

#### April 20, 2011

# In Online Games, a Path to Young Consumers

HESPERIA, Calif. — Deep into one of her favorite computer games, Lesly Lopez, 10, moves her mouse to click on a cartoon bee. She drags and drops it into an empty panel, creating her own comic strip.

Lesly likes this online game so much that she plays twice a week, often e-mailing her creations to friends. "I always send them to my cousin in Los Angeles," she said.

But this is not just a game – it is also advertising. Create a Comic, as it is called, was created by General Mills to help it sell Honey Nut Cheerios to children.

Like many marketers, General Mills and other food companies are rewriting the rules for reaching children in the Internet age. These companies, often selling sugar cereals and junk food, are using multimedia games, online quizzes and cellphone apps to build deep ties with young consumers. And children like Lesly are sharing their messages through e-mail and social networks, effectively acting as marketers.

When these tactics revolve around food, and blur the line between advertising and entertainment, they are a source of intensifying concern for nutrition experts and children's advocates — and are attracting scrutiny from regulators. The Federal Trade Commission has undertaken a study of food marketing to children, due out this summer, while the White House Task Force on Childhood Obesity has said one reason so many children are overweight is the way junk food is marketed.

Critics say the ads, from major companies like Unilever and Post Foods, let marketers engage children in a way they cannot on television, where rules limit commercial time during children's programming. With hundreds of thousands of visits monthly to many of these sites, the ads are becoming part of children's daily digital journeys, often flying under the radar of parents and policy makers, the critics argue.

"Food marketers have tried to reach children since the age of the carnival barker, but they've never had so much access to them and never been able to bypass parents so successfully," said Susan Linn, a psychiatry instructor at Harvard Medical School and director of the Campaign for a Commercial-Free Childhood, an advocacy coalition. Ms. Linn and others point to many studies that show the link between junk-food marketing and poor diets, which are implicated in childhood obesity.

Food industry representatives call the criticism unfair and say they have become less aggressive in marketing to children in the Internet era, not more so.

Since 2006, 17 major corporations — including General Mills, McDonald's, Pepsi, Coca-Cola and Burger King — have taken a voluntary pledge to reduce marketing of their least nutritious brands to children, an effort they updated last year to include marketing on mobile devices.

The pledge says the companies, if they choose to market to children, will only advertise food choices that are "better for you," said Elaine D. Kolish, director of the Children's Food and Beverage Advertising Initiative, an arm of the Better Business Bureau that oversees the pledge.

"Compliance is excellent," she said of the pledge. She noted that in recent months, companies had shut down several child-centric sites, including General Mills's popular virtual world Millsberry, while other sites have been changed to focus on adults, like those of Kellogg's Pop Tarts and Pepsi's Cap'n Crunch. And she said General Mills and Post Foods had cut or pledged to cut the amount of sugar in some cereals.

Only rarely do these major companies violate their pledges, she said: "It's pretty darn infrequent and it's not willful."

Nutrition experts say that the voluntary pledges are fraught with loopholes, and that "better for you" is a relative term that allows companies to keep marketing unhealthful options.

Whatever criticism they may invite, the companies have good financial reason to pitch to children. James McNeal, a former marketing professor at Texas A&M University, estimates conservatively that children influence more than \$100 billion in food and beverage purchases each year, and well over half of all cold cereal purchases.

Children "have power over spending in the household, they have power over the grandparents, they have power over the babysitters, and on and on and on," said Professor McNeal, who has researched family behavior for decades and consulted for major companies on marketing to children. "All of that is finally being recognized and acknowledged."

Some parents, like Lesly Lopez's mother, Toribia Huerta, 26, say the online marketing is subverting their efforts to improve their children's diets. Ms. Huerta said Lesly and her younger siblings pester her for sugary cereals they see in the games and for snacks like Baby Bottle Pops, a candy with a game site that the girl also visits often.

"They ask me for it constantly. They're hard to resist when they whine," Ms. Huerta said, speaking in Spanish through a translator. She blames her daughter's love of sugar for her dental problems, including many cavities.

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But Ms. Huerta also said the food sites seemed fun and safe: "They look like good games for her age."

## **Games for Goods**

In 1990, Congress sought to shield young people from a marketing barrage, passing a law that limits commercial time during an hour of children's programming to 12 minutes on weekdays and 10 minutes 30 seconds on weekends, a few minutes less than the average at the time.

Current regulations also require a buffer between ads and programs so that children can tell the difference. Children's advocates say this is important because research shows that until they are 11 or 12, children don't really understand how advertising works.

These advocates say that on the Internet, food companies, even those that have made pledges to protect children, are blurring content and ads to promote products that can be harmful.

A 2009 report from the Rudd Center for Food Policy and Obesity at Yale University found that companies used online games, puzzles and other flashy multimedia to hawk cereals ranked among the least nutritious: Lucky Charms, Trix and Honey Nut Cheerios from General Mills; Froot Loops and Apple Jacks from Kellogg; and Fruity Pebbles and Cocoa Pebbles from Post, to name a few.

"Perfect compliance with an awful standard takes you down a bad road," said Kelly Brownell, director of the Rudd Center.

Another study from the University of Arizona found that 68.5 percent of marketing directed at children by companies that took the pledge was for the least nutritious alternatives. And a quarter of all advertising to children comes from companies that haven't taken the pledge, the research found.

One example is Topps, which makes Baby Bottle Pops. On the elaborate Web site promoting the candy, visitors play arcade games, create profiles and make buddy lists of friends.

The sites can attract substantial audiences. HappyMeal.com and McWorld.com, sites from McDonald's, received a total of 700,000 visitors in February, around half of whom were under 12, according to comScore, a market research firm. The firm says 549,000 people visited the Apple Jacks site from Kellogg's, which offers games and promotes an iPhone application called "Race to the Bowl Rally." General Mills's Lucky Charms site, with virtual adventures starring Lucky the Leprechaun, had 227,000 visitors in February.

Visitors to Pebbles Play from Post, the game hub for Fruity Pebbles and similar cereals, can play games and upload their picture into a postcard with Fred Flintstone and Barney Rubble, then e-mail it to a friend.

Mr. Brownell said these marketing efforts were more cost-effective than TV spots because they were cheaper to produce and disseminate and were promoted by the children themselves — through word of mouth or its online equivalent.

"The kids are not only recipients of marketing, they are the tools of marketing," he said.

Kirstie Foster, a spokeswoman for General Mills, said the company was "committed to maintaining the highest standards for responsible advertising to children." For example, she said, company sites used mostly by children under 12 urge visitors to take a break every 30 minutes. And she noted that banners on the sites identified them as advertising.

# Activity or Ad?

Lesly is in fourth grade at Pathways to College, a charter school with 210 students, many of them poor, in this high-desert city on the highway between Los Angeles and Las Vegas.

Many of the school's students say they have periodic and often casual online interactions with food companies. In Lesly's class, for example, seven of 15 students said they had played games on the Baby Bottle Pop site.

In the older grades, the children interact with food marketers differently, often on Facebook or through quizzes advertised on product packaging or TV. Many sixth graders say they vote in online surveys for, say, a new flavor of Mountain Dew, or for which kind of Doritos or Cheetos they prefer — sometimes enticed by the offer of a prize.

"I voted for Jalapeno Cheddar Cheetos and I didn't win anything, which was kind of a rip," said Justin Elliott, 11. He said he did not think of this as advertising: "They just want to see which we like so they can make more of it."

Justin also plays games on the Honey Nut Cheerios site, where, much as on other such sites, a small banner indicates that the visitor is being sold something. This one reads: "Hey kids, this is advertising."

Lesly, though she plays regularly, said she had never paid attention to the banner. When it was pointed out to her, she tried to read it: "Hey kids, this is ...." She paused, then said: "I don't know that word."

The line between advertising and content fades further on Facebook, where users can click to "like" an activity or food and get regular updates about it, scattered among the messages and photos from friends. Aaliyah Arredondo, a seventh grader who has been a Facebook user for several years, has "liked" Oreos, Subway and Skittles (along with Hannah Montana, Rosaria Dawson and other things).

Facebook prohibits children under 13 from joining the site, but millions do by lying about their birth date. The nutrition advocates say these children

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become part of the audience for food marketing that the companies assert is intended only for adults.

# A Susceptible Audience

Administrators at the school say students face many challenges to maintaining good diets: busy, low-income families, and lots of marketing. "They're home alone, with no one to give them direction. They're very susceptible to this marketing," said the principal, Chala Salisbury. "What we're seeing is children who are lethargic, some really heavy, but most on the heavy side. Most of the reason is diet."

Even some critics of the food industry say parents have some responsibility to limit access to marketing and to simply say no to pleas for junk food. But they also say that the aggressive pitches wind up pitting parents against children and, at the least, putting them in a position of constantly saying no.

Kathryn Montgomery, a communications professor at American University who studies marketing to youth, calls the sum of the advertising efforts "360degree marketing." The TV commercials and the packaging direct people to Web sites, Twitter feeds, e-mail bulletins and, most recently, cellphone campaigns.

"Food marketing is really now woven into the very fabric of young people's daily experiences and their social relationships," said Professor Montgomery. She, along with her husband, Jeff Chester, who is executive director of the' Center for Digital Democracy, has lobbied regulators and Congress to limit this marketing.

Professor Montgomery added: "We are just seeing the beginning of it."

Joshua Brustein contributed reporting from New York.

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