

CHILDREN NOW TESTIMONY
TO THE
FEDERAL TRADE COMMISSION AND
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
PERSPECTIVES ON MARKETING, SELF-REGULATION, AND
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Interactive Advertising: Implications for Children's Health and Nutrition

Over the last day and a half, there has been a good deal of focus on television advertising. There have also been several speakers and panelists who have urged the audience to consider more than just TV—to look at the various interactive media that children are actively engaged with and the ways in which they are used to market products to children. I'd like to take this opportunity to focus our attention on how television as we know it is changing and what the implications are for the ways in which children will be advertised and marketed to.

As television transitions from analog to digital, children will soon be able to view television and access the Internet from the same platform with a simple click of the mouse. Young viewers will be able to link to the Internet during a television show to access information about the program, surf a Web site or even purchase merchandise.

As television changes, questions arise as to how children will be marketed to in an interactive world and how these emerging advertising practices will affect young viewers, especially since we know that the majority of ads targeted to them are for candy, cereal, soda and fast food. Imagine this scenario: Little Joey is watching Scooby Doo and he is able to click on Scooby's head and is immediately transported to the show's website where he can purchase the Scooby Doo cereal and the Scooby Doll.

Children Now and the Children's Media Policy Coalition are increasingly concerned about how children will be marketed to in a digital television world, given their inherent vulnerability to commercial persuasion. Consider how interactive media, specifically the Internet, is already being used to entice child customers. Many companies are using "advergaming" which encourages children to play Internet games. For example, Kraft Foods' *TooMunchFun.com* features the "Kool-Aid Mad Scientists' Mix It Up!" game where visitors must create a clean path for Kool-Aid powder to flow safely through tubes to a beaker. On *NabiscoWorld.Com*, children can be guests at the "Chips Ahoy! Cookie Guys' Housewarming Party" where visitors are led into different rooms featuring the home of chocolate chip cookie characters. As we heard yesterday, the average amount of

time a child spends on these sites is 26 minutes, clearly much more than a 30 second commercial, providing ample opportunity to expose children to specific brands.

Other companies are also beginning to investigate the potential of interactive advertising on television. For example, Capri-Sun, with a target market of 7 to 11 year-olds has an advergame featured on its Web site and is now looking to create interactive ads for television. Digital advertisers contracted by Capri Sun believe the transition from the Web to television should be smooth given children's familiarity with computers. As one digital advertising executive remarked, "Children will have already been communicating with the brand through the web, which should make it easier to build a dialogue through interactive television." Kentucky Fried Chicken also is experimenting with interactive television as a way to reach young viewers; during a television program targeted to 4 to 11 year-olds, KFC encourages young viewers to enter designated areas by clicking on a remote control when prompted by presenters on the show. KFC has a specially branded section that features the company's logo, offers games and provides information about the menu and restaurant locations.

Finally, Children Now is increasingly concerned that interactive advertising will be used to track the viewing habits and interests of viewers without their knowledge or consent. Interactive television will allow advertisers to target individual viewers with personalized ads, which may increase the likelihood of impulse purchases. Eventually, advertisers will be able to target children according to their gender, age, household income and/or race by tracking the history of their individual television viewing habits.

As we enter this brave new world of interactive advertising, it is essential that children are protected, especially when considering the role that the advertising of unhealthy food products plays in their short and long-term food preferences and consumption habits. Currently, there are rules about the amount of advertising allowed in children's programming and rules about the separation of programming and commercial content. It is essential that these rules are updated for the digital age, especially given children's unique vulnerability to commercial persuasion, the fact that they will be exposed to and interacting with advertising for undefined periods of time, and the individualized ways in which children will be targeted in a digital television environment. Self-regulation is not going to be sufficient; children will need greater protections.

Last fall, the FCC tentatively concluded that there should be no commercial links embedded in children's television programming. The Children's Media Policy Coalition is working to bring this issue to a conclusion to ensure that there are policies in place to protect the health and well being of our nation's children in a digital television environment.