Evaluating consumer responses towards the Health Star Rating system

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4.5 HEALTH STAR RATING

| ENERGY 1560kJ | SAT FAT 0.3g | SUGARS 1.5g LOW | SODIUM 5mg LOW |

PER 100g
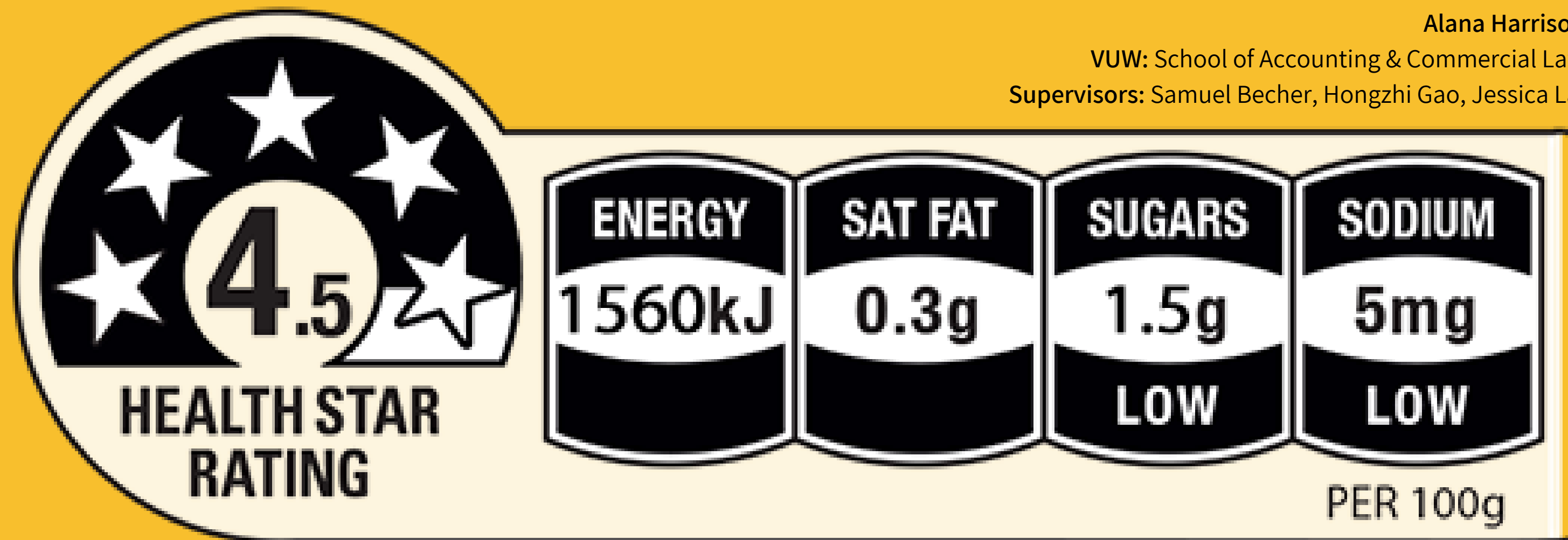
Purpose

In 2014 NZ adopted the Health Star Rating (HSR) system in the hope it would bridge the asymmetric information gap between consumers and producers, resulting in healthier food choices. [1] Is it effective? Current literature suggests not. This research project seeks to recommend how to improve the system from a policy-making point of view.

Method

· Written literature review of HSR & nutrition labelling systems used in other jurisdictions.
· Identify relevant interdisciplinary theories.
· Design consumer survey based on key constructs of awareness, knowledge, purchase intent, actual purchasing behaviour, attitudes, trust, health consciousness, nutrition literacy, perceived benefits & subjective norms.

Conclusion

The background work and survey design has been completed. We are awaiting HEC and funding approval before undertaking the survey.
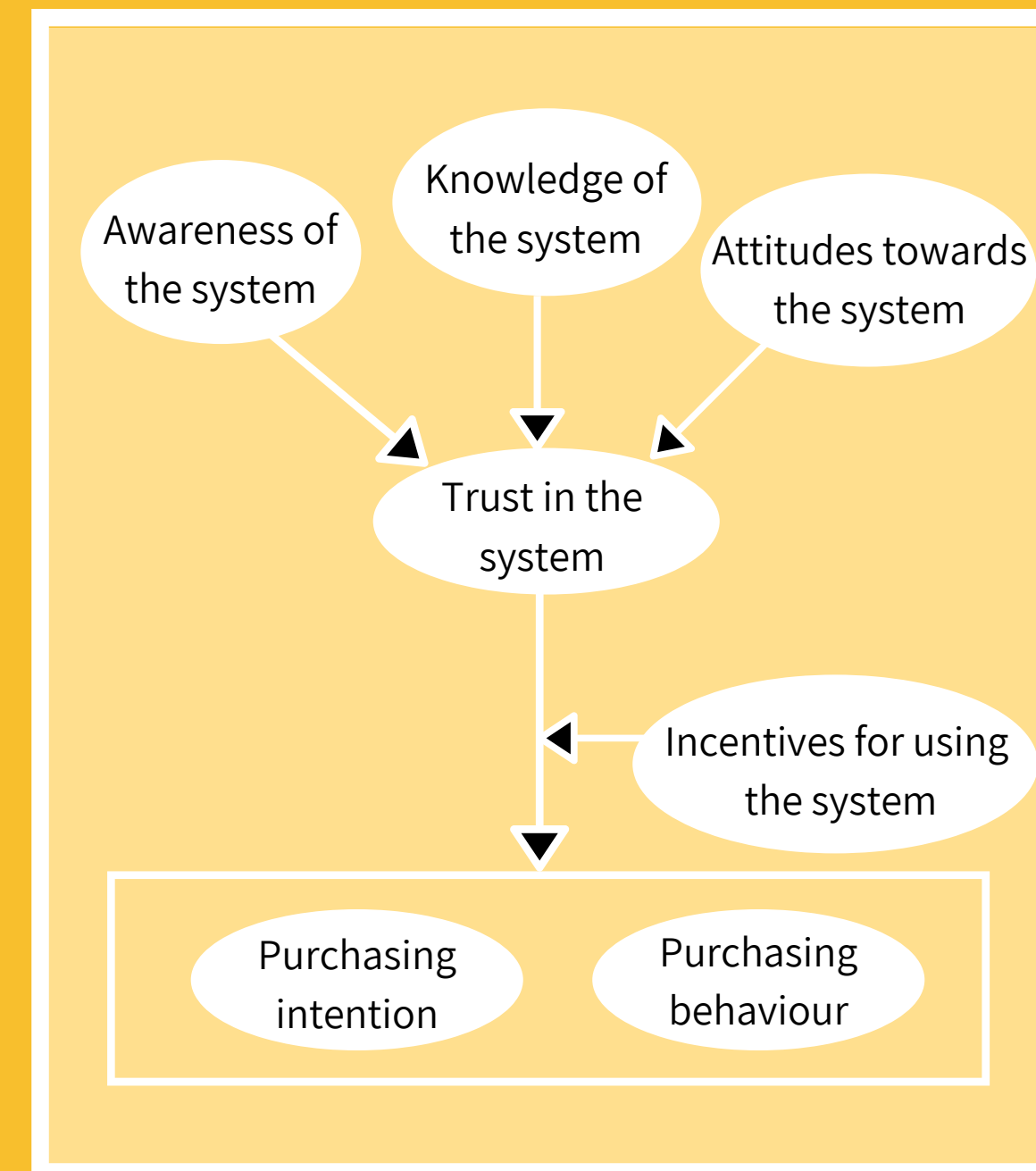
Interdisciplinary Theories

Contrary to economic behavioural theory (**skepticism**), humans do not assume that deliberate non-disclosure means a product is of the worst possible quality. Instead, they are '**charitable**' - reducing the incentive to voluntarily disclose. [2]

This supports the need for **mandated disclosure**. However, the **accumulation problem** means that many disclosures are overlooked & contain information overload. Simplification is in conflict with the principle of full disclosure. [3] [4]
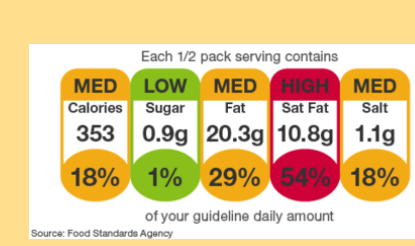
Even disclosures that are salient are likely to be subject to **heuristics & biases** because humans are **boundedly rational** and make decisions that fail to maximise their utility. [5]

Dual-processing theory recognises that humans often resort to System 1 thinking (intuitive & fast) as opposed to System 2 thinking (deliberate & reasoned). This limits the degree to which front of package labels can enhance decision-making. [6]

Conceptual Framework

Awareness of the system → Knowledge of the system → Attitudes towards the system → Trust in the system → Incentives for using the system → Purchasing intention / Purchasing behaviour

What can we learn from the systems used in other jurisdictions?

Multiple Traffic Lights (UK)
1. Incorporate use of colour.

Warning Label (Chile)
ALTO EN CALORÍAS Ministerio de Salud
2. Make the system mandatory.

Guiding Stars (US)
3. Increase salience by placing the label on the shelf price rather than on packaging.

References: [1] Choice. (2016). Health star ratings and added sugars: A consumer perspective. Retrieved from Activity & Nutrition Aoteroa: https://ana.org.nz/wp-content/uploads/2017/07/Choice-Health-Star-Rating-report-August-2016.pdf [2] Sah, S., & Read, D. (2018). Disclosure and the dog that didn't bark: Consumers are too forgiving of missing information. Working Paper. [3] Ben-Shahar, O., & Schneider, C. (2014). More than You Wanted to Know: The Failure of Mandated Disclosure. New Jersey & Oxford; Princeton University Press. [4] Loewenstein, G., Sunstein, C., & Golman, R. (2014). Disclosure: Psychology Changes Everything. 6(1), 391-419. [5] Becher, S., Feldman, Y., & Lobel, O. (2018). Poor consumer(s) law: The case of high-cost credit and payday loans. Legal Applications of Marketing Theory. [6] Sanjari, S., Jahn, S., & Boztug, Y. (2017). Dual-process theory and consumer response to front-of-package nutrition label formats. Nutrition Reviews, 75(11), 871-882.