

Substantial Increase in the Price of Soda is a Successful Strategy To Decrease Purchases of Sugary Soft Drinks

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(PhysOrg.com) -- Imposing a bit of sticker shock may prove to be the most effective way to encourage Americans to cool off their love affair with sugary soft drinks -- possibly helping to trim the nation's growing waistlines, according a Harvard study appearing in the *American Journal of Public Health*.

The study finds that a significant increase in the price of regular [soft drinks](#) can change buying habits. Sales of sugary soft drinks declined by 26 percent following a price increase of 45 cents -- or 35 percent of the baseline price. For the study, regular (sugary) soft drinks were defined as carbonated beverages with calories. "Soft drinks have been increasingly recognized as a major contributor to the country's growing obesity epidemic. A very aggressive response—such as a notable increase in the price of soda—may be needed to steer people toward healthier options," said lead author Jason Block, M.D. of Harvard Medical School. Block also practices internal medicine at Brigham and Women's Hospital, where the study was conducted.

"Obesity is an important determinant of the rise in healthcare spending. More spending means higher taxes, larger deficits, and less money for other more valuable government programs. Our study suggests that higher taxes on such beverages would reduce the growth of our waistlines and the Federal deficit. And if people have commitment problems with reducing their consumption of these drinks, such taxes

may even make them better off ” said Amitabh Chandra, an author of the study and a Professor at the Harvard Kennedy School.

Most prior studies on the impact of higher soft drink [prices](#) on purchasing habits were observational studies that analyzed trends in prices and purchases from large sales databases. These could not control for other possible factors that simultaneously influenced soda prices and soda-buying habits. This study isolated the effect of higher soft drink prices by introducing the increase, independent of other factors.

An educational campaign, which included posting messages about the potential weight loss that could result from cutting back on regular soda, was not enough to encourage soda drinkers to consider a healthier option. However, when the price increase and educational campaign were combined, there was an additional 18 percent decline in purchases of regular soda, according to the study.

Over the past 25 years, consumption of sugary soft drinks has risen substantially. Soft drinks are the single largest contributor to caloric intake in the United States. They accounted for 7 percent of all calories consumed daily from 1999 to 2001, compared to 2.8 percent from 1977 to 1978. Research has shown that consumption of soft drinks not only increases rates of obesity but is associated with poor diet and a greater risk for diabetes. These links are especially strong for children.

More states and localities are considering increasing the price of soft drinks and candy through a tax or by removing an existing tax exemption. As of May 2010, 17 states, Baltimore, Philadelphia and the District of Columbia were considering soft drink tax legislation, according to the Rudd Center for Food Policy and Obesity at Yale University.

In addition to decreasing sugary soft drink sales, the 45-cent price

increase on regular soda was associated with an increase in the sales of diet soft drinks. Coffee sales also increased. Consumers did not increase their purchases of juices and sugary snacks—such as cakes and cookies—when they slowed their purchases of sugar-sweetened soft drinks.

The study was conducted at the cafeteria of the 700-bed Brigham and Women’s Hospital in Boston. Investigators imposed a 35-percent price increase on regular soft drinks sold in the cafeteria and compared sales during this period to sales during an educational campaign and during a baseline period. Researchers compared data from the neighboring Beth Israel Deaconess Hospital, where no interventions, such as an educational campaign and price changes, were in place.

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