

children & ^{the} media

the future of children's media: advertising



conference report

The Two P's: Provide and Protect

The Future of Children's Media: Advertising is the first in a series of national Children Now conferences that will proactively address pressing issues in the media environment that can have both positive and negative implications for children. Children Now's conference structure is based on the belief that, in order to create a healthy and diverse media environment, we must both *provide* children with content that supports their healthy development and *protect* them from potential harm.

Introduction

American companies currently spend \$15 billion a year on marketing and advertising to children under the age of 12—twice the amount they spent just 10 years ago.¹ Annually, children influence \$500 billion in spending on fast food, junk food, toys and other advertised products,² and the average child sees thousands of ads on television alone.³

But it's not just about television anymore. From video games and the Internet to cell phones and iPods, new and emerging media are changing the ways in which advertisers reach consumers. What does this mean for children, especially given their unique vulnerability to commercial persuasion and the growing childhood obesity epidemic?

On July 20, 2006, Children Now hosted “The Future of Children’s Media: Advertising,” a conference in Washington, D.C., that brought together the nation’s leading children’s media executives, policymakers, academics and advocates. The full-day conference explored how new advertising and marketing methods are being used to reach children today. It also examined what’s on the horizon and possible steps to better ensure children’s well-being in a rapidly evolving media environment, including potential policy and voluntary industry solutions.

The conference discussions helped Children Now shape our policy, research, and voluntary industry action agendas to improve the media environment for our nation’s children.

Keynote Address: Senator Hillary Rodham Clinton (D-NY)

Senator Hillary Rodham Clinton kicked off the conference with the first keynote address. She described how technological advances over the last decade have resulted in huge changes to the media environment, stating “we could not have imagined then how marketers would use these new technologies like the Internet, interactive TV and cell phones to pitch their new products in new ways to children.”

Senator Clinton expressed her concern about the “advertising-saturated, media intense” environment in which children live today. She spoke of the troubling childhood obesity epidemic, urging companies to temper their advertising of junk food to kids. She said parents are working hard, care deeply about their children

“We are living in an advertising-saturated, media intense environment. I think it’s fair to say that we are conducting a big experiment on our kids except that parents have not given their consent.”

Senator Hillary Rodham Clinton



and do their best to monitor their media consumption. But she explained how challenging it can be, given the rapidly changing technological environment and the range of media with which children engage. She noted that while there are advertising limits on children's television programs, kids are increasingly watching their favorite shows online or downloading them to portable media players, such as iPods. The commercial restrictions for television don't apply to these new media devices, making it difficult for parents to control the ads their children see.

In order to raise kids in a healthy environment, Senator Clinton concluded that parents need more resources and information. "The bottom line," she said, "[is] there is work to do, as a society, so that parents are in charge again. Not private companies. Not advertisers. Parents. Parents should have the tools, information and framework to raise their kids in a healthy, safe, enriching environment. It's a moral issue. It's a health issue. It's about the kind of country we want to be."

Noting that we know very little about the impacts of emerging media on children, Senator Clinton highlighted the importance of her bill, the Children and Media Research Advancement Act (CAMRA). Co-sponsored by Senators Joseph Lieberman (I-CT), Sam Brownback (R-KS) and Clinton, CAMRA would create a dedicated program at the Centers for Disease Control and Prevention to fund federal research on the impacts of media on children's development, including the effects of new media and new advertising techniques. She explained that CAMRA would not only help us develop a better understanding of media impacts, but would also help us make media a more positive force in children's development.

"We need more hard, scientific data. We need to know the effects [of sustained media exposure] on the developmental stages of the brain."

Senator Sam Brownback



Keynote Address: Senator Sam Brownback (R-KS)

Delivering the second keynote address, Senator Sam Brownback voiced his concern about the advertising of unhealthy foods to children, citing findings from a recent report by the National Academy of Science's Institute of Medicine (IOM). He urged voluntary industry action and called on the advertising and food industries to come together to proactively address the problem.

While Senator Brownback stated he was not yet ready to consider legislative solutions, he said, "Something's got to give here, because we cannot continue with these trends." He declared the need for a joint task force of industry leaders, advocates and academics to work together to find voluntary solutions. He went

on to say he wants to ensure the industry has sufficient time to make changes, citing that the IOM report recommended giving the industry two years to achieve more balance between healthy and unhealthy food options in advertising.

Expressing his concerns about the content of media, Senator Brownback voiced support for more research to study how the brain is affected by television programming. He also pointed out the need to understand media's effects on children, given children's pervasive use and consumption of television, the Internet and video games. Senator Brownback noted that CAMRA would provide such data and urged industry involvement in the process by adding, "It is my hope we can work together as we learn more on how this works...in a complementary role and not a combative role."

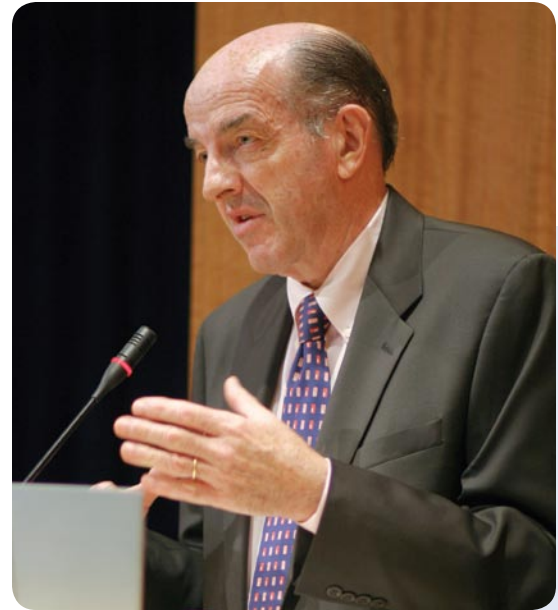
Policymaker Perspectives

FCC Commissioner Michael J. Copps (D)

Commissioner Copps began his speech by reflecting on the pervasive, hyper-saturated media environment in which children live, noting they are "generally agnostic among platforms, regular travelers in a rapidly converging digital world." Explaining that while various media can be used to enlighten and educate children, Commissioner Copps also remarked that "...when they are used to misinform and mislead, they can—and do—inflict lasting harm." He called much of television programming "kiddy litter," because of its excessive commercialism, sex and violence, and made clear that children "...are seen by some as commodities—as products to be sold to advertisers."

Citing research showing that children under 8-years-old cannot distinguish between advertising and programming, Commissioner Copps expressed concern about aggressive advertising techniques that blur the line between the two and go beyond reasonable business practices. He urged the Federal Communications Commission (FCC) to take action in three areas:

- (1) Finalize pending rules requiring broadcasters to protect children from excessive advertising as television transitions from analog to digital (these rules were enacted on September 27, 2006, two months after the conference);
- (2) Address the issue of interactive, or "click-through," advertising in children's programming;
- (3) Recognize the impact that media concentration has on children's programming, as part of the FCC's ownership review.



"Although the kids with their remotes in hand won't know it, that single click of the button will transport them beyond the regulated world of television, with its restrictions on commercial messages aimed at children, to an Internet bazaar bereft of any rules. Shouldn't we get a handle on this before really harmful consequences are felt?"

FCC Commissioner Michael J. Copps

FCC Commissioner Deborah Taylor Tate (R)

Commissioner Tate stressed the importance of ensuring that media is a positive force in children’s lives. “We are not here necessarily to fight the influence of media on our children,” she explained, “but to make it work for us.” She suggested three ways to improve the media environment for children:



- 1) Provide parents with more choice in media content, including the tools and education necessary to monitor and control that content;
- 2) Encourage the production of more and better children’s programming;
- 3) Teach children how to watch television critically.

Recognizing children’s unique vulnerability to commercial persuasion and the growing childhood obesity epidemic, Commissioner Tate expressed concern about new and emerging forms of advertising. She said, “Advertising in the form of online games that promote products and other, more subtle means of advertising, represent a kind of stealth marketing that may be harder for parents to control and counter.”

“Advertising in the form of online games that promote products and other, more subtle means of advertising, represent a kind of stealth marketing that may be harder for parents to control and counter. Let’s not demonize any one industry. This is an issue where everyone recognizes that we have to pull together to help children.”

FCC Commissioner
Deborah Taylor Tate

Commissioner Tate stated that the childhood obesity epidemic is like many other public policy issues: it will necessitate a multi-faceted approach. She highlighted companies like Disney, Nickelodeon and General Mills that are taking steps to address advertising and marketing practices. Additionally, she cited the success of the Children’s Media Policy Coalition and media companies in reaching an accord on the children’s television obligations of digital broadcasters. She said that in order to curb childhood obesity, similar cooperation with even more constituents is necessary—including advertising and marketing companies, the food and beverage industries, parents and caregivers, and representatives from the public health, education and advocacy communities.

FCC Commissioner Jonathan Adelstein (D)

In his speech, Commissioner Adelstein sympathized with the “huge struggles” faced by parents across the country, as they decide what shows their young children should be allowed to watch, given the amount of advertising and marketing targeting them. While he acknowledged the significant contributions many content providers have made to children’s programming, he also emphasized the importance of federal laws to mitigate the excesses of commercialism.

Commissioner Adelstein expressed serious concern about children's unique vulnerability to commercial persuasion and explained that several developments could potentially increase children's exposure to excessive commercialism and more intrusive marketing practices. These include interactive features on digital television and increased media consolidation. He also warned, "If we think the epidemic of childhood obesity and diabetes is bad now, just wait until interactive advertising makes its force known on television. But by then, it will be too late."

Commissioner Adelstein urged the FCC to take three important steps to improve the media environment for children:

- (1) Promulgate rules and restrictions on interactive advertising before it becomes an established business model in the United States;
- (2) Implement the joint industry-advocacy group proposal on children's digital television programming;
- (3) Address the amount and level of violence in television programming, and produce the report that was promised to Congress as part of the FCC's 2004 inquiry.



"Digital TV and new interactive technologies can provide a wealth of opportunities to children and their parents, but they should not provide wealth to advertisers at the expense of children and their parents. I believe now is the time to stop the development of non-educational interactive advertising directed to children."

FCC Commissioner Jonathan Adelstein

Panel Summaries

Panel 1: Surveying the Landscape: Advertising and Marketing to Kids in the Digital Age

The first panel explored how new and emerging media—from the Internet to cell phones and iPods—are changing the ways in which advertisers reach consumers. Ray Suarez of *The Newshour with Jim Lehrer* engaged panelists in a discussion about what this means for children and what research is needed in the field.

Suzanne Martin, Research Manager of the Youth and Education Research Division at Harris Interactive, opened the discussion by describing the ways in which children are engaging with new media. While television still remains central in children's lives, she noted that they are increasingly using cell phones, handheld video consoles and other portable media players. Being early adopters of new technology and representing an annual income of \$233 billion per year, she said children are an ideal market for advertisers. Samantha Skey, Senior Vice President of Strategic Marketing Group at Alloy Media + Marketing, then described some of the new methods the advertising industry is using, such as branded entertainment, online social networks and user-generated content, to keep up with children's evolving media consumption.

Vicky Rideout, Vice President and Director of the Program for the Study of Entertainment Media and Health at the Henry J. Kaiser Family Foundation,

shared findings from the recent Kaiser Family Foundation research study, the first ever to explore online food marketing to children. It found that the vast majority (85%) of major food companies advertising to kids on TV are also doing so online. These companies are employing a range of tactics, including billboard ads, advergames, promotional marketing, viral marketing, actual television advertisements online and “Webisodes,” mini-television series starring the brand’s characters.

Dr. Jerome Williams, Professor of Communication at University of Texas, Austin, discussed how ethnic minorities are attractive audiences for food and beverage marketers due to their size and purchasing power. He explained how marketers target audiences based on gender and race/ethnicity to establish brand awareness and loyalty at an early age. He also noted that children of color spend more time with media than white children and expressed concern about their rising childhood obesity rates.

Dr. Sandra Calvert, Director of the Children’s Digital Media Center and Professor of Psychology at Georgetown University, shared more interactive advertising examples, especially ones related to food marketing. She highlighted the need for more types of research, such as content analyses, experimental studies

and examinations of the effects of intervention strategies, which she said are necessary to inform policymakers and the public on how to address advertising and marketing to children in the digital age.

Panel 1

Surveying the Landscape: Advertising and Marketing to Kids in the Digital Age

Panelists:

Sandra Calvert, Ph.D., Director, Children’s Digital Media Center; Professor of Psychology, *Georgetown University*

Suzanne Martin, Ph.D., Research Manager, Youth and Education Research Division, *Harris Interactive*

Vicky Rideout, Vice President and Director of the Program for the Study of Entertainment Media and Health, *Henry J. Kaiser Family Foundation*

Samantha Skey, Senior Vice President, Strategic Marketing Group, *Alloy Media + Marketing*

Jerome Williams, Ph.D., Professor of Communication, *University of Texas, Austin*

Moderator:

Ray Suarez, Senior Correspondent, *The NewsHour with Jim Lehrer*

Panel 2: Strategies to Address Advertising and Marketing Concerns

The second panel explored current and potential voluntary industry practices to address marketing concerns across the different types of media. Juan Williams, Senior Correspondent of NPR’s *Morning Edition*, queried industry representatives about the initiatives they have implemented to prioritize children’s interests, especially given the growing childhood obesity epidemic.



Panel 1: Surveying the Landscape: Advertising and Marketing to Kids in the Digital Age.

Brandon Burgess, CEO of ION Media Networks, described his plans for a new digital children's channel (which launched in January 2007) that will not air advertisements for junk food and sugary cereals. Matt Palmer, Senior Vice President of Marketing for the Disney Channel, talked about his company's efforts in this area, which include limiting sponsorships, the lack of commercials and terminating its marketing agreement with fast food companies like McDonald's. Alice Cahn, Vice President for Development and Programming at Cartoon Network, said that children have more diverse, quality programming options than ever before and explained that there has to be an economic model to support such programming. Ellen Wartella, Executive Vice Chancellor and Provost at the University of California at Riverside, said food and beverage companies are being more responsive today to marketing issues than they ever have been for a number of reasons, including increased consumer anger, the growing body of research that links food marketing to childhood obesity and industry concern about potential lawsuits. Dr. Wartella also said many food companies have a range of product lines beyond low-nutrient, high-fat foods, and they have to protect their overall stock value. Further, she stated that multinational companies risk the threat of more severe regulations in the European Union, which can also threaten their bottom line.

Juan Williams asked about the possibility of industry self-regulation in the future, especially of online and emerging media. Joan Bernstein, who heads a task force to revise and update the Children's Advertising Review Unit's (CARU) voluntary guidelines, announced that new guidelines would be released in late 2006 (the guidelines were released in November 2006). Williams also asked whether or not self-regulation would ever be enough to protect children from harmful advertising practices. Dale Kunkel, Professor of Communication at the University of Arizona, noted that the history of children's television demonstrates that voluntary industry action has not proven effective in the past. He underscored the importance of regulatory intervention, especially as media become increasingly interactive, making advertising much more powerful and targeted than ever before.

Panel 2: Strategies to Address Advertising and Marketing Concerns



Panel 2
Strategies to Address Advertising and Marketing Concerns

Panelists:

Joan Bernstein, Of Counsel, Bryan Cave LLP; Consultant, *Children's Advertising Review Unit*

Brandon Burgess, Chief Executive Officer, *ION Media Networks, Inc.*

Alice Cahn, Vice President for Development and Programming, *Cartoon Network*

Dale Kunkel, Professor of Communication, *University of Arizona*

Matt Palmer, Senior Vice President, Marketing, *Disney Channel*

Ellen Wartella, Executive Vice Chancellor and Provost, *University of California, Riverside*

Moderator:

Juan Williams, Senior Correspondent, *Morning Edition, NPR*

Next Steps

Immediately after the conference, Children Now charted a five-year agenda, including research and policy goals, and ways we should work together with the media, advertising, food and other industries to achieve voluntary change. Specifically:



Children Now President, Ted Lempert

Research

- Study the pervasiveness and use of characters to sell food and beverages marketed to children across media;
- Conduct a study on the balance in food advertising across media, based on the Institute of Medicine's recommendation that there should be more balance in advertising of healthy versus unhealthy foods by 2008;
- Study ways in which children of color and low-income children are specifically targeted with unhealthy food products;
- Study the pervasiveness of food and beverage advertising in emerging media.

Voluntary Industry Action

- Monitor industry's compliance with revised Children's Advertising Review Unit (CARU) guidelines and the new Children's Food and Beverage Advertising Initiative;
- Participate in the Media and Childhood Obesity Task Force, which grew out of the conference, led by Senator Brownback, Senator Harkin, FCC Chairman Martin and FCC Commissioners Tate and Copps, to determine what is possible on the voluntary industry front;
- Hold a national conference to determine what media industry leaders have done to meet the Institute of Medicine's recommendations for more balance in food advertising by the 2008 deadline outlined in the report.

Potential Policy Solutions

- Push to ensure the enactment of the Children and Media Research Advancement Act (CAMRA) for federal funding of research on media's impact on children, co-sponsored by Senators Clinton, Lieberman and Brownback;
- Advocate for the FCC to enact restrictions on interactive, click-through advertising in children's programming;
- Support the Healthy Lifestyles and Prevention America Act (HeLP), sponsored by Senator Harkin, which would restore the Federal Trade Commission's oversight of children's advertising;
- Support increased appropriations for PBS, so children have access to more commercial-free children's programming;
- Work to update and apply current advertising restrictions to new media, especially mobile devices, such as cell phones and portable media players.

Special Thanks

Children Now would like to thank the following foundations for their generous support of *The Future of Children's Media: Advertising*:

The Atlantic Philanthropies

The California Endowment

The Robert Wood Johnson Foundation

The Otto Haas Charitable Trust

We also would like to thank Dale Kunkel, University of Arizona; Jeff McIntyre, American Psychological Association; and Marjorie Tharp, American Academy of Pediatrics, for their help with and support of this conference. We are very grateful to Children Now's amazing summer interns, Linda Chau and Elisabeth Dosa, for their hard work and dedication. Finally, thank you to Vicky Rideout and her colleagues at the Kaiser Family Foundation for generously providing the use of the Barbara Jordan Conference Center.

Children Now Board of Directors

Jane K. Gardner	<i>Board Chair</i> ; Harbour Consulting
Peter D. Bewley	<i>Board Vice Chair</i> ; The Clorox Company (Retired)
Neal Baer, M.D.	Wolf Films/Universal Television
Geoffrey Cowan	USC, Annenberg School for Communication
John Garcia	Kaiser Permanente
David G. Johnson	Investor
Suzanne Nora Johnson	Goldman, Sachs & Co.
Allan K. Jonas	Jonas & Associates
Donald Kennedy	President Emeritus, Stanford University
Gay Krause	Foothill College, Krause Center for Innovation
Ted Lempert	Children Now
Daniel M. Luevano	Attorney
Lenny Mendonca	McKinsey & Company
Theodore R. Mitchell	New Schools Venture Fund
Molly Munger	English, Munger & Rice
Craig A. Parsons	Communications Consultant
Hon. Cruz Reynoso	UC Davis, School of Law
Jennie Ward Robinson, Ph.D.	The Institute for Public Health and Water Research, School of Health, University of Illinois at Chicago
Karen Schievelbein	UnitedHealth Group
Katharine Schlosberg, Ed.D.	University of the Incarnate Word
James P. Steyer	Common Sense Media
Michael Tollin	Tollin/Robbins Productions
Gloria Tristani	Spiegel and McDiarmid
Grace Won	Farella, Braun + Martel LLP
<i>Of Counsel</i>	
Holly L. Sutton	Farella, Braun + Martel LLP

Endnotes

1. Jennifer Wolcott, "Hey Kid—You Wanna Buy A...," *Christian Science Monitor* (April 28, 2004).
2. Wolcott, 2004.
3. Dale Kunkel, "Children and Television Advertising," *Handbook of Children and Media*, ed. Dorothy G. Singer & Jerome L. Singer (Thousand Oaks, CA: Sage Publications, 2001: 375-393).



1212 Broadway, 5th Floor
Oakland, CA 94612
childrennow.org
Phone: 510.763.2444
Email: info@childrennow.org

Children Now is a nonpartisan research and advocacy organization working to raise children's well-being to the top of the national policy agenda. The organization focuses on ensuring quality health care, a solid education and a positive media environment for all children. Children Now's strategic approach creates awareness of children's needs, develops effective policy solutions and engages those who can make change happen.



Printed on recycled paper.