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ABSTRACT CMD-08

**Heterogeneous Consumer Response to Snack Food Taxes and Warning Labels:
Implications for Public Health**

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This study investigates how targeted taxes and warnings on snack foods may affect purchase decisions. We conducted computer-assisted intercept surveys in Canadian supermarkets, utilizing attribute-based stated preference methods (“choice experiments”). Participants were asked to choose between high fat snacks, some displaying a warning label, and healthier snacks. The effect of a fat tax, though small, becomes even smaller as BMI increases. For obese consumers, even large price increases induce only modest changes in the likelihood of purchase of targeted food items (less than a one percent change for a \$1.00 increase). Latent class models explaining choice were also estimated. Results show heterogeneity of consumer response, with notable implications for public health. One class heeds warning labels, another avoids less healthy snacks and becomes more sensitive to price when a warning label is present, and a third class is sensitive to price but not warning labels.