

Marketing to Children: a time-bomb.

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It's the spirit of Christmas and everywhere we see evidence of the market reaching out to capture children. It is little understood but there is a global phenomenon underway - analogous to climate change in that the connections are not at first obvious - which is threatening the health, development and well-being of children. It is their exploitation as a market.

With climate change we have seen a drought here, a cyclone in Florida, polar icecaps melting, temperatures rising. They are all indicators of a fundamental problem which Sir Nicholas Stern in his government commissioned report in the UK, has judged as "market failure on the greatest scale the world has seen". This failure will lead to a massive cost to society because environmental damage has not been factored into economic growth. We are perilously close to a tipping point from which there may be no return. The market's exploitation of children is also having a very serious cost in damage done to their health, education and welfare which in the end society will pay for dearly. The symptoms emerging are being discussed separately from one another, but they are an interconnected set of problems. Action now and investment in prevention will pay us back many times.

Children have become a lucrative global market during the last two decades. In the US, the marketing flagship for the Western world, budgets for advertising to children under the age of 12 have risen from \$100 million in 1983 to \$16 billion in 2004. US children directly influenced the spending of up to \$300 billion in 2000. Australia Scan - a social research company - reports the 'tween' market in Australia, which targets 7 to 13 year olds, is worth more than \$10 billion, of which anywhere between \$250 million and \$1 billion is spent on clothing.

Over the same two decades obesity has become the single biggest threat to child health in the Western world with juvenile diabetes at record levels. Between 1985 and 1997 childhood overweight doubled and obesity tripled among children and young people aged seven to 15 years, according to a Victorian Government Report, *Every child Every chance*, released in October 2006. Australia's growth rate of overweight children is one of the steepest; we are the third fattest nation on earth next to the United States and Canada, with the UK looming behind us. Food and beverage advertising to children is a booming market. In recognition of this problem the Victorian Government pledged \$127 million for the fight against obesity during the recent election campaign.

Over the same period lifestyle magazines for 'tweens', such as Barbie (1996), Total girl (2002) and Disney Girl (2004) penetrated the Australian market, initiating young girls into the teenage world of fashion, sex and pop stars. These magazines promote a culture that encourages consumption and the desire to look and behave like adults. Children are photographed wearing trendy clothing and make-up, posing like fashion models. Shop Til

You Drop 4 Kids, is now available as a magazine twice a year. Child models pictured wearing child fashion, are airbrushed to shop-window perfection creating the illusion of flawless, precocious, premature adults to which unsuspecting children aspire.

This magazine culture is not about harmless dressing-up which all kids love. This is big business, with ill-thought through consequences, part of a recipe contributing to future eating disorders and low self-esteem among young girls, stemming from an obsession with appearance. The Royal Children's Hospital (The Age December 3, 2006) has recorded a surge in the number of children under 14 with anorexia, treating more than 10 times the cases it handled in 2003. Some of the children were aged 8 years. The Royal Australasian College of Surgeons reported (Nov 11th, The Age) teenagers with problem acne are more likely to have suicidal thoughts. My generation fought against the widespread use of images of women as sex objects, but thirty years on we are seeing a much younger generation targeted, and softened up for exploitation, both as consumers and sex victims.

Australian research (Professor George Patton's Gatehouse Study on Adolescent health published recently in the American Journal of Public Health) has examined risk taking activities among school children in 26 schools. The study found: smoking, drinking, engaging in sexual intercourse and drug taking are happening earlier and lasting longer. We are allowing the promotion of a mismatch between biological maturation and social maturation which is leading to mental and physical health problems for young people.

Twenty years ago children were considered too small a market to be profitable. Indeed the lack of advertising directed towards children was seen by some television network players as a major reason why there should be no children's programs at all. But in the interests of children, agreement was reached between government, the Australian Broadcasting Tribunal and the public that television networks had an obligation to educate and develop children as well as entertain them, so regulation was required. Australia led the world with a model for the development of children's television programming and advertising to them was within clearly defined limits. What was then viewed as the beginning of a process of reform is now seen as a golden age.

It would be another decade before Disney heralded a changed view of the profits to be made from the children's market. *The Little Mermaid* (1989) – the first new animated feature film from Disney in 30 years grossed an astonishing US \$110 million at the US box office and \$222 million worldwide. Disney moved straight on to produce *Beauty and the Beast* which more than doubled the sales of *The Little Mermaid*. The Walt Disney Company reported a record profit of \$1.4 billion in 1992 demonstrating the revenue-raising potential of licensing, with publishing, music, videos, games, along with any children's product that could carry the logo. *The Lion King* exemplified the Disney formula for success with fans spending \$3 billion on associated merchandise.

The impact of this success story was felt globally. Very soon we saw marketing driven television programs such as *Barney* in the United States, *Tellytubbies* in the United Kingdom and our very own *Bananas in Pyjamas* in Australia. From then on, success in

financing a children's programme was largely based on character merchandising as a starting point. In programs like *Barney*, *Postman Pat*, *Bob the Builder*, *Thomas the Tank Engine*, *Fireman Sam*, *Spongebob Squarepants* as well as Channel 9's *Hi Five*, merchandising rather than education or quality ideas was the driving rationale. In Japan manga and anime, the traditional forms of Japanese animation, became huge business as Pokemon, Transformers, card games, toys and other merchandise spread around the world.

Enterprising producers scoured classic children's literature looking for characters to become television stars. The 80 year old *Winnie the Pooh* found a new life at Disney and has recently been given a girlfriend, Darby; not because she will enhance A.A. Milne's famous story, but because Darby will provide new marketing opportunities. 'It's really nice if kids want to extend their experience of a show with a toy', says Nancy Kantor, a senior Disney executive at the Sydney Nov 11th launch. Pooh is worth \$1 billion a year without Darby.

Some argue *Sesame Street* has been marketing to kids for years. But *Sesame Street* was built upon a developmental philosophy and solid research; its primary objective was to serve its audience. It aimed to reduce the social and educational disadvantage of ghetto children and was supported by the US State Department of Education. The marketing considerations were secondary; the Muppets served the program's central aims. *Lift-Off* in the early nineties - the Australian Children's Television Foundation's early childhood program - was also a learning experiment without equal. But, now the merchandise tail is wagging the dog - the program.

This fundamental change, which has seen children identified as a huge market to be tapped, coincided with the emergence in the 80's of cable and pay television in competition with free-to-air broadcasting. As was the case when television was first marketed in Australia, an incentive to purchase was the offer of special children's programs. With pay television a subscriber would receive, as part of a program package, children's programs all day.

Nickelodeon, Fox, The Cartoon Network and Disney cable channels competed for the child audience, each with its distinct house style, aiming to dominate markets internationally with their brands, their franchises and associated merchandising spin-offs. Branding tied together a whole kit and caboodle; one product could advertise the other and they could all benefit. Television, magazines, fashion and fast food companies combined with phenomenally successful marketing campaigns which tied together toys, clothing and 'junk food' to sell a lifestyle to a new market. McDonald's was the star performer: there are few children who do not recognize the golden arches by age two and they are imprinted on their brains for life. Parents mark their children's years with parties at Macdonald's and a Mac burger is seen as a special treat. 'Premiums' included with food or beverages, such as a toy with a McDonald's happy meal, are an integral element of the product on sale.

Nowhere is this partnership between food, fashion, and media for kids more apparent and well integrated than when you go on-line to web-sites. We have barely begun to assess the scale of advertising to children there, much less work out what we can or should do about it.

There is a plethora of new media yet little data on their use. ACMA, The Australian Communication and Media Authority, has announced it will examine the impact of mainstream electronic media on children's families and society including - free to air analog and digital television, subscription television, portable audio and video media players such as ipods and MP3 players, multimedia mobile phones, internet-based communications and social activities such as instant messaging, chat rooms, online gaming and the use and creation of user-generated media.

Such media include the immensely popular web video site YouTube, which has come to public attention with exposure of the DVD (distributed for sale and shown on YouTube) produced by a group of Werribee schoolboys who are now under investigation by the Victorian police for their filmed abuse of a young woman. The mixed response to this video, among teenagers interviewed, reveals a confusion of values in a society where even outrageous and criminal behaviour may be turned into a commodity.

The ACMA report 'will include a survey of parents' behaviours and attitudes' to find out 'how ordinary families mediate media experiences'. We need to know how modern media help or hinder parents in dealing with the pressures of family life and the demands upon them as they work to remain on top in the consumption society. Most parents are not irresponsible, they want the best for their children, but it seems they are unwitting allies in assisting advertisers do their work targeting their sons and daughters.

In the US earlier this year, the Kaiser Family Foundation released a study based on a national survey of 1051 families on how kids' media-use helps parents cope. The report revealed many children live in 'heavy media households' where TV is on throughout the day, in the living room, the dining room and bedroom. One in three children under 6 has a set in their bedroom to free up other televisions in the house so parents can watch their own shows, keep the child occupied so parents can do other things around the house and help the child fall asleep. Among the 37% of children with TV in the bedroom, 12% go to bed with the TV on half the time. TV is also used as a reward for good behaviour: media makes life easier so everyone is happier. Television's presence in the lives of many children is almost constant, while computers too are gaining in status. Eight in 10 children six years old and under (78%) live in homes with a computer and 67% had internet access from home: three in 10 households (29%) have more than one computer.

Another study by the Kaiser Family Foundation released in July this year is the first analysis of on-line food advertising targeting children directly. The research examined 77 corporate web sites (including 4000 web pages) with branded content likely to appeal to children aged 12 and under. These sites are promoted on television and on product packages. The internet has enabled creative new forms of marketing which draw attention

to a brand in a playful way over an extended period of time, and blur the line between advertising and entertainment. New vocabulary is used to explain new techniques.

The study found ‘advergaming’ – on-line games in which a company's product or brand characters are featured (an advertisement and a game all in one) - on 73% of the web sites studied. The sites (64%) also encourage ‘viral marketing’ where children are being recruited as marketers to promote branded messages to their friends. Promotions, downloads and media tie-ins proliferate. On-line advertising’s reach isn't as broad as that of television but it's much deeper. Children who visit are being exposed to a diverse and extensive array of brand-related information far beyond anything they would see in a 30-second TV ad.

On television, advertisers are required to insert commercial separators, or ad breaks, before and after advertisements in shows intended for children, yet on the internet, food and beverage advertisers are making hay. We don’t know what children understand, believe or do as a consequence of exposure to brand messages in this new marketing environment. But with the warning signs becoming clearer, a significant increase in levels of obesity among children, the juvenile diabetes epidemic and claims of corporate pedophilia in children’s fashion advertising, we need to know.

In response to growing public concern the AANA (Australian Association of National Advertisers) last month released its code to self-regulate food and beverage advertising. The code contains warm words claiming advertising “shall not improperly exploit children's imagination in ways which might *reasonably* be regarded as being based upon an intent to encourage those children to consume what would be considered, *acting reasonably*, as excessive quantities of the product” (my italics).

However the code applies only to individual advertisements and does nothing to address the major problem with child-targeted marketing - the huge volume. There are several other issues raised by an examination of this self-regulatory code which question the serious intention of AANA. The code bans “encouraging children to urge their parents to buy the food”. This is spurious: few advertisements tell children directly to ask their parents for a product, yet “pester power” is the intention of all marketing to children. The code does not prevent the use of personalities and celebrities in food and beverage advertisements; it only prevents personalities or celebrities promoting food and beverages within programs.

Although the purpose of advertising to children is to persuade kids to want the products advertised, the code does not address the fact that children's lack of experience and cognitive ability makes them more susceptible to influence - even if the messages are honest, truthful, clear and understandable - because children do not understand advertising’s persuasive intent. The code is open to interpretation and argument because of the qualifying language used. Major clarification is needed.

Sophistry also bedevils the debate about the food industry’s role in the obesity epidemic. Studies released in October at the Obesity Forum in Canberra put the cost of obesity in

children and adults last year at \$21 billion dollars. It's not just the amount of food we now eat in super-sized portions, but also what is in the food - the saturated fats and the quantity of sugar - that make the battle to keep weight within normal range a challenge for many people. Recently the Minister for Health Tony Abbott turned the attack onto Coca Cola calling for soft drinks to disappear from the family fridge, while the Company's management responded 'any taxpayer funded campaign against soft drinks would be an inefficient use of public money'.(The Age, Nov 14th)

The food and beverage industries insist we should exercise more; the media industries insist it is not their problem, they only offer entertainment; and government calls on parents to solve the problems. Parents are expected to be the guardians of their children: they can turn off the set, say no, refuse to buy, feed their children healthy food. But business conspires against them. Marketers are way ahead of the game and they know more than the parents do as they bring the best minds to bear on ways to access and develop the child market. The advertising industry insists it is responsible while it continues to push the boundaries with skilled campaigns, using sex increasingly, to sell to young people.

As we debate the pros and cons of regulation and parental responsibility, exercise, fast food, children's fashion and sexuality - and advertising's linking role in all things - research is rationalised and corporations self-justify, we are losing the battle for quality children's programs. Very few are made any more, and the few that make it through the system go unheralded on screen, shown at times when children are least likely to be viewing. Children watch programs of inconsequence which consume their time, when their sharp acquisitive brains should be stretched and stimulated.

The television industry worldwide has forsaken program content as marketing to children drives the agenda. Even in the UK, where the BBC has led by example producing some of the best quality children's programs in the world, there is a crisis. Ofcom, the British broadcasting regulator, acknowledging the damage to children's health, announced November 17th, a ban on advertising for foods high in fat ,salt and sugar during all programs aimed at under-16s, as well as during shows such as The Simpsons which have a higher than average proportion of children watching. Celebrities and licensed characters will also be banned from endorsing products aimed at younger children – Ronald McDonald will survive as a creation of the food company itself. UK producers are opposing the ban on the grounds that the resulting withdrawal of advertising revenue will mean reduced funding for their programs. Producers are campaigning to Save Kid's TV in the UK but as lobbyists they are hoist on their own petard in relation to food advertising.

There is only one responsible answer and that is the provision of children's programs must be an obligation on broadcasters and the exploitation of children as a market should cease. We should revive the calls to develop a knowledge nation. International research over the past decade reveals that if children spend their early years in a compromised environment they are at risk. For every dollar invested there will be a gain. Educated, engaged, healthy children result in fewer teenage pregnancies, better school achievement,

fewer drop-outs, and a better employment record; 60% of 15 to 24 year olds who left school before finishing Year 10 are unemployed. The social costs of welfare, health and crime will reduce exponentially with a community of educated, engaged young people. And obese, dumber, kids can't be expected to make the smart decisions required to solve global problems.

As with global warming there is a business case that can and must be made for an integrated child policy, for their education, health and development. The media have a central role to play and that is not as a conduit for advertisers to reach a market with products. The media industries are now at the centre of knowledge transfer. Programming for children remains an essential part of their education. Parents, teachers and politicians will be required to act on behalf of children as the negative effects of targeting them as a market to be exploited become more apparent. The evidence is mounting; there will be a tipping point.

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