Adrift: Schools in a Total Marketing Environment

Alex Molnar, Arizona State University
Faith Boninger, Arizona State University

Introduction

Commercialism appears to be alive and well, in society at large and in schools. In 2007, we see a marketing environment that recognizes few boundaries. Advertisers ply their trade wherever they can and even engage consumers as collaborators in their marketing strategies. This “total environment” of marketing is enabled in part by new technologies that allow advertisements to appear in places they could not have been before, such as video games, social networking websites, and cell-phones. It is also the result of greater cultural acceptance of marketing as an everyday fact of life, a friendly political environment, and a willingness on the part of marketers and advertisers to breach boundaries that previously limited their activities. Whereas, for example, there used to be a clear boundary between “editorial content” (e.g., television programming, magazine articles, or school curricula) and advertisements, we now see the judges on American Idol sipping from Coca-Cola cups, the debonair cavemen from Geico commercials starring in their own television program, and Disney Publishing providing comics to schools for a reading program.\(^1\),\(^2\)

The terms advertising, marketing, and commercialism are used frequently in this report. Although the distinctions between them are sometimes blurry and they are often conflated, it is nevertheless helpful to understand how they differ. Advertising refers to specific communications practices aimed at persuading audiences to purchase products or to adopt particular points of view or belief systems. Marketing encompasses a broader array of activities, all of which make up “the commercial processes involved in promoting and selling and distributing a product or service.”\(^3\) Commercialism, meanwhile, refers to a broader-still group of activities. The Oxford English Dictionary defines it as “the principles and practice of commerce; excessive adherence to financial return as a measure of worth.”\(^4\) In Lead Us Into Temptation, James Twitchell suggests that commercialism consists of two processes: “commodification, or stripping an object of all other values except its value for sale to someone else, and marketing, the insertion of the object into a network of exchanges only some of which involve money.”\(^5\)
Study of Commercialism characterizes commercialism as “ubiquitous product marketing that leads to a preoccupation with individual consumption to the detriment of oneself and society.”

Advertising is Changing

Three broad trends characterize the changes taking place in the advertising and marketing industry:

1. Advertising is becoming more pervasive.
2. The boundary between advertising and editorial content is becoming less distinct.
3. The relationship between marketers and consumers is becoming more interactive.

Advertising is Becoming More Pervasive

It is difficult, if not impossible, to move through contemporary society and not encounter advertising aimed at selling products and ideas. Naming rights on public buildings such as sports arenas embed product advertising directly in the activities occurring there. Every visitor to a basketball game at the United Center in Chicago, for example, is instantly reminded of the airline that purchased the name. There are few, if any, venues where the average person does not encounter someone trying to sell him or her something.

A Columbus, Ohio, based airline, Skybus, has begun selling the outside and inside of its airplanes to corporations trying to reach the public. Its first such plane, unveiled in April 2007, was an Airbus A319 branded with the Nationwide Insurance logo and slogan on the outside and with plans to similarly brand “everything from beverage carts to overhead bins” inside. “Nationwide’s deal offers a peek into what could be the next target of ad creep and a salvo [sic] to the bleeding balance sheets of many of the nation’s struggling airlines, which might one day follow Skybus’ lead,” observed Advertising Age.

Freeload Press, a St. Paul, Minnesota, publisher, is trying to persuade colleges and universities to move away from expensive, ink-on-paper textbooks. To that end the company is promoting e-books by giving them away free, accompanied by advertising to pay the costs. To be sure, that concept isn’t entirely new. As long as two decades ago, Chris Whittle, the founder of Channel One Television and Edison Schools, conceived a publishing venture in which books would be supported by advertising. At that time, the venture failed.

New tactics are often used with the specific aim of reaching younger people. Mobile telephones have become a significant new advertising venue, and a recent Sprite ad campaign from Coca-Cola combines that fact with the pervasiveness of mobile telephony among
teenagers. The soft-drink company announced in June 2007 it would rely on text messages sent to mobile phones as its primary marketing venue for Sprite, “with TV and other media playing secondary roles,” Advertising Age reported. “Eventually other brands will follow suit with similar mobile programs to target today’s multi-tasking, traditional-media-avoiding teens.”

Occasionally marketers manage to go too far in the eyes of the public. Sports fans were outraged in 2004 when Sony Pictures unveiled plans to place advertisements for its movie Spiderman 2 on the bases of the nation’s major league ballparks, and in the end that project was canceled. Similarly, in July 2007, the National Football League attempted to require photojournalists covering NFL games to wear vests bearing the logos of NFL sponsors Canon and Reebok while on the job. The NFL’s demand prompted protests from the American Society of Newspaper editors and the Associated Press Managing Editors, and even the editors of Advertising Age complained in an editorial that “journalists shouldn’t be billboards.” As of early August 2007, however, the NFL had declined to back away from its plan.

The industry’s evolution, however, is not merely about where consumers encounter advertising. It also involves a fundamental change in what advertising agencies do. While advertising spending dropped in January through March of 2007 compared with the same period a year ago, for instance, Advertising Age pointed out that agencies were making up the loss with an increase in spending on a bundle of other activities collectively labeled “marketing services”—including, among other things, online advertising, “customer relationship management,” and direct customer communication, which is measured differently from traditional advertising.

The Boundary Between Advertising and Editorial Content is Becoming Less Distinct

Traditionally, advertising has been set apart, however slightly, from “objective” content. Magazines and newspapers have traditionally been divided into ads and editorial content, with editorial policies requiring strict separation of the two. For-profit television programming divided what viewers saw between content—entertainment or information shows—and purchased advertising.

Over the last several decades, however, the deliberate inclusion of brand-name products in movies and television shows has been a standard and even routine marketing strategy. Product placement is getting more and more sophisticated, with entire movies and TV shows being virtually designed around a product someone wants to sell. In its latest evolution, a Spanish-language “telenovela” soap opera began airing in March 2007 with continuing placement of Clorox brand products (including the eponymous bleach, along with Glad plastic bags and Pine-Sol cleanser).
Indeed, according to one account, Clorox is “so tightly integrated into the soap opera that plot twists and characters’ lives literally hinge on the effectiveness of the brand’s products.”

In the children’s market, both MGA Entertainment’s Bratz dolls and Hasbro’s Transformers brand of toys had movies released in summer 2007. A GI Joe movie is in preparation.

Now product placement is becoming even more sophisticated, showing up in new venues. For instance, Running Press published a novel for teenagers, *Cathy's Book: If Found Call (650) 266-8233*, that was embedded with product placements in the text for Cover Girl makeup products. Producers of a television drama about the advertising industry developed for the cable network TNT told *Daily Variety* in August 2007 that they were considering including within the show’s episodes TV commercials that were part of the series narrative but that also featured actual products, with placement paid for by advertisers. The integration of entertainment and marketing has become so routine that Advertising Age now publishes a separate, Internet-circulated, subscription-only weekly publication, “Madison & Vine,” to cover the entire industry of entertainment-based selling—or as the publication describes it, “the convergence of advertising and entertainment.”

Similar practices are creeping into editorial media. More and more, consumers are turning to online news aggregators for information, and such aggregators link advertising to the editorial content they provide. Thus it is particularly alarming that, as a Canadian newspaper article reported, “just about anyone with deep enough pockets can pay some private Internet web proprietors to highlight legitimate news stories of their choice—along with deeply provocative or flattering headlines.” Meanwhile, the Center for Media and Democracy, in Madison, Wisconsin, has documented scores of instances in which local television news programs have aired uncredited—and sometimes unedited—“video news releases,” or “VNRs,” furnished by marketers that, while ostensibly “covering” some news or feature story, wind up promoting particular products.

This practice of using news to sell commercial products has been mirrored by scandals in which journalistic commentators have been paid to promote government policies in their columns. Notable among these was Armstrong Williams, who in October 2006 agreed to pay $34,000 to settle charges that he received money from the U.S. Department of Education to promote President Bush’s “No Child Left Behind” law in columns he wrote; congressional auditors later concluded the columns were “illegal propaganda.”

These trends are readily apparent in children’s entertainment. In addition to the toy-themed movies mentioned earlier, children’s movies regularly include product placements for fast food and toys. Another type of product placement is illustrated by Whyville, an Internet simulation game popular with pre-teens and young teenagers. This game, conceived
by faculty at the California Institute of Technology, is intended to educate as well as entertain. The game’s web site has a wide range of sponsors, including government and academic institutions but also corporations. Whyville participants who play the game on line get “avatars”—symbols representing their character in the simulation. Whyville avatars include images of vehicles from Toyota’s Scion subsidiary. Indeed, Whyville promises its sponsors “a unique opportunity to reach and engage tweens.” Video games, meanwhile, contain advertising, for example, in the form of billboards along simulated raceways.

The Relationship Between Marketers and Consumers is Becoming Interactive

A significant marketing trend involves media consumers as originators and distributors of media content. On the surface, Google’s purchase of YouTube would seem to have little to do with advertising and marketing, much less schoolhouse commercialism. In fact, this development illustrates how the relationship between advertisers and consumers is being reshaped. Google bought YouTube, an Internet site that allows users to upload video, for $1.65 billion in the fall of 2006. Much of the content is cribbed from television, but a significant amount is created by individual amateurs. The site has become immensely popular, generating 66.3 million unique visitors in June 2007.

YouTube has become a vehicle for “viral marketing.” “Viral marketing” refers to advertising and marketing techniques that rely on the rapid communication of information promoting a product or idea through email, social networking Internet sites, and related media. In the words of USA Today, “It’s a marketing strategy that involves creating an online message that’s novel or entertaining enough to prompt consumers to pass it on to others—spreading the message across the Web like a virus at no cost to the advertiser.” “Viral media” and user-generated content merge when marketers, as is increasingly popular, encourage the general public to participate in the creation and dissemination of commercial messages. It’s all part of what one branding consultant enthusiastically describes as “build[ing] communities around their brands.” “While ordinary consumers might drop you for something that’s cheaper, better styled or just easier to get, they’ll think twice if eliminating your product also means losing friends,” writes branding consultant Patrick Hanlon.

Again, such practices are reaching into younger age groups. For example, a marketing firm called the Girls Intelligence Agency (GIA) claims it has signed up some 40,000 to 50,000 “influencers” in the 8- to 13-year-old age group to help it test and promote new products through sponsored, private events such as slumber parties. Labeling these influencers “Secret Agents,” GIA will, on behalf of its clients, cultivate their feedback on new products and rely on them to spread word-of-mouth reports on things that GIA’s client companies want to sell. In a May
2007 report, researchers for the Berkeley Media Studies Group and the Center for Digital Democracy described “a new ‘marketing ecosystem’ that encompasses cell phones, mobile music devices, broadband video, instant messaging, videogames, and virtual three-dimensional worlds”—all of which children and teens were “assimilating…into their daily lives.”\textsuperscript{36} The report, \textit{Interactive Food & Beverage Marketing: Targeting Children and Youth in the Digital Age}, documented that the same corporations promoting anti-obesity messages in the U.S. “are also playing leadership roles in the new global digital marketing frontier” and conducting research “to create the next generation of interactive advertising, much of it tailored specifically for young people.”\textsuperscript{37}

Some analysts see the growth of these varied techniques as evidence of a more sweeping change in the advertising and marketing industry. Bob Garfield, in a March 2007 \textit{Advertising Age} article, forecasts a world in which consumer engagement occurs without consumer interruption, in which listening trumps dictating, in which the internet is a dollar store for movies and series…It is a world, to be specific, in which marketing—and even branding—are conducted without much reliance on the 30-second spot or the glossy spread.\textsuperscript{38}

Garfield’s thesis is that the technological advances of the new media give consumers the opportunity to bypass advertising, which they don’t like. But while consumers don’t like ads, “they like goods and services just fine and are in constant search of information about them.”\textsuperscript{39} Consumers actively seek out marketing information in this setting.

Garfield describes a world in which advertising more and more comes to look like information or editorial content that consumers seek out on their own terms or are driven to—for instance, by advertising linked to Internet searches. And while “the consumer is in control” in this new media/marketing model, Garfield predicts that those consumers are likely to go first and foremost to marketers themselves for information they seek about the products they are interested in. The trend Garfield describes is a logical extension of one that is rooted in such practices as product placement in entertainment, the increasing pervasiveness of advertising, or the provision of free school curriculum materials that are replete with implicit or explicit promotions of specific commercial products.

\textit{Children and Commercialism}

The interest that advertisers and marketers of a wide range of commercial products have in reaching children is already a well-developed story. Children have money of their own and influence the
spending of adults. Marketers spend hundreds of millions of dollars annually to direct that money to their clients.

There is no single, definitive measure of the child and youth market. There are, for the most part, only projections and often overlapping estimates for various segments. Since marketers have an interest in inflating the size and value of the market they target, their estimates cannot be regarded as entirely reliable. Nevertheless, they do provide at least a rough idea of what the perceived financial stakes are. The firm 360 Youth claims, for example, that teenagers alone constitute a $175 billion annual consumer market. In 2006, according to NPD Group, a consumer marketing research firm, girls 7 to 14 spent $11.5 billion on apparel, a 9.5% increase over 2004. EPM Communications, the publishers of a new book on marketing to pre-teens and teenagers, asserts that the two groups together command “$200 billion spending power.”

Direct, a trade publication for direct marketers published both in print and online, calculated in 2005 that even the modest $3-a-week average allowance to children ages 4 to 12 translates to “$4 billion in annual spending controlled directly by kids.” The families of school-age children account for another $14 billion a year in back-to-school purchases on their behalf.

Yet another estimate comes from PreteenPlanet.com, which concluded in a survey reported in the Baltimore Sun that 6- to 12-year-olds spend $40 billion a year and influence their parents’ decisions on another $200 billion. Meanwhile, Martin Lindstrom, a so-called “brand guru” working with the marketing research firm Millward Brown, asserts that “close to 80 percent of all brands purchased by parents—is controlled by their children.”

**How to Sell to Children: A Burgeoning Industry**

One indicator of the importance of the children’s market is the prevalence of businesses that offer advice on how to sell to children. Some of these are advertising agencies or marketing consultants serving individual corporate clients. For example, 360 Youth (until its merger with Alloy Media) offered individual corporate clients expertise in marketing to teen-agers, pre-teen-agers, and younger children. Mr. Youth specializes in reaching high school- and college-age young people. The Geppetto Group, a unit of the multinational advertising and marketing agency WPP Group, describes its expertise as reaching “consumers ages 0-24.”

Other businesses serve the youth marketing industry itself, offering information and networking resources. YMS Consulting, for example, bills itself as a “Hub of Information, Expertise, and Advice” for youth marketers. Another firm, EPM Communications, publishes a twice monthly newsletter, Youth Markets Alert, that for $447 a year advises its readers on new developments in youth markets. The newsletter’s editors...
also have produced *Marketing to Teens and Tweens*, a book that promises to offer readers “tips, tactics and techniques to help you reach today’s 49 million 8-to-18-year-olds.” The advice doesn’t come cheap; the book’s asking price ranges from $795 for a single-user PDF to $1,987 for a print copy accompanied by a multi-user PDF.\(^{51}\)

Marketers also meet regularly to sharpen their skills at reaching children. IIR USA, for example, organizes a wide range of business and marketing meetings, including its annual Youth Marketing Event. The Youth Marketing Event is sponsored by 18 different firms, a mix of product marketers, marketing agencies, and specialty youth-market consultants.\(^{52}\) This year’s conference took place in March 2007 in Huntington Beach, CA, where keynote speakers included representatives of Disney, Wal-Mart and Hasbro, speaking on topics such as “Capturing Today’s Youth” and “Create Online Loyalty Programs.”\(^{53}\)

Interest in understanding how to market to children is so keen that marketers are willing to spend $2,500 a person to go to the Creative Artists Association Intelligence Group’s monthly Trend School in New York. In this day-long forum, young people help immerse ad agency personnel in the details of youth culture.\(^{54}\) “When you talk about trends and who sets trends, it’s very much that 14- to 29-year-old key demographic,” said Jane Buckingham, president and founder of Creative Artists.\(^{55}\)

**Targeting Younger Children**

As the marketing focus on children becomes more intense, younger and younger children are being targeted by advertisers.\(^{56}\) Within the industry, one term to describe what is happening is “KGOY”— “kids getting older younger.” Is this the result of conscious marketing strategy? Ken Nisch, a retail consultant quoted in *USA Today*, told the newspaper that the trend is neither surprising nor outrageous, because children are exposed to outside influences (such as preschool and earlier home use of computers) at earlier ages.\(^{57}\)

Sharon Lamb, a child psychologist, offers a more skeptical view in her book, *Packaging Girlhood: Rescuing our Daughters from Marketers’ Schemes*. “Tween is a word made up by marketers in order to sell teen items to younger and younger girls,” she told the *International Herald Tribune*. “Shopping itself is sold as a quintessential girl activity before girls even have an allowance to spend.”\(^{58}\)

Today, even the youngest children do not escape advertising. Infants and toddlers have emerged as a growing market and commercial interests directly target them as well as their parents.\(^{59}\) In June 2007, NASCAR Inc., the corporation behind the American stock car racing industry, announced it was co-producing a series of entertainment DVDs aimed at pre-schoolers. The DVDs are to be an animated cartoon program with child characters who drive “playful, kid-sized cars” and interact in

stories that “reinforce valuable life lessons.”\textsuperscript{60} But as the announcement of the venture made very clear, the ultimate goal of the program is not simply to entertain the children, but also to sell them merchandise: toys, apparel and other products labeled with the NASCAR brand.\textsuperscript{61}

Media aimed at the youngest children constitutes a $4.8 billion market of products such as “Brainy Baby” and “Baby Einstein,” DVDs intended for children age 2 and younger that purport to offer viewers educational benefits.\textsuperscript{62} “Team Baby Entertainment” is a line of DVDs marketed in partnership with various high profile athletic colleges and universities; the DVDs promote university athletic programs and mascots to infants and toddlers, under the rationale that they can “make them smarter or more athletic or closer to their parents,” in the words of Team Baby’s founder, Greg Scheinman.\textsuperscript{63} No scientific research supports the claims that such media somehow “improve” infants or toddlers in the ways promised. To the contrary, a study released in August 2007 found that for infants 8 months to 16 months old, every hour of watching baby DVDs/videos was associated with a decrease in scores on a test of communicative and linguistic development.\textsuperscript{64, 65}

\section*{Framing Marketing as a Public Service}

The language of youth marketing is rich in rhetoric that appeals to images of altruism. For example, YMS Consulting asserts the firm aims to serve “all those who seek to responsibly market to today’s youth and their families. Simply put, our goal is our client’s success—especially when it results in the enrichment of the lives of the young people and their families who become the consumers of our clients’ products and programs.”\textsuperscript{66}

The dangers posed to young children by marketers are outlined on \url{http://www.esmartchoice.com}, a website operated by Esmartchoice, the brainchild of Robert Reiher and Daniel Stewart Acuff. Reiher and Acuff are coauthors of \textit{Kidnapped: How Irresponsible Marketers are Stealing the Minds of Your Children} and \textit{What Kids Buy and Why: The Psychology of Marketing to Kids}.\textsuperscript{67} An essay on the firm’s website summarizing the first book, \textit{Kidnapped}, tells parents that “children are especially vulnerable to marketers and advertisers at the younger ages when rational choices and higher levels of thinking and awareness are limited.”\textsuperscript{68}

Despite this sort of industry critique, however, Esmartchoice isn’t an anti-commercialism activist group. Instead, it’s a marketing services company, telling clients that include Disney, Warner Bros., Hershey, Pepsico, Kellogg’s, and Kraft directly how to reach children.\textsuperscript{69} The firm appears to be positioning itself as an “ethical” youth marketing consultant.\textsuperscript{70} “Products and program services can be used to assist the development of youth, or to exploit their vulnerabilities. At Esmartchoice, we see supporting healthy human development as a critical necessity and an obligation both for program developers and marketers.”\textsuperscript{71}
Schools as a Commercialism Venue

Since 1998, the Commercialism in Education Research Unit (CERU) at Arizona State University and its predecessor, the Center for the Analysis of Commercialism in Education (CACE) at the University of Wisconsin-Milwaukee, have released annual reports on commercializing trends in schools, tracing those trends back to 1990. Until this year’s report, trends have been identified by tabulating relevant articles in popular, education, business, and marketing publications. In the decade since the release of the first trends report, advertising and marketing in schools has become commonplace and thus less “newsworthy.” As a result, tabulating articles about school commercialism has become increasingly less valid as a way of identifying trends. Accordingly, the 2006-2007 report uses a different approach than previous reports. This year’s report draws primarily on articles in advertising and marketing publications and offers an assessment of current practices and likely future trends based on an analysis of those articles.

As the importance of children to marketers has increased, advertisers have more and more fully integrated schools into their overall plans. Marketers seek out schools because, to paraphrase Willie Sutton, schools are where the children are. Virtually all children spend a significant part of their lives at school. Nowhere else can marketers expect to have such a broad reach for their commercial messages. It is not surprising that many marketing consultants promote themselves as pathways leading directly inside schools and classrooms. An example is the work of 360 Youth, a unit of Alloy Media, a New York advertising concern. With various programs, 360 Youth says it reaches more than 25 million young people, from “tweens” through college age, relying on “in-school, on-campus, and out-of-home networks, school newspapers,” as well as “school textbook covers, events, and in-school and venue-based sampling programs.” Other services include “in-school sampling” of products: “Reach tweens in a highly targeted and uncluttered environment where they spend up to 50% of their waking hours: in school. Our in-school sampling program places your product right in the hands of up to 10 million elementary school students.”

School-based marketing is no doubt made easier because today’s children, accustomed as they are to an advertising-saturated environment, are probably less likely to question advertising messages in schools. As well, the many teachers, administrators, and parents who spend much of their own lives shopping are likely to see little, if anything, wrong with advertising to children in school.

In recent years, the leading practitioners of schoolhouse commercialism have likely been food and snack providers. A 2007 Kaiser
Family Foundation study found that food is certainly the No. 1 product advertised to children in all conventional advertising venues. It’s not surprising, then, that soft drink companies, fast-food restaurants, and food producers have been among the most visible promoters in schools, targeting either whole families or children specifically. The agenda of the March 2007 Youth Marketing Event in California included a session called “Leveraging Viral Marketing Through In-School Promotion to Start a Marketing Revolution!”—a talk presented by two executives at Blue Ridge Paper Products Inc. The company is reportedly the largest producer of milk cartons for the school lunch market, and it has been using milk cartons to promote both popular music performers and the benefits of dairy products. As this dairy product/pop singer promotion suggests, the entertainment industry (television shows, movies, recorded music, and publications for young people) is also heavily involved in school-based marketing.

Among marketers themselves, such practices are not only unsurprising, but considered praiseworthy. The International Dairy Foods Association, for example, annually bestows awards for members’ best marketing, advertising and public relations efforts. Tellingly, among the competition’s 18 different categories is one devoted specifically to marketing in schools.

Other corporations routinely promote their own sponsorship activities, describing them in the language of corporate social responsibility. A typical instance appeared in Florida, where in August 2006, Office Max and a local Kiwanis Club teamed up to hand out free school supplies to schoolchildren in Miami’s Little Havana neighborhood.

Categories of Schoolhouse Commercialism

More than a decade’s worth of CERU Trends Research has documented how a wide range of products—and, not insignificantly, a variety of what might be called intellectual, political or social points of view—have been marketed to children through schools. Marketers have reached school children by sponsoring programs; forging exclusive agreements with schools to distribute their products (primarily soft drinks under “pouring rights” deals); sponsoring incentive programs purported to encourage students to achieve academic goals; appropriating space to promote products or corporations through advertising, including the sale of “naming rights” to public school space; sponsoring curriculum materials; providing broadcast or Internet services that tie schools to particular corporations, giving those corporations new electronic marketing opportunities; directly privatizing public education through corporate management of charter schools and through school voucher programs; and, engaging schools and schoolchildren in fund-raising programs that involve selling products of for-profit enterprises in return.
for a cut of sales revenues. Below we review developments in each of these categories over the past year.

1) Sponsorship of Programs and Activities

**Definition:** Corporations paying for or subsidizing school events or one-time activities in return for the right to associate their name with the events and activities.

**Developments in 2006-2007:**

An example of this practice is found in the July, 2006, Black Data Processors Association’s High School Computer Competition, sponsored by Cigna, an employee benefits provider. Matthew Hintz, CIGNA Human Resources senior director, explained in a corporate press release why sponsorship benefited the company, not just the participating students: “As a corporate sponsor, we gain access to the BDPA membership base, which provides a diverse talent pool from which to recruit prospective IT employees. Additionally, the BDPA offers opportunities to CIGNA's current IT staff to enhance their technical and professional skills. Our partnership with the BDPA also builds recognition of CIGNA in the communities that CIGNA serves.”

2) Exclusive Agreements

**Definition:** Agreements between schools and corporations that give corporations the exclusive right to sell and promote their goods or services in the school district—for example, exclusive pouring rights for Pepsi-Cola or Coca-Cola. In return, the district or school receives a percentage of the profits derived from the arrangement.

**Developments in 2006-2007:**

While details involving the pouring rights practice have changed as a consequence of new voluntary regulations, the underlying practice of granting commercial entities exclusive rights to sell to children within the boundaries of the school remain firmly entrenched. Voluntary agreements signed by the soft drink industry in 2006 called for removal of sugared sodas in schools; however, diet sodas and branded waters remained and the underlying concept of exclusive marketing agreements did not appear significantly undermined. For example, in February 2007, Dole Food Co. announced it would launch a pilot program to put vending machines with its branded fruit and other food products in 15 schools in four states, a precursor to a wider program.
3) Incentive Programs

Definition: Corporate programs that provide money, goods, or services to a student, school, or school district when its students, parents, or staff engage in a specified activity. Such programs go back more than 20 years, to when Pizza Hut founded “Book It!” in 1985 and began offering students coupons for free pizza in return for reading a specified number of extracurricular books.

Developments in 2006-2007:

Pizza Hut’s “Book It!” program is perhaps the most widely known example of this practice. In 2007, however, the Campaign for a Commercial-Free Childhood (CCFC) launched an effort to remove the program from schools, describing it as “one of corporate America’s most insidious school-based brand promotions.” CCFC founder Susan Linn argued that, in the absence of any evidence that Book It promoted literacy, there was reason to worry that it might instead do the opposite. The organization cited research indicating that linking a reward to an activity can make it less pleasurable for children; it further suggested that “by focusing on quantitative goals such as the number of books read, Book It! may encourage children to avoid longer, harder books.”

4) Appropriation of Space

Definition: The allocation of school space such as scoreboards, rooftops, bulletin boards, walls, and textbooks on which corporations may place corporate logos or advertising messages for a wide range of products, including soft drinks and snack foods. This category also includes the awarding of “naming rights” to corporate entities that sponsor capital projects or other school operations.

Developments in 2006-2007:

In past years, the Trends report has reported on the placement of print ads on school buses. In 2006, a company called BusRadio began seeking agreements with schools to broadcast commercial radio programs, including advertising, on school buses. The company’s business plan calls for it to share ad revenue with schools, and school districts told the Wall Street Journal their share would amount to 5%. BusRadio’s plans prompted criticism from the organization Commercial Alert, which launched a petition drive asking people to write corporations urging them not to advertise on the service.
5) Sponsored Educational Materials

Definition: Materials supplied by corporations or trade associations that claim to have an instructional content.

Developments in 2006-2007:

There continue to be a wide range of examples of this sort of schoolhouse commercialism. One longstanding example has been sponsored educational materials from the financial services industry presenting “lessons” in financial planning or similar topics while effectively building brand awareness for the sponsoring banks or credit card companies. Now the non-profit Credit Union industry has joined the practice, participating through its trade association, CUNA, in the National Endowment for Financial Education High School Financial Planning program, sponsored by the finance industry.\(^87\) CUNA also offers a book on youth marketing strategies to its member credit unions; the book’s suggestions include establishing in-school branches.\(^88\)

Other examples abound. In Maryland, 500 students in eight schools participated in a pilot program called “Comics in the Classroom” sponsored by the Disney Corp., using Disney comics as part of a reading and writing curriculum. The Maryland Department of Education was reportedly so pleased with the program it authorized its significant expansion.\(^89\) When ABC Television released a “docu-drama” called *The Path to 9/11* in the fall of 2006, Scholastic teamed up with the network to provide a school curriculum on the program.\(^90\) (Both the film and the curriculum became the subject of controversy, as is discussed elsewhere in this report.). Producers of the movie *An Inconvenient Truth*, about climate change, have also raised questions about the petroleum industry sponsoring science curriculum materials.\(^91\)

6) Electronic Marketing

Definition: The provision of electronic programming, equipment, or both in return for the right to advertise to students or their families and community members in the school or when they contact the school or district, as well as in-school marketing programs using broadcast, Internet, or related media.

Developments in 2006-2007:

In Palm Beach County, Fla., school district officials agreed, for no compensation, to permit the local cable company, Comcast, to use the school district’s name in advertising for Comcast High-speed Internet. A mailer to community residents urged parents to “Jumpstart education with Comcast High-Speed Internet” and promoted the service’s bandwidth for
handling “big files like class projects, videos and music.” A school official told the Palm Beach Post that the district agreed to the deal in return for free advertising on Comcast of the school’s web site and of an online program for parents to track children’s grades, homework, and school announcements.92

For several years Channel One News, which broadcasts 10-minute newscasts in schoolrooms along with two minutes of ad content, has been reporting essentially stagnant numbers on its national viewership, and toward the end of 2006, Channel One’s owner, Primedia, indicated that Channel One and the Education Unit that housed it were up for sale. Primedia listed Channel One as a “discontinued operation” but did not actually close the business.93 The discontinuation was announced as activist groups were stepping up their anti-Channel One criticism and actions, and as its revenues were declining.94 After reports indicating the company was talking with such potential buyers as the Disney company,95,96 the sale of Channel One to Alloy Media was announced in the spring of 2007.97 Meanwhile, an anti-Channel One activist, who has campaigned for years to discourage schools from signing up with the service, reported early the same year that advertising had largely been replaced on the program by public service announcements.98

The growth of digital communication and of social networking sites in particular have given marketers ways to reach young people in school and out without the school as mediator. For example, Alloy Media + Marketing has created a youth social networking site, Sconex (www.sconex.com), which links high school students, although not necessarily under the imprimatur of a school. “Sconex is the unofficial web site for your school,” the site says at its homepage.99 Of course, Sconex also gives Alloy an opportunity to mine information about the teenage demographic—information that Alloy, in turn, can use to give youth-marketing advice to its clients. In August 2006, Alloy took things a step further by teaming up with YouthNoise.com, an Internet social network that focuses on “social change,” to create MyCause—an online program to be integrated into Sconex and “to provide the tools and access for teens to pursue interests across social and political issues in the online community forum.”100

7) Privatization

Definition: Management of schools or school programs by private, for-profit corporations or other non-public entities.

Developments in 2006-2007: Data collected as part of the annual Profiles of For-Profit Education Management Organizations 2006-2007 suggest that the growth of for-profit firms managing public schools and public charter schools

may be reaching a plateau.\textsuperscript{101} This may be less the case with on-line
“virtual” schools.

Nonetheless, forces favoring privatization are by no means on the
decline.\textsuperscript{102} The use of privately produced tutoring curricula and the
outsourcing of tutoring services—mandated for schools that fail to achieve
“adequate yearly progress” for three years in a row under the No Child
Left Behind Act—appear to be growing.\textsuperscript{103} At the same time, however,
privatization continues to raise questions about whether its benefits are
primarily experienced by students or by investors.\textsuperscript{104}

The public policy debate over privatization has become muddied
by questions about funding. For example, as the retailer Wal-Mart has
become the subject of increasing scrutiny for the way its business model
affects workers, urban and rural economies, and community development,
it has gotten support from think tanks, such as the Heritage Foundation, in
the form of op-ed articles and other defenses. These are think tanks that
Wal-Mart’s affiliate, the Walton Foundation, has funded in support of pro-
voucher education policies.\textsuperscript{105}

\textbf{8) Fundraising.}

\textbf{Definition:} Commercial programs marketed to schools to raise funds for
school programs and activities, including door-to-door sales, affinity
marketing programs, and similar ventures.

\textbf{Developments in 2006-2007:}

Under a deal with the U.S. Postal Service, ArtStamps LLC, a
Connecticut company, began offering a program that allows schools and
art teachers to turn student artwork into valid postage. Artwork is
converted into postage or note cards by ArtStamps, and then sold at $25
for a sheet of 20, 41-cent stamps. The face value of the sheet of stamps
totals $8.20, and schools get 20\% of the revenue from each sale, leaving
(in this example) nearly $12 per sheet of stamps to cover ArtStamps’ costs
and profit.\textsuperscript{106}

In Minneapolis, a similar arrangement for music was launched in
2006 by Legacy Productions, which plans to go national in 2008. This
recording label offers to record and release CDs of school choirs, bands
and individual performers. Use of recording facilities and production
services is free, but Legacy charges $20 for each CD sold. The company
returns 40\% of profits to the organization sponsoring the fundraising
effort.\textsuperscript{107}

\textbf{Implications for Schoolhouse Commercialism}

Overall marketing trends establish the context for marketing
activities in school. They legitimize marketing content as a source of
information and encourage consumers to trust that information provided
by marketers will be reliable. In other words, these trends suggest that the presence of marketers in venues previously off limits is coming to be considered “normal.” As noted, there have been limited efforts to curtail in-school marketing programs, but chiefly under the narrowly drawn rationale of improving nutrition and combating childhood obesity. In the absence of more broadly couched restrictions on in-school marketing efforts, there is every reason to believe that in-school marketing will continue and expand. Moreover, the sorts of practices already described—viral marketing techniques and other marketing practices that capitalize on interactive and Internet-based communication—are likely to lend themselves to continued capitalizing upon schools as marketing venues.

At the same time, as marketing tactics shift generally, in-school campaigns can be expected to reflect those trends. The story of a popular brand of footwear is illustrative. Traditional in-school advertising typically requires the advertiser to obtain approval from the school or school district before placing its message. An account of a successful campaign by one youth-marketing consultant illustrates how clever marketers are increasingly finding ways to get all the advantages of in-school marketing—namely, access to large numbers of impressionable young consumers—without the disadvantage of having to rely on school approval to get their messages inside the schoolhouse walls.

Vans, a footwear and apparel manufacturer particularly targeting young, male enthusiasts of skateboarding and other so-called “extreme sports,” employed a variety of out-of-school tactics, such as promotional post cards, posters, and targeted e-mails to youngsters. Additionally, “50 high school students were given Vans’ latest products in order to evangelize Vans on their high school campuses…” (emphasis added).

In its use of the Internet, in its penetration of the everyday activities of young people in and out of school, and in its successful engagement of the marketed-to audience to become part of the marketing machine, this one campaign captures all three of the commercialism trends set forth above: pervasiveness, blurring of boundaries between advertising and other forms of communication, and interactivity between marketing and consumers.

Indeed, in the face of such tactics, more explicit in-school marketing programs look to some critics to be obsolete. When Alloy Media acquired Channel One in the spring of 2007 and NBC subsequently announced a new venture to provide content for the in-school television network, an Advertising Age commentator was critical. “There are plenty of other avenues for marketers to reach teens effectively on their own time, and with a high level of engagement, that didn’t exist even a few years ago,” wrote the commentator, Simon Dumenco, who went on to suggest that Channel One’s new partners were facing “a karma issue, a corporate-responsibility angle, that looms larger than ever in the consumer consciousness these days. Advertising on Channel One seems like asking for trouble.”
In fact, however, there seems to be little evidence of any wholesale retreat from in-school commercialism. Not only has marketing in schools become regarded by many as “normal,” but schools themselves are being transformed into “products” that need to be marketed. The market model of education has been the dominant paradigm in the policy discourse over the last two decades. Simply stated, the premise is that fostering competition will improve public schools. Markets, though, almost always beget advertising, as competitors seek to draw the attention of the potential consumers to the attributes of their own offerings.

It should be no surprise, then, that schools—including traditional public schools—have seen the need to spend money on advertising in the market-based environment in which they now operate. The Milwaukee Public Schools, for example, began running television and print ads in the summer of 2006. In doing so the district was mirroring charter and private schools in the district: Atlas Preparatory Academy, a private school that is enrolled in Milwaukee’s voucher program, placed billboards on city buses, and the Milwaukee Urban League Academy of Business and Economics, a charter school, paid $11,000 for radio spots. A school board member acknowledged his discomfort with the approach. “I guess it’s a function of current marketing trends—everything is being advertised or hyped,” Jeff Spence told the Milwaukee Journal Sentinel. “We are bombarded now with this ‘Choose my school’ mentality. Maybe that’s what’s needed to get people to focus on education. But it’s a sad commentary on what gets us thinking about education in a broader sense.”

Public and Community Response

Amid the continuing spread and evolution of schoolhouse marketing programs, there are varied efforts to halt and even reverse the practice. One particular attack on schoolhouse commercialism stands out for its comprehensive approach. In Massachusetts, state legislation has been introduced to ban advertising in schools. The bill, authored by Rep. Peter Koutoujian, states in part:

No manufacturer or distributor shall advertise in any manner consumer products or consumer services on public school grounds, buildings, or real property owned or leased by a public school from one-half hour before the beginning of the school day, during the school day and one-half hour after the school day. Advertisements shall include, but not be limited to, placement of manufacturer marks, or manufacturers’ or distributors’ consumer products or services marks for the purpose of promoting purchase of products or promoting brand loyalty by a student or a student’s family.
As the Center for Commercial-Free Childhood noted in announcing its support for the legislation, the Massachusetts bill is “the strongest school commercialism legislation in the country.”

The bill is an exception, however, in its scope. More typical reaction to schoolhouse commercialism tends to focus on child health and to be diffuse, only partly targeting schools. Some complaints target food marketers, the advertising industry, or both, but criticism of the school as advertising venue is often overshadowed by calls for more healthful products. For example, Kellogg announced in June 2007 that it would market only foods meeting certain nutritional criteria in any medium with a large audience of children under 12; in response, Rep. Ed Markey sent letters to five of the cereal manufacturer’s competitors, urging them to follow suit and announcing congressional hearings on the issue.

In the area of sponsored curriculum, however, one event in particular drew widespread attention in September 2006, and it may offer insight into larger practices as well as public response to the sponsored-curriculum question. ABC television aired *The Path to 9/11*, a controversial “docu-drama” about the events preceding the 2001 terror attacks on the World Trade Center and the Pentagon. Scholastic Inc. produced a curriculum tied to the film that was to be made available to teachers via download from the Scholastic website. Democratic political activists, who argued that the film distorted history, particularly by casting the Clinton Administration’s response to earlier terror threats in an unfavorable light, mounted a campaign against the film and reportedly helped force ABC to edit out some scenes considered objectionable. In addition, some of these activists also targeted Scholastic’s curriculum. Apparently as a consequence of this response, Scholastic rewrote its curriculum to include discussion points about the allegations of inaccuracy in the program.

*The Path to 9/11* is not the only instance where political marketing—not just product marketing—appears to influence curricular decisions. Laurie David, one of the producers of the film *An Inconvenient Truth*, asserted in a November *Washington Post* article that the National Science Teacher’s Association refused to distribute *An Inconvenient Truth* while at the same time “partnering” with the oil industry to produce “educational” materials. NSTA did post a response insisting that it was not influenced unduly by its relationship with the industry, but removed some documents from its website that raised further questions.

Still, the most intense opposition is to food marketing. In March 2007 three FCC Commissioners and a Republican Senator, Sam Brownback, in the first meeting of a government/industry task force on childhood obesity, called on marketers to do something about obesity but were not specific.

The ad and food industries have long sought to distance themselves from responsibility for obesity, pinning the blame instead on consumers themselves for the choices they make and, more specifically, for failure to
exercise. In a Washington Post online essay published on March 8, 2007, however, a Rand Corp. researcher rebutted the industry’s critiques that seek to make obesity a matter of “personal responsibility.” Deborah Cohen wrote: “Much evidence shows that individuals are not the cause of America's obesity epidemic. A wealth of research on marketing and decision-making reveals that people are easily manipulated, biased and influenced to make decisions that are not in their own best interests by how choices are presented to them.”

Fresh evidence of the power of consumer advertising, particularly where children are concerned, came in August 2007 with the release of a study that found that children in a controlled experiment consistently asserted that food branded with McDonald’s labels was better-tasting than identical foods that were unlabeled.

Several organizations have taken up the question of commercialism generally, while others have focused more specifically on commercialism and children, commercialism in school, or both. These organizations include:

The Campaign for a Commercial-Free Childhood. Based in Boston and founded by Harvard faculty member Susan Linn, the CCFC describes itself as “a national coalition of health care professionals, educators, advocacy groups and concerned parents who counter the harmful effects of marketing to children through action, advocacy, education, research, and collaboration. We support the rights of children to grow up—and the rights of parents to raise them—with(out being undermined by rampant commercialism.” The organization publicizes research findings about commercialism and childhood and publicizes trends relating to the topic.

The Canadian Centre for Policy Alternatives. Self-described as “an independent, non-partisan research institute concerned with issues of social and economic justice,” the CCPA addresses a wide-range of topics, producing research reports and policy briefs as well as aggregating news developments in a number of different subject areas. Its activities include an ongoing education project, and its publications include a quarterly education advocacy journal, Our Schools/Ourselves.

Commercial Alert. Co-founded by long-time consumer advocate Ralph Nader, Commercial Alert states as its mission “to keep the commercial culture within its proper sphere, and to prevent it from exploiting children and subverting the higher values of family, community, environmental integrity and democracy.” The organization has run a variety of campaigns, directing members of the public to petition businesses, legislators and other entities. Recent campaigns have included petitioning business against in-school advertising on BusRadio and Channel One and petitioning the FCC to require disclosure of product placement in entertainment. The organization has offices in Portland, Oregon, and Washington, D.C.
Meanwhile, the media’s attempt to analyze such phenomena is spotty at best. Consider, for example, a *USA Today* article cited earlier in this report on the trend of marketing to younger and younger children. Throughout the article, marketers themselves are quoted at length on the motivations of so-called “tween” girls in demanding more products from the fashion, skin care and makeup industries. The depiction is one of children, at times enabled or encouraged by mothers or older sisters, whose marketplace demands are somehow driving the industry. The role of advertising and media in creating or encouraging those demands is nowhere addressed.

**Business Counter-Reaction**

Business reaction to public and political criticism has combined a strategic retreat with calculated parrying. The food industry is clearly worried about the public relations impact of criticisms that it contributes to obesity. A Coca-Cola marketing executive, Chief Creative Officer Esther Lee, in April 2007 called discussion of the topic “our Achilles heel” and went on to say, “It’s gone from a small, manageable U.S. issue to a huge global issue. It dilutes our marketing and works against it. It’s a huge, huge issue.”

In response, the food industry and ancillary industries, in particular, have opted for various voluntary restrictions. Thus, Disney declared in October 2006 that it would only license its characters to so-called “healthful” foods. And in July 2007, 11 food marketers said they would stop or reduce advertising to younger children, a move that in the words of *Advertising Age* would “banish some $1 billion in kid-targeted junk-food marketing.”

At the same time, however, the industry has kept up a public relations offensive. For example, McDonald’s, combining old-fashioned public communication strategy with the newest customer-enlistment techniques, has begun recruiting mothers as “quality correspondents.” Responding to public criticism of the fast-food industry’s role in the nation’s increasing rate of childhood obesity, the company invited mothers who log in to parenting sites and other Internet venues to get “behind-the-scenes access to the farms [where] our fresh ingredients are grown…” and other opportunities to see things from the company’s point of view. Mothers selected for the panel would be expected to “share their findings” in various Internet forums.

In another example, the advertising industry collectively indicated plans to fight “tooth and nail” against proposed limits on tobacco advertising—even though those limits were largely agreed to by the tobacco industry—for fear of setting a precedent limiting ads for food and alcoholic beverages.
Conclusion

Regardless of any talk about bans on advertising—whether imposed or voluntary, whether promoting tobacco, alcohol, or sugary food for children—consumers appear destined to find marketing and advertising an ever-growing presence in their lives. Earlier in this report, we referred to the “total environment” that the advertising and marketing industry is creating. Marketing is already everywhere and still finding new venues. Expanding patterns of advertising and marketing now focus on “viral marketing” and product placements, on the games and social lives of children, and most specifically, on increasing marketing and advertising deals with schools. Sometimes a promotion appears as a traditional advertisement, and sometimes it is masked as a product review, a cute video, or a gymnasium. In this type of environment, advertising—consistent with the three trends identified above—is pervasive, subtle, and interactive. Consumers assume its presence, and not only fail to question it, but actively participate in it by turning to marketers for information and by disseminating marketing materials in the guise of YouTube links over e-mail.

In 2006-2007, the overall momentum is toward a “total environment” of advertising seeking to establish itself as the norm. It is possible that activists, legislators, and parents can keep some marketing activities out of the schools. There have been some mixed successes (voluntary bans on advertising sweet foods to children sound like progress, for example, but many critics think they are unenforceable)\textsuperscript{137}; however, it is likely that the trends described here will continue for the foreseeable future.
Notes and References


See also the Video No. 1 at http://marylandpublicschools.org/MSDE/programs/recognition-partnerships/md-comic-book.htm (retrieved Aug. 24, 2007), in which Nancy S. Grasmick, Maryland Schools Superintendent, unintentionally notes the marketing value of the “Comics in the Classroom” program to its corporate sponsors. She recalls about her childhood, “…and guess what? I couldn’t wait to buy the next Archie comic!”


For comparison, an Associated Press article published in October 2006 stated YouTube’s average monthly visitors as 19.1 million.


Hanlon, P. (2007, July 23). “Create a stage that attracts your very own brand posse.” Advertising Age, 16

Hanlon, P. (2007, July 23). “Create a stage that attracts your very own brand posse.” Advertising Age, 16


As of September 2007, this web address was no longer valid, a consequence of 360 Youth’s merger with Alloy Media. (see http://www.360youth.com/, Retrieved Sept. 12, 2007).


As of September 2007, this web address was no longer valid, a consequence of 360 Youth’s merger with Alloy Media. (see http://www.360youth.com/, Retrieved Sept. 12, 2007).


59 Klimkiewicz, J. (2006, July 24). “Imprinting infants: Media, brand marketing aimed at under-3 set is exploding, and critics are crying ‘No fair’” *The Hartford Courant*, D1


62 Klimkiewicz, J. (2006, July 24). “Imprinting infants: Media, brand marketing aimed at under-3 set is exploding, and critics are crying ‘No fair’” *The Hartford Courant*, D1

63 Klimkiewicz, J. (2006, July 24). “Imprinting infants: Media, brand marketing aimed at under-3 set is exploding, and critics are crying ‘No fair’” *The Hartford Courant*, D1


See also:
*As of September 2007, the above-listed web addresses were no longer valid, a consequence of 360 Youth’s merger with Alloy Media. (see http://www.360youth.com/, Retrieved Sept. 12, 2007).


See also:
*As of September 2007, the above-listed web addresses were no longer valid, a consequence of 360 Youth’s merger with Alloy Media. (see http://www.360youth.com/, Retrieved Sept. 12, 2007).
*As of September 2007, the above-listed web addresses were no longer valid, a consequence of 360 Youth’s merger with Alloy Media. (see http://www.360youth.com/, Retrieved Sept. 12, 2007).


See also:
*As of September 2007, the above-listed web addresses were no longer valid, a consequence of 360 Youth’s merger with Alloy Media. (see http://www.360youth.com/, Retrieved Sept. 12, 2007).


See Also:


Calculations for the example used in the text were updated by using the ordering software at www.myartstamps.com on August 16, 2007.


See, for example, Conner, S. (2006, Oct.). “Food-related advertising on preschool television.” Pediatrics, 118 (4), 1478-1485


A lengthy discussion of the background to the NSTA curriculum, including links to documents that the NSTA subsequently removed from the web, can be found at:


Among the activities of the education project are a series of informal, email newsletters distributed by CCPA’s Erika Shaker to interested activists, linking to news reports online that touch on
commercialism, children, education, and related topics. (Personal communication, email from Erika Shaker, August 15, 2007)


