation of fatties that we are today. But the imperatives of the market place are growth and rising profits, and once everybody had slashed prices to the bone, the franchises had to look for a new way to satisfy investors.

**12** And what they found was ...super-sizing.

**13** Portion sizes had already been creeping upward. As early as 1972, for example, McDonald's introduced its large-size fries (large being a relative term, since at 3.5 ounces the '72 "large" was smaller than a medium serving today). But McDonald's increased portions only reluctantly, because the company's founder, Ray Kroc, didn't like the image of lowbrow, cheap food. If people wanted more French fries, he would say, "they can buy two bags." But price competition had grown so fierce that the only way to keep profits up was to offer bigger and bigger portions. By 1988, McDonald's had introduced a 32-ounce "super size" soda and "super size" fries.

**14** The deal with all these enhanced portions is that the customer gets a lot more food for a relatively small increase in price. So just how does that translate into bigger profits? Because the actual food in a fast-food meal is incredibly cheap. For every dollar a quick-service franchiser spends to produce a food item, only 20 cents, on average, goes toward food. The rest is eaten up by expenses such as salaries, packaging, electric bills, insurance, and of course, the ubiquitous advertising that got you in the door or to the drive-through lane in the first place.

**15** Here's how it works. Let's say a \$1.25 bag of French fries costs \$1 to produce. The potatoes, oil and salt account for only 20 cents of the cost. The other 80 cents goes toward all the other expenses. If you add half again as many French fries to the bag and sell it for \$1.50, the non-food expenses stay pretty much constant, while the extra food costs the franchise only 10 more pennies. The fast-food joint makes an extra 15 cents pure profit, and the customer thinks he's getting a good deal. And he would be, if he actually needed the extra food, which he doesn't because the nation is awash in excess calories.

**16** That 20 percent rule, by the way, applies to all food products, whether it's a bag of potato chips, the 2,178-calorie mountain of fried seafood at Red Lobster or the 710-calorie slab of dessert at the Cheesecake Factory. Some foods are even less expensive to make. The flakes of your kid's breakfast cereal, for

example, account for only 5 percent of the total amount Nabisco or General Mills spent to make and sell them.

**17** Soda costs less to produce than any drink except tap water (which nobody seems to drink anymore), thanks to a 1970s invention that cut the expense of making high-fructose corn syrup. There used to be real sugar in Coke; when Coca-Cola and other bottlers switched to high-fructose corn syrup in 1984, they slashed sweetener costs by 20 percent. That's why 7-Eleven can sell the 64-ounce Double Gulp – half a gallon of soda and nearly 600 calories – for only 37 cents more than the 16-ounce, 89-cent regular Gulp. You'd feel ripped off if you bought the smaller size. Who wouldn't?

**18** The final step in the fattening of America was the “up sell,” a stroke of genius whose origins are buried somewhere in the annals of marketing. You're already at the counter, you've ordered a cheese burger value meal for \$3.74, and your server says, “Would you like to super-size that for only \$4.47?” Such a deal. The chain extracts an extra 73 cents from the customer, and the customer gets an extra 400 calories – bringing the total calorie count to 1,550, more than half the recommended intake for an adult man for an entire day.

**19** When confronted with their contribution to America's expanding waistline, restauranteurs and food packagers reply that eating less is a matter of individual responsibility. But that's not how the human stomach works. If you put more food in front of people, they eat more, as studies have consistently shown over the last decade.

**20** My personal favorite: The researcher gave moviegoers either a half-gallon or a gallon bucket of popcorn before the show (it was “Payback,” with Mel Gibson) and then measured how much they ate when they returned what was left in the containers afterward. Nobody could polish off the entire thing, but subjects ate 44 percent more when given the bigger bucket.

**21** The downside, of course, is that 20 years of Big Food has trained us to think that oceanic drinks and gargantuan portions are normal. Indeed, once fast food discovered that big meals meant big profits, everybody from Heineken to Olive Garden to Frito Lay followed suit. Today, says Lisa Young, a nutritionist at New York University, super-sizing has pervaded every segment of the food industry. For her PhD, Young documented the changes in portion sizes for dozens of foods over the past several decades.

**22** M&M/Mars, for example, has increased the size of candy bars such as Milky Way and Snickers four times since 1970, Starbucks introduced the 20-ounce “venti” size in 1999 and discontinued its “short” 8-ounce cup. When 22-ounce Heinekens were introduced, Young reported, the company sold 24 million of them the first year, and attributed the sales to the “big-bottle gimmick.”

**23** Even Lean Cuisine and Weight Watchers now advertise “Hearty Portions” of their diet meals. Everything from plates and muffin tins to restaurant chairs and the cut of our Levi's has expanded to match our growing appetites, and the wonder of it all is not that 60 percent of Americans are overweight or obese, but rather that 40 percent of us are not.

**24** Where does it end? Marketers and restauranteurs may scoff at lawsuits like the ones brought this summer against fast food companies, and they have a point: Adults are ultimately responsible for what they put in their own mouths.

**25** But maybe there's hope for us yet, because it looks as if fast-food companies "Omnipresence" – the McDonald's strategy of beating out competitors by opening new stores, sometimes as many as 1,000 a year – "has proved costly and self-cannibalizing," say author Critser. With 13,000 McDonald's units alone, most of America is so saturated with fast food there's practically no place left to put a drive-through lane. Now, fast-food companies are killing each other in a new price war they can't possibly sustain, and McDonald's just suffered its first quarterly loss since the company went public 47 years ago.

**26** The obvious direction to go is down, toward what nutritional policymakers are calling "smart-sizing." Or at least it should be obvious, if food purveyors cared as much about helping Americans slim down as they would have us believe. Instead of urging Americans to "Get Active, Stay Active" – Pepsi Cola's new criticism-deflecting slogan – how about bringing back the 6.5 ounce sodas of the '40s and '50s? Or, imagine, as Critser does, the day when McDonald's advertises Le Petit Mac, made with high-grade beef, a delicious whole-grain bun and hawked by, say, Serena Williams.

**27** One way or another, as Americans wake up to the fact that obesity is killing nearly as many citizens as cigarettes are, jumbo burgers and super-size fries will seem like less of a bargain.