

Donald S. Clark
Federal Trade Commission
Office of the Secretary
Room H-1345
600 Pennsylvania Ave NW
Washington DC 20580

**RE: Food Industry Marketing to Children and Adolescents Study:
Paperwork Comment; Project No. P094511**

Dear Mr. Clark:

The Food Marketing to Children Workgroup respectfully submits comments in response to the Federal Trade Commission's (FTC's) Notice of Agency Information Collection Activities, 74 Fed. Reg. 48072 (Sept. 21, 2009). In this Notice, the FTC requests comments on a proposed information collection to follow up on its 2008 study requested by Congress to review industry expenditures, activities, and voluntary regulations of food marketing practices to children and adolescents.

The Food Marketing to Children Workgroup ("Workgroup") grew out of a convening of leaders in nutrition, marketing, the non-profit sector, and government in 2007, who were concerned about the proliferation of food and beverage marketing targeting children and youth. The Workgroup is composed of more than 120 individuals from academics and local, state, and national child advocacy and health organizations across the United States. This national network, convened by the Center for Science in the Public Interest and Berkeley Media Studies Group, shares important information and advocates for policies to reduce children's and adolescents' exposure to marketing of low-nutrient and high-calorie foods and beverages that do not support a healthy diet.

The Workgroup strongly supports the FTC's proposed information collection as necessary and useful. In addition, we recommend that the FTC collect some additional information to improve the utility and quality of the proposed information collection so that the follow-up Food Marketing Report will reflect digital media, target marketing, and other trends and strategies that have evolved since the first FTC report was released in 2008.

I. The Information Collection Is Necessary to Assess Changing Food and Beverage Marketing Practices

The Commission's 2008 report, "Marketing Food to Children and Adolescents: A Review of Industry Expenditures, Activities, and Self-Regulation," provided crucial insights into the contemporary marketing practices by the food and beverage industry, and elucidated how the nation's food and beverage environments are being shaped. Federal Trade Commission, Marketing Food to Children and Adolescents (July 2008), <http://www.ftc.gov/os/2008/07/P064504foodmktngreport.pdf>. In the 2008 study, the FTC made several recommendations including that companies should improve the

nutritional profiles of their products and that the Council of Better Business Bureaus, Inc. (CBBB) should enhance its Children's Food and Beverage Advertising Initiative. *Id.* at ES-8, ES-9. In the Notice, the FTC proposes to follow up on the 2008 study by seeking the same types of information that it collected for that study in 2006. In addition, it proposes to gather nutrition information about the categories of food and beverage products the companies marketed to children and adolescents in calendar years 2006 and 2009 to evaluate changes in nutritional content. It also proposes to obtain scientific and market research exploring psychological and other factors that may contribute to food advertising and marketing appeal among children (ages 2-11) and adolescents (ages 12-17).

The Workgroup strongly supports this proposed collection. Obtaining the same types of data collected in 2006 for 2009 will allow the FTC to assess the extent to which the 2008 recommendations have been implemented, and identify additional actions that may be needed to improve the food and beverage landscape influencing children's preferences, purchases, and consumption behaviors. Collecting nutritional data for both time periods is essential and will permit the Commission to better assess the impact of companies' industry-wide and self-regulation pledges, and where more progress can be made.

In addition, the proposed collection of scientific and market research data will improve the utility of the FTC study. Food and beverage marketers are constantly developing new market research techniques. As marketing shifts away from traditional, mass media, such as broadcast and cable television, to digital, interactive and mobile media and marketing, it is important to know how much food and beverage marketers spend on these newer technologies. Currently, marketers aggressively utilize social networking, texting (especially short-code messaging), viral videos, and advergames to reach kids. Therefore, **exposure data needs to be collected, and disaggregated amongst the different types of new media**. Simply reporting it together under the umbrella of "the Internet" would obscure the variety of means by which marketers influence children.

Furthermore, it is **essential to know what is being collected through marketing and psychological research** (including proprietary market research conducted in-house by food and beverage companies, as well as that which is obtained through outside vendors, including marketing consultants and public relations firms). These market research techniques include analytics -- measurements of online ad effectiveness -- that firms use to assess the experience of digital users including how long they stay on a Web site, where their mouse hovers, what they forward to friends, etc., and technological innovations, such as neuromarketing and biometric measures. Collecting and understanding the cutting edge techniques used to market food and beverages to children and adolescents will help to inform the FTC's findings and future recommendations concerning how to improve the food and beverage marketing environment to promote better quality diets among children and adolescents.

Finally, **the Commission should inquire into industry expenditure and exposure data for marketing that reaches large numbers of children and adolescents even when they are a small percentage of the overall audience.** In Appendix A of its initial report, the FTC defined advertising that targets children as having an audience threshold of 30% for children and 20% for adolescents. Yet the FTC also acknowledged that the “top five broadcast television programs watched by adolescents during the 2005-2006 television year” did not reach that threshold (A-4). Thus, the FTC did not include marketing expenditures for those programs. However, programs such as *American Idol* or *The Simpsons* reach millions of young people daily. Therefore, the FTC should modify its definition of child or adolescent targeted-programming so that exposure and expenditure data from food and beverage marketing on the top programs watched by children and adolescents can be included in the new report.

II. The Quality and Utility of the Data Would Be Improved by Collecting Data on Exposure, Target Marketing, Privacy Practices, and from Entertainment Companies.

The Commission's data collection process can be improved by including questions that are intended to capture and quantify new marketing practices used by food and beverage marketers and entertainment companies. We recommend that the Commission should also collect data on children's and adolescents' exposure to marketing. In addition, the Commission should inquire about multicultural target marketing, privacy and data collection practices of marketers, and include questions to Media and Entertainment companies in order to measure how they are implementing and evaluating the FTC's recommendations.

A. Exposure Data

In its 2008 report, the Commission recognized that a focus on expenditure data “may underestimate the degree to which food and beverage marketers use the Internet to reach children and teens – both through online display advertising and company-sponsored Web sites featuring entertainment content like 'advergames.’” *Id.* at 17. In the 2008 Report, the Commission included estimates of Internet advertisement exposure in Appendix D.

In the upcoming data collection, the Commission should collect actual, comprehensive exposure data, not simply estimates. Collecting exposure data will significantly improve the utility and quality of the study, because the food and beverage marketing landscape has undergone substantial changes. A major change is that marketing, in general, and food and beverage marketing, in particular, is migrating from traditional measured media, such as television, to comparatively lower cost media channels, such as mobile devices and the Internet, known as interactive or digital media. Advertising on digital media is far less expensive than advertising on traditional media. Because the cost of advertising per person has shrunk dramatically with the proliferation of digital media, expenditure data alone will not properly reflect the exposure of children

and youth to food and beverage marketing. For example, Coca Cola CEO Muthar Kent reports that it is “shifting to more digital media.” A Facebook page for Coke has 3 million “fans” and was developed by two of these fans at “no cost” to Coke. (See WARC, *Coca Cola Focuses on Digital*, (July 23, 2009), <http://www.warc.com/News/TopNews.asp?ID=25443>. Accessed September 21, 2009.)

Exposure data will allow the FTC to better understand the effects of marketing on children’s and adolescents’ food and beverage preferences, purchases and consumption habits. The exposure data should include not just impressions, but also time spent viewing and interacting with advertisements and other forms of marketing that companies do not view as “advertisements” per se. For example, the Commission should collect information so as to understand the nature and extent of children’s and adolescents’ exposure to ads for the company’s products when they are playing games on Web sites, such as Postopia.com -- filled with images of various Post Cereal brands and spokes-characters. Without exposure data for 2009, the FTC’s report could significantly underestimate the reach of digital advertising and marketing, and obscure the frequency, reach and intimacy food and beverage marketing now has in the lives of our nation’s young people. This request should impose little burden on the affected companies as these firms should have easy access to this data, because collecting such data is a routine part of digital marketing.

B. Collection of Multicultural Target Marketing Data

Secondly, the Commission should inquire about food and beverage companies’ multicultural marketing efforts that target ethnic minority youth. Population projections note that ethnic minority youth, Hispanic American, African American and Asian American, along with immigrant youth, are the fastest growing segments of the child and adolescent population. This point is not lost on marketers, who are increasingly developing and refining approaches to reach these groups specifically. As Katy Bayne, Chief Marketing Officer of Coca-Cola recently said, “multicultural consumers are our core focus” of future marketing efforts. (See http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=117653. Accessed November 19, 2009.) However, these are also the same groups who face the most severe nutrition and activity inequalities, and have the highest rates of obesity and related diseases. Understanding targeted marketing campaigns is crucial to reversing those trends, because such efforts often promote the least nutritious food and beverage options.

The Commission should first ask companies which ethnic minority youth groups they target, and how such groups are identified. The Commission should also inquire as to what marketing campaigns or products companies direct toward ethnic minority youth. And the Commission should ask for the expenditure and exposure data for traditional and new media target marketing campaigns targeting these groups, as described in section A.

C. Collection of Personal Information and Profiling

The Commission should inquire about the collection of information from and about young consumers. The advertising ecosystem and its impact is dependant on the collection of information. This includes data that is both personally identifiable, as well as in more pseudonymous form, such as cookies or Internet Protocol addresses. Web sites, advergames and other interactive technologies are not just content delivery platforms, but also collect data. It is essential that the FTC determine what information is being collected from and about children and adolescents and how it is used to shape modern food and beverage marketing strategies and techniques.

The Commission should ask companies to report how many data profiles they have; what categories of data they collect; how many of these profiles are of teens, children or unknown; and to detail the privacy policies that these data are subject to. Companies should detail their information sharing and use plans; the sources of their data on consumers; and how long they retain this data.

D. Data from Media and Entertainment Companies

Finally, the Commission should collect information from media and entertainment companies with significant viewership by children and adolescents. In the 2008 report, the FTC made several recommendations to media and entertainment companies, including:

- Media and entertainment companies should limit the licensing of their characters to healthier foods and beverages that are marketing to children.
- Media companies should consider adopting uniform, objective standards that limit advertising placements on programs “directed to children” to healthier food and beverage products.
- Media and entertainment companies should continue to incorporate health and nutrition messages into programming and editorial content, and to create public education campaigns aimed at the problem of childhood obesity. 2008 Report at ES-11.

The Commission should collect the data from media and entertainment companies that are needed to evaluate whether they are effectively implementing these recommendations, and whether further actions are warranted.

Thank you for the opportunity to submit these comments. Again, the Workgroup strongly supports this data collection and looks forward to the FTC’s next Food Industry Marketing to Children and Adolescents Study.

Sincerely,

The Food Marketing to Children Workgroup