

The Ethics of Marketing to Children

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As an aspiring marketing professional within the field of consumer products there is a controversial issue which I expect to face more than once throughout my career. This issue, which is by no means a novel development but has become a more litigious subject in recent years, is whether marketing to children is ethical. The toy industry, which is known for its brutal cut-throat competition, ironically, targets one of the most innocent segments of the population. While companies that produce children's products are notorious for aggressively advertising, and marketing in general to children, this issue is not restricted solely to the toy industry. In fact, the food, beverage, confectionary, and even financial, fashion and technology sectors are creating more and more marketing campaigns specifically targeted at children. In 2002, approximately \$15 billion was spent in the U.S. on marketing communications directly targeted at children. This included television and print advertising, product placements, sales promotions, packaging design, public relations, and in-school marketing.

The matter regarding children's ability to comprehend advertising and to distinguish between claims that are realistic and truthful and those that are merely fantasy has been the subject of heated debate since the early 1970s. Throughout the 1970s and early 1980s, the controversy stemming from this issue stimulated considerable research. At the root of the debate was the question of children's unique vulnerabilities. The main concern was whether marketing aimed at children, particularly those under the age of 8, is detrimental to them, both mentally and physically. The emergence of increasingly sophisticated advertising media and the proliferation of the Internet in recent years (which produced additional methods to target children) have intensified the debate, but oddly not the attention devoted to research.

Advertising and marketing are ubiquitous factors in the lives of American youth. Estimates suggest that today's children spend an average of 4 hours per day watching television and are exposed to about 5 hours of commercials per week, which amounts to 40,000 commercials in a single year. About 83% of commercials during the most popular shows for children ages 6 through 11 advertise snacks, fast food or sugary treats. Approximately 88% of children between the ages of 5 and 14 use computers, and 53% have access to the Internet. Studies of media usage indicate that new media, such as the Internet, are not displacing television viewing but are rather supplementing it. According to a 2006 study, "The Media Family," within the 4 to 6 year-old age group, a third of children own a DVD player, a portable handheld videogame player, and a TV set in their room. An astounding 90% of the children studied use some form of screen media every day for an average of 2 hours.

Recent estimates suggest that children account for about \$30 billion in direct spending annually and influence an extra \$600 billion in family purchases. In addition, marketers view children as the market of the future and often direct campaigns at them with the intent of forging brand loyalties at an early age. On a typical weekday, a child encounters thousands of marketing messages – from licensed cartoon characters on a favorite website and advertisements on a preferred radio station to corporate sponsor logos on school vending machines and book covers. Certain corporations even market to babies and toddlers with crib mobiles, infant toys, and board books featuring licensed media characters.

In order to understand why certain firms and individuals hold their particular points of view and what the consequences of those attitudes are, it is important to analyze

the life-cycle of the issue at hand, as well as pinpoint the issue's specific phase within the life-cycle. According to Zyglidopoulos' issue life-cycle theory, "issues evolve from a period of societal or corporate insignificance, through a period of increased attention, conflict, and awareness, to a period where new solutions and routines concerning the issue get institutionalized within the society and/or the organization." A firm's position in society in regard to a particular issue depends in large part on the societal expectations of a specific time period. For example, in the 1950s when the harmful effects of smoking were still unknown, cigarette companies were seen in a positive light for supplying what the market demanded. Today, on the other hand, the majority of society views these corporations as harm-inducing entities that aim to make a profit at the expense of human lives.

According to the issue life-cycle theory, there are three scenarios which are possible in respect to a company handling a particular issue. First, a firm's social performance leads societal expectations in respect to the evolution of an issue, consequently augmenting the firm's reputational capital for social performance. Although, somewhat counter-intuitive, it should be noted that leading too much has a negative effect on the firm's legitimacy. Secondly, a firm's social performance lags behind societal expectations in respect to the evolution of an issue, consequently deteriorating the firm's reputation for social performance. As the lag between a given company's social performance and that of its peers expands, the erosion of the firm's reputation for social performance will increase. Thirdly, a firm's social performance is aligned with societal expectations causing no significant changes within the company in regard to its reputation for social performance.

The ethics of marketing to children is a fascinating issue to analyze in terms of the issue life-cycle theory because societal norms regarding the matter have been slowly changing for several decades, but have not yet shifted to a clear-cut position. Currently, there are three chief stances on the issue: opposition to child-focused marketing, support for child-focused marketing, and keeping in line with shifting societal norms regarding child-focused marketing. Although it seems that societal norms are moving towards the termination of marketing to children, as parent groups and child-welfare advocates call for stricter regulations of companies targeting youngsters, there is also a backlash from firms and critics who claim that marketing to children is not only harmless but is potentially beneficial as it prepares them to become discriminating consumers.

Those who are against marketing to children claim that the practice is inherently unfair and unethical because youngsters lack the cognitive skills and life experiences necessary to understand the motives of marketers and to resist persuasive claims. Researchers focused on information processing and developmental stage theories have determined that younger and older children differ, both in terms of their general understanding of the purpose of advertising and their methods of utilizing this knowledge when responding to specific advertisements. To evaluate advertising properly, children must acquire at least 2 key information processing skills: the ability to distinguish between commercial and non-commercial content, and the ability to recognize advertising's persuasive intent and use it to interpret marketing messages.

According to a 2004 study by the American Psychological Association, children 8 years old and younger do not comprehend the notion of commercials. They tend to accept advertising claims as being truthful and process them as legitimate information. Since the

1980s, researchers have claimed that a child's capacity to recognize advertising's persuasive intent is a developmental milestone, which usually occurs by age 8. Once children can understand the persuasive purpose of advertising, they become more skeptical and capable of resisting its appeal. Until they acquire "cognitive and attitudinal defenses," however, marketing and advertising have massive power to shape children's thinking. Even after obtaining those defenses, older children do not always invoke them when exposed to marketing campaigns. As Eric Clark, author of "The Real Toy Story: Inside the Battle for America's Youngest Consumers," points out, "[kids] are being treated like little adults but they're not yet equipped for it."

In addition, critics claim that marketing aimed at children triggers feelings of discontent and inadequacy, promotes undesirable social values, such as materialism, and causes health problems, such as childhood obesity. Juliet B. Schor, author of "Born to Buy," claims that the more children are exposed to consumer culture, the likelier they are to become depressed, suffer from anxiety, or experience low self-esteem. She states that the tactics utilized by today's marketers tap into kids' anxieties and thrust them into consumer culture at a very young age. Mary Pipher, author of "The Shelter of Each Other," highlights that excessive materialism prompted by exposure to marketing campaigns practically since birth can have extremely negative effects on children's development, self-image, and values. This consumer-saturated culture breeds feelings of "narcissism, entitlement, and dissatisfaction" in kids. As a result, children's identities become defined by their consumer habits.

Many opponents of marketing to children are holding major food and beverage companies accountable for contributing to increasing childhood obesity rates.

Researchers have found that most food advertising during children's television programs is for junk food, snacks, soft drinks, candy, and pre-sweetened cereals. Commercials for healthy foods make up only 4% of the ads shown. In addition, fast-food commercials during kids programming are pitching larger portions than before – a trend that researchers link to an alarming rise of obesity in young people. The fast food industry has been strongly criticized for luring children to its restaurants by offering such incentives as playgrounds, contests, clubs, games, and free toys. In his book "Fast Food Nation," Eric Schlosser explains that "America's fast food culture has become indistinguishable from the popular culture of its children."

Adding insult to injury, those who believe that targeting children is unethical, consider many children-focused marketing campaigns misleading. For example, young children often think a toy can do a lot more than it is actually able to do because of the way toys are portrayed in advertisements. Another deceptive form of marketing is brand integration into entertainment. This includes cross-promotion of big-budget kid's films with snack foods or toys, as well as the utilization of licensed characters to sell children's products. A recent study of preschoolers revealed just how sensitive young children are to exaggerated claims that a particular brand is superior to all others. Sixty-three children were given 2 identical batches of McDonald's french fries, one in a branded wrapper and the other in identical packaging bearing no brand. Seventy-seven percent of the children studied said they preferred the taste of the french fries in the McDonald's bag. Dr. Victor Strasburger, an author of an American Academy of Pediatrics policy urging limits on marketing to children, states that the study illustrates how marketers attempt "to brand

younger and younger children, to instill in them an almost obsessional desire for a particular brand-name product.”

Proponents of child-targeted marketing emphasize that the issue is not as one-dimensional and clear-cut as their critics suggest. Particularly, while marketing professionals admit that they answer to the shareholders in a highly competitive market, they insist that responsible child-targeted marketing and advertising do exist. Julie Halpin, CEO of the Geppetto Group, a NY based marketing firm which works with such companies as Coca-Cola, Reebok, and Unilever, stresses that marketers “serve the clients’ business objectives and the best interests of kids.” In fact, she claims that banning children-directed advertising might even have negative consequences. For example, kids’ programming might disappear, as much of it is commercially sponsored. Some claim that marketing to children is ethical as long as it balances commercial sell with the promotion of positive behavior. This means placing products in appropriate contexts for use as meal components, encouraging play and developmental skills, and promoting entertainment that is age and theme appropriate. Paul Kurnit, the founder of youth consultancy KidShop and a major supporter of responsible child-directed marketing, made the following point regarding the responsibility of marketers: “[kid] marketers and advertisers have a dual responsibility in this new world of kids marketing... [it] is all about doing well by doing good... [we] all need to extend the same marketing and communications expertise that sells our products and enriches the bottom line to new messages that balance product desire with responsible product practice.”

Other outspoken supporters of this issue claim that no conclusive data exists as evidence that children are damaged by marketing and advertising. In fact, the findings of

an FTC workshop held in the summer of 2007 to study the alleged relationship between food advertising aimed at children and the country's growing childhood obesity rate, revealed that kids are actually exposed to 9% fewer food ads today than they were in 1977, even as the obesity rate has doubled over roughly the same period. One of the biggest defenders of marketing to children is a highly respected commentator and thought-leader in the toy industry, Richard Gottlieb. He argues that kid-directed marketing efforts are actually beneficial to children, as they prepare kids to become adult consumers. "I am blatantly and unapologetically in favor of marketing to kids... [b]ecause they are going to have to spend the rest of their lives listening to every kind of marketing approach, and childhood is where they will learn to cope with it," Gottlieb argues. The Toy Industry Association defends current marketing practices by asserting that since children are a vital part of toy selection, they need to be aware of what is new and available on the market. Some in the marketing camp maintain that today's children are growing up in a media-rich world, and are smarter and savvier than previous generations.

Still others believe that it is the responsibility of parents, not corporations, to protect children and filter any media content, including marketing messages that they deem inappropriate. After all, parents have an obligation to regulate what their children do and to teach them about the world. The problem, critics claim, is that parents have trouble saying "no" and often buy toys and other goods to avoid feeling guilty and inadequate. Parents then claim that marketers are to blame for their children's insatiable appetite for toys, video games, and junk food. Some parents go too far to please their

kids. For instance, Amanda Almodovar, an elementary school social worker, met a mother who said she would “prostitute herself to get what her child wants.”

With such fervent debate regarding the ethics of marketing to children, which has been escalating for more than 30 years, why has legislation been so sluggish in dealing with the issue? Well, the most fitting answer is that while the issue has passed the stage of public opinion formation, and is currently passing through the stage of increased attention, conflict, and awareness, as well as policy formulation, it has not yet reached the stage of implementation and institutionalization of public policy, solutions, and routines into our society. The phase of public policy formulation in this case has been rather lengthy, mostly due to the lack of governmental conformity on the issue throughout the years. As the issue life-cycle model implies, it is very difficult to alter societal norms, especially in regard to how business organizations operate, without strong legislative support.

Attempts to curtail, and possibly prohibit, marketing to children began 30 years ago when the Federal Trade Commission (FTC) proposed a trade regulation law that would have severely restricted or banned all television advertising to children. The Commission argued that marketing to children too young to understand the selling intent was “inherently unfair and deceptive.” Political opposition to the rule was immediate and powerful, and in 1980 Congress prohibited any further action toward the adoption of the proposed law. After the congressional mandate was implemented, scientific research and interest in the effects of marketing aimed at children waned considerably. Consequently, while numerous fundamental questions regarding children’s capacity to understand and process marketing messages have been raised during the 1970s, they have never been

fully resolved. Due to the lack of conclusive research, both opponents and supporters of children-targeted marketing are persistently advocating their contrasting positions.

Over the years, various governmental and self-regulatory actions have been undertaken in order to develop special protections for children in the marketplace. The Federal Communications Commission (FCC) regulates the number of commercial minutes permitted during children's television programming, as well as prohibits "program length commercials" and character endorsements that may make it difficult for children to distinguish between program and commercial content. Broadcasters insert separators between television programs and commercials in order to encourage youngsters to differentiate between the two. The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureau plays a key role within the self-regulating arena. It encourages responsible marketing directed at children under 12 years of age, publishes a detailed "Self-Regulatory Guidelines" booklet for marketers, and analyzes child-directed advertising within all types of media. If CARU determines that an ad is deceptive or inaccurate, it requests the voluntary cooperation of the advertiser in resolving the matter. While CARU is an extremely valuable organization within the marketing system, its power is limited and it does not address the critical issue of whether it is ethical to market to children at all. Critics of the self-regulatory approach find the lack of industry wide definitions on what responsible marketing to children entails highly problematic.

While some opponents of marketing to children, such as the Campaign for a Commercial-Free Childhood do not expect companies that manufacture kids products to completely cease their marketing efforts, they want advertisements to be re-directed at

parents. They insist that the optimal solution is to ban all marketing directed at children, rather than to simply regulate its amount or content. This is the approach that numerous European nations have taken. Quebec, for instance, has banned print and broadcast advertising aimed at kids under 13 years of age, while Sweden has outlawed all advertising aimed at children under 12 years of age. In addition, Sweden is currently lobbying European Union members to adopt similar policies. Robert Weissman, managing director of Commercial Alert, an organization that is fighting for the same age cutoff in the U.S. that is presently in place throughout most of Europe, asserts that “there’s been a transformation in the quantity and quality of kids marketing in the last two decades; marketing is more aggressive, more pervasive and more insidious.” The major difference between the U.S. and Europe in this respect is that advertising has a level of protection as free speech here that it lacks in other countries. According to numerous critics, this is a negative facet of our free society, as it diminishes the full experience of childhood.

While industry experts argue whether marketing to children is ethical or not, different companies have taken varied standpoints on the issue. Some companies surrendered to pressures from the FTC and child advocacy groups to reform their marketing strategies towards children. In June of 2007, sixteen months after advocacy groups CCFC and the Center for Science in the Public Interest have threatened to file suit against Kellogg, the company announced that it would phase out advertising of its foods to children under 12 years of age, unless those foods met specific nutritional guidelines. It has also reformulated several of its products to meet the company’s declared nutritional requirements for children and pledged to shift the marketing of certain products to

parents. During the same time period, another ten food and beverage companies, including General Mills and McDonalds, vowed to remove child-targeted ads for products that exceeded certain sodium and sugar limits, as well as develop ads that would promote exercise. Many candy companies have added portion-control and sugar-free items to their product lines and have begun to research alternative ingredients, such as cane sugar and dark chocolate. Despite their seemingly ethical actions, these companies have been criticized for installing loopholes into their self-imposed guidelines, including defining for themselves what advertising directed at children means and what the appropriate nutritional guidelines are.

Other companies have refused to cave under pressure. Starbucks has recently reviewed its longstanding policy on not marketing to children and is now considering adding new drinks and smaller drink sizes for kids, as well as improving placement of merchandise (such as the “barista” stuffed bear) that might appeal to children. The company claims that while it does not intend to market directly to children, it recognizes that its customer base has expanded to include children and teenagers. Similarly, EA, the largest video game publisher in the world, sees nothing wrong with promoting its products to children aged 6 to 8. Hasbro and Masterfoods, along with several other companies that are fighting attempts to restrict marketing to kids, have launched an initiative, called MediaSmart, to educate children about using advertisements to make informed choices. Companies supporting the program claim that its intent is to promote responsible marketing to children. A company called Little Tikes, which targets pre-school aged children, argues that its toddler-targeted ads are ethical and harmless because they are truthful and unambiguous to children.

It is interesting to see what the future holds for the controversial issue of marketing to children and what developments will take place over the next few years. Experts in the industry, just like the companies caught in the crossfire, differ on their opinions of what to expect in the future. Kurnit says that marketers will voluntarily start to “age up” in their campaigns, create “better-for-you products,” and market to the family as a whole, rather than just to the kids. He also thinks that these changes have already begun, but advocacy groups are not giving marketers enough credit for their corrective actions. Others argue that marketers are not so eager to give up their tried-and-true tactics aimed at children. They claim that while ads for junk food and violent video games might get phased out over time, marketers will take advantage of many other more attractive and harder to regulate methods to reach kids, including product placement, sampling, and seeding parties. Susan Linn, a co-founder of CCFC, makes an important point: “[the] idea that companies will stop advertising to children because it’s socially repugnant is not realistic.” She stresses that laws are necessary to regulate the process. Kurnit is much more optimistic: “[the] future for kids and kid marketers will be about products, pitches and promotion that balance fun with focus on positive, healthy lifestyle choices for kids as they grow to be citizens of tomorrow.”

This issue remains controversial, but one thing is clear: social norms are slowly shifting and corporations have to keep up. Unless individual firms take social corporate responsibility more seriously, the U.S. government will have to get more involved and set strict regulatory standards. Companies that react sooner rather than later to the current social shifts will be at an advantage in terms of a positive reputation for social performance. As Brady Darvin, senior director of consumer insights for Strotzman

International Inc. (a toy and candy manufacturer) says, “[if] they are not part of the solution, they will be perceived as part of the problem.” So far, though, it seems that many corporations are avoiding taking action until outside forces begin to threaten to erode their reputation for social performance. However, if these companies neglect to follow voluntary guidelines for responsible marketing now, it seems in time their cooperation will not be so much a choice, as a requirement.

I agree that while it is unrealistic to expect corporations to completely discontinue their marketing efforts towards kids, it is realistic to expect them to market ethically and responsibly. This means ceasing all marketing campaigns targeted at children under 8 years of age since they lack the cognitive capacity to interpret the information properly, as well as creating age- and theme-appropriate campaigns for older children. At the same time, however, I believe that parents and the government should get involved, as well. It is the responsibility of the family and of social institutions to protect those most vulnerable – be it children, the elderly, or those in poor health – not of corporations. Since companies have not acted proactively in regard to this issue, parents, child-advocacy groups, researchers, educators, and legislators need to work harder to push the issue into the next and final stage of its life-cycle. That said, corporations need to take note – as N. Louise Ellingsworth, a legal expert, so eloquently put it: “[sometimes], companies think that by making changes you risk calling attention to yourself and focusing on the problem, but for companies who don’t act, their mistakes will become obvious years later.”

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