

Soft Drinks and School-Age Children

Commercial Implications of Contracts

Soft drink companies are trying to develop brand loyalty in children.

By advertising one brand of soft drink to a child from kindergarten through high school, companies hope to create loyal consumers who will prefer their brand for a lifetime.

Soft drink contracts are making non-nutritious beverages available to increasingly younger and younger children.

Contracts often seek to put soft drinks and advertising into elementary and middle schools. Beverages marketed as "healthful" are often fruit-flavored sugar water with pictures of fruit on the label. The advertising on the machines often targets impressionable children.

Soft drink contracts often contain significant amounts of additional advertising in schools.

Many contracts include promotional opportunities for the school including scoreboards, athletic equipment and recycling bins. These opportunities are, in reality, more advertising for the company.

Soft drink deals encourage kids in schools to increase soft drink consumption.

Machines are placed in high traffic areas, payments are based on sales commissions and most contracts are based on increasing sales of soft drinks to kids. Any effort to teach nutrition or health to students may be lost to the incentive of the school to sell more products.

Many soft drink contracts have large up-front payments that commit the school district.

Most contracts include a large up front cash payment to the school or district, often to fund a new athletic facility or scoreboard. This payment makes it extremely difficult to discontinue the contract in the future (schools would somehow have to repay the money).