

Hollow marketing and nongredients: A new marketing approach by food industries in advertising

Nima S. Salami, DBA student
nima.salami@westcliff.edu

Abstract

Many firms that are selling food products, are hoping to get more of customers' attention, and increase their sales by new marketing strategies. Informing customers about ingredients and health claims look normal but advertising the things that can't inherently and naturally exist in their food, or "nongredients," are new practices that have been termed in this paper as "hollow marketing." This paper explains this new phenomenon, and its possible economic and social outcomes.

Introduction

Consumers nowadays have more information and knowledge about food products offered in the market, and what they consume than ever. Several governmental and nongovernmental agencies, blogs, health websites, and magazines, are providing information, for safer, healthier, more ethical, and high-quality consumption patterns (Hawkins, Mothersbaugh, & Best, 2013). For instance, the Federal Trade Commission (FTC) is a governmental agency in the US, which provides information and tries to protect consumers from unfair, deceptive, and anticompetitive practices that may occur during business communications and transactions between the customers and businesses (Federal Trade Commission, 2018). The Food and Drug Administration (FDA) is the other federal agency that regulates the labeling of the food, such as breads, cereals, canned food, snacks, and frozen food (US Food & Drug Administration, 2018).

Companies that are active in food industries have found seemingly appropriate/inappropriate and/or controversial ways to market and advertise that are not necessarily unethical, unsafe, or deceptive, based on FTC and FDA's regulations. However, since they might attract additional consumers, they are used in their advertising and labeling terminologies (Hawkins, Mothersbaugh, & Best, 2013). Terms such as gluten free, BPA free, Non-GMO, organic, sugar free, and the like, are among the terms, that look totally fine on many food-related labeling. It would be relatively inappropriate, to list these terms when it is inherently and naturally free of it to begin with. The term "nongredients" has been used in this paper for such ingredients that do not naturally exist in the food, and their absence have been advertised on the labeling to increase sales.

All the marketing strategies, practices, and techniques that have been used for informing consumers about the ingredients that are not naturally in the products themselves (nongredients), but have been advertised in order to directly or indirectly influence the purchasing decisions of the consumer, by exploiting their information gap in favor of the companies, have been called "hollow marketing."

Discussion

Gluten-free water does exist in the market (McFadden, 2017). Yes, you have heard it right! Even some other companies have taken extra precautions to enlighten their consumers by labeling their pure water bottles as GMO-free, calorie free, and Bisphenol A free (BPA-free) (blk., 2018). McFadden (2017) uses the term “fake transparency” for this phenomenon explaining the practice in an economic context. Later he continues to explain how asymmetric information (when a company knows more about the product than the consumers), would let the companies exploit the knowledge gap, and do, in his words, “fake transparencies.” He concludes that consumers are mystified by the so-called absence label (does not contain) and the practice results in higher price tags, meaning the consumers are being ripped off.

In this paper, through a marketing lens, the term “hollow marketing” has been used to address such practices. Hollow marketing is advertising the absence of a property, ingredients, or attribute that cannot inherently and naturally be in that product or service. Therefore, the companies are giving information the products that are relatively perceived by some customers to be redundant, absurd, and hollow. While “green marketing,” “guerilla marketing,” “cause marketing,” and the like, are expressing the exclusive intentions and techniques that firms use based on their marketing strategies to target a specific market, “hollow marketing” can be used in the same manner.

Also, in this paper, those attributes, properties, or ingredients that could not naturally and inherently exist in a product or service (particularly in food industry), but their absence potentially improves consumers’ health, have been called “nongredients,” to better address the issue. For instance, gluten, GMOs, BPA, or pesticides are considered “nongredients” while their absence is advertised for pure water, since it is inherently and naturally impossible for pure water to have the above material, unless they have been added artificially.

On the other hand, research has shown that, consumers with less income and education, have less cognitive abilities to interpret the mandatory FDA nutrition labeling on products (Mitra, Hastak, Ford, & Ringold, 1999) and are mostly the target market for such practices. Therefore, most probably come to the same conclusions that are applicable to hollow marketing techniques and advertising nongredients, assuming that the same population would

be targeted for the same purpose. Although, more research needs to be done on examining the claim.

Additionally, one can assume that the technique is more likely to work better on consumers while making purchases on homogeneous goods with the least amount of price differentiation. For instance, consider a consumer who is standing in front of an aisle, full of different brands of (in our case) water bottles (homogenous good). It would be rational to assume that, he/she would prefer an organic, non-GMO, gluten-free, BPA-free bottle of pure water, over a bottle of just pure water with almost the same price tag. Therefore, more specific research on the hypothesis needs to be done in order to study hollow marketing and its impact on the decision-making processes of consumers.

Although “hollow marketing” carries a somewhat negative connotation, still within the scope of an optimistic view, the company’s intentions could be justified as letting the consumers make extremely sound decisions about their purchases by providing them with extra information. Ford, Hastak, Mitra, and Ringold (1996) have shown that the interpretation of the nutrition facts on product labeling could be considered a complex task for the consumers and if combined with extra claims, this could even alter consumers’ decisions. In their laboratory experiment, consumers were shown products which had both nutrition facts and some health claims on their labels at the same time. The results of the experiment showed that the combined information could influence the consumers’ beliefs about the healthfulness of the product. Although, health claims could not influence the processing of the nutrition information by its own, when both were presented on one label, each could independently affect the customers’ beliefs (Ford, Hastak, Mitra, & Ringold, 1996). Their research is suggesting that the amount of health claims on the labels should be limited by the new FDA regulation.

This paper tries to distinguish between health claims and nongredients. A health claim is information about the health benefits of a product that are usually placed on the front and/or back side of the product (Wansink, 2003). For instance, “heart healthy” or “low fat” is a health claim that has been put on many products claiming that the product has health benefits.

Wansink (2003) has shown, that giving health information on labels (health claims), would be more acceptable, believable, and well-processed if the short health claims were put

on the front side, and long health claims, that give more explanations about the benefits, were put on the back side of the package.

Contrarily, one difference between nongredients and health claims is that nongredients are not directly claiming any health benefits to the consumers but are indirectly inferring the meaning that the product is safe to be used, and that is healthy, because of the absence of a substance, property, or additive. For instance, nongredients that state the product is organic (none-pesticide), BPA-free (none-BPA), and gluten-free (none-gluten) are indirectly indicating and inferring the meaning that the product has extra advantages, such as being safe and healthy. Secondly, nongredients are different from health claims, since they cannot inherently and naturally be in the product in the first place. More studies need to be done to understand if the customers perceive nongredients as a health claim, or not. Many informed consumers might see it as an insult or deception when they see gluten-free tags on the bottles of pure water, while others might see them as more informative and accurate.

There are three major areas that are the main concerns of the ethical marketers, in regards to businesses communicating with their consumers. One is the accuracy of the information that marketers are providing while they advertise. The other is the adequacy of the information, and the last one is the cumulative impact that those marketing communications might impose on society's values (Hawkins, Mothersbaugh, & Best, 2013). In our case, one or a combination of the above issues could be involved.

One might suggest that giving extra information increases the accuracy of the information, and therefore increases the levels of trust for the customers (Hawkins, Mothersbaugh, & Best, 2013), approving what hollow marketing does, while advertising nongredients. On the other hand, others might see it as decisive as noted above, especially when the provided extra information has the potential of being inferred by consumers for something else in a given situation (Harris, 1977). These techniques fall under another category of deceptive marketing that are called pragmatic implications (Hawkins, Mothersbaugh, & Best, 2013). Using hedge words and juxtaposed imperatives are two examples of them to be named. Hollow marketing does not fall in the pragmatic implications category either, but it still might look ridiculous or deceptive if not used in a proper manner.

For instance, in the bottled water example, most probably the number of consumers that are aware of the absence of gluten in pure water, is high, and for that reason, there have been many negative reactions in the online community about it. But as a comparison, the same label would seem informative if put on a box of oats. Since not too many people know that oats are inherently and naturally gluten free, unless they have been somehow contaminated by wheat in the production line (Garsed, & Scott, 2007).

Also, the way that companies practice hollow marketing would be important as well in determining the meaning as being deceptive or not to the consumers. For instance, a box of eggs stating, “eggs are naturally a gluten free food” might sound more authentic than just stating “gluten free.” The first sentence, on one hand, is more informative than the latter in explaining that eggs do not carry gluten, and on the other hand, it is practicing hollow marketing in a positive way, which says the food is gluten free by itself, and not because of an extra activity from the firm’s side in order to include a higher price tag. Although extra research needs to be conducted on the claim.

Hollow marketing practices could cause negative cumulative economic impacts on consumers, since higher price tags could potentially cost them extra money while purchasing their food. Moreover, extra profit margins for the firms resulting from practicing hollow marketing, could also be seen as unfair in the eyes of society, triggering negative online and offline reactions from the consumers, which could cost the firms more in the long-run. Although more research on the matter needs to be done.

Conclusions

Hollow marketing, and advertising nongredients on food labels are new marketing strategies practiced by some firms that look totally legal in the eyes of the FDC and the FDA. Although, improper implementation of the strategy can appear deceptive, and as if the company is trying to rip off the consumers. It is necessary to distinguish between these two phenomena as new practices in marketing, and separate research on them needs to be conducted to measure the perception of consumers, the affected target market, potentials of success and failure if used by the firms, and the proper ways of implementing them. Moreover, extra research can reveal if the impacts of hollow marketing on consumer decision making

processes are greater for homogenous goods, where price differentiations are small. Although hollow marketing might look deceptive, if practiced properly, it can be seen as positive.

REFERENCES

- About the FTC. (2018, Feb, 27). *Federal Trade Commission*. Retrieved from <https://www.ftc.gov/about-ftc>
- Ford, G. T., Hastak, M., Mitra, A., & Ringold, D. J. (1996). Can consumers interpret nutrition information in the presence of a health claim? A laboratory investigation. *Journal of Public Policy & Marketing*, 16-27.
- Garsed, K., & Scott, B. B. (2007). Can oats be taken in a gluten-free diet? A systematic review. *Scandinavian Journal of Gastroenterology*, 42(2), 171-178.
- Harris, R. J. (1977). Comprehension of pragmatic implications in advertising. *Journal of Applied Psychology*, 62(5), 603.
- Hawkins, D. I., Mothersbaugh, D. L., & Best, R. J. (2013). *Consumer behavior: Building marketing strategy*. McGraw-Hill Irwin.
- McFadden, B. (2017). Gluten-free water shows absurdity of trend in labeling what's absent. *The Conversation*.
- Mitra, A., Hastak, M., Ford, G. T., & Ringold, D. J. (1999). Can the educationally disadvantaged interpret the FDA-mandated nutrition facts panel in the presence of an implied health claim?. *Journal of Public Policy & Marketing*, 106-117.
- (n.d.) (2018, Feb, 28). BLK. Retrieved from <http://getblk.com/>
- Labeling & Nutrition. (2018, Feb, 27). *US Food & Drug Administration*. Retrieved from <https://www.fda.gov/Food/LabelingNutrition/default.htm>
- Wansink, B. (2003). How do front and back package labels influence beliefs about health claims?. *Journal of Consumer Affairs*, 37(2), 305-316.