Ten pence restaurant chain levy on sugary drinks linked to fall in sales

Impact greatest in ‘Jamie’s Italian’ outlets with highest pre-existing sales of these beverages

The introduction of a 10 pence levy on sugar sweetened drinks across the ‘Jamie’s Italian’ chain of restaurants in the UK was associated with a relatively large fall in sales of these beverages of between 9 and 11 per cent, reveals research published online in the Journal of Epidemiology & Community Health.

The initiative, which equates to a price increase of around 3.5%, was combined with other activities, such as menu redesign. It had the greatest short and medium term impact in those restaurants with the highest pre-existing sales of sugary drinks.

Government enthusiasm for fiscal policies, such as levies on food and drinks as a means of nudging people into making healthier dietary choices, has gained international momentum in recent years. But there’s not a great deal of evidence on how well these measures might work in practice.

The research to date has mainly been confined to studies projecting the likely consequences, or to small studies in school cafeterias or workplaces.

The researchers therefore decided to analyse the impact of a pricing strategy introduced in September 2015 in the Italian restaurant chain owned by chef Jamie Oliver—‘Jamie’s Italian.’

A 10 pence levy was added to all non-alcoholic sugar sweetened drinks available in 37 of the chain’s UK outlets along with several other measures.

These measures included a beverage menu redesign, which split drinks into sugar sweetened and other (juices, bottled waters, and diet cola), and the addition of other drinks, including a range of fruit spritzers--fruit juice mixed with water--and milk.

The sugar sweetened drinks section of the menu explained the thinking behind the levy, and stated that the proceeds would go to the Children’s Health Fund, which funds initiatives to improve children’s health.

At the same time as the levy was introduced, Jamie Oliver fronted a TV documentary about the detrimental effects of a diet high in sugar on children’s health (Jamie’s Sugar Rush, Channel 4).

The researchers used data from the electronic sales tracking system in each restaurant to monitor the impact of the levy. Changes in sales figures were analysed in the short term (after 12 weeks) and in the medium term (after 6 months), using the itemised number of beverages sold over 23 periods, each lasting 4 weeks.

In the 12 months leading up to the introduction of the levy, more than 2 million non-alcoholic drinks were sold in the restaurant chain, of which 38% (773,230) were sugar sweetened.

Twelve weeks after the levy was introduced, sales of sugary drinks per customer fell by 11%, and after six months sales were 9.3% lower than they were before its introduction. Sales fell most sharply in restaurants with higher pre-existing sales of sugary drinks; by just under 13% in those with the highest sales after six months; and by nearly 16.5% in those with medium level sales figures.

This is an observational study so no firm conclusions can be drawn about cause and effect, added to which the sales data were unable to distinguish between adults and children.

And the research was undertaken in one restaurant chain only so the findings might not apply elsewhere, say the researchers.

They highlight the fact that the levy was part of a range of complementary activities, and that the Jamie Oliver brand is associated with health and food campaigns, prompting them to suggest that: “multifaceted interventions with a fiscal measure at their core may plausibly affect behaviour and have greater effects than interventions comprised solely of a fiscal component.”

Nevertheless, they suggest that this type of intervention applied across the commercial
restaurant sector “could have meaningful population health impact,” although further research would be needed to see whether such an approach is both sustainable and transferable.