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Executive Summary  

As part of their efforts to create a “total advertising environment,” companies continue to aggressively market in school to children and youth. Advertisers now routinely blur the boundaries between editorial content and advertising in an effort to thoroughly infuse childhood with marketing messages. The goal of creating a total advertising environment has been brought closer to reality through the exploitation of digital venues such as video games, social networking websites, and cell phones.

This year’s report considers how marketing and advertising subtly help shape children’s socialization into values associated with commercialism. Although commercialism isn’t explicitly included as part of the curriculum, it is taught subtly in school environments that include marketing and advertising. As marketing messages promote particular products, they simultaneously promote values that validate and support commercialism.

Using a “360-degree” marketing strategy that actively measures children’s digital interactions with brands for purposes of further targeting, marketers create brand presence for children to interact with in the virtual worlds, social networks, and instant messaging environments they visit and to take with them when they go offline. Much digital advertising to children takes place outside of school; however, schools serve as a significant portal to digital marketing media and reinforcer of the messages they carry.

Companies marketing foods of little or no nutritional value are at the cutting edge of digital marketing to children. This is worrisome because of growing concerns about childhood obesity. Overconsumption of foods high in fat and sugar has already become an obvious problem, one very likely made worse by the pervasive marketing of these products to children.

Because accurate data about marketing to children, especially in schools, is difficult to come by, it is difficult to assess either the impact on children of advertising or the success of marketing industry self-regulation. In light of these problems, it would be useful for the Federal Trade Commission (FTC) to maintain a marketing registry of advertisers to children. This registry, containing the names of companies, products advertised, target audiences, and amount of money spent yearly on different marketing channels, would encourage industry accountability by making available information about the extent and content of marketing.
directed at children and youth. It would also make it possible to construct studies of what the potential impact of this marketing may be.
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Introduction  

In 2008-2009 companies continued to aggressively market to the captive audience of children and youth attending school. Classrooms, cafeterias, hallways, and gyms have become common venues for advertisers.1 The 2007 Commercialism in Education Research Unit (CERU) report on schoolhouse commercialism noted for the first time the effort by marketers to create a “total environment” by blurring the boundaries between editorial content and advertising and thus thoroughly infusing childhood with marketing messages.2 The goal of creating a total advertising environment has been brought closer to reality through the exploitation of digital venues such as video games, social networking websites, and cell phones. It has also been helped along by a friendly political environment, increased cultural acceptance of marketing as an everyday fact of life, and a willingness on the part of marketers and advertisers to breach boundaries that previously limited their activities.3  

Given this context, it is not surprising that, in the United States and internationally, the boundary between advertising and editorial content has become more blurred, and the relationship between marketing and consumers more pervasive and interactive.4  

Categories of School Commercialism  

In schools, advertising continues to appear in all seven commercialism categories identified in previous reports: (1) sponsorship of school programs, (2) exclusive agreements, (3) sponsorship of incentive programs, (4) appropriation of space on school property, (5) sponsorship of supplementary educational materials, (6) fundraising, and (7) digital marketing (previously called “electronic marketing”).5 These categories contain a wide range of specific strategies. For example, advertising can involve after-school activities (sponsored by a corporation), class-based projects (using sponsored educational materials, perhaps in conjunction with a branded website), contests (with prizes sponsored by a corporation), drink sales (from branded vending machines appropriating school space due to exclusive marketing agreements) and snack sales (again, branded, and sold on campus by vendors providing revenue to the school).  

Interactive school-based marketing involves students in activities with the advertised brand. A good example this year was ASA Entertainment’s “Xbox 360 Anti-Gravity Tour,” which was conducted jointly with the Campaign for Tobacco-Free Kids. This marketing effort was recognized as a finalist for a
SAMMY Award from the National Sports Forum for the best Sales, Advertising, Marketing, Management idea of the Year. ASA’s own description of the Tour puts it best:

With the help of Xbox 360’s marketing agency, Wunderman, the Xbox 360 Anti-Gravity Tour went beyond traditional marketing methods and literally took the brand directly to its target demographic. It visited high schools across the country with an action sports exhibition that prominently delivered the Xbox message and created opportunities for immediate hands-on interaction with their Xbox 360 gaming consoles. Capturing the youth’s attention where they live—in school—was an innovative way to zero in on their core audience. This fresh marketing strategy helped additional Tour sponsors further their brand initiatives as well.6

The tour took the form of a mandatory assembly at schools, with action performances by athletes and speeches against smoking, and with Xbox gaming consoles at hand for students to play.7 Sponsors’ logos were highly visible on and around the half-pipes set up for the event and in the YouTube video, apparently available forever.8 The PR campaign leading up to the event at each school was led by both Xbox and ASA; marketers worked with school administrators to excite students through posters, fliers, and announcements. Local media were also invited to the events, which were not open to the public.9 Eighty-five school events were scheduled for 2009.10

Perhaps as a result of the success of the Xbox 360 Tour, Alloy Media + Marketing and the CW network created a similar high-school tour to advertise the network’s new television series The Vampire Diaries.11 Following ASA’s example of partnering with a “beyond reproach” pro-social organization, this new marketing venture—“Starve a Vampire. Donate Blood.”—was conducted with the American Red Cross. The initiative visited 230 high schools with the goal of collecting at least 3,400 blood donations. Blood drives were stocked with CW materials advertising the show’s September 2009 premiere. Students snacked at themed Vampire Diaries refreshment areas and watched clips from the show on TV monitors around the area. All participants in the blood drives received promotional “swag.”12

Definitions

Although they are closely related, the terms advertising, marketing, and commercialism have distinct meanings as used in this report. Advertising refers to specific communications practices aimed at persuading audiences to purchase products or to adopt particular points of view or belief systems. Marketing is broader, encompassing the array of activities that make up “the commercial processes involved in promoting and selling and distributing a product or service.”13 As Alex Molnar noted in Schoolhouse Commercialism, commercialism
has been variously defined.\textsuperscript{14} The Oxford English Dictionary defines it as “the principles and practice of commerce; excessive adherence to financial return as a measure of worth.”\textsuperscript{15} In \textit{Lead Us Into Temptation}, James Twitchell says commercialism consists of two processes, “\textit{commodification}, or stripping an object of all other values except its value for sale to someone else, and \textit{marketing}, the insertion of the object into a network of exchanges only some of which involve money.”\textsuperscript{16} The Center for the Study of Commercialism offered this pointed characterization: “Commercialism: Ubiquitous product marketing that leads to a preoccupation with individual consumption to the detriment of oneself and society.”\textsuperscript{17}

While definitions may vary in particulars, each suggests an excessive emphasis on consumption that makes mixing commercialism and childhood problematic. Children do not have the same information and power as adults, and, therefore, cannot freely enter into commercial contracts as market theory suggests consumers do. As marketing professor James McNeal notes, “Kids are the most unsophisticated of all consumers; they have the least and therefore want the most. Consequently, they are in a perfect position to be taken.”\textsuperscript{18} Marketing to children in schools is especially problematic because there students are a captive audience, repeatedly told that what schools teach serves their best interests.

**Focus of This Year’s Report**

This year’s report considers how values associated with commercialism shape children’s socialization through marketing and advertising, especially digital marketing and advertising. Schools serve as a locus of socialization, and although commercialism isn’t explicitly included as part of the curriculum, it is taught subtly in school environments that include marketing and advertising. A given marketing message may promote a particular product, but it also simultaneously promotes values that validate and support commercialism. These values include the benefits and positive virtues of free market capitalism, overconsumption, the normalcy of debt, and hypersexuality.\textsuperscript{19}

The marketing and advertising industries believe their future lies in digital marketing strategies. Conducted over computers, videogame consoles, handheld game players, and cellular telephones, digital strategies have become commonplace. The fact that food companies are leading the way in digital messaging is worrisome because of growing concerns about childhood obesity.\textsuperscript{20} Overconsumption has already become an obvious problem as it relates to eating, and increasingly pervasive advertising to children may exacerbate the problem.

Of course, much digital advertising to children takes place outside school walls. Today’s children are fully and continuously connected. As Internet safety advocate Larry Magid recently commented, “They don’t go online, they ARE online.”\textsuperscript{21} Schools do, however, serve as a significant portal to and reinforcer of digital marketing media and messages. For this reason, how digital marketing is used to promote commercial values, and how children are exposed to digital marketing in and by way of their schools, are primary foci of this year’s report.
The Values Taught by Marketing in Schools

It is hard to imagine modern capitalist culture without advertising. It is omnipresent. Sports, culture, public spaces, and education all feature corporate sponsorships. Athletes wear logos, concert programs have commercial pages, ads paper buses and buildings, and even college buildings now bear the names of corporate sponsors. Whereas advertising’s domination of public space seems obvious and natural to those bred into it, it was not always this way. Advertising’s capture of virtually all public space is neither natural nor necessary. Sut Jhally, professor of communication at the University of Massachusetts, points out that since ads are not trivial, but rather carry values, stories, and morality that promote a consumer culture, they affect how we think about our families, relationships, environment, society, friendships, and selves.

Money and the Meaning of Happiness

School programs sponsored by banks can, for example, help teach children to assume the virtues of the capitalist economic system rather than to thoughtfully consider its positive and negative aspects. Intrinsic to the free-market economic system that such programs teach is the idea that having things and being rich define happiness and a life well-lived. Sometimes this value is encouraged explicitly, as by the Capital Gains project that operated this year in Washington, D.C., in cooperation with the Education Innovation Laboratory at Harvard University. Based on the philosophy that incentives inspire performance, this program pays children cash for school performance. SunTrust Bank partnered with the school district to provide participating students with savings accounts that students can access at any SunTrust branch. Another local business partner, Borders, jumped on the bandwagon to “further enhance students’ cash incentives” by providing them with 20% off coupons. Similar incentive programs have been initiated by the Education Innovation Laboratory in New York (in 2007-2008) and Chicago (2008-2009). A significant funder for the Laboratory is the Broad Foundation, founded “to advance entrepreneurship for the public good.” Besides teaching children that money equates to happiness and success, the emphasis on extrinsic monetary incentives may also displace such intrinsic motivators as intellectual curiosity and the self-satisfaction of mastering a skill.

Food and Nutrition

Through food marketing in schools, children learn that overconsumption, particularly of foods of questionable nutritional value, is both normal and fun. Although “nutrition education” is included in official curricula, what children learn in class is different from what they learn in the more general school food environment, including the lunchroom, vending machines, computers, and other loci of marketing. The Federal Trade Commission (FTC) found that of the $186 million spent by food companies in 2006 on in-school marketing, 90% was for beverages. Most of this money was spent on marketing high-calorie, sugared
products. As a result of beverage industry self-regulation, much school beverage marketing, particularly at the elementary level, is now for bottled water, juice, and milk. However, less nutritious food continues to be marketed via education-oriented websites and via school fundraisers such as the “McTeacher nights” sponsored by McDonald’s.\textsuperscript{30}

**Sexuality and the Commodification of Desire**

Children are taught by marketing messages that “hypersexuality” is normal and appropriate, that sexuality is a commodity that can and should be bought.\textsuperscript{31} Until this year, Scholastic, Inc., promoted the highly sexualized Bratz brand in its catalog and book fairs. Bratz dolls have distorted faces with huge, overly made-up lips and eyes, and their wardrobes feature such items as fishnet stockings and ultra-mini-skirts. According to Diane Levin, professor of education at Wheelock College and co-author of *So Sexy, So Soon*, the dolls “teach girls to focus on appearance and fashion, to aspire to an eating-disordered body, and to play at being sexy before they’re even capable of understanding what sexy means.”\textsuperscript{32} In September, Scholastic yielded to an 18-month-long letter-writing campaign spearheaded by Campaign for a Commercial Free Childhood and finally removed from their catalog Bratz books (such as *Lil' Bratz Catwalk Cuties*) and toys (such the Bratz Rock Angels computer game and the Bratz Fashion Designer stencil set).\textsuperscript{33}

Of course, any child who wants to “create her/his own Bratz™ character…decorate a room, design fashions, take care of a pet and interact with other Bratz™ fans online” can easily do so at the dolls’ online virtual world, [http://be-bratz.com/](http://be-bratz.com/).\textsuperscript{34} This site is only one of hundreds geared to children.

**Digital Marketing—An Overview**

In this year’s report we pay special attention to digital marketing, which exemplifies the dominant marketing trend mentioned earlier: the use of interactive digital technologies to blur boundaries between advertising and editorial content through pervasive advertising messaging.\textsuperscript{35}

A “Total Environment” of Advertising

In the United States, 93\% of 12- to 17-year-olds use the Internet, and 55\% of those use social networks.\textsuperscript{36} Seventy-one percent of teens have cell phones, and 97\% play videogames. (In a 2008 survey, 50\% of the teens interviewed reported playing a game “yesterday”).\textsuperscript{37} According to a study done by eMarketer, about 48\% of 8-12-year-olds spend two hours online every day, and 24\% of 13 to 17-year-olds spend more than 15 hours online each week.\textsuperscript{38}

As early as 2001, *Business Week* reported that 98\% of children’s sites permit advertising, and that more than two-thirds of websites designed for children rely on advertising as their primary revenue source.\textsuperscript{39} The digital measurement company comScore Inc. reported that U.S. Internet users, in
general, viewed a total of 4.5 trillion display ads during 2008, with the average person viewing more than 2,000 ads per month.\textsuperscript{40}

By its very nature, the Internet is more interactive than other media, and it offers marketers many ways to reach children. Marketers create brand presence for children to interact with in the virtual worlds, social networks, and instant messaging environments that they visit. They also attract children to visit branded entertainment sites, to watch and pass on the “viral” commercial videos made for viewer dissemination, and to become brand advocates by engaging in buzz marketing and even by creating their own advertisements for products.\textsuperscript{41} This “360-degree” marketing strategy engages with young people over and over, wherever they may happen to be—in cyberspace, on television, and offline. As children engage with brands in each of their online activities, their behavior is monitored and data are collected to allow for subsequent targeting of advertisements.\textsuperscript{42}

\textbf{Advertising in Games}

\textit{Casual Games}

In a game like \texttt{www.nick.com}’s \textit{Sponge Bob: Tasty Pastry Party}, the game and the advertising are one, and players can interact with the brand for hours (although perhaps dividing their attention among several games; the same website offers \textit{Sponge Bob: Plankton Pong} and \textit{Sponge Bob: Toy Store Trial}, as well as others). Links to the games are mixed in with links to ads for games to buy, and short ads for such products as Trix Swirls play while children wait for a game they’ve chosen to load. Viacom’s \texttt{www.nick.com}, Walt Disney Co.’s \texttt{www.disney.com}, and Time Warner’s \texttt{www.cartoonnetwork.com} were the most visited gaming sites among children 2 to 11 in the U.S. in 2008.\textsuperscript{43} In addition, marketers lure children to their sites with their own content: \texttt{www.bebraz.com} is one of those sites, as are \texttt{www.babybottlepom.com}, \texttt{www.hasbro.com}, and \texttt{www.chuckcheese.com}.\textsuperscript{44}

Advergames, which can appear on all these sites, are advertiser-sponsored videogames that embed brand messaging in “colorful, fun, and fast-paced adventures.”\textsuperscript{45} Elizabeth Moore, in her review of food-related advergaming on branded websites, points out myriad advantages this form of advertising holds for advertisers, compared with traditional television commercials: First, advergames are cost-effective, costing less than $2 per thousand users, compared with $7-$30 per thousand viewers of a television commercial. Second, viewing patterns and effectiveness can be more readily measured. And third, the Internet itself can be used as a central organizing platform for a fully integrated marketing program.\textsuperscript{46}

Branded websites contain features to extend players’ interaction with the brand, both while players are online and afterwards. Features that extend game play include openly inviting children to play again and creating competition either by posting high scores to a “leader board” or by encouraging players to beat their top times. Branded “extras” and reminders encourage children to take the brand off-line with them. The most common brand-related “extra” gifts were desktop...
features such as downloads of brand characters that can sing or walk around the
desktop, branded buddy icons, cursors, and wallpapers; brand reminders such as
pictures of brand logos, packages, and calendars; and arts and crafts activities
such as puppets, drawing instructions, and printable interactive coloring pages.47
Children are offered branded e-greetings to send to their friends to encourage
them to come play, too, and memberships that make them eligible for special site
benefits and game enhancements.48

In-Game Advertising

Video games designed for PCs, for game consoles such as Playstation or
Xbox 360, and for hand-held devices contain “in-game” ads. Sometimes those ads
are placed in order to make the game seem more realistic, but more often than not,
their primary goal is to sell brands. The introduction of “dynamic” ad platforms
around 2004 revolutionized the industry, because dynamic ad technology allows
game developers to create areas within the game reserved for potential
advertisements and to measure how often players view them. The areas can be
billboards, character clothing, or even dialogue. When a game is played on a
connected game console, the game receives advertising from the ad server.49 The
advertising can be regularly updated—such as to show a current movie playing at
an in-game movie theater, or to advertise a new special at the in-game Burger
King.

Industry research indicates that marketing in video games is an effective
form of advertising.50 Massive Incorporated, owned by Microsoft, integrates all
advertisements for Microsoft’s Xbox 360. With its ad partners, the company
researched the effectiveness of exposure to its in-game ads over several
advertising categories, and found a 64% increase in brand familiarity, a 37%
increase in brand rating, and a 41% increase in purchase consideration.51

In a July 2008 interview, Massive account executive Sean Katona
estimated that 60% of Xbox 360 players connect online to download new
content—along with dynamic ads—for their games. Personal computer (PC)
gamers are more than 95% connected.52 The entwined developments in
technology and advertising suggest that in the next few years, all types of video
game advertising will increase in number and sophistication. According to Mr.
Katona, the future will likely see all games downloaded from the Internet, as they
already are in Asia (implying a 100% connection rate).53

Advertising on Cell Phones

With children so active on their cell phones, cell phones are increasing in
importance as a digital platform. Cell phones allow for even more specific
behavioral profiling (and therefore targeting) than does the Internet, because they
provide location data in addition to information that the Internet can provide on
demographics, purchase behavior, responses to advertising messages, and social
networks.
Mobile ads work in conjunction with other forms of advertising (a television spot or a billboard, for example) that entice children to text from their phone. For example, K-mart’s successful mobile campaign for its line of Protégé basketball shoes, aimed at black male teenagers, started with subway ads that instructed the teens to text “protégé” to a central number. When they did, they were given a link to a brand website, where they could download free ringtones, wallpapers, and video for the brand. Measures of the effectiveness of the campaign found that there were 100,000 clicks to the site, and that not only did visitors download free materials, but they also checked out the product gallery views and store locator page to find out where they could buy the shoes.\(^{54}\)

**Schools as Digital Marketing Venues**

Digital marketing is not as removed from schools as it may appear, since students use various technologies as part of their school experience or as part of their routine while at school. A 2009 survey conducted by the Consumer Electronics Association found that 65% of teens reported the use of technology in their classes, with 41% reporting spending time in a computer class or lab. Seventy-one percent of private school students reported needing access to a computer outside of school for their studies, as did 47% of public school students. Of teens reporting electronics usage at school, 82% reported using a cell phone most often, and 46% said they use a laptop at school.\(^{55}\)

**Schools as a Portal to the Internet**

Companies engage schools as a portal to the Internet by providing them with ad-supported communication services (www.hotchalk.com, for example), by marketing “educational” sites to teachers to share with their students (www.funbrain.com, for example), and by advertising to children through such media as BusRadio (detailed below). Once online, children engage in virtual world, casual gaming, educational, and “digital community” sites that bring them to advertisers through “immersive advertising.” In 2000, after Doug Dowring bought the popular Neopets site, the company trademarked the concept of “immersive marketing,” which integrated advertising into users’ activity on the site, including location names, games, and surveys.\(^{56}\) Such marketing is now the dominant model for children’s websites.

Pearson Education Inc. offers sites for children, parents and teachers. It markets www.funbrain.com to teachers, providing games and activities to make learning to standards more fun for children. When teachers direct their students to a game such as Math Baseball, the children simultaneously play the math game and view click-through ads for products related to other Pearson sites, www.Poptropica.com and www.FactMonster.com. From a second-grade level of Math Baseball, we clicked through to www.FactMonster.com, and then to its games page. There we found a click-through ad for a McDonald’s contest and another click-through for the book Rapacia—*The Second Circle of Heck*. The latter opened a purchase page for the book at www.randomhouse.com.
Another game on the FactMonster games page, *Beacon Street Girls Jigsaw Puzzles* (at [http://www.factmonster.com/girls/beacon-street/beacon-street-girls.html](http://www.factmonster.com/girls/beacon-street/beacon-street-girls.html)), turned out to be based on a series of books about the Beacon Street Girls (BSG). In addition to ads for L.L. Bean and a videogame based on the latest Harry Potter movie, that page linked to the book series’ site ([http://www.beaconstreetgirls.com/](http://www.beaconstreetgirls.com/)), complete with more games, descriptions of the books, “free stuff for girls” (such as downloadable BSG stationery, flipbooks, iron-ons, and posters), and an ad for a Demi Lovato concert. Membership in the BSG Club is free, and one of the things that girls are encouraged to do on the site is “Shop till you drop!” in Beacon Street Girls Town. In other words, surfing from the teacher-recommended site quickly leads to a commercial world that may be age-inappropriate, gendered, and full of marketing for food, books, toys, and other products.

Another leader in digital marketing to teens is Alloy Media + Marketing, which in the past several years has amassed a network of education-oriented and other sites for teens. The Alloy Education Network claims to be the “leading portal of Web 2.0 sites targeting a college-bound audience,” bringing together such resources as a free comprehensive scholarship search, college search tools, financial aid advice and campus life articles. The company promises that “Our network offers advertisers co-registration and lead generation advertising solutions to connect directly with youth and young adults 13-25 online in a highly targeted and scalable way, providing you with targeted, pre-qualified student inquiries.”57 The network’s more than 20 websites include [www.takkle.com](http://www.takkle.com) (targeting high school athletes), [www.findtuition.com](http://www.findtuition.com) (a financial aid search site), [www.minoritynurse.com](http://www.minoritynurse.com) (targeting minority nurses from pre-college through their professional job search), and [www.teen.com](http://www.teen.com) (targeting teen girls).58

Some other educational sites are sponsored by corporations, such as Verizon’s [www.thinkfinity.org](http://www.thinkfinity.org).59 The site has games and activities for children; lesson plans, professional development opportunities, and interactive material for teachers; and information, games, and activities for parents. Verizon’s sponsorship is salient.

Other sites are independently owned, but ad-supported. It seems that children, once on the Internet, are never more than a click or two away from Google’s targeted advertising. The site [www.reviewgamezone.com](http://www.reviewgamezone.com) provides sports-themed review games for students in various content areas.60 Google ads fill the sidebar and are interspersed in the lists of games. Created by a former teacher, the comprehensive site [www.historylearningsite.co.uk](http://www.historylearningsite.co.uk) links to information about various periods in European and American history. It also links to Google ads and banner ads for travel, cell phones, Netflix, and so on. On two separate occasions when we accessed the site, we were treated to an audio announcement that we had been selected to receive a $1,000 gift card from Walmart.61

The newsmagazine *Time For Kids* is marketed to teachers as “a powerful teaching tool [that] builds reading and writing skills and is easily integrated across your curriculum.”62 *Time for Kids* has a web presence, [www.timeforkids.com](http://www.timeforkids.com), of which K-Mart is a prominent sponsor. A feature of this site is the “homework
helper” pages that link to sites recommended by students that help with various subjects. A quick review of several of these sites found many to be ad-supported, primarily with Google ads.⁶³

**Providing Equipment in Exchange for a Captive Audience**

Companies provide equipment (television, computer, radio, school websites) in exchange for student “eyeballs” (or ears, in some cases).⁶⁴ This is the strategy followed by some of the earliest entries into school-based digital marketing: Channel One, ZapMe!, Star Broadcasting, and Youth News Network, a Canadian company that provided a service like Channel One’s.⁶⁵ Except for Cable in the Classroom (CIC), these services were all ad-supported. CIC, a foundation of the cable industry that provides free cable and broadband connections and cable programming to schools and libraries, reaps its reward in positive publicity for its industry.⁶⁶ Opposition to commercialism in schools has been most successful with respect to several businesses that used this strategy (i.e., ZapMe!, Channel One, Youth News Network, and BusRadio).⁶⁷ Their requirement that students be exposed to ads during school hours provided a clean target for opposition.

Channel One, now owned by Alloy Media + Marketing, provides satellite video equipment to schools along with a daily student-oriented news show. In exchange for the equipment, schools have to promise that their students will be required to watch the 12-minute news show, including two minutes of ads, every day. In the early 1990s, Greenberg and Brand studied the effect of Channel One on high school students’ attitudes toward specific advertised products and on their agreement with materialistic statements such as “Most people who have a lot of money are happier than most people who have only a little money.” They found that compared to students who did not watch Channel One in their classrooms, those who did watch Channel One reported more favorable attitudes toward the advertised products (Fritos BBQ Chips, Skittles, M&Ms, Gatorade, and Nike Air Jordan sneakers). When asked to name the brand of product they would purchase in each of several product categories, they were more likely to name the brands advertised on Channel One. And finally, they were more likely to agree with materialistic statements.⁶⁸ These effects were the consequence of a few minutes of commercials included in the daily dose of Channel One news.

From its inception in 2006, BusRadio, a kind of Channel One for school buses, was under attack for forcing ads on children. Although the difference in medium makes it possible that the effect of radio ads is weaker than the effect Greenberg and Brand found for TV ads, students spend more time daily on the bus than they ever did watching Channel One. Perhaps more significant than the ads, though, are the regular reminders children would hear to log on to www.busradio.com. If they did, they could find music, games, polls, contests, and, on a random day in August 2009, a featured “story” on the site’s front page announcing a new Selena Gomez doll.⁶⁹ The featured game on that random day was *Tamagotchi Music Star Trivia*, in which players win points by answering such questions as “What cool things can you do on a Tamagotchi Music Star?”
and “What are the names of three Tamagotchi characters?” (a large picture of the Tamagotchi Music Star electronic toy was posted next to the questions).

The Federal Communications Commission’s (FCC) September 2009 review of BusRadio explicitly criticized the website for its blurring of editorial and commercial content. The commission noted that if BusRadio was subject to its rules (which it was not because it did not have a broadcasting license), the company’s radio programming would have been prohibited because children’s programming that mentions “a website primarily intended for commercial purposes, or whose homepage contains e-commerce, advertising or other commercial material, would be prohibited.” In any case, the Commission noted, the website violated the self-regulatory guidelines established by the Children’s Advertising Review Unit (CARU), an organization established in 1974 to establish best practice guidelines and review advertising to children ages 12 and under.  

On September 28, 2009, the company confirmed that it had ceased operations and was no longer broadcasting. The website still existed at this writing, but was no longer being updated.

Providing Equipment as Public Relations

Corporations can score a public relations coup by providing equipment to schools. For example, in 2009, Windstream Communications donated $25,000 to 8 schools as part of its Classroom Connections program, to finance new computer labs or associated technology. To apply for the grant, schools in the company’s service area had to submit a video that demonstrated their need, creativity, and enthusiasm. Windstream received about 300 applications for the program from schools in 16 states.

Digital Marketing of Food Products

Food dominates the advertising market to children online, in school, and on television. Food advertising has come under particular criticism in recent years because it is implicated in the rise of childhood obesity. Much of the advertising for food products takes place outside of school, and most of the research on advertising to children focuses on television advertising, although there have been some excellent examinations of digital marketing in the past few years. A 2007 Kaiser Family Foundation study of television advertising found that half of all advertising time on children’s television is for food, mostly candy and snack foods, cereal, and fast food. Twenty percent of the ads promoted a website. The FTC, in its examination of the amount of money spent on marketing various products to youth, found that the most money was spent on marketing food. Of the total $1.6 billion spent, $1.02 billion (63%) was spent marketing carbonated beverages, restaurant food and breakfast cereal. The FTC examined in-school marketing as part of its study, and found that $186 million was spent in 2006 on in-school marketing, 90% of which was for beverages.
The Effect of Food Advertising on Consumption

A 2007 review of research on food marketing to children found that advertising influenced food preferences in the direction of the advertised foods, and that it influenced children’s food preferences, purchasing, and consumption. Research on school food environments, in particular, found that student snack food purchases were significantly associated with the number of snack machines in school.

Whether the advertising directed at children actually affects them is a difficult question for the food industry to take up. The desire to convert children into consumers conflicts with the desire to avoid condemnation for promoting childhood obesity. As a result, food industry representatives often deny the ultimate effectiveness of advertising, as did Ellen Davis, a spokeswoman for the National Council of Chain Restaurants: “What it all comes down to is the choices parents make for their kids….We all know that children have strong opinions, but parents make the choices.” On the other hand, James McNeal, a pioneer in the area of children’s marketing, notes that “If children area made to feel warm and fuzzy about a store or brand or product, they will bond with it.”

Recent studies support the contention that food advertising is implicated in the rise of childhood obesity. It’s not too much of a stretch to think that if advertising increases children’s desire for certain brands of food or beverage, and they have an opportunity to consume those brands (say, because there’s a fast-food restaurant not far from school, or a vending machine actually in school), it might affect their weight. A 2009 National Bureau of Economic Research (NBER) study of 9th grade children found that a fast food restaurant within a tenth of a mile of their school was associated with a 5.2% increase in obesity rates. Another NBER study, published in 2008, concluded that a fast-food TV-ad ban for children’s programming would reduce the number of overweight children ages 3 to 11 by 18%, and of 12- to-18-year-olds by 14%.

Food advertising can stimulate automatic eating behaviors independent of any specific effect of brand preference. In one study, children watched a cartoon with commercials while eating a snack—not the snack advertised in the commercial. Those children who saw commercials for food products with their cartoon ate 45% more of the available snack than children who saw commercials for non-food products. Adults who participated in a follow-up experiment ate more during a food tasting if they saw commercials for snack foods as opposed to other ads. It’s not clear how long this effect might last after the exposure to advertising, but these findings have particularly strong implications for the amount of eating that children might do in situations that expose them to food marketing over an extended period of time—in schools with vending machines and naming rights, for example, or while visiting popular Internet sites with advergaming or other food promotions.

The money spent on pouring rights contracts may be particularly well-spent, since the contracts provide for an exclusive advertising situation that often lasts through a child’s entire tenure through the school system. Even the youngest students are thereby constantly exposed to brand logos and products.
Chester and Montgomery, in their comprehensive analysis of interactive marketing of food products to children, conclude that the 360-degree strategy, with all the techniques that it entails and digital marketing at its center, constitutes a dramatic departure from traditional advertising. Unlike traditional advertising, digital techniques involve close monitoring of children’s behavior and infiltration of their relationships, all with the goals of engaging them with the brand and directing personalized advertising messages back at them. Food companies are at the forefront of this digital marketing system.\footnote{85}

**Other Developments in School Commercialism in 2008-2009**

Digital marketing was not the only marketing format thriving in schools in 2008-2009. Consider these examples.

**Sponsored Programs and Activities**

Corporations can pay for or subsidize school events or one-time activities in return for the right to associate their names with those events and activities. Schools provide an ideal opportunity for companies to sponsor programs and activities that allow them to create positive images for their brands. This year, for instance, home-builder ICI Homes donated trees to 15 elementary schools near its developments in Florida. As part of this program, which was presented as an Earth Day activity in April 2009, students planted the donated trees at their schools.\footnote{86}

Nintendo partnered with the nonprofit organization Mathcounts to sponsor a contest this year that challenged middle school math clubs across the United States to increase their membership and level of participation in Mathcounts challenges. Winning clubs won Nintendo DS handheld games and also copies of Nintendo’s *Personal Trainer: Math* game for the DS.\footnote{87}

**Exclusive Agreements**

Exclusive agreements between schools and corporations give corporations the exclusive right to sell and promote their goods or services in the school district. In return, the district or school receives a percentage of the resulting profits. In Ohio, the Atrium Medical Center provides sports medicine and athletic training services to local schools. According to Atrium marketing coordinator Michele Guido, “Through school partnerships, Atrium Medical Center gains enhanced visibility in the communities we serve through our athletic trainers and advertising while providing the services necessary to maintain the health of student athletes.”\footnote{88}

**Sponsored Educational Materials**

Sometimes, corporations or trade associations provide schools with materials that claim to have instructional content. In the early twentieth century...
these materials were labeled, we think accurately, “propaganda.” They are now commonly referred to using the more benign term “sponsored educational materials.” Usually, these materials promote a company, or values consistent with a company’s mission, in the context of an educational lesson. The “Feed the Pig” financial literacy program created by the American Institute of Certified Public Accountants (AICPA) and the Ad Council provides an example of how marketing can seem relatively innocuous but still potentially influence student attitudes. The sponsors’ logos appear on both the materials provided to fourth- through sixth-grade classes and the accompanying website. As Brigid Bergman noted in her article for Crain’s New York Business (www.crainsnewyork.com), teaching “fiscal responsibility” to young consumers increases the likelihood that they will hire an accountant later in life.

Incentive Programs

Corporate-sponsored incentive programs provide money, goods, or services to a student, school, or school district when its students, parents, or staff engage in specified activities. In 2008, in conjunction with the American elections, the UR Vote Counts program attracted teenagers to malls to vote, offering them “the best discounts and offers available from our network of stores, restaurants, and partners via a monthly email delivered directly to U.” The program was marketed directly to social studies teachers via an email to the member list of the National Council for the Social Studies.

Fundraising

With the economy in shambles, fundraising programs have been popular. These commercial programs are supposed to help schools to raise funds for school programs and activities, and can include door-to-door sales and affinity marketing programs. Coffee Funds, owned and operated by California Coffee Roasters, offers a fundraiser to nonprofit organizations including schools, such as San Francisco School of the Arts. Organizations make $5 for every bag of coffee they sell for California Coffee Roasters. The homepage of www.yourhomework.com links to www.K12mall.com, a shopping site that offers to donate between 0.25% and 12% of the purchase price of items bought on the site to schools chosen by shoppers.

There are also exclusive agreements, appropriation of space agreements, and digital marketing agreements that raise money for schools in exchange for corporate access to students. The most successful argument in favor of pouring rights contracts has been their fundraising potential, even though analyses have shown that they aren’t nearly as lucrative to schools as they may seem to be. This year teachers made news by selling ads directly. In Rancho Bernardo, California, ads appeared on Tom Farber’s calculus tests, and in Pocatello, Idaho, on Jeb Harrison’s history and economics tests, handouts, and worksheets.
Appropriation of Space

In appropriation of space agreements, schools receive money in exchange for corporations placing their names, logos, or advertising messages in school space, such as on scoreboards, rooftops, bulletin boards, walls, textbooks, or schoolbuses. In August 2009, the Santa Fe public school district became the first in the state of New Mexico to allow ads on school buses, in exchange for 50% of the revenue generated. According to Michael Beauchamp, whose company Alpha Media provides the bus ads, “With the economy the way it is and gas prices rising, schools are looking anywhere they can to find some more funds.”

Public school websites in Prince William County, Virginia, now feature click-through ads to sponsors’ sites. A first-grader at Ashland Elementary School, for instance, can go online to his or her class page to access www.SpellingCity.com to practice spelling, and click through to an ad for BB&T, a financial services company. Other sponsors include a car dealership, power companies and defense contractor Lockheed Martin.

The View from England:
The Commodification of Education Continues Despite Protest

Contributed by Gary Wilkinson

In England, government policies call for business and other non-public interests, such as charities, to become involved in schools. The institution of public education is, as a result, becoming ever more packaged and marketed as a product. The new Trust schools, for example, give “business foundations and other organizations the opportunity to be more involved in their local community.” The main policy instrument by which corporations enter the education business, however, remains the academies program. This program allows businesses or charities to take over a school in return for a contribution, originally set at £2 million, toward the cost of building a new school. The state pays all operating costs and nearly all start-up costs, but the sponsor owns school assets and controls the governing body.

The academic success of academies is unclear. They appear to do well initially, but their exclusion rates are far higher than that of state schools. One study found that test scores for 16-year-olds fell in 25% of the oldest academies in 2008—a higher percentage than for state schools. Research from University College, London, that matched academies with mainstream schools found no difference in test scores. And finally, a report by London’s Institute for Education found that there was a not a consistent level of performance or pupil composition across different academies.

There are several sources of concern about these schools. Probably most significant is that they provide for limited democratic accountability. Thus, when the nature, motivations, or behavior of the sponsor is suspect, there is little recourse for parents. Many oppose the religious agenda of some academy...
sponsors, and others question whether corporate sponsors, who found sponsorship a clever image-boosting tool, are in it for the long haul through the economic downturn. More than two-thirds of the privately sponsored academies have not received all the money due from their sponsors, and one sponsor is already trying to cut its connection to its school.

Despite significant protest from parents and students, academies remain and are expanding in number. The Conservative Party, widely predicted to form the government after the next general election in 2010, remains firmly dedicated to the policy.

**The View from Ireland: Grassroots Opposition to Commercialism**

Contributed by Joseph Fogarty

Ireland has seen the emergence of new in-school marketing initiatives in 2008-2009, along with the continuance of large bank-sponsored programs even as these banks were facing extinction and bringing the national economy to the brink of catastrophe.

**Bank Branches in Schools**

Allied Irish Bank’s *Build a Bank Challenge*, in which unpaid students work at and market a school-based bank branch, continues to be one of the biggest sponsored competitions in Ireland at the secondary level. To win prizes in the “Challenge,” students must devise a marketing strategy to promote AIB in their school, win new customers, and promote customer loyalty among their peers.

This year’s *Challenge* stood out in high relief as the bank saw its share price drop 91% in twelve months, its chief executive and chairman resign, and the company survive only through a state guarantee and a €3.5 billion government recapitalization plan. The *Challenge* maintains a high profile among many secondary schools eager to emulate the 2008 winners, whose “jungle theme” had bank staffers dress up as jungle animals for launch day and send regular “jungle themed” newsletters to customers.

National Irish Bank, which like Allied Irish Bank suffered its own financial setbacks this year, launched [www.moneyville.ie](http://www.moneyville.ie), an “online universe” aimed at 5- to 9-year-olds. In this one-dimensional “universe,” children earn silver and gold coins and spend them on toys, clothes, electronic gadgets and games. An ever-present “wish jar” reminds children of the objects toward which they aspire. There are no other citizens in Moneyville, no social dimension whatsoever and nothing beyond personal gain and consumption.

The banks were not alone in targeting schoolchildren. Internet giant Google launched *Doodle4Google*, a competition in which students designed an interpretation of the company’s logo on the theme of “My Ireland” to be used on the company’s website on St. Patrick’s Day, 2009. Primary and secondary schools were issued blank templates of the corporate logo and lesson plans on
how to focus children on its design before attempting their own version. The lesson plan, aimed at 5- to 8-year-old children, directs teachers to

write the word ‘Google’ on the board and show the pupils a print out of the logo template. Explain that Google helps us find information when we are using the computer....Identify all the letters and colours in the Google logo.\textsuperscript{115}

That Doodle4Google was a marketing rather than educational initiative was apparent in the stipulation “that the Google logo is clearly visible and recognisable” on all entries. Visions of “My Ireland” that extended beyond this multinational company and its logo were ineligible for the contest.\textsuperscript{116}

“Commercial-Free Schools”

In contrast to these commercializing activities, 13 primary schools from around the country were honored by the Campaign for Commercial-Free Education and the Irish National Teachers Organisation (the primary level teachers’ union) for the stance they took. These “Commercial-Free Schools” each have adopted a policy of delivering media education on advertising as well as being free from commercial presentations, voucher schemes and branded lesson materials. The policies range from a detailed statement of aims, content and success criteria to a brief, unambiguous statement such as the following:

The staff and pupils of St. Colman’s National School have adopted a commercialism policy; that is to say that we do not take part in the collecting of vouchers, tokens or branded materials. We intend the school to be a place of learning rather than a place of endorsement for the many retail outlets that run such promotions.\textsuperscript{117}

This small cohort of schools with a united position reflects an increased confidence and assertiveness among some educators in dealing with commercial promotions and a willingness to stand in the vanguard of educational reform, ahead of the Department of Education and Science.

The Advertising Industry and Regulation

Back in the U.S., during 2008-2009 there has been considerable discussion about regulation of various types of advertising, including advertising to children in and near schools. In June 2009, President Obama signed the Family Smoking Prevention and Tobacco Control Act of 2009, which limited the advertising of tobacco products, including a ban on outdoor tobacco advertising within 1,000 feet of schools and playgrounds. In December 2008 the governor of New York proposed an 18% tax on soda and other sugared drinks, and in January 2009 the
governor of Massachusetts proposed eliminating his state’s sales tax exemption on candy and sweetened beverages, including sodas. Both proposals were later abandoned. In each case, proponents argued that the measures would reduce sugar consumption and lead to healthier outcomes and reduced obesity-related medical expenses in their state. Critics, principally from the affected industries, denied any potential health benefits and expressed concern about the detrimental effect of the measures on the local economy and on the quality of life of citizens who would suffer from price increases.118

The Threat of Government Regulation

The advertising industry is threatened by the specter of regulation in its future.119 On an international level, a resolution passed at the World Health Assembly in 2007 called on the World Health Organization (WHO) to develop a set of recommendations on the marketing of food to children. The WHO Executive Board is expected to vote on recommendations in January 2010. If these resolutions are passed by the Executive Board, they will go to the World Health Assembly for adoption in May 2010.120

In the United States, in May 2009, the Food and Drug Administration (FDA) took issue with General Mills’ advertising claims for the cereal Cheerios’ ability to reduce cholesterol.121 In September 2009, the “Food Marketing in Schools Assessment Act” (H.R. 3625), calling for the Secretary of Education to study and report on the marketing of foods and beverages in elementary and secondary schools, was introduced in the House of Representatives.122 And as it considers how to pay for health-care reform, Congress is weighing rescinding the tax deduction drug companies receive on their direct-to-consumer advertising.123

“We're absolutely under fire,” said Clark Rector, senior VP-government affairs at the American Advertising Federation (AAF). “It's not just a perception; it's a reality we're living every day.”124 One of the industry’s concerns is potential action by the House Energy and Commerce Committee. The committee is chaired by Representative Henry Waxman of California, described by the American Advertising Federation (AAF) as “a strong critic of advertising” who has called for stricter regulation of direct-to-consumer advertising of pharmaceuticals, tobacco advertising, and product placement.125

It’s hard to imagine that anyone would oppose limiting tobacco advertising near schools, but the AAF does. It strongly opposed the tobacco legislation, arguing that

The issue is not just the advertising of tobacco, but the advertising of any product that a member of Congress deems is not worthy of First Amendment protection. The list of potential targets is virtually endless—alcoholic beverages, lotteries and casinos, “unhealthy” foods and beverages, automobiles that do not meet proscribed emission of [sic] mileage standards, “unsafe” toys, and so on.126
Along with other marketing and advertising trade groups, the AAF is lobbying to prevent federal action on such other issues as product placement, behavioral targeting on the Internet, mobile marketing, the tax-deductibility of direct-to-consumer pharmaceutical advertising, and food marketing to children. As was the case with state “soda taxes,” primary arguments are that self-regulation is more effective than any enforced regulation, that regulation would hurt the economy by damaging lucrative, active industries, that regulation violates First Amendment rights to free speech, and often, that proponents of regulation exaggerate the potential threats posed by advertising and marketing.

Industry Self-Regulation

Self-regulation is industry’s preferred model. Particularly, industry spokespeople refer to the School Beverage Guidelines, the Children’s Food and Beverage Advertising Initiative (CFBA), and the Children’s Advertising Review Unit (CARU), as examples of successful self-regulation. Critics, however, note disadvantages of giving companies leeway to self-regulate without externally imposed regulatory guidelines: significant controls may be omitted, and policies may vary quite a bit from company to company as each skews its own particular policy to favor its own products.

School Beverage Guidelines

In schools, the American Beverage Association (ABA), major soft-drink corporations, and the Alliance for a Healthier Generation (a joint initiative of the American Heart Association and the William J. Clinton Foundation) agreed upon School Beverage Guidelines in 2006. In March 2009, American Beverage Association president Susan K. Neely testified to Congress that 80% of contracted schools were in compliance with the voluntary self-regulation in the form of those 2006 guidelines. Although the schedule was generous and the agreement maintains both the pouring rights contracts and the advertising that comes with them, the organization uses its industry’s engagement in self-regulation to beat back any perceived threat to its ability to conduct business as usual.

An important aspect of the School Beverage Guidelines is that while they change the specific drinks sold, they still allow bottling companies to maintain exclusive contracts with schools. Not only do such contracts provide for exclusive sales of the company’s products in vending machines and at school events, they also allow for constant advertising through display of company logos on vending machines, cups, and so on. Because this form of self-regulation limits the calorie content of drinks sold by participating vendors, it may in fact blunt objections to the placement of vending machines in elementary schools.

The Children’s Food and Beverage Initiative

The Children’s Food and Beverage Advertising Initiative was initiated by the Council of Better Business Bureaus in 2006. It calls for participating
companies to make sure that half of their advertising aimed at children under the age of 12 furthers the goal of “promoting healthy dietary choices and healthy lifestyles” by promoting “better for you” products or encouraging physical activity or good eating habits.”

More than a dozen major companies have joined the initiative, and a progress report found “overwhelmingly satisfactory results.” However, the significance of these results is limited by the lack of clear industry-wide definitions of what constitutes advertising oriented to children under the age of 12 and what makes a product “better for you.” Corporate participants in the initiative virtually define these for themselves.

**The Children’s Advertising Review Unit (CARU)**

The Children’s Advertising Review Unit (CARU), established in 1974, has a longer track record than either of the other self-regulation strategies established in 2006. CARU is the children’s arm of the National Advertising Review Council (NARC), which was founded as an independent self-regulatory body in 1971. NARC is an alliance of the Association of National Advertisers, the American Association of Advertising Agencies, and the American Advertising Federation with the Council of Better Business Bureaus. Its self-regulatory system supports advertiser compliance by focusing on three goals: minimizing governmental involvement in the advertising business, maintaining a level playing field for settling disputes among competing advertisers, and fostering brand loyalty by increasing public trust in the credibility of advertising.

Consistent with these goals, CARU provides guidelines and principles of best practices for advertisers to children ages 12 and under. It also reviews advertising to determine whether it meets current standards and occasionally refers violators to the FCC for further review. In practice, advertisers who adhere to CARU principles are typically exempted by the FCC from scrutiny and review. In many cases corporations can avoid subjecting their websites to CARU review by claiming that the sites are aimed at general audiences rather than at children under the age of 12.

CARU guidelines originally formulated for TV and commercials also apply to advertising on the Internet. These guidelines are intended to protect children’s privacy and to protect them from the blurring of advertising and program (or website) content. Of 77 child-oriented food industry websites studied by Elizabeth Moore, 97% contained information specifically for parents, mostly regarding the information that would be collected from children either explicitly or via “cookies” (text stored on a user’s computer by a web browser containing information about the user gleaned from website visits) and the companies’ compliance with privacy regulations. These sites were also careful to obtain parental permission for children to provide personal information.

The blurring of advertising and content presents a bigger problem on websites visited by children. According to regulations set by the FCC, television programs associated with a product are not allowed to contain commercials for that product, and program characters or hosts are not allowed to sell products in commercials during or adjacent to the shows in which they appear. CARU
guidelines likewise maintain that advertising content should be clearly identified to children as such. On television, commercials can be separated from content by “bumpers,” such as, “And now, a word from our sponsors.” On websites it’s more difficult to identify branding than it is on television, and potentially even less effective. Some—but not many—websites include “ad breaks” in which a small bit of text acknowledges the presence of ads on the page.

Paul Kurnit, who heads the marketing consulting company KidShop and serves on CARU’s advisory board, claims that the organization closely monitors compliance on the Internet. In a 2008 interview he said, “Self-regulation done well, being closely tied to the industry, can anticipate more readily some of the upcoming issues, and confront the issues as they develop before government will.” Kurnit noted that CARU gets no feedback from children about advertising that they specifically see on the Web, and claims that “…commercial messaging for kids on the Internet has been grossly overstated…the amount of it, the tactics, the presence of it, the kid interaction.”

Children, however, probably don’t identify much of what they come across on the Internet as advertising. If adults notice a line (in tiny print, usually) on a webpage that says that the page contains ads, they know that they’re in a persuasive environment and that someone is trying to influence them. They are prepared to be critical and to counterargue against marketing claims, maybe even to recognize product integration and immersive advertising. Young children, unable to distinguish between ads and editorial content, are unlikely to adopt a critical mindset as a result of seeing a disclaimer on the webpage. Even older children and college students have a hard time distinguishing subtle forms of integrated advertising.

And the privacy protections mentioned earlier, although significant, are only partially effective. Whereas they place age blocks on the collection of personal information, they don’t place any block on playing or surfing. Any child of any age can typically access sites, play in advergames and otherwise branded space, and click through to wherever links may take them.

**Proposed Self-Regulation of Behavioral Targeting**

A new domain for proposed self-regulation is behavioral targeting on the Internet. Four leading advertising trade associations (the American Association of Advertising Agencies, the Association of National Advertisers, the Direct Marketing Association, and the Interactive Advertising Bureau) drew up their own “self-regulatory principles” for information collection and use by online advertisers, to be put into effect by early 2010. The principles provide an opt-out option for Internet users, prevent collection of information about children who advertisers know are under the age of 13, require consent for the collection of financial account numbers, Social Security numbers, pharmaceutical prescriptions or medical records about a specific individual, and create a website to educate consumers about how the Internet is monetized. Critic Marc Rotenberg, president of the Electronic Privacy Information Center, called the principles “almost meaningless” because they are set out by the advertisers themselves rather than an
independent party and because they don’t provide for sufficient enforcement. The proposed self-regulatory principles, he points out, are “like the fox guarding the henhouse.”

Government bodies such as the Institute of Medicine and the Federal Trade Commission have threatened that if self-regulation is determined to be ineffective, Congress should take regulatory action. The unavailability of good data, however, complicates attempts to evaluate the effectiveness of self-regulation efforts; and, despite the fears expressed by the advertising industry, the lobbying power of their organizations and other vested interests may check congressional regulation.

Corporate Support of Media Education

Concomitant with its support of self-regulation, the advertising industry advocates for media education and advertising literacy for children. In 2008, for instance, Cable in the Classroom and the National Cable and Telecommunications Association (NCTA) initiated their multimedia educational program, “Point Smart. Click Safe.” It involved distributing and posting on the Internet a series of public service announcements to illustrate how parents can help keep their children safe online.

When the FTC ran a forum on media education in March 2009, industry experts participated in support of developing an advertising literacy initiative “to educate and empower tweens to be better informed consumers of information.” Speakers at the forum agreed on the importance of using questions to teach children how to deconstruct advertisements. One speaker specifically emphasized that, whereas the goal of any advertising literacy campaign developed by the FTC would have to teach children that “media are created and distributed by people for whom one goal is to make money,” it would also have to reflect “that there is nothing wrong with that on its face,” and that “we’ve set up a society, we’ve made our choices about how media is created and distributed in this country 50 years ago, and set up the systems we have.” Although media education is worthwhile, the industry strategy of advocating media education effectively serves to divert responsibility from businesses and lays the onus on children to protect themselves from digital marketing messages.

Conclusion: Information Needed

Gathering accurate data about marketing to children, especially marketing in schools, is difficult. Much of the data is proprietary—belonging either to the corporations involved or to marketing or research firms courting business. These two types of interests have competing biases. Corporations and industry associations, wary of the threat of potential regulation, may tend to understate their ability to tap into the children’s market. Marketing and research firms, on the other hand, may tend to overstate that ability. Either way, they have little interest in sharing their data, although the latter do sometimes release statistics in their marketing efforts for their own products.
For example, a seemingly simple question such as how much money children have to spend has yielded a wide range of answers from different sources. The company Packaged Facts reported the results of its study finding that children ages 3 to 11 had a collective $18 billion in purchasing power in 2005. Marketing professor James McNeal, cited in *The Economist* in 2006, estimated $40 billion in direct spending for children under 14. *Television Week* reported authoritatively in 2007, but with no attribution, that ‘Kids' spending power was estimated in 2005 at $78.5 billion annually.’ Finally, a 2009 study by Piper Jaffray Investment Research found that teens spend $125 billion annually.

The difficulty compiling accurate data limits our understanding of the nature and extent of marketing to children, complicates attempts to evaluate industry self-regulation, and makes it more difficult to study the impact of advertising on children. Government bodies, such as the Federal Trade Commission, can subpoena information from corporations, but they can’t share the propriety data they use in their analyses with others who might conduct further analysis. The FTC’s 2008 report on marketing expenditures, a good resource for us because it examined in-school marketing in addition to accessing proprietary information, used data from 2006, the same year that the Children’s Food and Beverage Advertising Initiative and the School Beverage Guidelines were established. Its next report, due out in 2010, may be able to examine the results of these attempts at self-regulation.

In short, it is impossible to assess whether self-regulation of advertising to children is working effectively if accurate data about such advertising is unavailable. Needed right now is legislation and policy that will provide the information necessary to evaluate self-regulation activities and make reasonable decisions about them. Particularly useful would be for the Federal Trade Commission to create a marketing registry of advertisers to children. Such a registry, containing the names of companies, products advertised, target audiences, and amount of money spent yearly on different marketing channels, would encourage industry accountability by making available information about the extent and content of marketing directed at children and youth. It would also make it possible to construct studies of what the potential impact of this marketing may be.
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Click: Schoolhouse Commercialism Trends


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Eight categories were originally defined, but beginning with the 2007-2008 report, discussions of the eighth category, Privatization, have been omitted. Privatization refers to the management of schools or school programs by private, for-profit corporations or other non-public entities. It is no longer included in these reports because while Privatization is clearly commercial, it differs substantially from the other categories in that it does not entail marketing or advertising.


8 A half-pipe is a structure used in gravity extreme sports such as snowboarding, skateboarding, skiing, freestyle BMX and inline skating. It is approximately semicircular in cross-section, resembling the bottom half of a cylinder resting on its side. It is visible in the video below, which shows an Xbox 360 Tour event at a school.


Click: Schoolhouse Commercialism Trends


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Click: Schoolhouse Commercialism Trends


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