

Kommercializing Kids: Advertising to Children since Deregulation

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*Kommercializing Kids: Advertising to Children since Deregulation***Introduction**

There are now more than 52 million children under the age of twelve living in the United States, the largest population growth since after World War II and the height of the baby boom era. This massive group of consumers is a huge market for advertisers, a market more and more advertisers are vying for the attention of. Marketers do this because advertising is a 250-billion dollars per year industry with over 900,000 brands to sell.¹ It is no wonder marketers target this demographic as kids spend around forty million dollars ever year on everything from electronics to clothes to snack foods. This dollar amount is just the tip of the iceberg for kids spending though, as they do not just spend their own money. According to the Media Education Foundation's film *Consuming Kids: The Commercialization of Childhood*, "Perhaps the bigger reasons for marketers' interest in kids may be the amount of adult spending that American kids under twelve now directly influence—an astronomical 700 billion dollars a year, roughly the equivalent of the combined economies of the world's 115 poorest countries."²

This may seem like a high number, but children can be very persuasive, mainly because they have mastered the Nag Factor. The Nag Factor, simply stated, is the idea that by constantly pestering their parents and guardians, children can influence them to buy products they may have not bought otherwise.

¹ (2008). *Consuming Kids: The Commercialization of Childhood* [Motion picture]. Media Education Foundation.

² *Consuming Kids*

A solid example of this occurs in the television show *The Simpsons*. In the episode entitled *Brush with Greatness*, children Bart and Lisa use the nag factor to get their father Homer to take them to an amusement park. The children continue to ask Homer to take them to Mount Splashmore until finally, Homer says after being woken up in the middle of the night, "If I take you to Mount Splashmore, will you two shut up and quit bugging me?"³ Homer is now forced to spend money on admission, locker rental, food, and souvenirs when he originally would have been Mount Splashmore debt free.

Of course, marketers do not solely rely on the Nag Factor to make them money when advertising to the elusive and powerful demographic of children under twelve. The means by which they do access children has changed drastically since the deregulation of advertising towards children in the United States. Because of this deregulation, companies can access children almost everywhere they turn. From the television, to the supermarket, to the Internet, advertising geared towards children is everywhere because of deregulation. It has become such a phenomenon that, as the book *Mass Media Effects Research* says, "The power of advertising to elicit consumer behavior in children and adolescents is the second most investigated problem in the literature on communication and behavior."⁴ The focus of this research is usually on the psychological effects of advertising on children, rather than how advertisers use

³ (1991). *The Simpsons: Brush with Greatness* [Motion picture]. 20th Century Fox Television.

⁴ Desmond, Roger. "The Effects of Advertising on Children and Adolescents: A Meta-Analysis." *Mass Media Effects Research: Advances Through Meta Analysis*. Ed. Raymond W. Preiss, Barbara Mae Gayle, Nancy Burrell, Mike Allen, and Jennings Bryant. Mahwah: Lawrence Erlbaum Associates Inc., 2007. Print. 169

psychological information to access children in the first place. The goal of this paper is to illuminate the use of the latest advances in psychology and technology by youth marketers since deregulation to turn America's youth into one of the most powerful and profitable markets in the world.

The Road to Deregulation of Advertising to Children

While advertising towards children has been around for years, it was not until after deregulation that it became a phenomenon. The first rounds of child-targeted advertising began in the late 1940s and early 1950s, shortly after World War II and the invention of the television. This time was the height of the baby boom, when there were more children in the United States than almost ever before. The numbers were so large that they caught the attention of 1950s advertisers, as one of the first examples of advertising geared directly towards children occurred in 1952, when Hasbro put out television commercials about their product Mr. Potato Head. This change partially occurred because of the advent of cheaper television sets. As the article entitled "We'll Be Back in a Moment: A Content Analysis of Advertisements in Children's Television in the 1950s" in M. Carole Macklin and Les Carlson's book says, "In 1950, nine percent of American homes had television sets; by decade's end, sets were present in 87 percent of homes."⁵

⁵ Alexander, Alison. "'We'll Be Back In a Moment': A Content Analysis of Advertisements in Children's Television in the 1950s." *Advertising to Children: Concepts and Controversies*. Ed. M. Carole Macklin and Les Carlson. Thousand Oaks: Sage Publications Inc., 1999. Print.

The explosion of television sets in households spurred on the growth of advertising, and as a byproduct, the growth of advertising geared towards children. Most households during this period of time tended to only have one television set, so programming was geared to both adults and children. By doing this, the programs attracted the entire family, rather than a specific demographic. Many of these programs had one sponsor who would underwrite the entire program, or a shared sponsorship in which advertisers from different sectors, i.e. an advertiser for food and an advertiser for cleaning supplies, would rotate sponsoring a specific show. In terms of children's programs specifically, "Early children's shows were designed to sell TV sets by enhancing television's appeal to the entire family."⁶ This is one of the first examples of shows created solely to sell some sort of product, a phenomenon that would gain much more prominence after deregulation.

Advertising ventures towards children continued through the end of the fifties and into the sixties, though they were small in nature and relatively inexpensive. There were some changes to the way advertisements were shown, though. Because production costs began increasing in the sixties, it was no longer really possible or logical for one or two companies to support and sponsor a single show. This is where the thirty and sixty second spots that are so familiar in television today first came into being. A shift also occurred in the types of programming. While in the fifties, programming was geared towards the entire family, in the sixties, children's programs had shifted to less valuable time slots,

⁶ Alexander 98

i.e. morning, early afternoon, or Saturday morning hours, from the more coveted primetime evening hours. These early children's programs taught children basic lessons, like etiquette and addition, and provided quality entertainment that was geared more for their age, rather than for the entire family. It wasn't until the 1970s that advertising towards children came to the front of the American public's conscience and was put up for debate in and out of the government.

During the early 1970s, a public interest organization known as Action for Children's Television (ACT) petitioned the Federal Communications Commission (FCC) to create policies to protect children who could not yet understand the persuasive intent of commercials and advertising. The FCC, according to the organization's website, is "charged with regulating interstate and international communications by radio, television, wire, satellite, and cable."⁷ Because of ACT's petition, the FCC adopted its first set of federal policies restricting advertising towards children. On one side of these new policies was the specific limitations on the amount of advertising allowed to air during children's programming. On the other side, the FCC said there must be a clear separation between programs and commercials. This separation policy was then divided into three realms as the *Handbook of Children and the Media* describes:

"*Bumpers*: Program/commercial separation devices, termed *bumpers* by the broadcast industry, were required during all children's shows. These devices are roughly 5-second segments shown before and after

⁷ *Federal Communications Commission*. Retrieved February 17, 2010, from <http://www.fcc.gov>

commercial breaks that say something such as ‘And now a word from our sponsor.’

Host selling: Program characters or “hosts” were prohibited from promoting products during commercials embedded in or directly adjacent to their show. For example, a Flintstones cereal commercial would not be allowed during the *Flintstones* cartoon show.

Program-length commercials: The promotion of products within the body of a program’s story or entertainment content was prohibited. Any material that constituted advertising had to be confined to identifiable commercial segments.”⁸

These rules stayed in place until President Reagan completely deregulated advertising in 1984 as discussed later on in this paper.

Around the same time as the FCC, in 1978, the Federal Trade Commission advocated a ban on advertising to children eight and under, though this ban was not in conjunction with the work of the Federal Communications Commission. According to the FTC website, the Federal Trade Commission:

Pursues vigorous and effective law enforcement; advances consumers’ interests by sharing its expertise with federal and state legislatures and U.S. and international government agencies; develops policy and research tools through hearings, workshops, and conferences; and creates practical

⁸Kunkel, Dale. "Children and Television Advertising." *Handbook of Children and the Media*. Ed. Dorothy G. Singer and Jerome L. Singer. Thousand Oaks: Sage Publications Inc., 2001. Print.

and plain-language educational programs for consumers and businesses in a global marketplace with constantly changing technologies.⁹

It is a bit different from the FCC in that the FTC has, or at least had in the 1970s, the power to regulate any advertising deemed unfair or deceptive in nature, regardless of the medium it was put forth on. As stated earlier, the FCC could only ensure that broadcasters performed with the public interest in mind. The FTC believed that advertising to children that young, children who really did not understand advertising too well, was wrong and should be stopped. During that time, the FTC staff believed that children were particularly deceived by commercials about sugared cereals and were not properly informed about the possibility of cavities resulting from eating these cereals.¹⁰ According to Deborah Roedder John's article in the book *Advertising to Children: Concepts and Controversies*, "At the heart of these debates were questions about children's knowledge and beliefs about advertising, as well as assessments of the age at which children attain an 'adultlike' understanding of advertising messages and their intent."¹¹

Because of this attention to child-targeted advertising by the FCC, and more directly, the FTC, researchers, and concerned consumers, a new period in the world of marketing began, as the Narrator says in *Consuming Kids: The Commercialization of Childhood*, "Advertising to kids may have been confined

⁹ *Federal Trade Commission*. Retrieved February 17, 2010, from <http://www.ftc.gov>

¹⁰ *Consuming Kids*

¹¹ Roedder John, Deborah. "Through the Eyes of a child: Children's Knowledge and Understanding of Advertising." *Advertising to Children: Concepts and Controversies*. Ed. M. Carole Macklin and Les Carlson. Thousand Oaks: Sage Publications Inc., 1999. Print.

during the 70s, but it was during this period that it would come into its own as an industry, triggering a counter-movement to end youth marketing all together; and setting in motion a series of policy decisions that would ultimately determine the industry's future."¹² The FTC led this movement of ending youth advertising, and the American public was there to watch and agree or disagree.

The loudest cries of disagreement came from those directly affected: the toy industries and the sugar cereal companies. They knew that in order to keep their bustling business afloat, they had to get help, so they turned to Congress. Companies like Kellogg told Congress that they did not need someone like the FTC watching over what they were doing and saying that by trying to make money in an economy-driven country, they were actually doing something wrong. Congress took the side of the commercial industries, completely ignoring the concerns about the impact of advertising on children of consumer advocates. Instead, Congress passed the FTC Improvement Act in 1980. The law said that the FTC would no longer have any authority to promulgate any rules regarding children's advertising.¹³ Essentially, Congress took the protection away from children in regards to advertising, opening the door for more and more companies to begin targeting the large demographic. One of the many supporters of this Act, President Jimmy Carter, wrote when he passed the bill that he hoped the FTC Improvement Act of 1980 would stop unnecessary regulation of television and advertising. The bill was not passed easily, though, as Carter says, "Enactment of this bill has been a complicated, often frustrating

¹² *Consuming Kids*

¹³ Kunkel 387

process for the House and Senate conferees and for the members and employees of the Federal Trade Commission.”¹⁴

Of course, deregulation of children’s advertising did not stop with the FTC Improvement Act of 1980. The Federal Trade Commission still had some authority to light control, but this authority would not stay intact for long as Ronald Reagan came into the presidency with a new message. In one speech, Reagan said, “Government is not the solution to our problem. Government is the problem.”¹⁵ In this time, the American public was beginning to focus more and more on the economy and market, thinking that the market was the solution to government corruption and control. By focusing on the market as a way to bring the United States back into its prime after Watergate and the presidency of Jimmy Carter, the Reagan administration completely deregulated children’s television in 1984.

After 1984, corporations realized that Congress would not doing anything to restrict their desire to advertise to children. Companies even had more power to do just that. Not wanting to sit by idle on the chance, many marketers discovered the child demographic, opening the floodgate to what child advertising has become today. It is clear that marketing towards children, and the profit that resulted, grew drastically after the complete deregulation of the practice in 1984. As the Media Education Foundation’s film says, “In the two decades prior to deregulation, kid’s consumer spending increased at a modest

¹⁴ John T. Woolley and Gerhard Peters, *The American Presidency Project* [online]. Santa Barbara, CA. Retrieved from the World Wide Web: <http://www.presidency.ucsb.edu/ws/?pid=44790>.

¹⁵ Reagan, Ronald W. "First Inaugural Address." Washington. 20 Jan. 1981. Web.

rate of roughly four percent a year. Since deregulation, it was grown a remarkable thirty-five percent every year, from 4.2 billion dollars in 1984 to 40 billion dollars today—an 852 percent increase.”¹⁶ These numbers came from 2008 and have most likely increased over the past two years.

While it had not been allowed in the past, companies could now put out television shows, movies, and music for the sole purpose of selling other products. Sure, these shows, movies, and music would make companies some profit, but it was the thousands of products linked to these that really turned into huge profit. Immediately following the Congressional action, the ten best-selling toys on the market were all based on kid’s television shows. It was the beginning of a new time for advertising, a time in which children were prime targets. For instance, when the *Teenage Mutant Ninja Turtles* movie debuted a few years after the Reagan Administration deregulated children-targeted marketing, there were hundreds of products linked to the movie. Books, toys, and a hit television show made the Teenage Mutant Ninja Turtles a must-have for children. The products surrounded children on a daily basis, both in and out of the home. From here, the world of advertising to children only grew as marketers utilized various resources to imprint themselves and their products into the fabric of childrens’ lives.

¹⁶ *Consuming Kids*

Psychologists and marketers team up to get inside a child's psyche

One of the first ways marketers increased their chances at roping in young consumers was by using the study of mental functions and behaviors: psychology. Psychologists study topics like perception, cognition, emotion, personality, and behavior, sometimes even delving into the role of the unconscious. Knowledge gained from psychological studies can be applied to various parts of a human life, including family, education, and the way income is spent. By studying both how parents treat their children and how children interact with themselves and the world around them, marketers have found ways to access children as a market sometimes without the children ever realizing what is actually going on.

This is because psychologists have found that children go through different stages of understanding when it comes to advertisements and their persuasive intent. For instance, as Deborah Roedder John says, "By the age of five, almost all children have acquired the ability to pick out commercials from regular television programming...and in some cases, a substantial percentage of even three- and four-year-olds have been shown to discriminate commercials above chance levels."¹⁷ The above chance level John mentions means that these children were recognizing commercials at a higher rate than they would be simply guessing when a commercial was playing. Before this age, children do not really know the difference between a commercial and the programming they are watching. Marketers teamed with psychologists can use this sort of

¹⁷ Roedder John 5-6.

information to their advantage. As a psychologist, Allen Kanner says in the Media Education Foundation film:

You know the difference between a three year old and a five year old, and you know how to reach a three year old, and you know that you have to play the ad much more slowly and use round figures instead of angles, because children like round figures at that age. And you know that five year olds have a whole different set of concerns, so we can fine-tune the marketing to communicate better with children.¹⁸

By teaming up with psychologists, marketers can begin to understand the workings of the child psyche without ever having to get a degree in the subject. It allows psychologists to make money, for some of them are even on staff for larger companies, and allows companies to increase their chances of selling their products to more consumers, even if this means making commercials that are more like entertainment masking a sales pitch rather than commercials that are simply commercials.

In order to really test this idea of how well children can identify commercials, especially when they are openly announced as commercials, however not necessarily what really appeals to children about specific commercials, an extensive study was done on children ages four and five by Eliot Butter and some of his colleagues in 1981, shortly after the FTC Improvement Act was passed. In his study, Butter showed preschool children videotapes of the television program *Captain Kangaroo*, which was edited to include four thirty-

¹⁸ *Consuming Kids*

second commercials between the program sections. To help children understand when commercials were airing, separators, like those mandated by the FCC, were placed between the programming sections and the commercials. In these separators, a voice would say something like, “*Captain Kangaroo* will return after this short break.” In the study, children were asked to raise their hands or tell the experimenter when a commercial was playing. They were also asked ten or fifteen seconds into the commercials if what they were watching on the screen in that moment was part of the *Captain Kangaroo* program. The experiment ended with questions like, “Why do they put commercials on television?” and “What is the difference between a commercial and the ‘Captain Kangaroo’ show?”¹⁹

While the study found that many children could recognize commercials, including seventy percent of four-year-olds and ninety percent of the five-year-olds, the study also unearthed another problem in terms of a child’s understanding of commercials: they did not realize what the commercial was really for. As Butter concluded in his study, “Young children may know they are watching something different than a program but do not know that the intent of what they are watching is to invite purchase of a product or service.”²⁰

Researchers have found that this knowledge does not come into play until children are a little bit older, around seven and eight years old. From here, children like Margot Kennedy, an eight-year-old from the Washington, DC area,

¹⁹ Butter, Elliott J., Paula M. Popovich, Robert H. Stackhouse, and Roger K. Garner (1981), “Discrimination of Television Programs and Commercials by Preschool Children.” *Journal of Advertising Research*, 21 (April), 53-56.

²⁰ Butter et al. 56

say, “Commercials are trying to get you to buy something or go somewhere and buy something.”²¹ Before this age, children who can recognize commercials either say they are a form of entertainment and funny to watch, or they are sources of information about a product that a person can buy.²²

The age at which children begin to understand the intent of commercials is not the only information marketers use, though, when using psychology to gain better access to the child demographic. Researchers have also come to the conclusion that children get very attached to certain toys or figures in their lives. They have heroes, people they want to be when they grow up. As Thomas Johnson, a preschooler at the Community Preschool of the Palisades in Washington, DC says, “I want to be Superman when I get bigger ‘cuz he has really cool powers. He can fly and he can shoot lasers out of his eyes!”²³ Advertisers can capitalize on a child’s love of a certain character by using said character in a campaign for products related to that character or for products completely unrelated at all. Michael Rich describes this in the Media Education Foundations film by saying:

Growing up is a very strenuous, difficult, and sometimes hard and scary process for children. One of the things that gives them some stability and continuity in that is their attachment to touchstones in their lives...These are constants in their lives. These are things that they have figured out, they feel they understand, and that they feel comfortable with, and indeed,

²¹ Kennedy, Margot. Personal Interview. 13 Jan. 2010

²² *Consuming Kids*

²³ Johnson, Thomas. Personal Interview. 1 Feb. 2010

in their own way, love. When you take that, and you leverage that into saying, 'eat this food,' you are basically leveraging that very powerful emotion that the child has—that very powerful attachment—to make money.”²⁴

This is often why products like video games and fast food restaurants use these characters in their marketing campaigns. If a child sees a commercial for Burger King featuring toys from that child's current favorite movie, research shows that that child is going to want to go to Burger King solely for that toy.

But as the demographic of each child generation changes, so too does the way marketers use psychology to reach children. When child advertising first began after deregulation, the focus of these commercials was on the actual characteristics of a product. Whether it was a doll that could talk or cereal that changed color when put in milk, the advertisements were about the “cool things” the advertised product could do. Now though, the focus is less on the physical characteristics of a product and more on what purchasing that product can do for a child. This is often called symbolic advertising, that is, advertising based on the social meaning of a product. Children now want products that will make them appear more cool. Essentially, it is like saying, “If your jeans are from K-Mart and not Bloomingdales, you obviously aren't anybody. You aren't cool enough.” This is especially apparent in children's programming today. For instance, in the film *High School Musical 2*, the character Sharpay Evans, a blonde high school girl with a rich family, sings a song that goes, “Fetch me my Jimmy Chu flip-flops.

²⁴ *Consuming Kids*

Where is my pink Prada tote? I need my Tiffany hair-band. Then I can go for a float.”²⁵ Children not only recognize these brands at younger and younger ages, they realize these brands are associated with having a lot of money, something considered “cool” in the eyes of children. This same thought process swelled the sales of Furbies in 1998, and more recently, Zhu Zhu pets in late 2009. While both of these toys had neat new abilities, children flocked to stores or begged their parents for these toys because, as six-year-old Nora Salsman says, “The kids in my class will make fun of me if I don’t get a Zhu Zhu pet.”²⁶ At this point, it does not matter so much whether or not a child sees a commercial for this product, it simply matters that “everyone else” in the class has one, so that one child must need one as well.

One particular group of marketers have capitalized on this word-of-mouth advertising, relying on the idea that once a few children have their products, others will want them as well. The GIA, or Girls Intelligence Agency, is a relatively new company in the United States that employs young girls to get into the heads of the female child population. As the GIA website explains:

[The] Girls Intelligence Agency is a unique organization comprised of approximately 40,000 ‘Secret Agents’, ages 8-29, living all over the United States. GIA communicates with these Influencers daily, seeking out their opinions, ideas, motivations, dreams and goals and translates that

²⁵ *High School Musical 2*. Dir. Kenny Ortega." Perf. Tisdale, Ashley. Walt Disney Pictures: 2007, Film.

²⁶ Salsman, Nora. Personal Interview. 6 Jan. 2010

information to help hundreds of corporations in the U.S. to strategically reach and connect with the female youth market.²⁷

In other words, GIA helps companies sell products to female children without these children ever realizing they are being advertised to. GIA also has a huge client list, including big names like Nestle, Mattel, Lego, Dreamworks, Disney, Warner Brothers, Sony, Twentieth Century Fox, and many others.²⁸ Through this kind of work, it no longer matters whether or not a child can tell the difference between a commercial and a regular program.

While children may be able to realize what commercials are and eventually understand the purpose behind commercials, when in fact they are actually viewing commercials and not undercover ads by companies like GIA, marketers have also taken to using a child's subconscious in an attempt to sell products. To do this, marketers use product placement, that is, putting products or advertisements for products in places that advertisements usually would not be seen. While adults may find these "unassuming advertisements" annoying and unnecessary, children may not even realize that there is an advertisement on the screen. For instance, in the film *Shark Tale*, the opening scene shows of a view of the town's center, a place that looks very similar to an underwater Times Square. It has busy streets, a ton of people, and massive billboards displaying products and product brands. These include billboards for Old Navy, Gap, Krispy Kreme and Coca Cola, all sponsors of the film. The issue with these

²⁷ "Girls Intelligence Agency." N.p., n.d. Web. 27 Feb 2010.
<<http://www.girlsintelligenceagency.com/>>.

²⁸ Girls Intelligence Agency

advertisements in the eyes of those with concerns about child advertising is that children do not realize that they are seeing advertisements while simply watching a movie. To make it even more difficult for children to realize what they are seeing, the billboards in *Shark Tale* are essentially “fishified.” Instead of seeing straightforward advertisements, children see Old Wavy, Gup, Krispy Kelp and Coral Cola.²⁹ While the brands may have different names, they are still symbols that children can understand at a subconscious level, even if they do not realize they see them at the conscious level.

Psychologists have only just begun the road to understanding the effects of product placement on children, but psychologists do know that it is an effective method of advertising, especially because the target market of younger children are still too young to truly understand what an advertisement is when there are bumpers separating it from regular programming, let alone when that advertisement is part of the programming. Companies are so desperate to access this group of consumers that, as the Media Education Foundation film says, companies are just trying to make money and reel kids in to that company’s products at an early age. The film says, “It’s part of this—by any means necessary—we’ve got to get to the kid. We’ve got to make sure that this kid is indoctrinated as a consumer cadet, so therefore we have to get to them in ways that they maybe don’t even know that we’re getting to them.”³⁰ In 2008, this use of product placement was brought under review by the Federal Communications Commission. The review, according to David Oxenford’s article “Embedded

²⁹ *Shark Tale*. DreamWorks Animation: 2004, Film.

³⁰ *Consuming Kids*

Advertising and Product Placement,” came about because, “The commission is concerned that these practices expose the public to advertising messages without revealing that they are in fact “advertising,” and without telling the public who is trying to persuade them to make a decision.”³¹ So far, there have been no definitive actions or requests made by the Federal Communications Commission, but this could always change in the future.

Technology aids marketers in taking the child population by storm

Marketers use the knowledge they gain from studying children through the eyes of psychologists to access the kid demographic. This knowledge is applied to the technology of the time, especially because advancements in technology have gained momentum since deregulation, both in terms of publishing advertisements and tracking how successful advertisements are. Back when advertising towards children first came into being, marketers had the radio, television, music, and printed materials for their usage. Now with the age of cell phones, video games, and most importantly, the Internet, marketers can access the attention of children from all facets of life and at all angles.

For instance, product placement, as discussed earlier, plays a huge role in the world of children-targeted advertising. No longer do companies simply have to run television ads to catch the attention of those children under the age of twelve. Companies can place ads anywhere they want, whether that be on a child’s favorite game website or even in bathrooms at elementary and middle

³¹ Oxenford, David. "Embedded Advertising and Product Placement." *Television Broadcast: TVB* 31, no. 8 (2008): 26-27.

schools. With the advancement of the Internet, advertisements have become games and even interactive worlds that children can access at home on a computer, in school, and even on their cell phone.

The advent of cell phones, and, more specifically, “smart phones,” has children accessing websites from absolutely anywhere. These smart phones are more than just convenient ways to call family, friends, or just a random person. Instead, these phones allow users to access the Internet, download games and music, send emails and text messages, and even make restaurant reservations and order products. And as younger and younger children are receiving cell phones, marketers have a whole new way to access this generation. Companies do not have to worry about the constraints of the television or computer. Kids can now sign up to receive text messages from their favorite movie and television characters and access interactive online worlds from anywhere. This puts the marketing of products right in the faces of children at all times, an important goal of companies and their advertising branches.

One of the biggest examples of the use of cell phones by advertisers is the various Internet and television ads that tell viewers that if they text or call a certain number, they will find out who has a crush on them or how much money they are going to make. These advertisements, which run on almost every channel on television and can be seen on sidebars on various websites, do not truly announce themselves as advertisements. Instead, they ask viewers questions like, “Do you know who likes you?” and “Want to know what your future holds?” Adults may realize what these advertisements are, especially with the

monthly cost of the service announced, but children with cell phones are not necessarily so observant. Instead, children may text these numbers because they think they are cool, but what they do not realize is that the way to unsubscribe from these services is hidden in miniscule writing at the bottom of the screen. The services do not even ask for an age requirement, so children of any age with access to a cell phone can get caught up in these advertising scams. While children may not necessarily be the target market of these commercials and ads, they are prone to them because of their lack of knowledge about the intent of advertising and because of advances made in technology in the past few years. Cell phones have made such a large impact on the world of child-driven advertising that even The Early Show commented on it, saying, “Children with cell phones have become a prime target for marketers selling products. It’s because one in four American kids between the ages of eight and twelve has a cell phone. That’s five million children, and that number is expected to double in the next three years.”³²

While cell phones are certainly useful tools for marketers in their quest to stake their claim on the child demographic, the absolute tool for marketers is the Internet. For many years, the Internet was simply a place for adults and older students to gather information and communicate with friends, family, and employers. Now, though, the Internet is not just for the adult generation. Instead, companies have taken to marketing towards children on websites because it is just as likely to see a child on the Internet than it is to see a child

³² *The Early Show* from *Consuming Kids*

playing out on the playground. Child culture in the United States has changed drastically over the past few years as more and more children take to video games and the Internet, rather than the imaginative play older generations experienced. Because of this, marketers can create websites solely for the purpose of making money and advertising products. And once one company has a website, it is not long before other companies follow suit, trying to reel in children who may just be a bit distracted from a school project.

Companies like Disney, Nickelodeon, and snack food companies like Chips Ahoy all employ technology via their websites. Each site not only gives children information about their favorite movies, television shows, characters, and snacks, but also gives them games to play and links to products related to those games. This is especially prevalent on many snack food websites. On Nabisco's website, for example, there is a game called "Race for the Stuf," based off of the Oreo, a popular cookie. In the game, a player races around trying to get Twist, Lick, and Dunk icons, all popular ways to eat an Oreo. The first person to get enough of each to fill up their scoreboard wins an Oreo. The game can take up to five minutes to play one round, keeping a child's focus on Oreos for that amount of time. The Nabisco website does not warn children that this game is essentially an advertisement for Oreos. Instead, on the very bottom of the page in fine print that is difficult to see because of the color of the text and background, a picture of two crossed flags sits besides the statement, "Hi kids, when you see "Ad Break" it means you are viewing a commercial message designed to sell you something. Remember, if you are under 18 years old, you

should get a parent's permission before you submit any information about yourself or try to buy anything online."³³ While it is a nice touch that the Nabisco website warns children about the advertisements on their website, they do not think much of the content of their website is an actual advertisement within itself. There is also the phrasing of the warning, using the word "should" rather than "required." This blurs the line between warning children and inviting them in, especially since children often want to do what they are told they *should* not do.

A simple game on a company's website, though, is not the only way marketers and advertisers are reeling children in on the Internet without those children really realizing that what they are experiencing is an advertisement, even if it is fun. One of the biggest new phenomena to hit the Internet is the birth of interactive virtual worlds that millions of kids log on to every single day. Websites like Neopets and Nicktropolis allow kids to take care of pets, visit different locations, and communicate with other kids across the country and around the world. One of the biggest examples that debuted only a few years ago is Webkinz. On the Webkinz website, millions of children can chat with each other, shop, and explore a virtual world. But, not every child can access this world. To gain access, children must purchase a fifteen dollar stuffed animal that is imprinted with a secret code that allows kids to join and enter the world of Webkinz.³⁴ Once within the virtual world, kids are encouraged to shop some more.

³³ "Race for the Stuf." *Nabisco World*. N.p., n.d. Web. 12 Jan 2010. <<http://www.nabiscoworld.com>>.

³⁴ *Webkinz*. N.p., n.d. Web. 13 Mar 2010. <<http://www.webkinz.com>>.

It is not only the money companies make from these types of websites, though, that drives marketers to create them. These website also have an uncanny way of collecting information from the children who view them, often without them ever noticing. The Internet allows people, including children, to be micro-targeted. Companies send out personalized Happy Birthday emails with links to special birthday deals, and websites can actually track what websites a person views and how much time that person spends on any particular website. Companies use this information to personalize ads for each individual viewer, with these viewers including children. Nick Russell says in the Media Education Foundation film, "If you set up five different accounts, from five different geographic areas, on different genders, on different ages and different preferences, you will see five different ads. You will see five different worlds. Now, as a child, you don't know that. As a child, you're competing with MBAs. You're competing with some of the smartest people out there."³⁵ Before the last decade or so, this would have been impossible to do. Companies would have to run the same ad, regardless of a computer user's usage history, making those ads a bit less effective. With this technology, companies increase their chances of making money because Internet users, especially children, will be attracted to advertisements that proffer a good or service that that user especially likes.

The situation gets a bit hazy when it comes to gathering information from children online, though, because of the Children's Online Privacy Protection Act. The law, which was passed in 1998, "mandates that commercial Web sites

³⁵ *Consuming Kids*

cannot knowingly collect information from children younger than thirteen years. These sites are required to provide notice on the site to parents about their collection, use, and disclosure of children's personal information and must obtain verifiable parental consent before collecting, using, or disclosing this information."

³⁶ The problem is that by varying the ads children see on the Internet based on other websites children have visited, companies are, in a sense, collecting information from children. This information may not be their mailing address or other contact information, but it is information advertisers can use to access the child market.

Marketers use these various technologies to get around the few laws that do check their actions. One of these laws, the Children's Television Act of 1990, says that only 10.5 minutes of advertising during children's television can air per hour on weekends and 12 minutes of advertising per hour on weekdays.³⁷ By accessing children via their cell phones and their computers, especially because the younger generation is made up of notorious multi-taskers, advertisements for products constantly surround Americans. The problem with this is that while teenagers and adults are aware of all the advertising, and may even be annoyed by it, children do not even realize that marketers are purposely putting advertisements in front of them at all times in a variety of places. This is how the average American child sees almost 3,000 commercials per day. It is because

³⁶ "Children, Adolescents, and Advertising." *Pediatrics: Official Journal of the American Academy of Pediatrics*. American Academy of Pediatrics, 2006. Web. 2 Apr 2010. <<http://www.pediatrics.org/cgi/content/full/118/6/2563>>.

³⁷ "Children, Adolescents, and Advertising."

companies no longer have to rely on television commercials. As stated earlier, companies can surround a child's every action.

Advertisers do not stop at simply using technology like cell phones and the Internet to put their ads out for children to see. Companies are now turning to the use of expensive medical technology in order to track what advertisements are successful and what makes those advertisements more successful than others. To do this, marketers turn to the help of neuroscientists, or people who study how the brain works and what parts of the brain show a person's interest in something they are viewing. By doing this, they are creating a new brand of marketing, neuro-marketing, which is, "the practice of measuring neurological responses to particular commercials, print ads or campaigns."³⁸ Graham Page and Jane Raymond vocalize the reason why advertisers turn to neuroscience in their article, "Neuroscience and Marketing: It's what it means that counts, not how it's done." At the beginning of the article, they say, "Neuroscience techniques seems to offer that most tantalizing of prizes—an objective view of what consumers really think, free from interviewer or questionnaire bias and respondent confabulation."³⁹ There is no distraction when using neuroscience techniques, whereas in focus groups and observations, the experimenter, other members of the experiment, and outside events and happenings can skew the results because the situation cannot be as easily controlled. The only issue with

³⁸ Walsh, Barry. "Gray matters: Probing the Brain in the Name of Advertising." *Boards* (2008): 13.

³⁹ Page, Graham, and Jane Raymond. "Neuroscience and marketing: It's what it means that counts, not how it's done." *International Journal of Advertising*. 26.1 (2007): 132-134. Print. 132

using these techniques is that they cannot be done by just anyone. A marketer on the street would not be able to run the technology needed to gain information from inside the brain. Instead, companies must turn to experts for help if they decided to go this route in order to gain information.

In order to fully understand how marketers use neuroscience to gauge how successful their campaigns are, it is first necessary to understand the methods they use to view the brain and its responses to stimuli. The first method neurologists use to track the brain's responses to stimuli is through the use of electroencephalography, or EEG. This moderately expensive but readily available process tracks the electrical activity of the brain and records it for use by researchers and scientists. By tracking the electrical currents emanating from a person's scalp, marketers can see what sparked a test subject's interest and what did not. The one issue with using this method is that electrical currents from the brain are sometimes a bit muddled by variations in the skulls, with these variations including the eye cavities and nasal passages.

Magnetic fields are also detectable outside of the skull, though the strength of these fields is very weak. In order to detect them, an advanced mechanism called SQUID, superconducting quantum interference device, must be used in conjunction with a coil to pick up the interferences. These two coupled together make up MEG, or magnetoencephalography, a rather more expensive way to gain data from the brain and its responses to stimuli. Hilke Plassmann, Tim Ambler, Sven Graeutigam and Peter Kenning discuss the key difference between the two in their article, "What can advertisers learn from

neuroscience?" They say, "MEG and EEG are conceptually similar technologies, but MEG offers superior signal quality in conjunction with very high time-resolution."⁴⁰ In other words, MEG offers stronger, more accurate results in a timely manner.

Neuroscientists can also gain information by monitoring the metabolic processes induced by changes in brain activity. To do this, they use both Positron emission tomography (PET) and functional magnetic resonance imaging (fMRI). These both measure physiological functions, including, "changes in metabolism and metabolic by-products, blood flow, blood volume and blood oxygenation."⁴¹ Marketers can use this information to signify what ads are instigating responses and what ads are not. Some of these responses that neuroscientists look for are an increase in the speed of the heart beat and faster, more shallow breathing. Both of these signs indicate that a subject is interested in what he or she is seeing or experiencing. The following chart, taken from the article, shows the key differences between the techniques, making it easier to differentiate between them without knowing much about neuroscience.

⁴⁰ Plassmann, Hilke. "What can advertisers learn from neuroscience?." *International Journal of Advertising* 26, no. 2 (2007): 151-175. 155

⁴¹ Plassmann 155

Table 1: Overview – advantages/disadvantages of different techniques

Technique	EEG	MEG	PET	fMRI
What is measured	Electric fluctuations	Magnetic fluctuations	Changes in metabolism	
Advantages/disadvantages				
1. Potential risks for participants	++ non-invasive	++ non-invasive	– invasive – claustrophobic anxiety	++ non-invasive – claustrophobic anxiety – noise – no ferromagnetic implants
2. Temporal resolution	++ very good	++ very good	– limited	– limited
3. Spatial resolution	– limited	– limited	+ good	++ very good
4. Costs of data collection	++ very cost-efficient	– expensive	– expensive	– expensive
5. Complexity of data analysis	– moderate to high complexity*	– moderate to high complexity*	– relatively high complexity	– relatively high complexity

Source: partly adapted from Baillet *et al.* 2001.

Notes: + and – indicate positive and negative features within in a row respectively; *dependent on research objective; this table is simplified but provides an overview for non-technical readers

42

The use of neuroscience in marketing is a relatively new phenomenon, though, especially because many experts still think a company can gain the same insight they would from neuroscientists in other, less expensive ways. Despite this criticism, companies are paying the bill for these sorts of tests and not everyone in the United States is too happy about it. For instance, Robert Reiher says in the Media Education Foundation film, “That’s another whole new scary thing to put a child on a MRI, and watch what is being lit up inside his brain based on the stimulus, and then saying, ‘wow, this works, this is good, look what happens.’”⁴³ For some, this brings up the question of, “At what point are we going too far in order to make money?” These questions, though, do not mean companies are going to stop using this technology, even if some critics do

⁴² Plassmann 156

⁴³ *Consuming Kids*.

believe that it is too invasive for a young child. As technology advances more and more, and as that technology gets cheaper and cheaper to use, marketers will have much more of this sort of information right at their fingertips. It is also likely that experts will create more ways to get inside the human brain.

Conclusion

While there may have been more than 52-million children in the United States back in 2008, this number is likely to increase after the findings of the 2010 Census are published. For marketers, this means more young, pliable minds that can be turned into lifetime consumers. With each passing day, companies, experts, scientists, and psychologists find more ways to access this large demographic of consumers. And since regulations and laws have not changed much since deregulation of the industry in 1984, companies have free reign on the youth market.

Companies are not on their own, though, when trying to discover new ways to make money through the child demographic. For the past few years, people have been putting on national conferences focused solely on ways to sell products to and make money off of the youth market. These conferences showcase new studies done by psychologists and neuroscientists, new technology, new marketing campaign ideas, and even new trends in the culture of the youth demographic. While these conferences, when they first began, were few and far between, there are now almost twenty per year across the country.

Even without conferences to aid them, companies would find their own ways to attract the child demographic simply because companies need money. If a company can make their product desired by children, they have a constant source of revenue. And if companies are reeling these kids in when they are younger, there is more of a chance that the children will continue to buy products from that company, even as they grow up. Companies want these “lifetime consumers,” and are willing to do almost anything to get them. From brain scans to focus groups, television commercials to computer advergames, marketers have found more and more unique and effective ways of accessing one of the most profitable markets in the country: children under the age of twelve.

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