

REGULATION AND MARKETING TO CHILDREN

Barin Ioana

University of Bacau Faculty of Economic Sciences ioana_barin@yahoo.com

Prihoanca Diana

University of Bacau Faculty of Economic Sciences dianaprihoanca@yahoo.com

Marketing to children is a major concern to regulators and consumers groups. The regulation of marketing activities aimed at children focuses primarily on product safety, advertising and promotions, and privacy protection. Product safety issues focus on appropriate product design and materials. The article is about the privacy protection and advertising and other promotional activities targeting children as consumers. The regulation of these activities rests heavily on theories of children's consumer behavior, particularly their information – processing skills. In addition to concerns about children's comprehension of advertisements, there is concern about the effect of the content of commercials on children. There are a variety of state, federal and voluntary guidelines and rules governing marketing to children. Despite these rules, many feel that some marketers continue to take advantage of children and that the overall marketing system, particularly advertising, is socializing children to value things rather than intangibles such as relationships and integrity.

Keywords: children, product safety, advertising, privacy protection.

The article's JEL code: M310

Introduction

There are a variety of state, federal, and voluntary guidelines and rules governing marketing to children. Despite these rules, many feel that some marketers continue to take advantage of children and that the overall marketing system, particularly advertising, is socializing children to value things (products) rather than intangibles such as relationships and integrity. One basis for the concern over marketing to children is based on Piaget's stages of cognitive development which indicate that children lack the ability to fully process and understand information, including marketing messages, until around 12 years of age. This and related theories are the basis for most regulation of advertising aimed at children and, according to critics, for some marketing programs that deliberately exploit children. It is difficult to articulate how young children interpret advertising. An ability to understand persuasive intent develops over time, primarily as a result of cognitive growth and development, and is independent of the quantity of media messages to which children are exposed. A mature comprehension of persuasive intent goes beyond a child's ability to acknowledge that an ad is trying to persuade. Four key elements must be understood: the source of the message has other interests and perspectives than the receiver; the source intends to persuade; persuasive messages are biased; and biased messages demand different interpretive strategies than unbiased messages.

1. Concerns about the Ability of Children to Comprehend Commercial Messages

Advertisers should always take into account the level of knowledge, sophistication, and maturity of the audience to which their message is primarily directed. Younger children have a limited capacity for evaluating the credibility of information they receive. They also may lack the ability to understand the nature of the personal information they disclose on the Internet. Advertisers, therefore, have a special responsibility to protect children from their own susceptibilities.

Realizing that children are imaginative and that make-believe play constitutes an important part of the growing-up process, advertisers should exercise care not to exploit unfairly the imaginative quality of children. Unreasonable expectations of product quality or performance should not be stimulated either directly or indirectly by advertising. The article's current focus is limited to children's abilities to *comprehend* advertising messages. There are two main components to this concern: (1) Do children understand the selling intent of commercials? and (2) Can children understand specific aspects of commercials, such as comparisons?

Do Children Understand the Selling Intent of Commercials? Research suggests that younger children have at least some difficulty understanding the selling intent of commercials. Currently, the advertising industry strives to separate children's commercials from the programs by prohibiting overlapping characters and by using separators such as "We will return after these messages."

This problem is growing in intensity, as children's products are often the "stars" of animated children's films and television programs. Increasingly, product lines and television programs (and movies) are being designed jointly with the primary objective being sales of the toy line. Parents have expressed concerns ranging from the effects that toy-based programming has on their children's behaviors and emotional development to the fear that such programming may replace other more creative and child-oriented programs. These proposals have produced an ongoing debate about who controls the television set. One argument is that it is the parent's responsibility to monitor and regulate their children's viewing behaviors. If a sufficient number of parents find such programs inappropriate and refuse to let their children watch them, advertisers will quit sponsoring them and they will no longer be available.

Another argument is that today's time-pressured parents do not have time to screen all the shows their children watch. Furthermore, tremendous peer pressure can develop for children to watch a particular show or own the products associated with it. Denying a child the right to watch such a show then causes arguments and resentments. Therefore, society should set appropriate standards within which broadcasters should operate. *Which, if either, of these views matches your own?*

Can Children Understand the Words and Phrases in Commercials?

The second aspect of comprehension involves specific words or types of commercials that children might misunderstand. For example, research indicates that disclaimers such as "Part of a nutritious breakfast," "Each sold separately," and "Batteries not included," are ineffective with preschool children. Young children have a difficult time understanding these phrases.

For example, one toy ad contained this disclaimer: "TV Teddy comes with one tape. Other tapes sold separately." However, it appeared near the bottom of the screen in lettering that measured only 3.5 percent of the screen height against a multicolor background. It was not repeated by an announcer and appeared for less than three seconds. A child would have to read at 200 words per minute to read the message! Unfortunately, this treatment of the disclaimer is more the rule than the exception.

There are special rules for comparison advertising and prohibits price minimizations such as "only" and "just." It also suggests specific phrasing for certain situations, such as "your mom or dad must say it's OK before you call" rather than "ask your parents' permission."

2. Concerns about the Effects of the Content of Commercial Messages on Children

Even if children accurately comprehend television ads, there are concerns about the effects the content of these messages has on children. These concerns stem in part from the substantial amount of time children spend viewing television. The large amount of time children devote to watching television, including commercials, gives rise to two major areas of concern: the impact of commercial messages on children's values and the impact of commercial messages on children's health and safety. Recognizing that advertising may play an important role in educating the child, advertisers should communicate information in a truthful and accurate manner and in language understandable to young children with full recognition that the child may learn practices from advertising which can affect his or her health and well-being.

Advertisers are urged to capitalize on the potential of advertising to influence behavior by developing advertising that, wherever possible, addresses itself to positive and beneficial social behavior, such as friendship, kindness, honesty, justice, generosity and respect for others.

Care should be taken to incorporate minority and other groups in advertisements in order to present positive and pro-social roles and role models wherever possible. Social stereotyping and appeals to prejudice should be avoided. Although many influences affect a child's personal and social development, it remains the prime responsibility of the parents to provide guidance for children. Advertisers should contribute to this parent-child relationship in a constructive manner.

Products and content which are inappropriate for children should not be advertised or promoted directly to children. Representation of food products should be made so as to encourage sound use of the product with a view toward healthy development of the child and development of good nutritional practices. Advertisements representing mealtime should clearly and adequately depict the role of the product within the framework of a balanced diet. Snack foods should be clearly represented as such, and not as substitutes for meals.

Children should not be urged to ask parents or others to buy products. Advertisements should not suggest that a parent or adult who purchases a product or service for a child is better, more intelligent, or more generous than one who does not. Advertising directed toward children should not create a sense of urgency or exclusivity, for example, by using words like "now" and "only."

Benefits attributed to the product or service should be inherent in its use. Advertisements should not convey the impression that possession of a product will result in more acceptance of a child by his or her peers. Conversely, it should not be implied that lack of a product will cause a child to be less accepted by his or her peers. Advertisements should not imply that purchase and use of a product will confer upon the user the prestige, skills, or other special qualities of characters appearing in advertising.

Advertisements should not portray adults or children in unsafe situations, or in acts harmful to themselves or others. For example, when athletic activities (such as bicycle riding or skateboarding) are shown, proper precautions and safety equipment should be depicted.

3. Health and Safety

In many instances, children and teenagers are exposed to advertising directed at adults. Even ads clearly not targeting children can have potentially harmful consequences:

A television commercial for Calgonite automatic dishwasher detergent showed a woman inside an automatic dishwasher. The commercial was withdrawn voluntarily after it was received a complaint that a three-year-old child had climbed into a dishwasher shortly after viewing the commercial. The problem caused by the Calgonite

commercial illustrates the difficulty marketers face. This commercial was not aimed at children nor shown during a children's program. The fact that children watch prime-time television extensively places an additional responsibility on marketers.

Ensuring that advertisements portray only safe uses of products is sometimes difficult, but it is not a controversial area. Advertising of health-related products, particularly snack foods and cereals, is much more controversial. The bulk of the controversy focuses on the heavy advertising emphasis placed on sugared and high-fat products. Advertising sugared products such as presweetened breakfast cereals does increase their consumption. However, this same advertising may also increase the consumption of related products, such as milk. What is not known, and probably cannot be determined, are the eating patterns that would exist in the absence of such advertising.

4. Values

Advertising is frequently criticized as fostering overly materialistic, self-focused, and short-term values in children: *We cannot afford to raise a generation of children that measures its own value by the insignia on their clothes—not by the compassion in their hearts or the knowledge in their minds.*

One reason is the magnitude of advertising focused on kids. One estimate is that marketers spend \$15 billion per year advertising to children. In addition, estimates of the number of TV ads that children are exposed to ranges from 18,000 to 40,000 per year. Obviously, these numbers are conservative in terms of total ad exposure since they exclude other popular media such as the Internet. Many are concerned that this consistent pressure to buy and own things is producing negative values in children.

Numerous cosmetics companies are now targeting children as young as 8 with products and advertising. Most position the products in terms of fun rather than sensuality. For example, Disney's products are packaged in boxes with pictures of Tinkerbell, Winnie the Pooh, and similar characters. According to an industry expert, girls 8 to 12 are now wearing platform heels and "low-rise jeans, tight miniskirts and midriff-baring T-shirts."

There is also an increase in concern about looking thin and eating disorders in children as young as 6. Many find this apparent shortening of childhood and the related body image problems inappropriate. They assign a large part of the blame to the marketing of products such as cosmetics and personalities such as Britney Spears.

5. Controversial Marketing Activities Aimed at Children

There are a number of marketing activities targeted at children in addition to television advertising that are controversial and for which various regulatory proposals are being considered. For example, violent entertainment products (movies, videos, and music) labeled for those 17 and older were, until recently, routinely marketed to kids. Highly publicized acts of violence by teenagers produced threats of regulation and improved self-regulation by the industries. However, it remains a problem.

5.1. Mobile Marketing and Children

Sometimes referred to as the "Third Screen," cell phones are an increasingly integral part of our lives. And marketers see younger children as the next big growth market.

Various types of promotional efforts are being used including:

- *Ringtones* - Customized ringtones are quite the craze. Movies have gotten into the mix in a big way and allow downloads of ringtones such as Samantha's "nose wiggle" ring tone for the movie *Bewitched*. An example targeting an even younger audience is the Pokemon ringtone.

- *Mobile games* - General mobile games are a major market. Increasingly, mobile games are being customized to a brand or event. *Batman Begins* was promoted with a mobile game custom designed around the movie.

- *Text-in contests* - Text message codes are being used by numerous companies for contests and other promotions. Text in a specific code provided in an ad or on the package and you can enter to win various prizes. The ability for marketers to infiltrate yet another media domain with promotions and materials that are seen as further blurring the line between advertising and entertainment has many parents and consumer advocate groups worried.

5.2. Commercialization of Schools

There has been ongoing concern and controversy around the commercialization of elementary and high schools. Schools are often motivated by money as budgets continue to be tight. The issue of commercialization covers a broad sphere of activities. Consumers Union has the following classification system:

- *In-school ads* - Ads in such places as school buses, scoreboards, bulletin boards, as well as coupons and free samples. Other aspects might include schools selling naming rights to companies and distributing ads in student newspapers

- *Ads in classroom* - Ads in classroom magazines and television programs. This also includes ads in magazines distributed in school libraries.

- *Corporate-sponsored educational materials and programs* - Also called sponsored educational materials or SEMs. SEMs are teaching materials provided by corporations, usually for free. They come in various forms including posters, activity sheets, and multimedia teaching aids.

- *Corporate-sponsored contests and incentive programs* - When companies gain access through various contests and incentives including prizes such as travel, free pizza, and so on.

Another area of great concern includes direct sales, usually by food products companies. Carbonated beverages are increasingly under pressure as a result of health concerns related to obesity and juvenile diabetes.

5.3. Internet Marketing and Children

Children are major users of the Internet. Not surprisingly, marketers use the Internet to communicate with kids. Two major concerns have emerged: invading children's privacy and exploitation of children through manipulative sales techniques.

Concern regarding manipulative Internet practices often revolves around the creation of sites that blur the line between entertainment and advertising. This goes back to concerns touched on earlier in terms of difficulties that children have in discerning selling intent and their ability to distinguish commercial from noncommercial content. An emerging concern is "adver-games." These customized games which are placed on a company's Web site prominently feature or integrate the company's brands and products as part of the game itself.

An early set of guidelines set the following principles for development of online commercial services:

- Personal information should not be collected from children, nor should personal profiles of children be sold to third parties.
- Advertising and promotions targeted at children should be clearly labeled and separated from content.
- Children's content areas should not be directly linked to advertising sites.
- There should be no direct interaction between children and product spokespersons.
- There should be no online microtargeting of children (commercial or promotions developed for individual children), and no direct-response marketing.

6. Children's Online Privacy Issues

Online privacy relates to the collection and use of information from Web sites. Collecting information from children is a sensitive issue, as well it should be, given all we know about their information processing deficits relative to adults.

Care should be taken not to exploit a child's imagination. Fantasy, including animation, is appropriate for younger as well as older children. However, it should not create unattainable performance expectations nor exploit the younger child's difficulty in distinguishing between the real and the fanciful. The performance and use of a product should be demonstrated in a way that can be duplicated by the child for whom the product is intended. All price representations should be clearly and concisely set forth. Price minimizations such as "only" or "just" should not be used. Program personalities, live or animated, should not be used to sell products, premiums, or services in or adjacent to programs primarily directed to children in which the same personality or character appears.

Children have difficulty distinguishing product from premium. If product advertising contains a premium message, care should be taken that the child's attention is focused primarily on the product. The premium message should be clearly secondary.

The act requires that commercial Web sites that collect personal information from children under 13 obtain prior parental consent before they collect that information. The act only applies to Web sites, or portions thereof, directed to children or to Web sites that knowingly collect personal information from children under 13. The act does not apply to nonprofits.

Children's commercial Web sites have modified their data collection practices and limited the amount of data being collected. More children's commercial Web sites that collect personally identifiable data are posting privacy policy notices informing parents of what they are collecting and how it will be used. A majority of sites do not have a "clear and prominent" link to privacy policies. Children's sites that have a link for feedback, such as e-mail, often overlook this as a data collection point. In attempting to restrict children under 13 from entering personal identifying information, some sites use methods that could encourage age falsification.

Conclusion

Marketing messages are powerful communications that can have a positive or negative influence on children's behavior, attitudes, health and well-being. Children today are exposed to more marketing than any previous generation, having expanded beyond traditional TV ads into newer media. Food and beverage products developed for, and advertised to, young people are dominated by those that are calorie dense and nutrient poor. Young children have been shown to lack the cognitive abilities to objectively evaluate advertising. An increased interest among stakeholders in addressing the regulation of children's advertising suggests there is an opportunity to move forward with this approach. Several organizations have made public statements about the need for improved regulation of children's advertising. There are legitimate concerns about the effectiveness of a legislated ad ban given the quantity of cross-border media available to children via TV and the Internet. The susceptibility of young children to marketing messages is well established. There is strong evidence that children under eight years of age

generally lack the cognitive abilities to objectively evaluate marketing messages. Younger children, four years and under, cannot consistently tell the difference between television commercials and programming. Marketing to children is seen as critical to establishing and maintaining a life-long relationship with customers and children are increasingly becoming a powerful economic group in their own right.

References

1. Chronic Disease Prevention Alliance of Canada (2006), Background Paper: Marketing and Advertising of Food and Beverages to Children;
2. Bandyopadhyay, S.; Kindra, G.; Sharp, L., (2001), "Is television Advertising Good for Children?", *International Journal of Advertising* 20, no. 1, pp. 89-116;
3. Brand, J.E.,; Greenberg, B.S., (1994), "Commercials in the Classroom", *Journal of Advertising Research*, pp. 18-27;
4. Dwzer, Robert; Tanner, John, (2006), *Business Marketing*, Editura McGraw-Hill, New York,;
5. Goldberg, M.E., (1990), "A quasi-experiment assessing the effectiveness of TV advertising directed to children", *Journal of Marketing Research*. Vol.27: 445-454;
6. Hastings, G., Stead, M., McDermot, L., Forsyth, A., MacKintosh, A.M., Rayner, M., Godfrey, C., Caraher, M. & Angus, K., (2003), *Review of Research on the Effects of Food Promotion to Children*, Glasgow, UK: Centre for Social Marketing;
7. John, D.R., (1999), "Consumer Socialization of Children", *Journal of Consumer Research*, pp. 183-209;
8. Martin, M.C., (1997), Children's Understanding of the Intent of Advertising, *Journal of Public Policy & Marketing*, pp. 205-216;
9. McGinnis, J.M., Gootman, J.A. & Kraak, V.I. (Eds.) (2006), *Food Marketing to Children and Youth: Threat or Opportunity?* Committee on Food Marketing and the Diets of Children and Youth, Institute of Medicine of the National Academies. Washington, D.C.: The National Academies Press;
10. Roberts, P., (1983), "Children and commercials: Issues, evidence, interventions", *Prevention in Human Services*. Vol.2: 19-35;
11. Schor, J.B., (2004), *Born to Buy: The Commercialized Child and the New Consumer Culture*. New York, NY: Scribner;
12. Westen, T., (2005), "Government Regulation of Food Marketing to Children: The Federal Trade Commission and the Kid-Vid Controversy", *Loyola of Los Angeles Law Review*. Vol.39(1): 79-97;
13. Williams J., (2005), *Product Proliferation Analysis for New Food and Beverage Products Targeted to Children 1994-2004*, University of Texas at Austin Working Paper;
14. Wiman, A.R., (1983), "Parental Influence and Children's Responses to Television Advertising.", *Journal of Advertising*. Vol. 12(1):12-18.