



FEDERAL TRADE COMMISSION

Marketing Food to Children and Adolescents

A Review of Industry Expenditures,
Activities, and Self-Regulation

A Report to Congress
Appendices

Federal Trade Commission
July 2008



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Activities, and Self-Regulation

Appendices

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Federal Trade Commission

William E. Kovacic, Chairman
Pamela Jones Harbour, Commissioner
Jon Leibowitz, Commissioner
J. Thomas Rosch, Commissioner

Report Contributors

Bureau of Consumer Protection

Sarah Botha, Division of Advertising Practices

Keith Fentonmiller, Division of Advertising Practices

Carol Jennings, Division of Advertising Practices

Mary Johnson, Division of Advertising Practices

Kial Young, Division of Advertising Practices

Heather Hipsley, Assistant Director, Division of Advertising Practices

Mary Koelbel Engle, Associate Director, Division of Advertising Practices

Bureau of Economics

Pauline M. Ippolito, Deputy Director, Bureau of Economics

Research Assistants

Todd Dickey, Bureau of Consumer Protection, Division of Advertising Practices

Diana Finegold, Bureau of Consumer Protection, Division of Advertising Practices

Conor McEvily, Bureau of Consumer Protection, Division of Advertising Practices

Colin Conerton, Bureau of Consumer Protection, Honors Paralegal Program

Micah B. Burger, Bureau of Economics

Michelle Y. Kambara, Bureau of Economics

Dane M. Vrabac, Bureau of Economics

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Appendix A

Data and Research Methods

The 44 companies that received the Order to File Special Report (Special Order)¹ are the primary marketers to children and/or adolescents in those food and beverage product categories most frequently advertised to that population. The selection of food categories and recipient companies was based upon a literature review of published studies and trade press reports, an FTC Bureau of Economics study of children's exposure to food advertising on television, and television exposure data purchased from The Nielsen Company.² For most of the selected food categories, the target companies constituted the top television advertisers in programs or time segments where 30% or more of the audience was between the ages of 2 and 17. For the primary products in these food categories, the companies accounted for 60% to 90% of U.S. sales.

The following 44 companies received and responded to the FTC Special Order:

Boskovich Farms, Inc.	Sunny Delight Beverages Co. ³
Burger King Corporation	Kellogg Company
Cadbury Schweppes Americas Beverages	Kraft Foods Inc.
California Giant Berry Farms	LGS Specialty Sales Ltd.
California Milk Advisory Board	Mars, Incorporated
California Milk Processor Board	McDonald's Corporation
Campbell Soup Company	McKee Foods Corporation
CEC Entertainment, Inc. ⁴	Nestle USA, Inc.
Chiquita Brands International, Inc.	PepsiCo, Inc.
The Coca-Cola Company	PepsiAmericas, Inc.
Coca-Cola Bottling Co. Consolidated	The Pepsi Bottling Group, Inc.
Coca-Cola Enterprises Inc.	The Procter & Gamble Company
ConAgra Foods, Inc.	Ready Pac Produce, Inc.
Del Monte Fresh Produce N.A., Inc.	Red Bull North America, Inc.
Dole Food Company, Inc.	Rockstar, Inc.
General Mills, Inc.	Stemilt Growers Inc.
Grimmway Enterprises, Inc.	Summeripe Worldwide, Inc.
Hansen Natural Corporation	Sunkist Growers, Inc.
The Hershey Company	The Topps Company, Inc.
Imagination Farms, LLC	Unilever United States Inc.
National Fluid Milk Processor Promotion Board ⁵	Wendy's International, Inc.
Interstate Bakeries Corporation	YUM! Brands, Inc. ⁶

The Special Order sought data for calendar year 2006. Because the Special Order was sent to the companies at the beginning of August 2007, with a return date of November 1, 2007, complete 2007 data would not have been available to the companies. Moreover, as noted in the Report, 2006 is an appropriate benchmark year – before implementation of the CBBB Children’s Food and Beverage Advertising Initiative and very early after inauguration of the Alliance for a Healthier Generation effort to reduce and change the nature of food and beverage marketing in the schools.

Information about 2006 marketing activities and expenditures was requested for products or brands in 11 food categories:⁷

- Breakfast cereals
- Snack foods (chips, pretzels, nuts, popcorn, snack bars, crackers, cookies, processed fruit snacks, gelatin, and pudding)
- Candy
- Dairy products (milk and flavored milk drinks, yogurt, yogurt drinks, and cheese)
- Baked goods (snack cakes, pastries, doughnuts, and toaster baked goods, such as frozen waffles, French toast sticks, and other toaster pastries)
- Carbonated beverages
- Fruit juice and non-carbonated beverages (fruit and vegetable juice, fruit drinks, fruit-flavored drinks, tea drinks, sports drinks, cocoa, bottled water, and all other non-carbonated beverages)⁸
- Prepared foods and meals (frozen and chilled entrees, frozen pizzas, canned soups and pastas, lunch kits, and packaged entrees, such as macaroni and cheese)
- Frozen and chilled desserts (ice cream, sherbet, sorbet, frozen yogurt, popsicles and other frozen novelties, and frozen baked goods)
- Fruits and vegetables
- Restaurant food (served in QSRs)⁹

A. Marketing Expenditures

The Special Order required that companies provide expenditure information for promotional activities directed toward children (ages 2-11) or adolescents (ages 12-17) or both, for products or brands in the 11 food categories listed above, in 20 promotional activity categories, as defined in Attachments B (children) and C (adolescents) to the Special Order. Not all of the reportable expenditures could readily be divided between those under age 12 and those between 12 and 17. In fact, some companies reported that for certain products they targeted a “tween” audience that

includes older children and younger teens (a group generally between the ages of 8 or 9 and 13 or 14). For each promotional activity category, therefore, companies also were asked to state any amount that was duplicated in the reported child and teen expenditure amounts. Because of this overlap, the amounts spent for promotions directed to children and those directed to adolescents cannot simply be added together. In most instances, the total amount for all youth, ages 2-17, is less than the sum of the child and teen totals.

For food products marketed to children or adolescents in a particular promotional category, the companies also were required to report the total amount spent in that category to market the product to all audiences, according to definitions and instructions in Attachment D to the Special Order. Finally, for any product marketed to children or adolescents in any promotional category, each company also was required to report its overall marketing expenditures to all audiences for that product. The information about promotional activity totals and overall expenditures for those products marketed to children or adolescents was included in the request so that the reported expenditures for youth could be placed in context. For products within the designated food categories for which there were no reportable expenditures for children or teens in 2006, no additional information was sought.¹⁰ Therefore, where expenditures for marketing to children, adolescents, or both are stated in the Report as a percentage of total marketing expenditures, the total refers only to those products, within the designated food categories, that were promoted to youth, not all products that may have been advertised and sold by the company.

Expenditure data were reported for each of the following 20 marketing categories:¹¹

- Television
- Radio
- Print
- Company-sponsored websites
- Other Internet advertising
- Packaging and labeling
- Movie theater/video/video game advertising
- Other digital advertising (such as email and text messaging)
- In-store marketing¹²
- Specialty item or premium distribution
- Public entertainment events¹³
- Product placement
- Character licensing/cross-promotions/toy co-branding

- Sponsorship of sports teams or athletes¹⁴
- Word-of-mouth marketing¹⁵
- Viral marketing¹⁶
- Celebrity endorsements
- In-school marketing¹⁷
- Advertising in conjunction with philanthropic endeavors¹⁸
- Other promotional activities

Each category was defined separately as it pertains to children (Attachment B to the Special Order) and adolescents (Attachment C to the Special Order). For measured media,¹⁹ including television, radio, print, and some Internet advertising, the definitions used objective criteria, *e.g.*, indication in a company marketing plan that the advertising was directed to children or adolescents, or actual audience share. For children, ages 2-11, the audience share for television, radio, or print advertising that would be considered “targeted” toward children was 30%, while for adolescents, ages 12-17, the relevant share was 20%.²⁰ For both age groups, the audience percentage share is approximately double the proportion of that group in the U.S. population. The Commission concluded that these audience shares likely would ensure capturing most programming (or publications) targeted to children or adolescents, while not also including substantial amounts of adult programming that happens to have some young people in the audience.

Companies were asked to report separately their expenditures for television advertising that appeared during or contiguous to²¹ the following top five broadcast television programs watched by adolescents 12-17 during the 2005-2006 television year:²² *American Idol*, *American Dad*, *Family Guy*, *UnanImous*, and *The Simpsons*. None of these programs reached the threshold of a 20% teen audience; however, the programs attracted large numbers of adolescents, and even children under 12. The expenditures for these programs have not been included in the overall aggregation of money spent for advertising directed toward children or adolescents. The information has been noted separately, and serves to illustrate the point that children and adolescents are exposed to a great deal of advertising that is directed to a general, primarily adult, audience.

With respect to Internet ads (for which the audience may or may not be measured), the criteria included a 20% audience share²³ or reference to target audience in a company marketing plan, as well as theme or content criteria, such as use of animated or licensed characters, use of celebrity endorsers popular with children or adolescents, use of language or young models that indicate the site is directed to children or adolescents, or promotion of child or adolescent

themes, activities, or other incentives. With respect to movie theater, video, or video game advertising, references to particular ratings by the Motion Picture Association of America or the Entertainment Software Rating Board were added to the list of other criteria.²⁴ A similar mix of objective (wherever possible) and subjective criteria were employed for all of the remaining categories of advertising and promotional activities.²⁵ The Commission endeavored to structure the criteria so as to provide the target companies with as much specific guidance as possible in determining which marketing expenditures to report.

Certain promotional activities, such as character licensing and celebrity endorsements, are likely to overlap with other promotional uses. A licensed character, for example, may be used to promote a product in multiple promotional activity categories, such as television, the Internet, packaging, and point-of-sale materials in stores. For character licensing and celebrity endorsements, therefore, the Special Order asked the companies to report the amount paid as a licensing or endorser fee, and to indicate the expenditures reported in other promotional activities that represented the implementation of the character license or celebrity endorsement. These amounts are not double-counted in arriving at totals, but they enable separate reporting of amounts expended in cross-promotional activities and celebrity endorsements.

The companies were asked to provide expenditure data both electronically and in print by means of an Excel spread sheet that was provided as an attachment to the Special Order. To protect the confidentiality of financial information reported by the individual companies, the expenditure data are reported, in Section II of this Report, only in aggregated amounts, by food category and by promotional techniques used.

B. Company Objections to Special Order Criteria

Some companies lodged objections to the Special Order criteria for advertising and promotional activities directed to children and adolescents. In particular, a number of companies objected to the audience share criteria – 30% for children under 12 and 20% for adolescents 12-17 – for determining whether television advertising is child-directed or teen-directed.²⁶ The Commission acknowledges that defining “children’s advertising” or “teen advertising” is difficult and inherently imprecise. Yet in framing the Special Order to require the companies to submit expenditure and other data, the Commission was compelled to provide objective criteria, whenever possible, both to give the companies adequate guidance to respond to the Special Order and to ensure that the data received and reported were consistent across the industry. Therefore, for measured media, the focus was placed on programming that attracts young people in numbers vastly disproportionate to their presence in the population.

As noted in the FTC Bureau of Economics study described in Section I of the Report, television viewing has changed significantly over the past three decades.²⁷ Because of the growth of cable television, there are more program choices today and more specialized programming appealing to narrower audience segments. Few shows on broadcast television attract audiences with a significant percentage of children. On cable television, on the other hand, a number of programs target children and attract a large child audience. For adolescents, programs that attract an audience share that is double their presence in the population exist almost exclusively on cable television. Given these trends, the Commission believes that the criteria used in the Special Order were reasonable and likely to capture advertising targeted to those audiences. In fact, a few companies acknowledged that some advertising placed on programs popular with teens, but not meeting the 20% audience share, was in fact targeted to adolescents according to their own marketing plans. The Commission acknowledges that there may be anomalies in the data – instances where the criteria caused inclusion of advertising that was adult directed. A few companies pointed out such situations in their reports. However, the Commission does not believe that these instances were numerous and concludes that, in general, the expenditure information presented in the report is an accurate reflection of 2006 marketing to children and teens.

C. Data Purchased from Third Parties

In certain instances, the Commission purchased data from third parties in order to evaluate specific issues related to food marketing to children and teens. First, as noted above, the Commission purchased television exposure data from The Nielsen Company to help inform the selection of recipient companies. Second, as described in detail in Appendix D, the Commission relied on Nielsen//NetRatings' NetView and AdRelevance services to provide an additional measure of Internet advertising directed to children and adolescents. Used in combination, these services measured impressions for display ads for foods and beverages (within the 11 food categories included in the FTC study) on child- and teen-oriented websites. In addition, NetView provided data on the amount of time visitors spent on food or beverage company websites featuring content and activities with strong appeal to children or adolescents, as well as on cross-visiting between such websites. Use of the Nielsen//NetRatings data, as an adjunct to the Internet expenditures reported by the companies, provides a fuller assessment of child and teen exposure to online food marketing.

Third, the Commission purchased data from NPD Group, Inc., regarding the number of QSR children's meals with toys sold from 2005 to 2007. As noted in Section II.C.4.b. of the Report, the FTC Special Order instructed companies that when reporting expenditures for premiums

directed to children or adolescents, they should deduct any payments made by consumers for the premium items. As a result, toy premiums distributed as self-liquidating promotions – where the cost of the toy was covered by the consumer’s purchase of the food product – would not have triggered a reportable expense. Nevertheless, toy premiums are a significant component of some food marketing campaigns directed to children, particularly those conducted by QSRs. For this reason, the Commission has separately calculated expenditures associated with toy premiums purchased in connection with QSR children’s meals, relying on NPD’s CREST Commercial data and on average toy unit costs obtained from other public sources.

Endnotes

1. Because the Special Order was sent to more than nine entities, the Paperwork Reduction Act, 44 U.S.C. § 3501 et seq., required the Commission to obtain Office of Management and Budget (OMB) approval to conduct the study. The Commission published two *Federal Register* notices, at 71 Fed. Reg. 62,109 (Oct. 23, 2006) and 72 Fed. Reg. 19,505 (Apr. 18, 2007), in connection with the OMB submission. OMB approved the Commission’s proposal to conduct the study on July 18, 2007.
2. The Nielsen data included ranking of the top 20 national television advertisers for various reporting weeks in 2005-2006, as determined by Gross Rating Points for the 2-17 age group, for food and beverage categories identified by the Commission based on specific Nielsen Product Classification Codes.
3. The Special Order initially was sent to the parent company, J.W. Childs Associates, L.P.
4. CEC Entertainment, Inc. owns the Chuck E. Cheese restaurant chain.
5. Responsibility for the MilkPEP promotional campaign was transferred from the International Dairy Foods Association, an initial recipient of the FTC Special Order, to the National Fluid Milk Processor Promotion Board, which was subsequently served with and responded to the FTC Special Order. Three dairy boards were included in the study because many dairy product promotional efforts are handled on a non-branded basis by such boards.
6. YUM! Brands, Inc. is the sole owner of Wingstreet, LLC and is the parent company of KFC Corporation, A&W Restaurants, Inc., Long John Silver’s, Inc., Pizza Hut, Inc., and Taco Bell Corp. restaurants.
7. In general, foods were grouped together using standard industry product classification codes. The definitions of the food categories, including items excluded from some categories, are set forth in Attachment A to the Special Order (which is Appendix B to this Report). The Commission excluded certain food categories, such as condiments (including applesauce) and spreads (such as peanut butter), which occasionally, but not frequently, are advertised to children. Gum was also excluded because it is not a food that is ingested.
8. In the Special Order, energy drinks were included in the non-carbonated beverages category. Most companies selling such drinks reported their expenditures and activities in the carbonated beverages category, however, because most such drinks are carbonated. For purposes of this Report, all energy drinks have been grouped in the carbonated beverages category.
9. Restaurant menu items were not separated by types of food. Children’s advertising by QSRs tends to focus on the restaurant as a fun experience, or on toys available with children’s meals, rather than on particular food offerings.
10. In some instances, companies reported “all audience” expenditures for promotional categories, with no reported child or teen expenditures. In other instances, they reported total marketing expenditures for products or brands, with no reported child or teen expenditures. This information, which was not required by the Special Order, was not included in the aggregated data.
11. Many of these categories were specifically enumerated in the congressional request; others were made evident through background research conducted by the FTC.

12. The in-store category includes advertising displays and promotions at a retail site, including the offering of free samples and allowances paid to facilitate shelf placement or merchandise displays.
13. Public events include sporting events, concerts, activities at theme parks and shopping malls, and company promotional tours.
14. This category includes sponsorship of amateur and professional athletes, teams, and leagues, including youth teams or leagues.
15. Word-of-mouth marketing occurs when companies provide financial or product incentives to non-employees to encourage them to promote a food product or brand to other consumers.
16. Company-sponsored digital promotional messages that consumers can interact with and pass along to others are considered to be “viral marketing.” This includes content developed for video, audio, or image file-sharing websites, company-sponsored blogs or social networking profiles, and other content posted on the Internet that is intended to be sent from one consumer to another, such as “send-to-a-friend” emails.
17. In-school marketing includes the use of trade names, logos, signs, displays, or other branded materials in or around school cafeterias, vending machines, or gymnasiums; at school events, youth athletic events, athletic fields or areas; and on school buses or closed-circuit television channels. Companies also were asked to include payments made to schools pursuant to vending contracts.
18. Companies were asked to report only the costs of advertising or promotional activities in conjunction with a donation to a child- or teen-oriented charitable organization, program, or event, not the amount of the donation itself.
19. For “measured” media, audience composition is measured by third-party monitoring services. For “unmeasured” media, such audience measurement services do not exist.
20. The Special Order stated that the specified audience was “as measured on an annual basis.” This was done to prevent inclusion of unusual situations – whereby an adult program might attract a large child or teen audience because of a special guest appearance, for example.
21. Advertisements contiguous to a program would be those placed in the commercial segments immediately before or after the program.
22. Source: The Nielsen Company.
23. For Internet advertising, a 20% user/viewer share was used for both children and adolescents because this level is approximately double the proportion of both age groups in the population of active Internet users during 2006 (source: Nielsen//NetRatings NetView (Home and Work Panel)).
24. Advertising in or contiguous to movies or videos rated G by the Motion Picture Association of America was considered to be child-directed, while advertising in or contiguous to those rated PG was considered to be teen-directed. A rating of PG-13 was not used as a criterion for identifying child- or teen-directed advertising, based on the fact that many PG-13 rated movies are targeted to a general audience. Clearly, however, some movies rated PG are targeted to children and some rated PG-13 are targeted to an adolescent or, notwithstanding the rating, even a child audience. *Superman Returns*, a 2006 movie, was rated PG-13, for example. As noted in Section III of the Report, many of the youth-directed expenditures for advertising connected to *Superman Returns* were reported as adolescent expenditures, based on the PG-13 rating. Some of the *Superman* expenditures were reported as child-directed.
25. The criteria included factors such as: indication in a marketing plan that the event, activity, or sponsorship was intended to reach children and/or teenagers; the participation of children and/or teens was actively sought or encouraged; and children and/or teens comprised specified shares of the audience or participants.
26. For advertising that met the audience share criteria, the Special Order required that the entire cost be reported. Some companies contended that it would have been more appropriate to report only a percentage of the cost, based upon the child or adolescent share of the audience.
27. FTC Bureau of Economics Staff Report, Children’s Exposure to TV Advertising in 1977 and 2004: Information for the Obesity Debate 4-6 (2007), available at www.ftc.gov/os/2007/06/cabecolor.pdf.

Appendix B

Federal Trade Commission Order to File Special Report

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

COMMISSIONERS: Deborah Platt Majoras, Chairman
Pamela Jones Harbour
Jon Leibowitz
William E. Kovacic
J. Thomas Rosch

FTC Matter No. P064504

ORDER TO FILE SPECIAL REPORT

Pursuant to a resolution of the Federal Trade Commission dated July 31, 2007, titled “*Resolution Directing Use of Compulsory Process to Collect Information for Use in Preparing a Report to Congress Regarding the Marketing of Food and Beverages to Children and Adolescents*,” a copy of which is enclosed, [REDACTED], hereinafter referred to as “the company,” is ordered to file with the Commission, no later than 90 days after the date of issuance of this Order, a Special Report containing the information and documents specified herein.²

The information provided in the Special Report will assist the Commission in compiling a report that Congress instructed the FTC to prepare regarding food industry marketing activities and expenditures targeted toward children and adolescents.³

The Special Report should restate each item of this Order with which the corresponding answer is identified. Your report is required to be subscribed and sworn to by an official of the

¹ Under the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. For this information request, that number is 3084-0139.

² For purposes of this Order, the term “the company” includes all of the entities identified in response to specification 1.B, below.

³ See Conference Report to Pub. L. No. 109-108, H.R. Rep. No. 109-272 (2005) (incorporating language from S. Rep. No. 109-88 (2005)). For purposes of this Order, the term “children” includes individuals ages 2-11 and the term “adolescents” includes individuals ages 12-17.

company who has prepared or supervised the preparation of the report from books, records, correspondence, and other data and material in your possession. If any question cannot be answered fully, give the information that is available and explain in what respects and why the answer is incomplete. The Special Report and all accompanying documentary responses should be bates-stamped.

Please provide the following information and documents, consistent with the definitions, instructions, and formatting requirements contained in Attachments A, B, C, D, and E:

1. A. **Identification of Report Author:** Identify by full name, business address, telephone number, and official capacity, the officer of the company who has prepared or supervised the preparation of the company's response to this Order.
- B. **Company Information:** Identify the company by full name, address, and state of incorporation. If the company is a subsidiary company, identify the full name and address of its ultimate parent company.⁴ In addition, identify each subsidiary, joint venture, affiliated company, partnership, or operation under an assumed name that the company controls, and that engages in the manufacturing, labeling, advertising, promoting, marketing, offering for sale, sale, or distribution of any food⁵ product in the United States.
- C. **Identification of Food Categories:** From the following categories, identify each category of food product advertised, promoted, marketed, offered for sale, sold, or distributed by the company in the United States, during the calendar year 2006. In preparing this response, refer to the food category definitions set forth in Attachment A to this Order.
 - (1) Breakfast cereals
 - (2) Snack foods
 - (3) Candy
 - (4) Dairy products
 - (5) Baked goods

⁴ For purposes of this Order, "subsidiary company" means a company that is controlled by another entity; "ultimate parent company" means an entity that controls another company and is not controlled by another entity. Furthermore, for purposes of this Order, "control" (as used in the terms "control(s)" and "controlled") means either holding 50 percent or more of the outstanding voting securities of an issuer or in the case of an entity that has no outstanding voting securities, having the right to 50 percent or more of the profits of the entity, or having the right in the event of dissolution to 50 percent or more of the assets of the entity.

⁵ For purposes of this Order, "food" means any food or beverage intended for human consumption.

- (6) Carbonated beverages
- (7) Fruit juice and non-carbonated beverages
- (8) Prepared foods and meals
- (9) Frozen and chilled desserts
- (10) Fruits and vegetables
- (11) Restaurant food

D. **Identification of Food Products:** For each of the food categories identified in response to Specification 1.C, above, identify each brand of food products, and each sub-brand or brand variant within the brand, that the company advertised, promoted, marketed, offered for sale, sold, or distributed in the United States, during the calendar year 2006. For each brand, identify which entity within the company, identified in response to Specification 1.B, above, is responsible for that brand.

Exception for Non-Advertised Sub-Brands and Brand Variants:

Identify distinct sub-brands and brand variants in response to this Specification 1.D, only if the company engaged in any form of advertising or promotional activity, as defined in Attachment D to this Order, for those distinct sub-brands and brand variants.

Non-Branded Fruit, Vegetable, or Dairy Products: For any non-branded fruit, vegetable, or dairy products that the company advertised, promoted, marketed, offered for sale, sold, or distributed, list the individual fruit, vegetable, or dairy product varieties.

Restaurant Foods: For the restaurant food category, identify only the name of the restaurant chain(s) and state which entity within the company, identified in response to Specification 1.B, above, is responsible for the restaurant chain.

E. **Identification of Food Products Bearing Nutritional Seals or Icons:** Does the company offer a line of food products bearing a nutritional icon, seal, or symbol, or otherwise identified as “better for you,” healthier, more nutritious, lower calorie, or lower fat than other products? If so, state the name of the nutritional product line or icon; identify the nutritional criteria for inclusion of a food product in the product line; and identify the food categories, brand names, and sub-brands or brand variants of food products sold in the product line, or for the restaurant food category, identify the specific menu items included in the product line.

2. **Expenditures on Marketing Food Products:** For each brand of food products, sub-brand or brand variant, restaurant chain, or non-branded fruit, vegetable, or dairy product variety identified in response to Specification 1.D, above (**collectively and hereafter,**

“**food product**”), report in Attachment E to this Order⁶ the expenditure data requested in subparagraphs 2.A through 2.E, below, within the following advertising and promotional activity categories:

- (a) Television advertising
- (b) Radio advertising
- (c) Print advertising
- (d) Company-sponsored Internet sites
- (e) Other Internet advertising
- (f) Packaging and labeling
- (g) Movie theater/video/video game advertising*
- (h) Other digital advertising*
- (i) In-store advertising and promotions*
- (j) Specialty item or premium distribution*
- (k) Promotion or sponsorship of public entertainment events*
- (l) Product placements*
- (m) Character licensing, toy co-branding, and cross-promotions*
- (n) Sponsorship of sports teams or individual athletes*
- (o) Word-of-mouth marketing*
- (p) Viral marketing*
- (q) Celebrity endorsements*
- (r) In-school marketing*
- (s) Advertising in conjunction with philanthropic endeavors*
- (t) Other promotional activities*

A. **Marketing Toward Children:** Report the dollar amount expended by the company, during the calendar year 2006, within each advertising and promotional activity category listed above for marketing targeted toward children. Follow the instructions and definitions in Attachment B to this Order (Advertising and Promotional Activities Targeted Toward Children), and report these expenditures in columns 6, 10, 14, 18, 22, 26, 30, 34, 38, 42, 46, 50, 54, 58, 62, 66, 70, 74, 78, and 82 of Attachment E.

B. **Marketing Toward Adolescents:** Report the dollar amount expended by the company, during the calendar year 2006, within each advertising and promotional activity category listed above for marketing targeted toward adolescents. Follow the instructions and definitions in Attachment C to this Order (Advertising and

⁶ An electronic version of Attachment E, an Excel spreadsheet, is provided on the included CD.

* For special instructions on reporting expenditures in these categories, see the instructions for Attachments B, C, and D to this Order.

Promotional Activities Targeted Toward Adolescents), and report these expenditures in columns 7A, 7B, 11, 15, 19, 23, 27, 31, 35, 39, 43, 47, 51, 55, 59, 63, 67, 71, 75, 79, and 83 of Attachment E.

- C. **Duplicative Marketing:** Report any expenditures reported in response to Specification 2.B that are duplicative of expenditures reported in response to Specification 2.A. Report these duplicative expenditures in columns 8, 12, 16, 20, 24, 28, 32, 36, 40, 44, 48, 52, 56, 60, 64, 68, 72, 76, 80, and 84 of Attachment E.
- D. **Marketing for All Audiences:** For each food product for which the company reported expenditures within one or more advertising or promotional activity categories in response to Specification 2.A or 2.B, report:
- i. the total dollar amount expended by the company, during the calendar year 2006, to market the product within each category in which the company reported expenditures in response to Specification 2.A or 2.B. Follow the instructions and definitions in Attachment D to this Order (Advertising and Promotional Activities for All Audiences), and report these expenditures in columns 9, 13, 17, 21, 25, 29, 33, 37, 41, 45, 49, 53, 57, 61, 65, 69, 73, 77, 81, and 85 of Attachment E; and
 - ii. the total dollar amount expended by the company, during calendar year 2006, for all advertising and promotional activities to market the product. Follow the instructions and definitions in Attachment D to this Order (All Audiences), and report these expenditures in column 86 of Attachment E.
- E. **Additional Information:** For each food product for which expenditures are reported in response to Specification 2.A or 2.B, provide the following additional information, using the format set forth in Attachment E:
- i. company name (column 1);
 - ii. food category, identified in response to Specification 1.C, above (column 2);
 - iii. brand name or name of restaurant chain, identified in response to Specification 1.D, above (column 3);
 - iv. sub-brand or brand variant, identified in response to Specification 1.D, above, if relevant (column 4); and
 - v. an indication (“Y” or “N”) of whether the food product is part of a nutritional product line, identified in response to Specification 1.E, above

(column 5).

3. **Descriptions and Samples of Advertising and Promotional Activities:** If, in response to Specification 2.A or 2.B, above, expenditures are reported for any food product within any of the advertising and promotional activity categories set forth in Specification 2(d) through (t), list and provide samples of (or list and describe in detail, if providing samples is not practicable) the specific advertising and/or promotional activities for each food product in each of these categories for which expenditures are reported.
4. **Advertising or Promotional Activities Without Reportable Expenditures:**
 - A. Identify which food products identified in response to Specification 1.D, if any, the company advertised or promoted to children or adolescents, as defined in either Attachment B or C to this Order during the calendar year 2006, but for which the company reported no advertising or promotional activity expenditures in response to Specification 2.⁷
 - B. For each food product identified in response to Specification 4.A, list and provide samples of (or list and describe in detail, if providing samples is not practicable) each instance of such advertising and/or promotional activity by the advertising and promotional activity categories set forth in Specification 2(a) through (t).^{*} For each reportable activity, identify whether the activity met one or more of the definitions set forth in Attachment B or one or more of the definitions set forth in Attachment C, or whether the activity met the definitions set forth in both Attachments B and C.
5. A. **Policies on Food Marketing:** Identify and describe all company policies, plans, and directives, whether formally adopted or informally issued, in place on or after January 1, 2006, pertaining to food advertising and promotional activities targeted to children or adolescents, as defined in Attachments B or C, including policies regarding use or non-use of all advertising and promotional activities. Describe the steps taken to implement these policies, including directions to internal or external staff responsible for advertising preparation, review, or dissemination regarding the meaning of these policies and how to comply with them. Provide copies of all such policies and directions to internal or external staff.

⁷ Examples of such a reportable activity would be use of a licensed character, a celebrity endorser, a product placement, or co-branding of a toy where no payment is made or costs incurred with such an arrangement.

^{*} For special instructions on reporting activities in categories (g) through (t), see the instructions for Attachments B and C to this Order.

- B. **Market Research:** Since January 1, 2005, has the company sponsored or commissioned any marketing research studies regarding the appeal to individuals under the age of 18 of any particular types of advertising or promotional techniques, including the effectiveness of any particular types of advertising or promotional techniques in increasing interest in or consumption of any food product among individuals under the age of 18? If the answer is “yes,” provide copies of such studies and describe how the resulting data has been incorporated into the company’s marketing practices.
6. A. **Initiatives on Healthy Eating and Lifestyle:** Identify and describe all company policies, programs, initiatives, or activities undertaken or implemented by the company, on or after January 1, 2006, to encourage healthy eating and lifestyle choices by children and adolescents. These may include, but are not limited to, the following:
- (1) development of new products or reformulation of existing products that are lower in calories and more nutritious and are marketed to children or adolescents;
 - (2) efforts to make nutritious, lower-calorie products appealing to children or adolescents and convenient for them to consume;
 - (3) packaging of nutritious, lower-calorie products in ways that are appealing to children or adolescents;
 - (4) packaging of products marketed to children or adolescents in smaller portions or single servings to assist them in controlling portion size and calorie intake;
 - (5) labeling initiatives, such as nutritional icons or seals, to help consumers more easily identify nutritious, lower-calorie products;
 - (6) measures to improve the overall nutritional profile of products marketed to children and adolescents (*e.g.*, minimum nutritional standards for products marketed to children and adolescents or standards that shift such marketing to emphasize nutritious, lower-calorie products);
 - (7) public education efforts, such as messages targeted to children or adolescents addressing nutrition and physical fitness, including any partnerships or cross-promotional arrangements of any sort with other food and beverage companies, media outlets, non-profit organizations, or other entities for the purpose of promoting healthier eating, increased physical activity and/or healthier lifestyles;

- (8) efforts to improve the overall nutritional profile of products marketed and sold to children or adolescents in schools.

B. Research on Initiatives: Has the company conducted research or otherwise obtained data to evaluate the effectiveness of any of the policies, programs, initiatives, or activities identified and described in response to Specification 6.A, above, including any studies regarding the appeal to individuals under the age of 18 of any of the company's more nutritious, lower-calorie food products and/or any advertising or promotional activities contemplated or used to market such products? If the answer is "yes," provide copies of such research or other data.

7. **Marketing to Children and Adolescents by Gender, Race, Ethnicity, or Income Level:** Have any of the advertising or promotional activities for which expenditures and activities are reported in response to Specifications 2.A, 2.B, 3, or 4, above, been specifically directed, according to a marketing plan⁸ or by virtue of advertising placement, language used, characters used, or other content, to individuals of a specific gender, race, ethnicity, or income level? If the answer is "yes," please indicate which expenditures reported in response to Specifications 2.A and 2.B and which advertising or promotional activities listed in response to Specifications 3 and 4 were directed in such manner and indicate the particular sub-population to which they were directed.

Please file the Special Report called for in this Order no later than 90 days after the date of issuance of the Order, or by November 1, 2007.

All responses should be provided in two (2) printed copies and in electronic form (by CD or as email attachments), formatted as Word or Word Perfect documents, with the exception of the responses to Specification 2, which should be provided in two (2) printed copies and in electronic form (by CD or as email attachments) on the included Excel Spread Sheet. A sample Excel Spread Sheet is attached to this Order as Attachment E and provided on the included CD. All responses should be labeled to indicate the Specification to which the information or data responds. All files contained in electronic submissions should have a file name that includes the company name, Specification numbers included in the file, and date of the submission, in the following format: [COMPANY-NAME]_Spec._[SPEC. #S]_[MM-DD-YY].

Penalties may be imposed under applicable provisions of federal law for failure to file Special Reports or for filing false reports.

⁸ See *infra* note 11 for the definition of "marketing plan."

By direction of the Commission.

Deborah Platt Majoras
Chairman

SEAL

Date of Order: July 31, 2007

The Special Report required by this Order,
or any inquiry concerning it, should be
addressed to the attention of:

Mary Johnson
Division of Advertising Practices
Federal Trade Commission
601 New Jersey Avenue, NW, NJ-3212
Washington, D.C. 20580
(202) 326-3115 telephone
(202) 326-3259 facsimile
mjohnson1@ftc.gov

or

Keith Fentonmiller
Division of Advertising Practices
Federal Trade Commission
601 New Jersey Avenue, NW, NJ-3212
Washington, D.C. 20580
(202) 326-2775 telephone
(202) 326-3259 facsimile
kfentonmiller@ftc.gov

Attachment A Food Categories

For purposes of this Order, the food categories⁹ set forth in Specification 1.C. include the following items:

- (1) **Breakfast cereals** all cereals, whether intended to be served hot or cold (PCC F122)¹⁰
- (2) **Snack foods** snack chips (such as potato chips, tortilla chips, and corn chips), pretzels, snack nuts (salted and roasted), popcorn, snack bars (including breakfast and cereal bars), crackers, cookies, processed fruit snacks (such as fruit leather), gelatin, and pudding (PCC F115, F163, F212)
- (3) **Candy** chocolate and other candy bars, other chocolate candy, hard candy, chewy candy (including licorice, gummi candy, and jelly beans), and sour candy (PCC F211, excluding gum and breath mints)
- (4) **Dairy products** milk (including flavored milk drinks), yogurt, yogurt drinks, and cheese (but not frozen dairy products, such as ice cream or frozen yogurt) (PCC F131, excluding butter, eggs, and cream, F132, F139, excluding cottage cheese and sour cream, F223)
- (5) **Baked goods** snack cakes, pastries, doughnuts, and toaster baked goods (such as frozen waffles, French toast sticks, and toaster pastries) (PCC F161, excluding bread, rolls, bagels, breadsticks, buns, croissants, taco shells, and tortillas, F162)
- (6) **Carbonated beverages** all carbonated beverages, both diet and regular (PCC F221, F222)
- (7) **Fruit juice and non-carbonated beverages** fruit juice, juice drinks, fruit-flavored drinks, vegetable juice, tea drinks, energy drinks, sports drinks, cocoa, bottled water, and all other non-carbonated beverages; include ready-to-pour beverages as well as those sold in concentrated or powdered form (PCC F171, excluding all varieties of coffee, F172, F173, F224)
- (8) **Prepared foods and meals** frozen and chilled entrees, frozen pizzas, canned soups and pasta, lunch kits, and non-frozen packaged entrees (such as macaroni and cheese) (PCC

⁹ The food categories are intended to be mutually exclusive. Do not include a food product in more than one category.

¹⁰ The PCC codes listed in Attachment A are Nielsen Media Research categorizations and are provided as a reference.

F121, F125, F126)

- (9) **Frozen and chilled desserts** ice cream, sherbet, sorbet, popsicles and other frozen novelties, frozen yogurt, and frozen baked goods (including frozen pies and cakes, but not those frozen breakfast items listed above under “baked goods”) (PCC F133)
- (10) **Fruits and vegetables** all fruits and vegetables, whether sold fresh (packaged or loose), canned, frozen, or dried (PCC F141, F142, F143)
- (11) **Restaurant food** menu items offered in the restaurant (PCC G330, excluding banquet facilities, comedy clubs, dining clubs, dinner theaters, and nightclubs)

Attachment B
Advertising and Promotional Activities Targeted Toward Children

INSTRUCTIONS

Use the following definitions for purposes of reporting the advertising expenditures and activities requested in Specifications 2.A, 2.C, 3, 4, and 7. The terms provided in parentheses after each advertising or promotional activity category are the codes used in Attachment E to designate expenditures in the category. These codes should be used by the company when preparing its response to Specification 2, following the format set forth in Attachment E. Except where otherwise noted, the media categories set forth below are mutually exclusive. Do not report an expenditure in more than one category, unless otherwise directed. Also, limit reported expenditures to advertising and promotional activities that were conducted in the United States (including the U.S. territories).

For the advertising and promotional activity categories listed in (a) through (f), below, report expenditures to the nearest \$10,000. For the advertising and promotional activity categories listed in (g) through (t), below, the company may report expenditures in the following ranges: \$10,000 to \$50,000; \$50,000 to \$100,000; \$100,000 to \$250,000; and then in increments of \$250,000.

Special Instructions for Reporting Expenditures in Categories (g) through (t) in Response to Specification 2.A for Certain Food Categories: For any food product identified in response to Specification 1.D and that also falls within the food categories listed in Specification 1.C.(1) through (5), (8) or (9), the company need not report expenditures in response to Specification 2.A for the advertising and promotional activity categories listed in (g) through (t), if both of the following conditions are met:

- (1) The company had no reportable expenditures for the food product in response to Specification 2.A for any of the advertising and promotional activity categories listed in (a) through (f) of this Attachment B; and
- (2) No marketing plan¹¹ for the food product indicates that the company planned or engaged in any form of advertising or promotional activity for the product during the calendar year 2006 that was intended to reach an audience that, in whole or in

¹¹ A “marketing plan” includes documents addressing advertising and marketing objectives and strategies, themes, or concepts, as well as media recommendations, media plans, marketing reports, business studies, creative strategies or briefs, category management plans, media exposure projections, and any other documents that set out, describe, or discuss the planned or actual approaches for marketing, advertising, or promoting a food brand, food product line, food product, or restaurant chain, whether created by the company or by its agents, including but not limited to ad agencies, media buyers, or advertising consultants.

part, consisted of children ages 2-11.

Special Instructions for Reporting Activities in Categories (g) through (t) in Response to Specification 4.A or 4.B for Certain Food Categories: For any food product identified in response to Specification 1.D that also falls within food categories 1.C.(1) through (5), (8) or (9), the company need not report, in response to Specification 4.A or 4.B, activities for the advertising and promotional activity categories listed in (g) through (t) of this Attachment B, if both of the following conditions are met:

- (1) The company had no reportable activities for the food product in response to Specification 4.A or 4.B for any of the advertising and promotional activity categories listed in (a) through (f) of this Attachment B; and
- (2) No marketing plan for the food product indicates that the company planned or engaged in any form of advertising or promotional activity for the product during the calendar year 2006 that was intended to reach an audience that, in whole or in part, consisted of children ages 2-11.

DEFINITIONS

- (a) **Television advertising (TV AD)** means advertising on broadcast, cable, or satellite television channels, including during syndicated programming, or branded messages relating to company sponsorship or underwriting of a television program, excluding product placements. Report television advertising expenditures if any of the following apply:
 1. A marketing plan specifically indicates that the television advertising was intended to reach children under age 12; or
 2. The advertising appeared in, during, or contiguous to any television program, programming block, or daypart that had a viewing audience consisting of 30% or more children ages 2-11, as measured on an annual basis.¹²
- (b) **Radio advertising (RAD AD)** means advertising on AM, FM, HD Radio, or satellite radio channels, excluding product placements. Report radio advertising expenditures if any of the following apply:
 1. A marketing plan specifically indicates that the radio advertising was intended to reach children under age 12; or

¹² A 30% audience share was chosen for children ages 2-11 because this level of audience share is approximately double the proportion of that group in the general U.S. population.

2. The advertising appeared in, during, or contiguous to any radio program, programming block, or daypart for which children ages 2-11 constituted at least 30% of the listening audience, as measured on an annual basis.
- (c) **Print advertising (PRT AD)** means advertising placed in magazines, comic books, newspapers (including advertising placed in free-standing inserts), or other print publications. Report print advertising expenditures if any of the following apply:
1. A marketing plan specifically indicates that the print advertising was intended to reach children under age 12; or
 2. The advertising appeared in a publication for which children ages 2-11 constituted at least 30% of the readers and/or subscribers, as measured on an annual basis.
- (d) **Company-sponsored Internet sites (WEBSITE AD)** means any company-sponsored Internet site or page that contains information about or images of the company's food brands or products, including, but not limited to, advergames,¹³ and that can be accessed by computers located in the United States, regardless of where the site is located or the Internet address of the site or page. Report expenditures on, and activities associated with, company-sponsored Internet sites if any of the following apply:
1. A marketing plan specifically indicates that the site or page was intended to reach children under age 12;
 2. Audience demographic data indicate that 20% or more of visitors to the site or page were children ages 2-11 for any month during 2006;¹⁴ or
 3. The site or page:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a

¹³ The term "advergame" refers to an interactive, electronic game on a company-sponsored website that prominently features one or more of the company's products or brands.

¹⁴ A 20% audience share was chosen for children ages 2-11 because this level of audience share is approximately double the proportion of that group in the population of active Internet users during 2006. Data from March through December 2006 show that children ages 2-11 constituted between 8.87 and 9.47% of the active Internet audience. Source: Nielsen/Net Ratings NetView (Home and Work Panel).

publicly available opinion poll of children;

- C. used language, such as “kid,” “child,” “tween,” or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the site or page was intended for children; or
- D. promoted child-oriented themes, activities, incentives, products, or media.

(e) **Other Internet advertising (INTERNET AD)** means advertising on or through Internet sites or pages other than company-sponsored Internet sites that bear or otherwise display the name or logo or any portion of the package of any of the company’s food brands or otherwise refers or relates to such food brands, including, but not limited to, sponsored hyperlinks, banner or pop-up advertisements, in-stream and in-page audio and video advertisements, sponsored text advertising, sponsored search keywords, and advertising in chat rooms, weblogs, social networking sites, online video games, bulletin boards, and listservs. Report expenditures on, and activities associated with, other Internet advertising if any of the following apply:

- 1. A marketing plan specifically indicates that the Internet advertising was intended to reach children under age 12;
- 2. The company knowingly sought the participation of children in the Internet advertising campaign;
- 3. The advertising appeared on any Internet website for which audience demographic data indicate that children ages 2-11 constituted at least 20% of the audience for any month during 2006; or
- 4. The advertising:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company’s possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as “kid,” “child,” “tween,” or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the advertising was intended for children; or

D. promoted child-oriented themes, activities, incentives, products, or media.

(f) **Packaging and labeling (PACK/LABEL)** means all product packaging and labeling (including all words and images therein) for any of the company's food products. For purposes of reporting expenditures in this category, include all costs of developing and producing the product packaging and labeling (excluding any costs of fulfilling labeling requirements of the Food and Drug Administration). Report expenditures on, and activities associated with, packaging and labeling if any of the following apply:

1. A marketing plan specifically indicates that the packaging or labeling was designed to appeal to children under age 12;
2. The packaging or labeling:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the product was intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media.

(g) **Movie theater/video/video game advertising (MOV/VID AD)** means advertising preceding a movie shown in a movie theater or placed on a video (DVD or VHS) or within a video game (including as a pre-roll, post-roll, or banner advertisement), excluding product placements. Report expenditures on, and activities associated with, movie theater/video/video game advertising if any of the following apply:

1. A marketing plan specifically indicates that such advertising was intended to reach children under age 12;
2. The advertising appeared in, during, or contiguous to a motion picture:
 - A. distributed in movie theaters, on video (*e.g.*, DVD or VHS), or digitally, that was rated G by the Motion Picture Association of America; or
 - B. for which children ages 2-11 constituted at least 30% of the viewing

audience, according to demographic data or other information within the company's possession, custody, or control;

3. The advertising appeared in, during, or contiguous to a video game:
 - A. rated EC or E by the Entertainment Software Rating Board; or
 - B. for which children ages 2-11 constituted at least 30% of the users, according to demographic data or other information within the company's possession, custody, or control; or
4. The advertising:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted youthful performers or characters, in order to indicate that the advertising was intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media.

(h) **Other digital advertising (DIGITAL AD)** means advertising and promotional content transmitted to personal computers and other digital devices, including PDAs (personal digital assistants), mobile phones, and other portable devices, whether or not Internet-enabled, that bears or otherwise displays the name or logo or any portion of the package of any of the company's food brands or otherwise refers or relates to such food brands; this category includes, but is not limited to, expenditures for advertising or promotional content in electronic mail (email) messages, short message service (SMS or "text") messaging, instant messaging (IM), picture messaging, multimedia messaging, mobile broadcasts, downloads (such as ringtones, wallpapers, and videos), and podcasts. Report expenditures on, and activities associated with, other digital advertising if any of the following apply:

1. A marketing plan specifically indicates that the digital advertising was intended to reach children under age 12;
2. The company knowingly sought the participation of children in the digital advertising campaign;

3. 20% or more of the participants in or audience of the digital advertising campaign were children, according to demographic data or other information within the company's possession, custody, or control;
 4. The advertising:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the advertising was intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media.
- (i) **In-store advertising and promotions (IN-STORE AD)** means advertising displays and promotions at the retail site, including the offering of free samples and allowances paid to facilitate shelf placement or merchandise displays. Report expenditures on, and activities associated with, in-store advertising and promotions that, pursuant to a marketing plan or industry practice, were designed to appeal to children. Such design elements may involve the height of placement or display, and the use of licensed characters, images of children, and language, such as "kid," "child," or similar words.
- (j) **Specialty item or premium distribution (PREMIUMS)** means specialty or premium items other than food products that are distributed in connection with the sale of any of the company's food products, whether distributed by sale, by redemption of coupons, codes, or proofs of purchase, within food packages, in conjunction with restaurant meals, as prizes in contests or sweepstakes, or otherwise. For purposes of reporting expenditures in this category, include all net costs (deducting payments by consumers) of the items distributed to consumers. Report expenditures on, and activities associated with, specialty item or premium distribution if any of the following apply:
1. A marketing plan specifically indicates that the specialty item or premium distribution was intended to reach children under age 12;
 2. The promotion of the specialty or premium item or the item itself:
 - A. prominently featured child-oriented animated or licensed characters;

- B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the item was intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media.
3. The specialty or premium item was a toy, doll, action figure, collectable item, puzzle, game, or other product for children.

(k) **Promotion or sponsorship of public entertainment events (EVENTS)** means events, including but not limited to concerts and sporting events, bearing or otherwise displaying the name or logo or any portion of the package of any of the company's food brands or otherwise referring or relating to such food brands. For purposes of reporting expenditures in this category, include all costs made by the company in promoting and/or sponsoring the event, including costs paid for billboards or banners in the name of any of the company's food brands or referring or relating to such food brands, and all expenditures connected with the production, offer, sale, or provision without fee of all functional promotional items at or in connection with a public entertainment event, including but not limited to, clothing, hats, bags, posters, sporting or racing goods and equipment bearing or otherwise displaying the name or logo or any portion of the package of any of the company's food brands or otherwise referring or relating to such food brands. Report expenditures on, and activities associated with, promotion or sponsorship of public entertainment events if any of the following apply:

- 1. A marketing plan specifically indicates that the event or promotion at the event was intended to reach children under age 12 or that the event would involve the participation or attendance of children;
- 2. The company actively sought the participation or attendance of children;
- 3. The event involved child-oriented themes, activities, incentives, products, or media;
- 4. 30% or more of the participants in, or audience of, the event were children under age 12, according to demographic data or other information within the company's possession, custody, or control; or

5. The advertising or promotions at the event:
- A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the advertising or promotions were intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media.

(l) **Product placements (PROD PLMT)** means permitting, promoting, or procuring the integration of any food product, logo, signage, trade name, or package into a television or radio program, motion picture, video, music recording, electronic game, or other form of entertainment programming. Report total expenditures on, and activities associated with, product placements delivered via all other advertising and promotional activities defined in this Attachment B.

(m) **Character licensing, toy co-branding, and cross-promotions (CHAR LIC)** means licensing or otherwise obtaining permission to use a character or toy in the advertising or promotion of a food product, including both licensing agreements for character use in the company's advertisements or promotions and cross-promotional arrangements, such as a marketing partnership with a media company, film studio, theme park, or toy company to cross-promote each other's products by marketing (in any context) a food product or food brand name in conjunction with a character, film, theme park, or toy. Report expenditures on, and activities associated with obtaining and using, or obtaining and implementing, the character license, toy co-branding, and cross-promotional arrangement via all other advertising and promotional activities defined in this Attachment B.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., television advertising) defined in this Attachment B.

(n) **Sponsorship of sports teams or individual athletes (ATHL SPON)** means sponsorship of or provision of equipment or facilities for a professional or amateur athletic team (excluding primary and secondary school athletic teams to be reported under category (r), below) or an individual athlete, including, but not limited to, competitors in football, basketball, baseball, soccer, hockey, tennis, wrestling, karate, judo, weight lifting,

volleyball, skiing, skating, snowboarding, skateboarding, surfing, sailing, boating, equestrian, rodeo, automobile, race car, funny car, motorcycle, bicycle, truck, monster truck, tractor-pull, fishing, and hunting events, competitions, tournaments, and races. Report expenditures on, and activities associated with, sponsorships if any of the following apply:

1. A marketing plan specifically indicates that the sponsorship was intended to reach or designed to appeal to children under age 12;
2. The sponsored athlete was a child, or members of the sponsored team were children;
3. A marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children, indicates that the sponsored team or athlete is highly popular with children; or
4. Demographic data or other information within the company's possession, custody, or control indicates that 30% or more of the fan base for the sponsored team or athlete consisted of children under age 12.

(o) **Word-of-mouth marketing (WOM MKTG)** means providing incentives (financial or otherwise), product samples, or other support to non-employees (including individuals and groups) to promote consumption of a food product to other consumers or to encourage discussion of a food product or brand among consumers. For purposes of reporting expenditures in this category, include all costs of incentives or samples provided to non-employees, as well as costs associated with developing and implementing the word-of-mouth marketing campaign. Report expenditures on, and activities associated with, word-of-mouth marketing if any of the following apply:

1. A marketing plan specifically indicates that the word-of-mouth marketing campaign was intended to reach children under age 12;
2. The company knowingly sought the participation of children in the word-of-mouth marketing campaign;
3. The word-of-mouth marketing campaign:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;

- C. used language, such as “kid,” “child,” “tween,” or similar words, or prominently depicted youthful individuals or characters, in order to indicate that the campaign was intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media; or
4. 20% or more of the participants in the word-of-mouth marketing campaign were children under age 12, according to demographic data or other information within the company’s possession, custody, or control.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., other digital advertising, viral marketing) defined in this Attachment B.

(p) **Viral marketing (VIRAL)** means promotional messages intended to encourage consumers to discuss, or otherwise promote (such as by passing along or sharing the promotional messages), a food product or brand with other consumers, or to encourage consumers to interact with company-sponsored content, through the use of various forms of electronic communication. “Viral” marketing includes, but is not limited to, content developed for video, audio, or image file-sharing Internet websites that integrates a food product, logo, signage, trade name, or food package; company-sponsored blogs or social networking website profiles that discuss a food product or brand (whether or not the content is attributed to the company); and any other content posted on the Internet about a food product that is intended to be sent from one consumer to another (such as through a “send to a friend” email or through a promotional message that attaches to an email sent through a web-based email program). For purposes of reporting expenditures in this category, include all costs of developing and distributing the promotional messages. Report expenditures on, and activities associated with, viral marketing if any of the following apply:

- 1. A marketing plan specifically indicates that the viral marketing campaign was intended to reach children under age 12;
- 2. The company knowingly sought the participation of children in the viral marketing campaign;
- 3. The viral marketing campaign:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion

research data within the company's possession, custody, or control; or a publicly available opinion poll of children;

- C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted youthful individuals or characters, in order to indicate that the campaign was intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media; or
4. 20% or more of the participants in the viral marketing campaign were children under age 12, according to demographic data or other information within the company's possession, custody, or control.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., other digital advertising, word of mouth marketing) defined in this Attachment B.

(q) **Celebrity endorsements (CELEB END)** means an advertising or promotional message (including verbal statements, demonstrations, or depictions of the name, signature, likeness, or other identifying personal characteristics of an individual or the name or seal of an organization) relating to the company's food products, when such message is one that consumers are likely to believe reflects the opinions, beliefs, findings, or experience of a public figure (including an entertainer, musician, athlete, or other well-recognized person). Expenditures in this category include all payments to the celebrity and costs associated with advertising and promotions featuring the celebrity. Report expenditures on, and activities associated with, obtaining and using the celebrity endorsement if any of the following apply:

- 1. A marketing plan specifically indicates that the endorser was employed to reach or appeal to children under age 12;
- 2. The celebrity endorser:
 - A. was a child;
 - B. was highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children; or
 - C. promoted child-oriented themes, activities, incentives, products, or media;

or

3. Demographic data or other information within the company's possession, custody, or control indicates that 30% or more of the celebrity's fan base consisted of children under age 12.

Indicate to what extent, if any, these costs are duplicative of expenditures reported for other advertising and promotional activities (e.g., television advertising) defined in this Attachment B.

- (r) **In-school marketing (IN-SCHOOL)** targeted toward children means advertising or promotional activity in or around a pre-school or elementary school, including, but not limited to, the use of trade names, logos, displays, signage, or other branded materials in or around cafeterias, vending machines, or gymnasiums, at school events, youth athletic events, athletic fields or arenas, and on school buses, Channel One or other closed circuit television channels. This category includes payments pursuant to food and beverage contracts with schools or school systems and philanthropic donations to schools or particular school clubs, teams, events, or programs, including donations of or discounts on products, coupons for products, and branded materials such as equipment, classroom materials, and curricula created by or sponsored by food companies. This category does not include an advertising or promotional activity that occurred at a pre-school or elementary school at a time when no children were present or likely would have been present (e.g., a PTA meeting).
- (s) **Advertising in conjunction with philanthropic endeavors (PHLNTHRPY)** targeted toward children means advertising or promotional activity in conjunction with a donation to an organization, program, or event, other than a school or school-sponsored program or event, including, but not limited to, the use of trade names, logos, displays, signage, or other branded materials in connection with child-oriented clubs, parks, activities, or community programs or events. Report expenditures on, and activities associated with, advertising and promotional activity for all such philanthropic endeavors if any of the following apply:
 1. A marketing plan specifically indicates that the organization, program, or event would reach children under age 12 or would involve the participation or attendance of children under age 12;
 2. The company actively sought the participation or attendance of children;
 3. The program or event involved child-oriented themes, activities, incentives, products, or media;
 4. 30% or more of the participants in, or attendees or beneficiaries of, the

organization, program, or event were children under age 12, according to demographic data or other information within the company's possession, custody, or control; or

5. The advertising or promotional activity:
 - A. prominently featured child-oriented animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with children, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of children;
 - C. used language, such as "kid," "child," "tween," or similar words, or prominently depicted models or characters who were or appeared to be younger than age 12, in order to indicate that the advertising or promotions were intended for children; or
 - D. promoted child-oriented themes, activities, incentives, products, or media.
- (t) **Other promotional activities (OTHER)** means any advertising or promotional activities not covered by another reporting category; describe fully and break down by type. Report expenditures on, and activities associated with, other promotional activities not reported in any other category if a marketing plan specifically indicates that such activities were intended to reach children under age 12.

Attachment C
Advertising and Promotional Activities Targeted Toward Adolescents

INSTRUCTIONS

Use the following definitions for purposes of reporting the advertising expenditures and activities requested in Specifications 2.B, 2.C, 3, 4, and 7. The terms provided in parentheses after each advertising or promotional activity category are the codes used in Attachment E to designate expenditures in the category. These codes should be used by the company when preparing its response to Specification 2, following the format set forth in Attachment E. Except where otherwise noted, the media categories set forth below are mutually exclusive. Do not report an expenditure in more than one category, unless otherwise directed. Also, limit reported expenditures to advertising and promotional activities that were conducted in the United States (including the U.S. territories).

For the advertising and promotional activity categories listed in (a) through (f), below, report expenditures to the nearest \$10,000. For the advertising and promotional activity categories listed in (g) through (t), below, the company may report expenditures in the following ranges: \$10,000 to \$50,000; \$50,000 to \$100,000; \$100,000 to \$250,000; and then in increments of \$250,000.

Special Instructions for Reporting Expenditures in Categories (g) through (t) in Response to Specification 2.B for Certain Food Categories: For any food product identified in response to Specification 1.D and that also falls within the food categories listed in Specification 1.C.(1) through (5), (8) or (9), the company need not report expenditures in response to Specification 2.B for the advertising and promotional activity categories listed in (g) through (t), if both of the following conditions are met:

- (1) The company had no reportable expenditures for the food product in response to Specification 2.B for any of the advertising and promotional activity categories listed in (a) through (f) of this Attachment C; and
- (2) No marketing plan¹⁵ for the food product indicates that the company planned or engaged in any form of advertising or promotional activity for the product during the calendar year 2006 that was intended to reach an audience that, in whole or in part, consisted of adolescents ages 12-17.

Special Instructions for Reporting Activities in Categories (g) through (t) in Response to Specification 4.A or 4.B for Certain Food Categories: For any food product identified in response to Specification 1.D that also falls within food categories 1.C.(1) through (5), (8) or (9), the company need not report, in response to Specification 4.A or 4.B, activities for

¹⁵ See note 11, *supra*, for the definition of “marketing plan.”

the advertising and promotional activity categories listed in (g) through (t) of this Attachment C, if both of the following conditions are met:

- (1) The company had no reportable activities for the food product in response to Specification 4.A or 4.B for any of the advertising and promotional activity categories listed in (a) through (f) of this Attachment C; and
- (2) No marketing plan for the food product indicates that the company planned or engaged in any form of advertising or promotional activity for the product during the calendar year 2006 that was intended to reach an audience that, in whole or in part, consisted of adolescents ages 12-17.

DEFINITIONS

- (a) **Television advertising** means advertising on broadcast, cable, or satellite television channels, including during syndicated programming, or branded messages relating to company sponsorship or underwriting of a television program.
- i. Report television advertising expenditures, excluding product placements, under column 7A of Attachment E (**TV AD**) if any of the following apply:
 - A. A marketing plan specifically indicates that the television advertising was intended to reach adolescents ages 12-17; or
 - B. The advertising appeared in, during, or contiguous to any television program, programming block, or daypart that had a viewing audience consisting of 20% or more adolescents ages 12-17, as measured on an annual basis.¹⁶
 - ii. Separately report expenditures under column 7B of Attachment E (**TV AD TOP 5**) for television advertising (including product placements) that appeared in, during, or contiguous to any of the following five broadcast television programs, which constituted the top five broadcast television programs watched by adolescents ages 12-17 during the 2005-2006 television year, by audience numbers:¹⁷ AMERICAN IDOL, AMERICAN DAD, FAMILY GUY, UNANIMOUS, SIMPSONS.

¹⁶ A 20% audience share was chosen for adolescents ages 12-17 because this level of audience share is approximately double the proportion of that group in the general U.S. population.

¹⁷ Source: Nielsen Media Research.

- (b) **Radio advertising (RAD AD)** means advertising on AM, FM, HD Radio, or satellite radio channels, excluding product placements. Report radio advertising expenditures if any of the following apply:
1. A marketing plan specifically indicates that the radio advertising was intended to reach adolescents ages 12-17; or
 2. The advertising appeared in, during, or contiguous to any radio program, programming block, or daypart for which adolescents ages 12-17 constituted at least 20% of the listening audience, as measured on an annual basis.
- (c) **Print advertising** means advertising placed in magazines, comic books, newspapers (including advertising placed in free-standing inserts), or other print publications. Report print advertising expenditures if any of the following apply:
1. A marketing plan specifically indicates that the print advertising was intended to reach adolescents ages 12-17; or
 2. The advertising appeared in a publication for which adolescents ages 12-17 constituted at least 20% of the readers and/or subscribers, as measured on an annual basis.
- (d) **Company-sponsored Internet sites (WEBSITE AD)** means any company-sponsored Internet site or page that contains information about or images of the company's food brands or products, including, but not limited to, advergames,¹⁸ and that can be accessed by computers located in the United States, regardless of where the site is located or the Internet address of the site or page. Report expenditures on, and activities associated with, company-sponsored Internet sites if any of the following apply:
1. A marketing plan specifically indicates that the site or page was intended to reach adolescents ages 12-17;
 2. Audience demographic data indicate that 20% or more of visitors to the site or page were adolescents ages 12-17 for any month during 2006;¹⁹ or

¹⁸ See the definition of "advergame" at note 13, *supra*.

¹⁹ A 20% audience share was chosen for adolescents ages 12-17 because this level of audience share is approximately double the proportion of that group in the population of active Internet users during 2006. Data from March through December 2006 show that adolescents ages 12-17 constituted between 10.59 and 11.25% of the active Internet audience. Source: Nielsen/NetRatings NetView (Home and Work Panel).

3. The site or page:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the site or page was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.

- (e) **Other Internet advertising (INTERNET AD)** means advertising on or through Internet sites or pages other than company-sponsored Internet sites that bear or otherwise display the name or logo or any portion of the package of any of the company's food brands or otherwise refers or relates to such food brands, including, but not limited to, sponsored hyperlinks, banner or pop-up advertisements, in-stream and in-page audio and video advertisements, sponsored text advertising, sponsored search keywords, and advertising in chat rooms, weblogs, social networking sites, online video games, bulletin boards, and listservs. Report expenditures on, and activities associated with, other Internet advertising if any of the following apply:
 1. A marketing plan specifically indicates that the Internet advertising was intended to reach adolescents ages 12-17;
 2. The company knowingly sought the participation of adolescents in the Internet advertising campaign;
 3. The advertising appeared on any Internet website for which audience demographic data indicate that adolescents ages 12-17 constituted at least 20% of the audience for any month during 2006; or
 4. The advertising:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion

research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;

- C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the advertising was intended for adolescents; or
- D. promoted adolescent-oriented themes, activities, incentives, products, or media.

(f) **Packaging and labeling (PACK/LABEL)** means all product packaging and labeling (including all words and images therein) for any of the company's food products. For purposes of reporting expenditures in this category, include all costs of developing and producing the product packaging and labeling (excluding any costs of fulfilling labeling requirements of the Food and Drug Administration). Report expenditures on, and activities associated with, packaging and labeling if any of the following apply:

- 1. A marketing plan specifically indicates that the packaging or labeling was designed to appeal to adolescents ages 12-17;
- 2. The packaging or labeling:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the product was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.

(g) **Movie theater/video/video game advertising (MOV/VID AD)** means advertising preceding a movie shown in a movie theater or placed on a video (DVD or VHS) or within a video game (including as a pre-roll, post-roll, or banner advertisement), excluding product placements. Report expenditures on, and activities associated with, movie theater/video/video game advertising if any of the following apply:

1. A marketing plan specifically indicates that such advertising was intended to reach adolescents ages 12-17;
 2. The advertising appeared in, during, or contiguous to a motion picture:
 - A. distributed in movie theaters, on video (*e.g.*, DVD or VHS), or digitally, that was rated PG by the Motion Picture Association of America; or
 - B. for which adolescents ages 12-17 constituted at least 20% of the viewing audience, according to demographic data or other information within the company's possession, custody, or control;
 3. The advertising appeared in, during, or contiguous to a video game:
 - A. rated E or E10+ by the Entertainment Software Rating Board; or
 - B. for which adolescents ages 12-17 constituted at least 20% of the users, according to demographic data or other information within the company's possession, custody, or control; or
 4. The advertising:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted youthful performers or characters, in order to indicate that the advertising was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.
- (h) **Other digital advertising (DIGITAL AD)** means advertising and promotional content transmitted to personal computers and other digital devices, including PDAs (personal digital assistants), mobile phones, and other portable devices, whether or not Internet-enabled, that bears or otherwise displays the name or logo or any portion of the package of any of the company's food brands or otherwise refers or relates to such food brands; this category includes, but is not limited to, expenditures for advertising or promotional content in electronic mail (email) messages, short message service (SMS or "text")

messaging, instant messaging (IM), picture messaging, multimedia messaging, mobile broadcasts, downloads (such as ringtones, wallpapers, and videos), and podcasts. Report expenditures on, and activities associated with, other digital advertising if any of the following apply:

1. A marketing plan specifically indicates that the digital advertising was intended to reach adolescents ages 12-17;
 2. The company knowingly sought the participation of adolescents in the digital advertising campaign;
 3. 20% or more of the participants in or audience of the digital advertising campaign were adolescents, according to demographic data or other information within the company's possession, custody, or control;
 4. The advertising:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the advertising was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.
- (i) **In-store advertising and promotions (IN-STORE AD)** means advertising displays and promotions at the retail site, including the offering of free samples and allowances paid to facilitate shelf placement or merchandise displays. Report expenditures on, and activities associated with, in-store advertising and promotions that, pursuant to a marketing plan or industry practice, were designed to appeal to adolescents. Such design elements may involve the height of placement or display, and the use of licensed characters, images of adolescents, and language, such as "adolescent" "teen," "teenager," or similar words.
- (j) **Specialty item or premium distribution (PREMIUMS)** means specialty or premium items other than food products that are distributed in connection with the sale of any of the company's food products, whether distributed by sale, by redemption of coupons,

codes, or proofs of purchase, within food packages, in conjunction with restaurant meals, as prizes in contests or sweepstakes, or otherwise. For purposes of reporting expenditures in this category, include all net costs (deducting payments by consumers) of the items distributed to consumers. Report expenditures on, and activities associated with, specialty item or premium distribution if any of the following apply:

1. A marketing plan specifically indicates that the specialty item or premium distribution was intended to reach adolescents ages 12-17;
2. The promotion of the specialty or premium item or the item itself:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the item was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.
3. The specialty or premium item was a toy, doll, action figure, collectable item, puzzle, game, or other product for adolescents.

(k) **Promotion or sponsorship of public entertainment events (EVENTS)** means events, including but not limited to concerts and sporting events, bearing or otherwise displaying the name or logo or any portion of the package of any of the company's food brands or otherwise referring or relating to such food brands. For purposes of reporting expenditures in this category, include all costs made by the company in promoting and/or sponsoring the event, including costs paid for billboards or banners in the name of any of the company's food brands or referring or relating to such food brands, and all expenditures connected with the production, offer, sale, or provision without fee of all functional promotional items at or in connection with a public entertainment event, including but not limited to, clothing, hats, bags, posters, sporting or racing goods and equipment bearing or otherwise displaying the name or logo or any portion of the package of any of the company's food brands or otherwise referring or relating to such food brands. Report expenditures on, and activities associated with, promotion or sponsorship of public entertainment events if any of the following apply:

1. A marketing plan specifically indicates that the event or promotion at the event was intended to reach adolescents ages 12-17 or that the event would involve the participation or attendance of adolescents;
 2. The company actively sought the participation or attendance of adolescents;
 3. The event involved adolescent-oriented themes, activities, incentives, products, or media;
 4. 20% or more of the participants in, or audience of, the event were adolescents ages 12-17, according to demographic data or other information within the company's possession, custody, or control; or
 5. The advertising or promotions at the event:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the advertising or promotions were intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.
- (l) **Product placements (PROD PLMT)** means permitting, promoting, or procuring the integration of any food product, logo, signage, trade name, or package into a television or radio program, motion picture, video, music recording, electronic game, or other form of entertainment programming. Report total expenditures on, and activities associated with, product placements delivered via all other advertising and promotional activities defined in this Attachment C.
- (m) **Character licensing, toy co-branding, and cross-promotions (CHAR LIC)** means licensing or otherwise obtaining permission to use a character or toy in the advertising or promotion of a food product, including both licensing agreements for character use in the company's advertisements or promotions and cross-promotional arrangements, such as a marketing partnership with a media company, film studio, theme park, or toy company to cross-promote each other's products by marketing (in any context) a food product or food

brand name in conjunction with a character, film, theme park, or toy. Report expenditures on, and activities associated with obtaining and using, or obtaining and implementing, the character license, toy co-branding, and cross-promotional arrangement via all other advertising and promotional activities defined in this Attachment C.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., television advertising) defined in this Attachment C.

- (n) **Sponsorship of sports teams or individual athletes (ATHL SPON)** means sponsorship of or provision of equipment or facilities for a professional or amateur athletic team (excluding primary and secondary school athletic teams to be reported under category (r), below) or an individual athlete, including, but not limited to, competitors in football, basketball, baseball, soccer, hockey, tennis, wrestling, karate, judo, weight lifting, volleyball, skiing, skating, snowboarding, skateboarding, surfing, sailing, boating, equestrian, rodeo, automobile, race car, funny car, motorcycle, bicycle, truck, monster truck, tractor-pull, fishing, and hunting events, competitions, tournaments, and races. Report expenditures on, and activities associated with, sponsorships if any of the following apply:
1. A marketing plan specifically indicates that the sponsorship was intended to reach or designed to appeal to adolescents ages 12-17;
 2. The sponsored athlete was an adolescent, or members of the sponsored team were adolescents;
 3. A marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents, indicates that the sponsored team or athlete is highly popular with adolescents; or
 4. Demographic data or other information within the company's possession, custody, or control indicates that 20% or more of the fan base for the sponsored team or athlete consisted of adolescents ages 12-17.
- (o) **Word-of-mouth marketing (WOM MKTG)** means providing incentives (financial or otherwise), product samples, or other support to non-employees (including individuals and groups) to promote consumption of a food product to other consumers or to encourage discussion of a food product or brand among consumers. For purposes of reporting expenditures in this category, include all costs of incentives or samples provided to non-employees, as well as costs associated with developing and implementing the word-of-mouth marketing campaign. Report expenditures on, and activities associated with, word-of-mouth marketing if any of the following apply:

1. A marketing plan specifically indicates that the word-of-mouth marketing campaign was intended to reach adolescents ages 12-17;
2. The company knowingly sought the participation of adolescents in the word-of-mouth marketing campaign;
3. The word-of-mouth marketing campaign:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted youthful individuals or characters, in order to indicate that the campaign was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media; or
4. 20% or more of the participants in the word-of-mouth marketing campaign were adolescents ages 12-17, according to demographic data or other information within the company's possession, custody, or control.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., other digital advertising, viral marketing) defined in this Attachment C.

- (p) **Viral marketing (VIRAL)** means promotional messages intended to encourage consumers to discuss, or otherwise promote (such as by passing along or sharing the promotional messages), a food product or brand with other consumers, or to encourage consumers to interact with company-sponsored content, through the use of various forms of electronic communication. "Viral" marketing includes, but is not limited to, content developed for video, audio, or image file-sharing Internet websites that integrates a food product, logo, signage, trade name, or food package; company-sponsored blogs or social networking website profiles that discuss a food product or brand (whether or not the content is attributed to the company); and any other content posted on the Internet about a food product that is intended to be sent from one consumer to another (such as through a "send to a friend" email or through a promotional message that attaches to an email sent through a web-based email program). For purposes of reporting expenditures in this category, include all costs of developing and distributing the promotional messages.

Report expenditures on, and activities associated with, viral marketing if any of the following apply:

1. A marketing plan specifically indicates that the viral marketing campaign was intended to reach adolescents ages 12-17;
2. The company knowingly sought the participation of adolescents in the viral marketing campaign;
3. The viral marketing campaign:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted youthful individuals or characters, in order to indicate that the campaign was intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media; or
4. 20% or more of the participants in the viral marketing campaign were adolescents ages 12-17, according to demographic data or other information within the company's possession, custody, or control.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., other digital advertising, word of mouth marketing) defined in this Attachment C.

- (q) **Celebrity endorsements (CELEB END)** means an advertising or promotional message (including verbal statements, demonstrations, or depictions of the name, signature, likeness, or other identifying personal characteristics of an individual or the name or seal of an organization) relating to the company's food products, when such message is one that consumers are likely to believe reflects the opinions, beliefs, findings, or experience of a public figure (including an entertainer, musician, athlete, or other well-recognized person). Expenditures in this category include all payments to the celebrity and costs associated with advertising and promotions featuring the celebrity. Report expenditures on, and activities associated with, obtaining and using the celebrity endorsements if any

of the following apply:

1. A marketing plan specifically indicates that the endorser was employed to reach or appeal to adolescents ages 12-17;
2. The celebrity endorser:
 - A. was an adolescent;
 - B. was highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents; or
 - C. promoted adolescent-oriented themes, activities, incentives, products, or media; or
3. Demographic data or other information within the company's possession, custody, or control indicates that 20% or more of the celebrity's fan base consisted of adolescents ages 12-17.

Indicate to what extent, if any, these costs are duplicative of expenditures reported for other advertising and promotional activities (e.g., television advertising) defined in this Attachment C.

- (r) **In-school marketing (IN-SCHOOL)** targeted toward adolescents means advertising or promotional activity in or around a middle school, junior high school, or high school, including, but not limited to, the use of trade names, logos, displays, signage, or other branded materials in or around cafeterias, vending machines, or gymnasiums, at school events, youth athletic events, athletic fields or arenas, and on school buses, Channel One or other closed circuit television channels. This category includes payments pursuant to food and beverage contracts with schools or school systems and philanthropic donations to schools or particular school clubs, teams, events, or programs, including donations of or discounts on products, coupons for products, and branded materials such as equipment, classroom materials, and curricula created by or sponsored by food companies. This category does not include an advertising or promotional activity that occurred at a middle school, junior high school, or high school at a time when no adolescents were present or likely would have been present (e.g., a PTA meeting).
- (s) **Advertising in conjunction with philanthropic endeavors (PHLNTHRPY)** targeted toward adolescents means advertising or promotional activity in conjunction with a donation to an organization, program, or event, other than a school or school-sponsored program or event, including, but not limited to, the use of trade names, logos, displays,

signage, or other branded materials in connection with adolescent-oriented clubs, parks, activities, or community programs or events. Report expenditures on, and activities associated with, advertising and promotional activity for all such philanthropic endeavors if any of the following apply:

1. A marketing plan specifically indicates that the organization, program, or event would reach adolescents ages 12-17 or would involve the participation or attendance of adolescents ages 12-17;
2. The company actively sought the participation or attendance of adolescents;
3. The program or event involved adolescent-oriented themes, activities, incentives, products, or media;
4. 20% or more of the participants in, or attendees or beneficiaries of, the organization, program, or event were adolescents ages 12-17, according to demographic data or other information within the company's possession, custody, or control; or
5. The advertising or promotional activity:
 - A. prominently featured adolescent-oriented, animated or licensed characters;
 - B. prominently featured a celebrity endorser highly popular with adolescents, according to any of the following sources: a marketing plan; opinion research data within the company's possession, custody, or control; or a publicly available opinion poll of adolescents;
 - C. used language, such as "adolescent," "teen," "teenager," or similar words, or prominently depicted models or characters who were or appeared to be teen-aged, in order to indicate that the advertising or promotions were intended for adolescents; or
 - D. promoted adolescent-oriented themes, activities, incentives, products, or media.

- (t) **Other promotional activities (OTHER)** means any advertising or promotional activities not covered by another reporting category; describe fully and break down by type. Report expenditures on, and activities associated with, other promotional activities not reported in any other category if a marketing plan specifically indicates that such activities were targeted to adolescents ages 12-17.

Attachment D
Advertising and Promotional Activities for All Audiences

INSTRUCTIONS

Use the following definitions for purposes of reporting the advertising expenditures and activities requested in Specification 2.D. The terms provided in parentheses after each advertising or promotional activity category are the codes used in Attachment E to designate expenditures in the category. These codes should be used by the company when preparing its response to Specification 2, following the format set forth in Attachment E. Except where otherwise noted, the media categories set forth below are mutually exclusive. Do not report an expenditure in more than one category, unless otherwise directed. Also, limit reported expenditures to advertising and promotional activities that were conducted in the United States (including the U.S. territories).

For the advertising and promotional activity categories listed in (a) through (f), below, report expenditures to the nearest \$10,000. For the advertising and promotional activity categories listed in (g) through (t), below, the company may report expenditures in the following ranges: \$10,000 to \$50,000; \$50,000 to \$100,000; \$100,000 to \$250,000; and then in increments of \$250,000.

Special Instructions for Reporting Expenditures in Categories (g) through (t) in Response to Specification 2.D for Certain Food Categories: For any food product identified in response to Specification 1.D and that also falls within the food categories listed in Specification 1.C.(1) through (5), (8) or (9), the company need not report expenditures in response to Specification 2.D for the advertising and promotional activity categories listed in (g) through (t) of this Attachment D, if both of the following conditions are met:

- (1) The company had no reportable expenditures for the food product in response to either Specification 2.A or 2.B for any of the advertising and promotional activity categories listed in (a) through (f) of Attachments B or C; and
- (2) No marketing plan²⁰ for the food product indicates that the company planned or engaged in any form of advertising or promotional activity for the product during the calendar year 2006 that was intended to reach an audience that, in whole or in part, consisted of children ages 2-11 or adolescents ages 12-17.

DEFINITIONS

- (a) **Television advertising (TV AD)** means advertising on broadcast, cable, or satellite television channels, including during syndicated programming, or branded messages

²⁰ See note 11, *supra*, for the definition of “marketing plan.”

relating to company sponsorship or underwriting of a television program, excluding product placements.

- (b) **Radio advertising (RAD AD)** means advertising on AM, FM, HD Radio, or satellite radio channels, excluding product placements.
- (c) **Print advertising (PRT AD)** means advertising placed in magazines, comic books, newspapers (including advertising placed in free-standing inserts), or other print publications.
- (d) **Company-sponsored Internet sites (WEBSITE AD)** means any company-sponsored Internet site or page that contains information about or images of the company's food brands or products, including, but not limited to, advergames,²¹ and that can be accessed by computers located in the United States, regardless of where the site is located or the Internet address of the site or page.
- (e) **Other Internet advertising (INTERNET AD)** means advertising on or through Internet sites or pages other than company-sponsored Internet sites that bear or otherwise display the name or logo or any portion of the package of any of the company's food brands or otherwise refers or relates to such food brands, including, but not limited to, sponsored hyperlinks, banner or pop-up advertisements, in-stream and in-page audio and video advertisements, sponsored text advertising, sponsored search keywords, and advertising in chat rooms, weblogs, social networking sites, online video games, bulletin boards, and listservs.
- (f) **Packaging and labeling (PACK/LABEL)** means all product packaging and labeling (including all words and images therein) for any of the company's food products. For purposes of reporting expenditures in this category, include all costs of developing and producing the product packaging and labeling (excluding any costs of fulfilling labeling requirements of the Food and Drug Administration).
- (g) **Movie theater/video/video game advertising (MOV/VID AD)** means advertising preceding a movie shown in a movie theater or placed on a video (DVD or VHS) or within a video game (including as a pre-roll, post-roll, or banner advertisement), excluding product placements.
- (h) **Other digital advertising (DIGITAL AD)** means advertising and promotional content transmitted to personal computers and other digital devices, including PDAs (personal digital assistants), mobile phones, and other portable devices, whether or not Internet-enabled, that bears or otherwise displays the name or logo or any portion of the package of any of the company's food brands or otherwise refers or relates to such food brands;

²¹ See the definition of "advergame" at note 13, *supra*.

this category includes, but is not limited to, expenditures for advertising or promotional content in electronic mail (email) messages, short message service (SMS or “text”) messaging, instant messaging (IM), picture messaging, multimedia messaging, mobile broadcasts, downloads (such as ringtones, wallpapers, and videos), and podcasts.

- (i) **In-store advertising and promotions (IN-STORE AD)** means advertising displays and promotions at the retail site, including the offering of free samples and allowances paid to facilitate shelf placement or merchandise displays.
- (j) **Specialty item or premium distribution (PREMIUMS)** means specialty or premium items other than food products that are distributed in connection with the sale of any of the company’s food products, whether distributed by sale, by redemption of coupons, codes, or proofs of purchase, within food packages, in conjunction with restaurant meals, as prizes in contests or sweepstakes, or otherwise. For purposes of reporting expenditures in this category, include all net costs (deducting payments by consumers) of the items distributed to consumers.
- (k) **Promotion or sponsorship of public entertainment events (EVENTS)** means events, including but not limited to concerts and sporting events, bearing or otherwise displaying the name or logo or any portion of the package of any of the company’s food brands or otherwise referring or relating to such food brands. For purposes of reporting expenditures in this category, include all costs made by the company in promoting and/or sponsoring the event, including costs paid for billboards or banners in the name of any of the company’s food brands or referring or relating to such food brands, and all expenditures connected with the production, offer, sale, or provision without fee of all functional promotional items at or in connection with a public entertainment event, including but not limited to, clothing, hats, bags, posters, sporting or racing goods and equipment bearing or otherwise displaying the name or logo or any portion of the package of any of the company’s food brands or otherwise referring or relating to such food brands.
- (l) **Product placements (PROD PLMT)** means permitting, promoting, or procuring the integration of any food product, logo, signage, trade name, or package into a television or radio program, motion picture, video, music recording, electronic game, or other form of entertainment programming. Report total expenditures on, and activities associated with, product placements delivered via all other advertising and promotional activities defined in this Attachment D.
- (m) **Character licensing, toy co-branding, and cross-promotions (CHAR LIC)** means licensing or otherwise obtaining permission to use a character or toy in the advertising or promotion of a food product, including both licensing agreements for character use in the company’s advertisements or promotions and cross-promotional arrangements, such as a marketing partnership with a media company, film studio, theme park, or toy company to

cross-promote each other's products by marketing (in any context) a food product or food brand name in conjunction with a character, film, theme park, or toy. Report expenditures on, and activities associated with obtaining and using, or obtaining and implementing, the character license, toy co-branding, and cross-promotional arrangement via all other advertising and promotional activities defined in this Attachment D.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., television advertising) defined in this Attachment D.

- (n) **Sponsorship of sports teams or individual athletes (ATHL SPON)** means sponsorship of or provision of equipment or facilities for a professional or amateur athletic team (excluding primary and secondary school athletic teams to be reported under category (r), below) or an individual athlete, including, but not limited to, competitors in football, basketball, baseball, soccer, hockey, tennis, wrestling, karate, judo, weight lifting, volleyball, skiing, skating, snowboarding, skateboarding, surfing, sailing, boating, equestrian, rodeo, automobile, race car, funny car, motorcycle, bicycle, truck, monster truck, tractor-pull, fishing, and hunting events, competitions, tournaments, and races.
- (o) **Word-of-mouth marketing (WOM MKTG)** means providing incentives (financial or otherwise), product samples, or other support to non-employees (including individuals and groups) to promote consumption of a food product to other consumers or to encourage discussion of a food product or brand among consumers. For purposes of reporting expenditures in this category, include all costs of incentives or samples provided to non-employees, as well as costs associated with developing and implementing the word-of-mouth marketing campaign.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., other digital advertising, viral marketing) defined in this Attachment D.

- (p) **Viral marketing (VIRAL)** means promotional messages intended to encourage consumers to discuss, or otherwise promote (such as by passing along or sharing the promotional messages), a food product or brand with other consumers, or to encourage consumers to interact with company-sponsored content, through the use of various forms of electronic communication. "Viral" marketing includes, but is not limited to, content developed for video, audio, or image file-sharing Internet websites that integrates a food product, logo, signage, trade name, or food package; company-sponsored blogs or social networking website profiles that discuss a food product or brand (whether or not the content is attributed to the company); and any other content posted on the Internet about a food product that is intended to be sent from one consumer to another (such as through a "send to a friend" email or through a promotional message that attaches to an email sent through a web-based email program). For purposes of reporting expenditures in this

category, include all costs of developing and distributing the promotional messages.

Indicate to what extent, if any, these activities and expenditures are duplicative of activities and expenditures reported for other advertising and promotional activities (e.g., other digital advertising, word of mouth marketing) defined in this Attachment D.

- (q) **Celebrity endorsements (CELEB END)** means an advertising or promotional message (including verbal statements, demonstrations, or depictions of the name, signature, likeness, or other identifying personal characteristics of an individual or the name or seal of an organization) relating to the company's food products, when such message is one that consumers are likely to believe reflects the opinions, beliefs, findings, or experience of a public figure (including an entertainer, musician, athlete, or other well-recognized person). Expenditures in this category include all payments to the celebrity and costs associated with advertising and promotions featuring the celebrity.

Indicate to what extent, if any, these costs are duplicative of expenditures reported for other advertising and promotional activities (e.g., television advertising) defined in this Attachment D.

- (r) **In-school marketing (IN-SCHOOL)** means advertising or promotional activity in or around an educational institution, such as a pre-school, elementary school, middle school, junior high school, high school, trade school, junior college, community college, four-year college, or university. It includes, but is not limited to, the use of trade names, logos, displays, signage, or other branded materials in or around cafeterias, vending machines, or gymnasiums, at school events, athletic events, athletic fields or arenas, and on school buses, Channel One or other closed circuit television channels; this category includes payments pursuant to food and beverage contracts with schools or school systems and philanthropic donations to schools or particular school clubs, teams, events, or programs, including donations of or discounts on products, coupons for products, and branded materials such as equipment, classroom materials, and curricula created by or sponsored by food companies.
- (s) **Advertising in conjunction with philanthropic endeavors (PHLNTHRPY)** means advertising or promotional activity in conjunction with a donation to an organization, program, or event, other than a school or school-sponsored program or event, including, but not limited to, the use of trade names, logos, displays, signage, or other branded materials in connection with clubs, parks, activities, or community programs or events.
- (t) **Other promotional activities (OTHER)** means any advertising or promotional activities not covered by another reporting category defined in this Attachment D; describe fully and break down by type.

**Attachment E
Expenditures for Advertising and Other Promotional Activities**

[The expenditure figures provided in this Attachment are intended to serve as examples and are not representative of any figures the agency expects to receive from any particular company.]

All figures are reported in U.S. dollars, rounded to the nearest \$10,000

1	2	3	4	5	6	7A	7B	8
COMPANY NAME	FOOD CATEGORY	BRAND/REST NAME	SUB-BRAND NAME	NUTRITIONAL PRODUCT LINE	TV AD (2-11)	TV AD (12-17)	TV AD TOP 5 (12-17)	TV AD (Duplicative)
Great Food Co.	Breakfast Cereals	Great Flakes	Honey Nut Great Flakes	N	\$1,250,000	\$600,000	\$390,000	\$220,000
Great Food Co.	Breakfast Cereals	Great Bran	n/a	Y	\$560,000	\$880,000	\$440,000	\$150,000
Great Dairy Co.	Dairy Products	Milk	n/a	N	\$1,140,000	\$540,000	\$350,000	\$270,000

9	10	11	12	13	14	15	16	17	18
TV AD (AII)	RAD AD (2-11)	RAD AD (12-17)	RAD AD (Duplicative)	RAD AD (AII)	PRT AD (2-11)	PRT AD (12-17)	PRT AD (Duplicative)	PRT AD (AII)	MOV/VID AD (2-11)
\$2,750,000	\$110,000	\$50,000	\$20,000	\$210,000					
\$2,310,000	n/a	\$40,000	\$0	\$150,000					
\$2,280,000	\$320,000	\$110,000	\$50,000	\$630,000					

19	MOV/MID AD (12-17)	20	MOV/MID AD (Duplicative)	21	MOV/MID AD (All)	22	WEBSITE AD (2-11)	23	WEBSITE AD (12-17)	24	WEBSITE AD (Duplicative)	25	WEBSITE AD (All)	26	INTERNET AD (2-11)	27	INTERNET AD (12-17)	28	INTERNET AD (Duplicative)

29	30	31	32	33	34	35	36	37	38
INTERNET AD (All)	DIGITAL AD (2-11)	DIGITAL AD (12-17)	DIGITAL AD (Duplicative)	DIGITAL AD (All)	IN-STORE AD (2-11)	IN-STORE AD (12-17)	IN-STORE AD (Duplicative)	IN-STORE AD (All)	PREMIUMS (2-11)

39	40	41	42	43	44	45	46	47	48
PREMIUMS (12-17)	PREMIUMS (Duplicative)	PREMIUMS (All)	EVENTS (2- 11)	EVENTS (12- 17)	EVENTS (Duplicative)	EVENTS (All)	PROD PLMT (2-11)	PROD PLMT (12-17)	PROD PLMT (Duplicative)

49	50	51	52	53	54	55	56	57	58
PROD PLMT (All)	CHAR LIC (2-11)	CHAR LIC (12-17)	CHAR LIC (Duplicative)	CHAR LIC (All)	ATHL SPON (2-11)	ATHL SPON (12-17)	ATHL SPON (Duplicative)	ATHL SPON (All)	PACK/LABEL (2-11)

59	60	61	62	63	64	65	66	67	68
PACK/LABEL (12-17)	PACK/LABEL (Duplicative)	PACK/LABEL (All)	WOM MKTG (2-11)	WOM MKTG (12-17)	WOM MKTG (Duplicative)	WOM MKTG (All)	VIRAL (2-11)	VIRAL (12-17)	VIRAL (Duplicative)

69	70	71	72	73	74	75	76	77	78
VIRAL (AII)	CELEB END (2-11)	CELEB END (12-17)	CELEB END (Duplicative)	CELEB END (All)	IN-SCHOOL (2-11)	IN-SCHOOL (12-17)	IN-SCHOOL (Duplicative)	IN-SCHOOL (All)	PHLNTHRYPY (2-11)

79	80	81	82	83	84	85	86
PHLNTHRPY (12-17)	PHLNTHRPY (Duplicative)	PHLNTHRPY (All)	OTHER (2-11)	OTHER (12-17)	OTHER (Duplicative)	OTHER (All)	TOTAL EXPENDITURES (All Audiences)

Appendix C

Supporting Data and Tables

Table C.1: Reported Marketing Expenditures By Promotional Activity, Food Category, and Age Criteria

All figures are in thousands of dollars.

Child 2-11																				
Food Category	TV	Radio	Print	Web	Internet	Pack/Label	Movie/Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/WOM	Celebrity Fees	In-School	Philanthropy	Other	Total Reported Child 2-11 Marketing
Carbonated Beverages	1,848	0	576	272	0	9,254	30	9	2,380	651	2,337	600	180	2,675	74	0	45,604	852	9,830	77,171
Restaurant Foods	91,448	621	1,688	1,171	1,340	4,489	578	0	17,490	2,439	7,465	0	11,517	847	392	362	9,334	10,166	151	161,479
Breakfast Cereal	142,257	672	1,217	6,720	7,493	9,887	775	0	4,455	39,846	1,336	40	12,402	1,800	0	0	10	0	73	228,983
Juice & Non-carbonated Bevs.	24,368	2,533	728	153	280	5,677	388	0	4,570	1,149	6,091	0	733	3,973	22	0	15,392	1,970	2,404	70,432
Snack Foods	69,304	0	650	3,852	5,106	11,265	480	0	6,982	4,099	613	0	8,721	417	0	0	383	105	630	112,607
Candy/Froz. Desserts	32,950	69	4,010	2,274	877	3,201	926	112	8,454	549	3,901	0	3,040	0	0	311	0	33	0	60,708
Prepared Foods & Meals	41,566	0	300	1,212	1,204	2,645	2,420	0	845	3,971	1,065	0	3,015	0	0	0	1,578	0	0	59,821
Baked Goods	36,798	270	1,574	1,493	2,983	6,652	0	360	1,172	2,760	4,753	70	2,218	0	0	0	12	33	0	61,147
Dairy Products	16,105	179	2,017	599	1,348	3,122	13	0	185	1,572	2,503	0	1,504	0	0	0	423	0	0	29,572
Fruits & Vegetables	860	63	20	370	0	2,231	0	0	1,017	450	209	0	1,582	70	0	220	1	1,043	275	8,410
TOTAL	457,504	4,406	12,760	18,117	20,630	58,422	5,610	481	47,552	57,487	30,273	710	44,912	9,782	488	893	72,737	14,202	13,363	870,329
Teen 12-17																				
Food Category	TV	Radio	Print	Web	Internet	Pack/Label	Movie/Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/WOM	Celebrity Fees	In-School	Philanthropy	Other	Total Reported Teen 12-17 Marketing
Carbonated Beverages	98,829	41,060	2,510	5,873	12,139	11,664	30	434	77,887	3,950	64,949	4,548	244	18,453	2,088	3,700	101,296	3,403	21,137	474,192
Restaurant Foods	104,947	29,738	1,017	180	521	0	908	0	280	344	1,700	28	410	4,517	147	69	0	202	0	145,008
Breakfast Cereal	14,135	672	107	4,254	4,923	5,338	700	0	1,464	25,220	1,286	0	11,349	1,800	0	0	10	0	8	71,266
Juice & Non-carbonated Bevs.	24,402	3,586	1,402	1,637	1,707	4,678	0	0	4,604	1,332	7,803	460	248	5,020	811	0	45,281	2,488	3,147	108,606
Snack Foods	25,273	290	310	3,870	4,229	6,514	214	100	1,850	2,817	977	24	2,766	170	140	895	330	115	470	51,354
Candy/Froz. Desserts	69,234	1,573	2,954	4,498	2,275	2,245	3,082	112	6,066	1,364	3,907	0	250	0	0	1,331	0	108	0	98,998
Prepared Foods & Meals	12,012	0	300	732	114	1,479	0	0	585	585	945	0	1,081	0	0	0	98	0	0	17,931
Baked Goods	21,288	270	1,727	1,509	2,725	2,712	0	360	444	2,292	4,740	62	1,478	0	0	0	8	33	0	39,649
Dairy Products	4,923	179	11,386	1,767	2,032	2,722	45	54	796	1,843	4,133	0	1,529	0	1,300	275	4,785	0	540	38,307
Fruits & Vegetables	860	358	70	133	0	1,089	0	0	710	806	370	0	40	70	0	220	0	1,235	275	6,236
TOTAL	375,903	77,724	21,782	24,452	30,666	38,441	4,979	1,060	94,687	40,553	90,809	5,122	19,395	30,030	4,485	6,490	151,808	7,584	25,577	1,051,546

(continued)

Table C.1: Reported Marketing Expenditures By Promotional Activity, Food Category, and Age Criteria (continued)

Youth 2-17																				
Food Category	TV	Radio	Print	Web	Internet	Pack/Label	Movie/Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/WOM	Celebrity Fees	In-School	Philanthropy	Other	Total Reported Youth 2-17 Marketing
Carbonated Beverages	100,001	41,060	2,510	5,879	12,139	11,697	30	434	79,342	4,391	64,984	4,548	344	18,534	2,088	3,700	115,998	3,679	21,137	492,495
Restaurant Foods	187,426	29,738	2,324	1,351	1,861	4,489	908	0	17,570	2,439	8,295	28	11,927	4,652	392	402	9,334	10,358	151	293,645
Breakfast Cereal	148,771	672	1,217	6,725	7,493	9,989	775	0	4,529	40,623	1,336	40	12,482	1,800	0	0	20	0	81	236,553
Juice & Non-carbonated Bevs.	45,351	6,119	2,130	1,654	1,967	6,666	388	0	6,457	1,754	8,266	460	858	5,083	814	0	52,955	2,663	3,147	146,731
Snack Foods	82,728	290	960	5,872	6,745	13,077	694	100	8,662	6,204	1,411	24	9,301	467	140	895	399	115	630	138,713
Candy/Froz. Desserts	77,723	1,641	4,732	5,017	2,335	3,619	3,082	112	8,968	1,682	4,302	0	3,040	0	0	1,331	0	108	0	117,694
Prepared Foods & Meals	45,032	0	540	1,422	1,204	2,679	2,420	0	1,220	4,000	1,065	0	3,026	0	0	0	1,675	0	0	64,283
Baked Goods	37,029	270	1,904	1,519	3,045	6,972	0	360	1,562	2,791	4,753	72	2,218	0	0	0	20	33	0	62,549
Dairy Products	19,839	179	11,386	1,815	2,302	3,184	58	54	891	1,843	4,173	0	1,529	0	1,300	275	5,108	0	540	54,475
Fruits & Vegetables	880	408	70	493	0	2,450	0	0	1,407	1,206	429	0	1,582	70	0	405	1	1,788	275	11,463
TOTAL	744,780	80,376	27,773	31,745	39,092	64,823	8,355	1,060	130,609	66,933	99,013	5,172	46,307	30,606	4,733	7,008	185,511	18,744	25,961	1,618,600
All Ages*																				
Food Category	TV	Radio	Print	Web	Internet	Pack/Label	Movie/Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/WOM	Celebrity Fees	In-School	Philanthropy	Other	All Ages Reported Marketing
Carbonated Beverages	594,015	68,664	20,109	25,585	45,666	19,651	170	1,225	233,422	44,763	79,703	6,821	1,501	72,515	5,901	14,363	169,579	7,185	77,435	1,488,274
Restaurant Foods	1,310,730	203,219	68,301	6,854	26,558	9,777	1,220	0	80,445	35,499	24,692	123	13,236	75,036	3,396	1,818	10,659	11,435	15,307	1,898,304
Breakfast Cereal	380,808	672	6,266	6,727	8,892	13,564	775	0	8,470	42,954	1,336	40	12,482	1,800	0	0	20	0	348	485,154
Juice & Non-carbonated Bevs.	373,458	15,086	13,492	3,110	7,901	10,662	872	0	105,750	4,259	14,932	1,696	1,323	100,591	3,176	0	89,149	3,125	17,161	765,743
Snack Foods	359,295	9,839	13,388	7,903	7,165	30,629	2,620	100	56,529	11,790	2,782	155	9,301	5,476	140	895	591	761	1,240	520,600
Candy/Froz. Desserts	250,048	3,238	7,245	9,631	3,914	6,961	3,659	112	31,892	2,851	8,662	0	3,040	0	0	1,331	0	2,658	0	335,243
Prepared Foods & Meals	202,708	980	11,688	1,422	2,394	4,779	2,550	0	4,050	4,000	1,075	0	3,028	0	0	0	1,755	0	0	240,429
Baked Goods	42,433	270	2,914	1,594	3,055	36,122	0	360	8,403	3,061	4,782	96	2,218	0	0	0	22	889	0	106,219
Dairy Products	96,984	179	30,207	2,284	2,982	3,475	248	61	1,250	2,438	10,013	0	1,529	1	1,300	425	5,116	0	2,465	160,955
Fruits & Vegetables	4,480	1,791	210	934	0	4,264	0	0	8,806	1,316	809	0	1,582	70	0	405	1	1,918	275	26,861
TOTAL	3,614,959	303,938	173,821	66,044	108,528	139,884	12,114	1,858	539,017	152,931	148,787	8,931	49,240	255,490	13,912	19,237	276,892	27,971	114,230	6,027,783

Note: * Companies were required to report spending for "All Ages" in a particular promotional activity only when they had child- or teen-directed marketing in that activity for the brand. Thus, the "All Ages" data reported here do not include any spending for a brand in promotional activities that did not have child- or teen-directed marketing for the brand. Separately, companies were required to report total marketing for each brand. Food category totals based on "Total Marketing" expenditure data are reported in Table II.1 and give a more complete picture of total spending to all ages, resulting in "Total Marketing" expenditures to all ages of \$9.6 billion, compared to the \$6.0 billion reported in this table.

Table C.2: Percent of Reported Marketing Expenditures for Each Food Category, By Promotional Activity, and Age Criteria

Child 2-11																				
Food Category	TV	Radio	Print	Web	Internet	Pack/ Label	Movie/ Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/ WOM	Celebrity Fees	In-School	Philanthropy	Other	100% of Reported Child 2-11 Marketing (\$1000)
Carbonated Beverages	2.4	0.0	0.8	0.4	0.0	12.0	0.0	0.0	3.1	0.8	3.0	0.8	0.2	3.5	0.1	0.0	59.1	1.1	12.7	77,171
Restaurant Foods	56.6	0.4	1.0	0.7	0.8	2.8	0.4	0.0	10.8	1.5	4.6	0.0	7.1	0.5	0.2	0.2	5.8	6.3	0.1	161,479
Breakfast Cereal	62.1	0.3	0.5	2.9	3.3	4.3	0.3	0.0	2.0	17.4	0.6	0.0	5.4	0.8	0.0	0.0	0.0	0.0	0.0	228,983
Juice & Non-carbonated Bevs.	34.6	3.6	1.0	0.2	0.4	8.1	0.6	0.0	6.5	1.6	8.7	0.0	1.0	5.6	0.0	0.0	21.9	2.8	3.4	70,432
Snack Foods	61.6	0.0	0.6	3.4	4.5	10.0	0.4	0.0	6.2	3.6	0.5	0.0	7.7	0.4	0.0	0.0	0.3	0.1	0.6	112,607
Candy/Froz. Desserts	54.3	0.1	6.6	3.8	1.4	5.3	1.5	0.2	13.9	0.9	6.4	0.0	5.0	0.0	0.0	0.5	0.0	0.1	0.0	60,708
Prepared Foods & Meals	69.5	0.0	0.5	2.0	2.0	4.4	4.1	0.0	1.4	6.6	1.8	0.0	5.0	0.0	0.0	0.0	2.6	0.0	0.0	59,821
Baked Goods	60.2	0.4	2.6	2.4	4.9	10.9	0.0	0.6	1.9	4.5	7.8	0.1	3.6	0.0	0.0	0.0	0.0	0.1	0.0	61,147
Dairy Products	54.5	0.6	6.8	2.0	4.6	10.6	0.0	0.0	0.6	5.3	8.5	0.0	5.1	0.0	0.0	0.0	1.4	0.0	0.0	29,572
Fruits & Vegetables	10.2	0.7	0.2	4.4	0.0	26.5	0.0	0.0	12.1	5.4	2.5	0.0	18.8	0.8	0.0	2.6	0.0	12.4	3.3	8,410
TOTAL	52.6	0.5	1.5	2.1	2.4	6.7	0.6	0.1	5.5	6.6	3.5	0.1	5.2	1.1	0.1	0.1	8.4	1.6	1.5	870,329
Teen 12-17																				
Food Category	TV	Radio	Print	Web	Internet	Pack/ Label	Movie/ Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/ WOM	Celebrity Fees	In-School	Philanthropy	Other	100% of Reported Teen 12-17 Marketing (\$1000)
Carbonated Beverages	20.8	8.7	0.5	1.2	2.6	2.5	0.0	0.1	16.4	0.8	13.7	1.0	0.1	3.9	0.4	0.8	21.4	0.7	4.5	474,192
Restaurant Foods	72.4	20.5	0.7	0.1	0.4	0.0	0.6	0.0	0.2	0.2	1.2	0.0	0.3	3.1	0.1	0.1	0.0	0.1	0.0	145,008
Breakfast Cereal	19.8	0.9	0.2	6.0	6.9	7.5	1.0	0.0	2.1	35.4	1.8	0.0	15.9	2.5	0.0	0.0	0.0	0.0	0.0	71,266
Juice & Non-carbonated Bevs.	22.5	3.3	1.3	1.5	1.6	4.3	0.0	0.0	4.2	1.2	7.2	0.4	0.2	4.6	0.8	0.0	41.7	2.3	2.9	108,606
Snack Foods	49.2	0.6	0.6	7.5	8.2	12.7	0.4	0.2	3.6	5.5	1.9	0.1	5.4	0.3	0.3	1.7	0.6	0.2	0.9	51,354
Candy/Froz. Desserts	69.9	1.6	3.0	4.5	2.3	2.3	3.1	0.1	6.1	1.4	4.0	0.0	0.3	0.0	0.0	1.3	0.0	0.1	0.0	98,998
Prepared Foods & Meals	67.0	0.0	1.7	4.1	0.6	8.3	0.0	0.0	3.3	3.3	5.3	0.0	6.0	0.0	0.0	0.0	0.5	0.0	0.0	17,931
Baked Goods	53.7	0.7	4.4	3.8	6.9	6.8	0.0	0.9	1.1	5.8	12.0	0.2	3.7	0.0	0.0	0.0	0.0	0.1	0.0	39,649
Dairy Products	12.9	0.5	29.7	4.6	5.3	7.1	0.1	0.1	2.1	4.8	10.8	0.0	4.0	0.0	3.4	0.7	12.5	0.0	1.4	38,307
Fruits & Vegetables	13.8	5.7	1.1	2.1	0.0	17.5	0.0	0.0	11.4	12.9	5.9	0.0	0.6	1.1	0.0	3.5	0.0	19.8	4.4	6,236
TOTAL	35.8	7.4	2.1	2.3	2.9	3.7	0.5	0.1	9.0	3.9	8.6	0.5	1.8	2.9	0.4	0.6	14.4	0.7	2.4	1,051,546

(continued)

Table C.2: Percent of Reported Marketing Expenditures for Each Food Category, By Promotional Activity, and Age Criteria (continued)

Youth 2-17																				
Food Category	TV	Radio	Print	Web	Internet	Pack/Label	Movie/Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/WOM	Celebrity Fees	In-School	Philanthropy	Other	100% of Reported Youth 2-17 Marketing (\$1000)
Carbonated Beverages	20.3	8.3	0.5	1.2	2.5	2.4	0.0	0.1	16.1	0.9	13.2	0.9	0.1	3.8	0.4	0.8	23.6	0.8	4.3	492,495
Restaurant Foods	63.8	10.1	0.8	0.5	0.6	1.5	0.3	0.0	6.0	0.8	2.8	0.0	4.1	1.6	0.1	0.1	3.2	3.5	0.1	293,645
Breakfast Cereal	62.9	0.3	0.5	2.8	3.2	4.2	0.3	0.0	1.9	17.2	0.6	0.0	5.3	0.8	0.0	0.0	0.0	0.0	0.0	236,553
Juice & Non-carbonated Bevs.	30.9	4.2	1.5	1.1	1.3	4.5	0.3	0.0	4.4	1.2	5.6	0.3	0.6	3.5	0.6	0.0	36.1	1.8	2.1	146,731
Snack Foods	59.6	0.2	0.7	4.2	4.9	9.4	0.5	0.1	6.2	4.5	1.0	0.0	6.7	0.3	0.1	0.7	0.3	0.1	0.5	138,713
Candy/Froz. Desserts	66.0	1.4	4.0	4.3	2.0	3.1	2.6	0.1	7.6	1.4	3.7	0.0	2.6	0.0	0.0	1.1	0.0	0.1	0.0	117,694
Prepared Foods & Meals	70.1	0.0	0.8	2.2	1.9	4.2	3.8	0.0	1.9	6.2	1.7	0.0	4.7	0.0	0.0	0.0	2.6	0.0	0.0	64,283
Baked Goods	59.2	0.4	3.0	2.4	4.9	11.2	0.0	0.6	2.5	4.5	7.6	0.1	3.6	0.0	0.0	0.0	0.0	0.1	0.0	62,549
Dairy Products	36.4	0.3	20.9	3.3	4.2	5.9	0.1	0.1	1.6	3.4	7.7	0.0	2.8	0.0	2.4	0.5	9.4	0.0	1.0	54,475
Fruits & Vegetables	7.7	3.6	0.6	4.3	0.0	21.4	0.0	0.0	12.3	10.5	3.7	0.0	13.8	0.6	0.0	3.5	0.0	15.6	2.4	11,463
TOTAL	46.0	5.0	1.7	2.0	2.4	4.0	0.5	0.1	8.1	4.1	6.1	0.3	2.9	1.9	0.3	0.4	11.5	1.2	1.6	1,618,600
All Ages*																				
Food Category	TV	Radio	Print	Web	Internet	Pack/Label	Movie/Video	Digital	In-Store	Premiums	Events	Product Placement	Cross-Promotion Licenses	Athletic Sponsorship	Viral/WOM	Celebrity Fees	In-School	Philanthropy	Other	100% of All Ages Reported Marketing (\$1000)
Carbonated Beverages	39.9	4.6	1.4	1.7	3.1	1.3	0.0	0.1	15.7	3.0	5.4	0.5	0.1	4.9	0.4	1.0	11.4	0.5	5.2	1,488,274
Restaurant Foods	69.1	10.7	3.6	0.4	1.4	0.5	0.1	0.0	4.2	1.9	1.3	0.0	0.7	4.0	0.2	0.1	0.6	0.6	0.8	1,898,304
Breakfast Cereal	78.5	0.1	1.3	1.4	1.8	2.8	0.2	0.0	1.8	8.9	0.3	0.0	2.6	0.4	0.0	0.0	0.0	0.0	0.1	485,154
Juice & Non-carbonated Bevs.	48.8	2.0	1.8	0.4	1.0	1.4	0.1	0.0	13.8	0.6	2.0	0.2	0.2	13.1	0.4	0.0	11.6	0.4	2.2	765,743
Snack Foods	69.0	1.9	2.6	1.5	1.4	5.9	0.5	0.0	10.9	2.3	0.5	0.0	1.8	1.1	0.0	0.2	0.1	0.2	0.2	520,600
Candy/Froz. Desserts	74.6	1.0	2.2	2.9	1.2	2.1	1.1	0.0	9.5	0.9	2.6	0.0	0.9	0.0	0.0	0.4	0.0	0.8	0.0	335,243
Prepared Foods & Meals	84.3	0.4	4.9	0.6	1.0	2.0	1.1	0.0	1.7	1.7	0.5	0.0	1.3	0.0	0.0	0.0	0.7	0.0	0.0	240,429
Baked Goods	40.0	0.3	2.7	1.5	2.9	34.0	0.0	0.3	7.9	2.9	4.5	0.1	2.1	0.0	0.0	0.0	0.0	0.8	0.0	106,219
Dairy Products	60.3	0.1	18.8	1.4	1.9	2.2	0.2	0.0	0.8	1.5	6.2	0.0	1.0	0.0	0.8	0.3	3.2	0.0	1.5	160,955
Fruits & Vegetables	16.7	6.7	0.8	3.5	0.0	15.9	0.0	0.0	32.8	4.9	3.0	0.0	5.9	0.3	0.0	1.5	0.0	7.1	1.0	26,861
TOTAL	60.0	5.0	2.9	1.1	1.8	2.3	0.2	0.0	8.9	2.5	2.5	0.2	0.8	4.2	0.2	0.3	4.6	0.5	1.9	6,027,783

Note: * Companies were required to report spending for "All Ages" in a particular promotional activity only when they had child- or teen-directed marketing in that activity for the brand. Thus, the "All Ages" data reported here do not include any spending for a brand in promotional activities that did not have child- or teen-directed marketing for the brand. Separately, companies were required to report total marketing for each brand. Food category totals based on "Total Marketing" expenditure data are reported in Table II.1 and give a more complete picture of total spending to all ages, resulting in "Total Marketing" expenditures to all ages of \$9.6 billion, compared to the \$6.0 billion reported in this table.

Table C.3: Reported Marketing Expenditures By Food Category, Promotional Activity Group, and Age Criteria

Child 2-11													
Food Category	Total Reported Child 2-11 Marketing (\$1000)	Traditional Measured Media		In-Store and Packaging/Labeling		In-School		Premiums		Other Traditional Promotions		New Media	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	77,171	2,424	3.1	11,634	15.1	45,604	59.1	651	0.8	16,504	21.4	355	0.5
Restaurant Foods	161,479	93,737	58.0	21,979	13.6	9,334	5.8	2,439	1.5	31,086	19.3	2,902	1.8
Breakfast Cereal	228,983	144,146	63.0	14,342	6.3	10	0.0	39,846	17.4	16,426	7.2	14,213	6.2
Juice & Non-carbonated Bevs.	70,432	27,629	39.2	10,247	14.5	15,392	21.9	1,149	1.6	15,559	22.1	456	0.6
Snack Foods	112,607	69,954	62.1	18,247	16.2	383	0.3	4,099	3.6	10,966	9.7	8,958	8.0
Candy/Froz. Desserts	60,708	37,029	61.0	11,655	19.2	0	0.0	549	0.9	8,211	13.5	3,263	5.4
Prepared Foods & Meals	59,821	41,866	70.0	3,490	5.8	1,578	2.6	3,971	6.6	6,500	10.9	2,416	4.0
Baked Goods	61,147	38,641	63.2	7,824	12.8	12	0.0	2,760	4.5	7,074	11.6	4,836	7.9
Dairy Products	29,572	18,302	61.9	3,307	11.2	423	1.4	1,572	5.3	4,020	13.6	1,947	6.6
Fruits & Vegetables	8,410	943	11.2	3,248	38.6	1	0.0	450	5.4	3,399	40.4	370	4.4
TOTAL	870,329	474,670	54.5	105,974	12.2	72,737	8.4	57,487	6.6	119,745	13.8	39,716	4.6

Teen 12-17													
Food Category	Total Reported Teen 12-17 Marketing (\$1000)	Traditional Measured Media		In-Store and Packaging/Labeling		In-School		Premiums		Other Traditional Promotions		New Media	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	474,192	142,398	30.0	89,551	18.9	101,296	21.4	3,950	0.8	116,464	24.6	20,534	4.3
Restaurant Foods	145,008	135,701	93.6	280	0.2	0	0.0	344	0.2	7,834	5.4	848	0.6
Breakfast Cereal	71,266	14,914	20.9	6,802	9.5	10	0.0	25,220	35.4	15,143	21.2	9,177	12.9
Juice & Non-carbonated Bevs.	108,606	29,390	27.1	9,282	8.5	45,281	41.7	1,332	1.2	19,166	17.6	4,155	3.8
Snack Foods	51,354	25,873	50.4	8,364	16.3	330	0.6	2,817	5.5	5,630	11.0	8,339	16.2
Candy/Froz. Desserts	98,998	73,761	74.5	8,310	8.4	0	0.0	1,364	1.4	8,678	8.8	6,885	7.0
Prepared Foods & Meals	17,931	12,312	68.7	2,064	11.5	98	0.5	585	3.3	2,026	11.3	846	4.7
Baked Goods	39,649	23,284	58.7	3,157	8.0	8	0.0	2,292	5.8	6,313	15.9	4,594	11.6
Dairy Products	38,307	16,487	43.0	3,518	9.2	4,785	12.5	1,843	4.8	6,522	17.0	5,153	13.5
Fruits & Vegetables	6,236	1,288	20.6	1,799	28.9	0	0.0	806	12.9	2,210	35.4	133	2.1
TOTAL	1,051,546	475,409	45.2	133,127	12.7	151,808	14.4	40,553	3.9	189,986	18.1	60,664	5.8

(continued)

Table C.3: Reported Marketing Expenditures By Food Category, Promotional Activity Group, and Age Criteria (continued)

Youth 2-17													
Food Category	Total Reported Youth 2-17 Marketing (\$1000)	Traditional Measured Media		In-Store and Packaging/ Labeling		In-School		Premiums		Other Traditional Promotions		New Media	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	492,495	143,570	29.2	91,039	18.5	115,998	23.6	4,391	0.9	116,957	23.7	20,540	4.2
Restaurant Foods	293,645	219,488	74.7	22,059	7.5	9,334	3.2	2,439	0.8	36,721	12.5	3,603	1.2
Breakfast Cereal	236,553	150,660	63.7	14,518	6.1	20	0.0	40,623	17.2	16,514	7.0	14,218	6.0
Juice & Non-carbonated Bevs.	146,731	53,601	36.5	13,124	8.9	52,955	36.1	1,754	1.2	20,864	14.2	4,434	3.0
Snack Foods	138,713	83,978	60.5	21,739	15.7	399	0.3	6,204	4.5	13,536	9.8	12,857	9.3
Candy/Froz. Desserts	117,694	84,097	71.5	12,587	10.7	0	0.0	1,682	1.4	11,863	10.1	7,464	6.3
Prepared Foods & Meals	64,283	45,572	70.9	3,899	6.1	1,675	2.6	4,000	6.2	6,511	10.1	2,626	4.1
Baked Goods	62,549	39,203	62.7	8,534	13.6	20	0.0	2,791	4.5	7,076	11.3	4,924	7.9
Dairy Products	54,475	31,404	57.6	4,075	7.5	5,108	9.4	1,843	3.4	6,575	12.1	5,471	10.0
Fruits & Vegetables	11,463	1,358	11.8	3,857	33.6	1	0.0	1,206	10.5	4,549	39.7	493	4.3
TOTAL	1,618,600	852,929	52.7	195,431	12.1	185,511	11.5	66,933	4.1	241,166	14.9	76,630	4.7

All Ages*													
Food Category	All Ages Reported Marketing (\$1000)	Traditional Measured Media		In-Store and Packaging/ Labeling		In-School		Premiums		Other Traditional Promotions		New Media	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	1,488,274	682,789	45.9	253,072	17.0	169,579	11.4	44,763	3.0	259,693	17.4	78,377	5.3
Restaurant Foods	1,898,304	1,582,250	83.4	90,222	4.8	10,659	0.6	35,499	1.9	142,865	7.5	36,808	1.9
Breakfast Cereal	485,154	387,746	79.9	22,034	4.5	20	0.0	42,954	8.9	16,781	3.5	15,619	3.2
Juice & Non-carbonated Bevs.	765,743	402,036	52.5	116,412	15.2	89,149	11.6	4,259	0.6	139,701	18.2	14,187	1.9
Snack Foods	520,600	382,522	73.5	87,158	16.7	591	0.1	11,790	2.3	23,230	4.5	15,308	2.9
Candy/Froz. Desserts	335,243	260,531	77.7	38,854	11.6	0	0.0	2,851	0.9	19,350	5.8	13,657	4.1
Prepared Foods & Meals	240,429	215,376	89.6	8,829	3.7	1,755	0.7	4,000	1.7	6,653	2.8	3,816	1.6
Baked Goods	106,219	45,617	42.9	44,525	41.9	22	0.0	3,061	2.9	7,985	7.5	5,009	4.7
Dairy Products	160,955	127,370	79.1	4,724	2.9	5,116	3.2	2,438	1.5	14,681	9.1	6,626	4.1
Fruits & Vegetables	26,861	6,481	24.1	13,070	48.7	1	0.0	1,316	4.9	5,059	18.8	934	3.5
TOTAL	6,027,783	4,092,718	67.9	678,900	11.3	276,892	4.6	152,931	2.5	635,999	10.6	190,342	3.2

Note: * Companies were required to report spending for "All Ages" in a particular promotional activity only when they had child- or teen-directed marketing in that activity for the brand. Thus, the "All Ages" data reported here do not include any spending for a brand in promotional activities that did not have child- or teen-directed marketing for the brand. Separately, companies were required to report total marketing for each brand. Food category totals based on "Total Marketing" expenditure data are reported in Table II.1 and give a more complete picture of total spending to all ages, resulting in "Total Marketing" expenditures to all ages of \$9.6 billion, compared to the \$6.0 billion reported in this table.

Table C.4: Reported Marketing That Uses Cross-Promotions or Celebrities

Child 2-11					
Food Category	Total Reported Child 2-11 Marketing (\$1000)	Reported Marketing That Uses Cross-Promotions		Reported Marketing That Uses Celebrities	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	77,171	225	0.3	0	0.0
Restaurant Foods	161,479	74,404	46.1	1,862	1.2
Breakfast Cereal	228,983	56,247	24.6	0	0.0
Juice & Non-carbonated Bevs.	70,432	3,343	4.7	0	0.0
Snack Foods	112,607	17,123	15.2	0	0.0
Candy/Froz. Desserts	60,708	4,224	7.0	684	1.1
Prepared Foods & Meals	59,821	8,584	14.3	70	0.1
Baked Goods	61,147	5,648	9.2	350	0.6
Dairy Products	29,572	8,474	28.7	0	0.0
Fruits & Vegetables	8,410	3,977	47.3	285	3.4
TOTAL	870,329	182,249	20.9	3,251	0.4

Teen 12-17					
Food Category	Total Reported Teen 12-17 Marketing (\$1000)	Reported Marketing That Uses Cross-Promotions		Reported Marketing That Uses Celebrities	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	474,192	8,909	1.9	3,700	0.8
Restaurant Foods	145,008	1,420	1.0	1,119	0.8
Breakfast Cereal	71,266	32,495	45.6	0	0.0
Juice & Non-carbonated Bevs.	108,606	658	0.6	0	0.0
Snack Foods	51,354	12,660	24.7	1,455	2.8
Candy/Froz. Desserts	98,998	3,169	3.2	5,014	5.1
Prepared Foods & Meals	17,931	1,220	6.8	70	0.4
Baked Goods	39,649	3,292	8.3	350	0.9
Dairy Products	38,307	5,315	13.9	13,852	36.2
Fruits & Vegetables	6,236	958	15.4	285	4.6
TOTAL	1,051,546	70,096	6.7	25,845	2.5

(continued)

Table C.4: Reported Marketing That Uses Cross-Promotions or Celebrities (continued)

Youth 2-17					
Food Category	Total Reported Youth 2-17 Marketing (\$1000)	Reported Marketing That Uses Cross-Promotions		Reported Marketing That Uses Celebrities	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	492,495	9,044	1.8	3,700	0.8
Restaurant Foods	293,645	75,824	25.8	1,902	0.6
Breakfast Cereal	236,553	56,592	23.9	0	0.0
Juice & Non-carbonated Bevs.	146,731	3,473	2.4	0	0.0
Snack Foods	138,713	27,229	19.6	1,455	1.0
Candy/Froz. Desserts	117,694	6,919	5.9	5,014	4.3
Prepared Foods & Meals	64,283	8,595	13.4	70	0.1
Baked Goods	62,549	6,873	11.0	350	0.6
Dairy Products	54,475	9,456	17.4	13,852	25.4
Fruits & Vegetables	11,463	4,165	36.3	470	4.1
TOTAL	1,618,600	208,170	12.9	26,813	1.7

All Ages*					
Food Category	All Ages Reported Marketing (\$1000)	Reported Marketing That Uses Cross-Promotions		Reported Marketing That Uses Celebrities	
		Value (\$1000)	Percentage	Value (\$1000)	Percentage
Carbonated Beverages	1,488,274	10,121	0.7	14,363	1.0
Restaurant Foods	1,898,304	120,815	6.4	3,418	0.2
Breakfast Cereal	485,154	56,603	11.7	0	0.0
Juice & Non-carbonated Bevs.	765,743	3,798	0.5	0	0.0
Snack Foods	520,600	37,379	7.2	1,455	0.3
Candy/Froz. Desserts	335,243	6,919	2.1	5,195	1.5
Prepared Foods & Meals	240,429	9,095	3.8	70	0.0
Baked Goods	106,219	6,873	6.5	350	0.3
Dairy Products	160,955	9,513	5.9	31,674	19.7
Fruits & Vegetables	26,861	4,165	15.5	470	1.7
TOTAL	6,027,783	265,281	4.4	56,996	0.9

Note: * Companies were required to report spending for "All Ages" in a particular promotional activity only when they had child- or teen-directed marketing in that activity for the brand. Thus, the "All Ages" data reported here do not include any spending for a brand in promotional activities that did not have child- or teen-directed marketing for the brand. Separately, companies were required to report total marketing for each brand. Food category totals based on "Total Marketing" expenditure data are reported in Table II.1 and give a more complete picture of total spending to all ages, resulting in "Total Marketing" expenditures to all ages of \$9.6 billion, compared to the \$6.0 billion reported in this table.

Appendix D

FTC Survey of Food and Beverage Display Advertising on Child- and Teen-Oriented Websites and Select Data on Food Company Websites

I. Online Display Ad Survey

A. Introduction

As shown in Section II of the Report, company expenditures on Internet advertising accounted for a relatively small percentage of youth-directed marketing costs for the reported brands. But because the cost of Internet display advertising is substantially less than advertising placement costs in traditional media, a focus on expenditure data may underestimate the degree to which food and beverage marketers have relied on the Internet to advertise to children and teens.¹ Marketers may spend relatively little to reach large or predominantly child and teen audiences through Internet campaigns, by simply adapting promotions originally developed for other media.² Moreover, websites can display large volumes of content indefinitely with very low maintenance costs,³ and ad placements on third-party websites occasionally are provided for free based on the purchase of ads in other media or as part of a cross-promotion.⁴ Accordingly, various market data and studies on Internet advertising were used to supplement the reported expenditure data.

One way to gauge the extent to which food marketers targeted children and teens on the Internet is to calculate the proportion of impressions for display ads (*e.g.*, banner ads)⁵ for products within the various food and beverage categories that were generated on websites highly popular with children and teens. Although the appearance of a food ad on such a website is not conclusive proof that the marketer intentionally targeted children or teens,⁶ an industry-wide intent to target might be inferred when, in the aggregate, display ads for particular food or beverage brands or products tended to appear on websites for which children or teens comprise a substantially disproportionate percentage of the audience.

B. Methodology

The Special Order required 44 food and beverage marketers to report online advertising as targeted to children or adolescents when the ads appeared on a website during any month in 2006 in which children ages 2-11 or adolescents ages 12-17 comprised 20% or more of the site's total audience.⁷ Such websites had approximately double the percentage of children or adolescents who comprised the total population of active Internet users.⁸

These sites also typically had a relatively high composition index⁹ (200 or higher) for those age groups, meaning that 2-11-year-olds or 12-17-year-olds generally were at least 100% more likely to have visited those sites than would have been predicted based on the percentage of age 2-11 or age 12-17 Internet users. Accordingly, for purposes of this survey of online display advertising, the Commission presumed that display ads on websites that satisfied either the 20%

threshold for children or adolescents or had a composition index of at least 200 were targeted to those age groups.

The Commission relied on Nielsen//NetRatings' AdRelevance service¹⁰ to identify the websites that carried display ads for products and brands in the eleven food and beverage categories defined in the Special Order.¹¹ The AdRelevance service did not have pre-defined search categories that meshed with the food and beverage category definitions from the Special Order. Although the service allowed searching by the sub-segments "Consumer Goods Food" and "Consumer Goods Beverages," these classifications were overbroad (*e.g.*, the food category included pet food, as well as foods not covered by the Special Order, such as peanut butter, gum, and mints, and the beverage category included alcohol and coffee). Therefore, the Commission created "custom advertiser groups" for each of the eleven food and beverage categories

In a handful of cases, the Commission included a company or brand in more than one custom food and beverage group because AdRelevance did not catalog the display ads deeper than the company level or did not catalog ads for the relevant brand. These instances are noted in Table D.1.¹²

To quantify the extent to which food or beverage marketers may have targeted their Internet advertising to children or adolescents, the

Commission calculated, for each food and beverage custom group, the percentage of all ad impressions generated on child- or teen-oriented websites. The Commission deemed a website on which the AdRelevance service had reported food or beverage advertising to be child-oriented if, for at least two months¹³ in 2006, *either* (a) the site's composition index for children 2-11 was 200 or higher *or* (b) the site's audience composition percentage for children was at least 20%. The Commission deemed a website teen-oriented if, for at least two months in 2006, *either* (a) the composition index for adolescents was 200 or higher *or* (b) the audience composition percentage for adolescents was at least 20%.

The Commission relied on audience demographic data provided by the Nielsen//NetRatings' NetView service¹⁴ to categorize the websites as child- or teen-oriented.¹⁵ Because NetView did

Company/Brand/Product	Custom Groups
Athenos	Dairy, Snacks
Bob Evans	Prepared Foods, Restaurants
Bolthouse Farms	Fruit Juice, Fruit and Veg.
Boston Market	Prepared Foods, Restaurants
Cascadian Farms	Breakfast Cereals, Snacks, Fruit & Veg.
Dove	Candy, Frozen Desserts
Fiber One	Breakfast Cereals, Snacks
Hansen Beverage Co.	Carbonated Bev., Non-Carb. Bev.
Kashi Co.	Breakfast Cereals, Frozen Entrees, Baked Goods, Prepared Foods
Nature's Path	Breakfast Cereals, Snacks, Baked Goods
Ocean Spray	Fruit Juice, Fruit & Veg.
Odwalla	Fruit Juice, Snacks

not provide demographic data for every website on which AdRelevance had captured food and beverage ads, the Commission categorized some websites as child- and/or teen-oriented based solely on their content.

Tables D.2 and D.3 provide the reasons for categorizing websites as child- and/or teen-oriented. The notation “comp ind” means that the site had a composition index of 200 or greater for at least two months of 2006. The notation “20 percent” means that the site had an audience composition for the age group of at least 20% for at least two months of 2006. The notation “content” means that the site was deemed child- or teen-oriented based on its content.¹⁶

Table D.2: Child-Oriented Websites	
Site/Sub-Site	Classification Reason
Nick.com (All)	comp ind
Cartoon Network (All)	comp ind
Disney Online DisneyChannel.com	comp ind
Kaboose Network Zeeks.com	content
Nickjr.com (All)	comp ind
Disney Online (General)	comp ind
Runescape (All)	comp ind
Kaboose Network Funschool	content
Kaboose Network Kids Domain	content
4KIDS TV (All)	comp ind
Sports Illustrated for Kids (All)	content
Yahoo! Kids (All)	comp ind
Disney Online Playhouse Disney	comp ind
GO (All)	comp ind
Time for Kids (All)	content
ALFY (All)	content
Pojo (All)	content
Garfield.com (All)	content
KidsWB (inactive) (All)	content

Table D.3 Teen-Oriented Websites	
Site/Sub-Site	Classification Reason
MySpace (All)	comp ind
IGN.com (All)	comp ind
Runescape (All)	comp ind
GameSpot (All)	comp ind
The N (All)	comp ind
MTV (All)	comp ind
Bolt (inactive) (General)	comp ind
Shockwave (All)	20 percent
AddictingGames.com (All)	comp ind
GameFAQs (All)	content
ARTISTdirect (All)	comp ind
SuperCheats.com (All)	content
DC Comics (All)	content
GameWinners (All)	comp ind
UGO (All)	comp ind
Alloy (All)	content
Ultimate-Guitar.com (All)	content
GameSpy Network gamespy	content
Xanga.com (All)	comp ind
A-Z Lyrics Universe (All)	comp ind
SparkNotes (General)	comp ind
TEEN PEOPLE Online (inactive) (All)	content
atomFILMS (All)	comp ind
Bolt (General)	comp ind
Lyrics.com (All)	comp ind
adult swim (All)	content
sing365.com (All)	comp ind
BlackPlanet.com (All)	comp ind
Weblogs Inc. (General)	comp ind
GameZone (All)	content
CheatCodes.com (All)	comp ind
TeamXbox (All)	content
Angelfire (All)	content
Marvel (All)	content
LetsSingIt.com (All)	content
GameSpy Network fileplanet	content
Pojo (All)	content
Cheat Code Central (All)	comp ind
ChannelOne.com (inactive) (All)	content
GameSpy Network (General)	comp ind
GameShark.com (All)	content
Newgrounds (All)	comp ind
Lyrics On Demand (All)	comp ind
Game Revolution (All)	content
GamesRadar (All)	comp ind
GameShark.com (inactive) (All)	content
Tagged (All)	comp ind
1UP.com (All)	comp ind

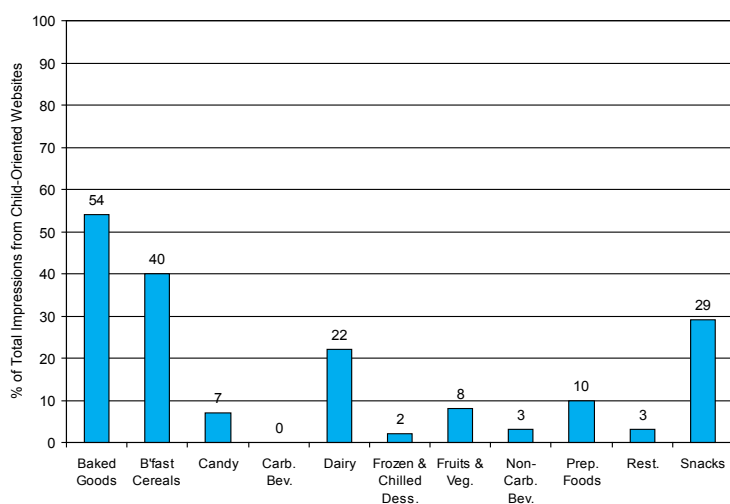
C. Results

Based on an analysis of Nielsen//NetRatings data, it was possible to estimate the number of Internet impressions¹⁷ for display ads (e.g., banner ads) seen on websites popular with children and teens in 2006 for brands within the eleven food and beverage categories set forth in the Special Orders.¹⁸ Display ads for food and beverages generated roughly 2 billion impressions on child-oriented websites. A large proportion of ad impressions for baked goods (54%), breakfast cereals (40%), and snacks (29%) was generated on child-oriented websites, such as Nick.com, CartoonNetwork.com, DisneyChannel.com, and Zeeks.com. See Figure D.1.

Display ads generated more than 9 billion impressions (most of them from MySpace) on teen-oriented websites in 2006. Approximately two-thirds of carbonated beverage ad impressions and one-third of QSR ad impressions appeared to have been teen-directed, although most of those impressions were generated on MySpace, which, for 2006, qualified as a teen-directed site under the FTC definition, but not for 2007 and beyond. Other than MySpace, many of the impressions were generated on sites like IGN.com, Runescape.com, and GameSpot.com. See Figure D.2.

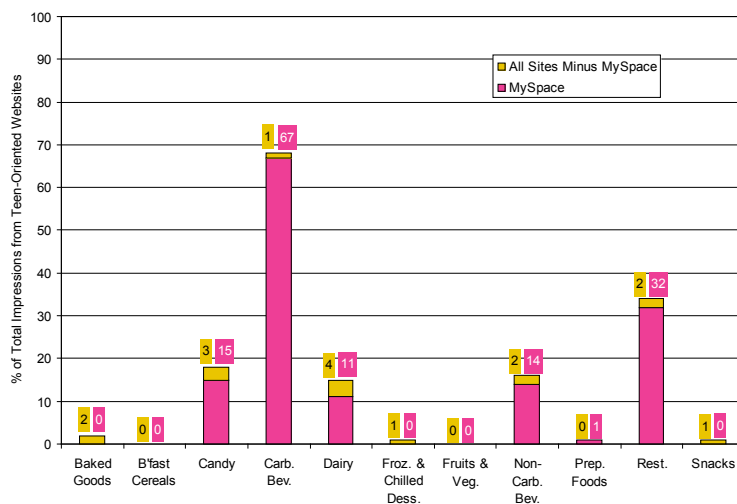
The reach of online display advertising remains relatively small when compared with food advertising on television. An FTC study of 2004 television advertising found that the average child saw 5,538 food ads, and the average teen saw

Figure D.1: Online Display Advertising for Food & Beverages on Child-Oriented Websites (2006)



Source: Nielsen//NetRatings NetView (U.S. Home & Office) & AdRelevance (based on custom food and beverage advertiser groups)

Figure D.2: Online Display Advertising for Food & Beverages on Teen-Oriented Websites (2006)



Source: Nielsen//NetRatings NetView (U.S. Home & Office) & AdRelevance (based on custom food and beverage advertiser groups)

5,512 food ads that year.¹⁹ “Children’s shows” – defined in that study as programs where children ages 2-11 were 50% or more of the audience – generated more than 136 billion television food ad impressions in the aggregate,²⁰ a number that likely did not decrease in subsequent years.²¹ The number of food ad impressions generated by teen-oriented television shows – programs where teens 12-17 were 20% or more of the viewing audience²² – also was large. Teens alone received over 33 billion impressions on such shows.²³

II. Select Data on Food Company Websites

As shown above, the television impression numbers eclipse the online impression numbers. But as with the expenditure data, the differences between exposure to paid ads on television versus paid ads on the Internet do not tell the whole story. The display ad survey data do not account for food and beverage advertising triggered by term-searching on search engines,²⁴ nor do they capture the extent to which children and adolescents visited websites sponsored or hosted by food marketers – sites that typically feature “advergames”²⁵ and other promotional activities directed to those age groups. Researchers have queried whether the interactive content on such sites creates a potentially more persuasive advertising experience for children compared to the passive viewing of a thirty- or sixty- second television spot or a fleeting online banner ad.²⁶

A 2006 study sponsored by the Henry J. Kaiser Family Foundation found that 85% of the food brands most heavily advertised during the times children were most likely to be watching television had websites that either directly targeted children or contained content, such as games, promotions, viral marketing efforts, and movie and television tie-ins, that would likely be of interest to them.²⁷ The more heavily trafficked websites included in the Kaiser study, such as Candystand.com, Cheetos, Frito-Lay,²⁸ Kraft Entertainment,²⁹ Millsberry.com, and Postopia.com, also met the Special Orders’ definition of child- and/or teen-directed Internet advertising, based on their audience demographics.³⁰ In 2006, these sites averaged between 500,000 and 900,000 unique visitors per site.

Nielsen//NetRatings data from March 2007 through March 2008 show that, in some months, visitors spent thirty or more minutes on food company websites playing advergames or participating in contests, sweepstakes, or other promotions. This was approximately the same amount of time that visitors spent at some of the media company, online gaming, and social networking sites most popular with children and teens, such as Nick.com, CartoonNetwork.com, DisneyChannel.com, AddictingGames, Gamespot, and Xanga.com. *Compare* Tables D.4 and D.5.

Table D.4: Average Time Per Person Per Month Spent on Selected Food Company Websites between March 2007 and March 2008

Website	Fewest Monthly Minutes	Most Monthly Minutes
Burger King	6:13	9:40
Candystand.com	10:13	22:41
Frito-Lay	2:29	9:45
Kellogg	3:35	33:56
Kraft Entertainment	11:07	27:57
M&M's	5:24	10:25
Mars	5:46	8:50
McDonalds.com	1:52	5:36
Millsberry.com	8:52	20:29
Nabiscoworld.com	6:40	23:24
Nestle	6:00	11:14
Postopia.com	16:32	31:48
Wonka	N/A	30:14
Yum! Restaurants	6:45	11:04

Source: Nielsen//NetRatings Trend Report (Internet Applications Included; U.S. Home and Work Panel).

Furthermore, visitors tended to go to multiple food company websites each month. In the last nine months of 2007, the audiences for McDonald's.com, Nabiscoworld.com, and Postopia.com and other food company websites overlapped substantially.³¹ See Table D.6. Accordingly, it is likely that in 2006 as well, a significant number of children and teens logged an hour or more per month on food company websites.

A synergistic relationship appears to exist between the

Table D.5: Average Time Per Person Per Month Spent on Selected Child- and Teen-Oriented Websites between March 2007 and March 2008

Website	Fewest Monthly Minutes	Most Monthly Minutes
AddictingGames	23:12	54:08
Cartoon Network	33:49	42:36
IGN.com	10:28	15:12
Disney Online	26:37	40:13
DisneyChannel.com	16:35	27:23
Gamespot	14:45	23:46
Newgrounds	6:35	23:10
Nick.com	23:30	36:00
Shockwave.com	8:40	23:21
Xanga.com	6:14	19:35

Source: Nielsen//NetRatings Trend Report (Internet Applications Included; U.S. Home and Work Panel).

Table D.6: Percentages of McDonald's, Nabiscoworld.com, and Postopia.com Visitors Who Also Visited Other Food Company Websites in the Same Month (highest monthly overlap % March-December 2007)

	McDonald's	Nabiscoworld.com	Postopia.com
Campbell Soup Co.	66	47	34
Candystand.com	55	53	34
Frito-Lay	40	48	25
General Mills	53	45	35
Kellogg	53	46	35
Kraft Entertainment	54	100	100
M&M's	57	54	34
Mars	58	58	34
McDonald's		100	100
Nabiscoworld.com	80		93
Nestlé	59	52	38
PepsiCo	54	51	35
Postopia.com	60	83	
The Coca-Cola Co.	55	46	35
Yum! Restaurants	61	45	34

Source: Nielsen//NetRatings Audience Overlap Report (Internet Applications Included; U.S. Home and Work Panel). Each number shows the percentage of visitors to a column website who also visited a row website – e.g., 58% of Nabiscoworld.com's visitors also visited Mars's website.

food and beverage display advertising on non-food company websites and branded entertainment on food sites. At various points in 2007, 98% of McDonald’s visitors also visited Xanga.com, and 76% visited AddictingGames.com. Fifty-six percent of Kraft Entertainment visitors visited Disney Online during one month, and 54% visited Nick.com. Similarly, 87% of Postopia.com visitors also visited Nick.com at one point, and 74% visited Disney Online. *See* Table D.7.

The display ads on media company websites likely encouraged visits to the food company websites, just as food company websites directed visitors to media company websites, which ran display ads for food and beverages.

Even when combined with the online display ad data, the time children and teens spend on food company

websites probably remains far less than the amount of time they are exposed to television food advertising.³² Nevertheless, food company websites appear to be a critical component of integrated marketing campaigns that strive to provide brand exposure through traditional media vehicles – exposure that is reinforced through a combination of paid display advertising and entertainment on company-operated websites. *See* Section III.

Table D.7: Percentages of Visitors to Food Company Websites Who Also Visited Child- or Teen-Oriented Websites in the Same Month (highest monthly overlap % March-December 2007)

	Burger King	Campbell Soup Co.	CandyStand.com	General Mills	Kellogg	Kraft Entertainment	M&M's	McDonald's	Millsberry.com	Nabiscoworld.com	Postopia.com	Yum! Restaurants
AddictingGames	9	15	38	20	24	29	35	76	33	61	47	13
Cartoon Network	1	15	21	25	25	10	6	49	25	25	26	4
Disney Online	34	58	73	64	76	56	43	71	62	65	74	41
DisneyChannel.com	6	36	33	37	31	41	25	56	41	51	64	11
Gamespot	31	26	58	18	17	11	22	59	10	49	47	15
IGN.com	21	13	45	23	37	19	15	60	11	52	38	15
Nick.com	14	18	41	28	33	54	21	59	40	55	87	16
Neopets	6	11	29	14	24	31	19	53	26	48	48	5
Newgrounds	10	7	17	11	14	12	5	64	6	47	46	5
Runescape	15	17	38	29	28	19	27	53	32	52	67	16
Shockwave	4	35	37	18	41	25	15	55	12	55	39	10
Xanga	7	9	39	27	13	23	11	98	3	61	35	15

Source: Nielsen//NetRatings Audience Overlap Report (Internet Applications Included; U.S. Home and Work Panel). Each number shows the percentage of visitors to a column website who also visited a row website – e.g., 59% of McDonald’s visitors also visited Nick.com.

Endnotes

1. See Paul Farhi, *Salvation? The Embattled Newspaper Business Is Betting Heavily on Web Advertising Revenue to Secure Its Survival. But that Wager Is Hardly a Sure Thing*, 29 *Am. Journalism Rev.* 18 (Dec. 1, 2007) (“The cost of reaching a thousand online readers – a metric known in advertising as CPM, or cost per thousand – remains a fraction of the print CPM. The price differential can be as much as 10-to-1[.]”); JPMorgan, *Nothing But Net: 2008 Internet Investment Guide* 5 and 23, Table 14 (Jan. 2, 2008), available at https://mm.jpmorgan.com/stp/t/c.do?i=2082C-248&u=a_p*d_170762.pdf*h_-3ohpnmv (noting that more than 80% of online inventory sells for less than \$1 CPM and that the average CPM rate for 2006 was \$3.50); Todd Wasserman, *Online Ad Buys Are More Targeted, More Expensive; Flight to Quality Drives Up Price of Best Internet Media*, *Brandweek* (Apr. 3, 2006), at 5 (noting that the CPM for network television shows is about \$25, compared to the \$3.81 average CPM for online media).
2. Many company-operated websites featured videos of television ads, and also utilized content produced for packaging and in-store displays relating to cross-promotions, particularly the contests and sweepstakes tied to those cross-promotions.
3. A number of companies reported content on company-operated websites that had been created and posted to the websites prior to 2006, including online games, downloads such as screensavers and wallpapers, and e-cards.
4. One company reported receiving a free branded presence on a children’s toy website as an added value for print ads placed in the toy company’s magazine. Another company reported that, as part of a cross-promotion involving Nickelodeon characters Jimmy Neutron and Timmy Turner, Nick.com designed and provided a microsite on its website that included the food product’s branding and a related advergaming. This was provided at no extra cost as an added value for other online ad space the company purchased on Nick.com.
5. Online display ads are different from ads triggered by term-searching on search engines like Google or Yahoo and from websites sponsored or hosted by food marketers, which often contain “advergames” and other promotional activities featuring their products.
6. Such an assumption would run the risk of both over- and under-inclusiveness. It might be over-inclusive when the company had no subjective intent to promote its product or brand to children, or the ad placement was either erroneous or an inconsequential component of the overall ad campaign. It might be under-inclusive when the company intended to target children (and possibly other age groups) through ads on websites that reached a substantial – even a majority of children – but because the sites’ overall audiences were so large, children were a relatively small percentage of those audiences. In the latter case, other evidence, such as marketing or media plans or the testimony of brand managers, might be necessary to confirm an intent to target. It would be impracticable, however, to conduct such an in-depth inquiry across the hundreds of brands and products that comprise the eleven food and beverage categories.
7. See FTC Order to File Special Report (Special Order), No. P064504, OMB Control No. 3084-0139, at Appendix B-3 ¶ (d)(2) & B-4 ¶ (e)(3), C-3 ¶ (d)(2) & C-4 ¶ (e)(3) (July 31, 2007), available at www.ftc.gov/os/6b_orders/foodmktg6b/index.shtm.
8. Data from March through December 2006 show that children constituted between 8.87% and 9.47% of the active Internet audience and adolescents constituted between 10.59% and 11.25% of the active Internet audience. *Source*: Nielsen//NetRatings NetView (Home and Work Panel).
9. The “composition index” is an index of the percentage for the selected target among visitors to a specific website compared to the percentage for the same target among total Web users over that time period. A composition index above 100 indicates that a greater percentage of the target demographic (*e.g.*, children 2-11) visited a particular website compared to the percentage for the same demographic among total Web users.
10. AdRelevance captures advertising activity across all major industries, channels, formats, and platforms on the Web and gathers a representative sample of a website’s advertising activity.
11. The AdRelevance service does not have pre-defined food and beverage categories that mesh with the food and beverage category definitions from the Special Order, so the Commission created eleven custom advertiser groups. The groups consist of companies, divisions, brands, and/or products that fall into each of the eleven

food and beverage categories. These groups were compiled through term searches in the AdRelevance advertiser database for food and beverage products, brands, and companies.

12. Other companies were included in certain food and beverage categories, depending on their overall portfolio of products. First, AdRelevance does not provide a specific category for Sara Lee Corporation's frozen desserts. The only choice is Sara Lee Corporation – Food and Beverage Division. Even though Sara Lee markets bread, condiments, and deli products, the Commission included it in the frozen desserts custom group because Sara Lee markets so many frozen desserts. Second, Hunt's was included in the fruit and vegetable group because it sells mostly tomato-based products. For the same reason, the Commission excluded Hunt's from the snack category, even though it does sell a line of puddings. Third, Newman's Own was excluded entirely because most of its products fall outside the categories in the Special Order (e.g., salad dressing, steak sauce, salsa, spaghetti sauce, marinade). A related company – Newman's Own Organics – does market snacks, but it is a separate company for which AdRelevance has no listing. Moreover, that company also markets coffee and pet food.
13. The Commission required a website to satisfy the 20% audience composition/200 composition index threshold for at least two months in the relevant year, to avoid misclassifying a site based on what might have been one anomalous month of web traffic. This approach resulted in the exclusion of YouTube.com and Tickle.com as teen-oriented sites in 2006.
14. There is an ongoing debate over how the two major Internet audience measurement services – Nielsen//NetRatings and comScore, Inc. – measure online audience sizes. Both companies have agreed to submit to a third-party audit of their online measurement processes. See Emily Steel, *Agencies Know the Score on Web Tracking*, Wall St. J., Apr. 21, 2008, at B8. The Commission has relied on data provided by Nielsen//NetRatings for prior analyses. See, e.g., Federal Trade Commission, *Marketing Violent Entertainment to Children: A Fifth Follow-Up Review of Industry Practices in the Motion Picture, Music Recording & Electronic Game Industries 2* (2007), available at www.ftc.gov/reports/violence/070412MarketingViolentEChildren.pdf.
15. NetView provides demographic information for websites visited by its panel members, who have special tracking software installed on their Internet-accessible computers. NetView does not provide demographic data on all websites, only for sites with enough children or teen traffic to generate reliable data.
16. For example, the use of the word “kid” in the site's name often indicated that the site was directed to children (e.g., Kaboose Network Kids Domain, Sports Illustrated for Kids). Other sites (e.g., Kaboose Network Zeeks.com, funschool), were considered child-oriented because they prominently featured child-oriented animated characters, games, or activities. Similarly, the use of the word “teen” in the site's name often indicated that it was teen-oriented (e.g., Seventeen.com). In addition, several websites devoted to console video games were categorized as teen-oriented even though NetView had no reliable demographic data for them (e.g., TeamXbox, GameWinners, SuperCheats) because of their similarity to video game sites that had a teen composition index of 200 or higher (e.g., GameFAQs, GamesRadar, Cheat Codes). Certain music lyrics websites were classified as teen-oriented for a similar reason.
17. In a virtual medium, impressions are the number of times an online ad is displayed to a visitor.
18. The data capture only ad impressions for food and beverages that fell into the eleven categories set out in the Special Orders. Thus, ads for gum or bread, among other products, would not be reflected in the impression numbers. An FTC study of 2004 television advertising showed that foods like gum and bread constituted a minuscule proportion of food advertising to children and teens on television during 2004. See Federal Trade Commission, Bureau of Economics Staff Report, *Children's Exposure to TV Advertising in 1977 and 2004: Information for the Obesity Debate* 87, Table C.1, and 92, Table C.4 (2007) (FTC BE TV Study), available at www.ftc.gov/os/2007/06/cabecolor.pdf.
19. FTC BE TV Study at 36, Table 3.12. The average adult saw 7,212 such ads. *Id.*
20. This figure was calculated with data from Tables 3.6 and 3.12 of the FTC BE TV Study. See FTC BE TV Study at 25, 36. In 2004, the average child saw 50.4% of 5,538 (or 2,791) food ads on children's shows, the average teen saw 15.4% of 5,512 (or 849) food ads on children's shows, and the average adult saw 3.1% of 7,212 (or 234) food ads on children's shows. According to The Nielsen Company, there were 39.48 million

child viewers, 24.7 million teen viewers, and 211.4 million adult viewers during the 2003-04 television year. That means that the total number of television food ad impressions generated from children's shows was the sum of (2,791 x 39.48 million) + (849 x 24.7 million) + (234 x 211.4 million), which equals 136,105,740,000.

That number grows when impressions are calculated based on shows where children ages 2-11 were 30% or more of the viewing audience, which is the demographic cut-off the Special Order established for child-oriented television shows. See Special Order at B-2 n.12. The average child saw 59.9% of 5,538 (or 3,319) food ads on such shows. That alone translates into more than 20 billion additional television ad impressions. Data for teen and adult exposure to food ads on shows where children were 30% or more of the audience were not available, so the total number of impressions from such shows could not be calculated.

21. It does not appear that the food ad numbers for children changed considerably for the 2004-05 television year. According to the Kaiser Family Foundation, its study of television food advertising found that children ages 2-11 saw 5,600 food ads in 2005. See The Henry J. Kaiser Family Foundation, *Food for Thought: Television Food Advertising to Children in the United States* 52, Table 32 (2007), available at <http://kff.org/entmedia/entmedia032807pkg.cfm> (2-7 age group saw 4,427 food ads; 8-12 age group saw 7,609; 13-17 age group saw 6,098); The Henry J. Kaiser Family Foundation, *Children's Exposure to Food Advertising on Television: A Side-by-Side Comparison of Results from Recent Studies by the Federal Trade Commission and the Kaiser Family Foundation* 1 (2007), available at <http://kff.org/entmedia/7654.cfm> (stating that its study showed that 2-11 year-olds saw 5,600 food ads in 2005). Kaiser's data paint a different picture for teens in 2005. Even using Kaiser's narrower classification of teens (13-17, instead of the 12-17 band used in the FTC BE TV Study), teens saw an additional 500 food ads in 2005 compared to 2004.
22. See Special Order at C-2 ¶ (a)(i)(B).
23. Of the 5,512 food ads viewed by the average teen, 24.3% (or 1,339) ads appeared on shows where teens 12-17 were at least 20% of the audience. Source: Table 10 (Estimated Annual Exposure to Advertising for Ages 12-17) (on file with Commission Staff). Data for child and adult exposure to food ads on shows where teens were 20% or more of the audience were not available, so the total number of impressions from such shows could not be calculated.
24. According to the Internet research firm comScore, a three-month study of the role of online search in generating website traffic for several consumer packaged goods categories, including food, found that 47% of visitors to packaged foods websites arrived as a result of a search query. See Press Release, comScore, Search Marketing Vital for Brand Building and Driving Offline Sales for Consumer Packaged Goods Companies (Oct. 23, 2007), available at www.comscore.com/press/release.asp?press=1835. In addition, it has been reported that keyword search advertising has generated more advertising revenue than display ads. See *Conversational Marketing: Word of Mouse*, Economist, Nov. 8, 2007 (noting that display ads account for 32% of online ad revenue versus 41% for search advertising).
25. Advergaming are interactive online games that incorporate a food or beverage product into the game content.
26. See, e.g., Elizabeth S. Moore & Victoria J. Rideout, *The Online Marketing of Food to Children: Is It Just Fun and Games?*, 26 J. Pub. Pol'y & Marketing 202, 209 (2007) (stating that food marketers can design advergaming "to maximize the number and duration of brand exposures" and "build brand awareness and create favorable views of their brands in a context that is designed to be fun and unlikely to trigger a child's developing but immature advertising defenses"; noting that further research needs to be done to understand the persuasion process that may occur in advergaming, such as the extent to which children's brand awareness, beliefs, food preferences, and actual choices are influenced by extended exposure to a brand in a game).

Consistent with this hypothesis, one food company submitted research that explored ways to increase registrations of boys and girls on its branded website, the time they spend on the site, and their overall impression of the brand via the site. Among other things, the research suggested enhancing children's emotional experience with the company's branded website by allowing users to better customize their virtual avatars and integrating the avatars into the activities available at the site, such as games, simulated life activities (e.g., building a house, driving), and communicating with friends.

27. See Elizabeth S. Moore, The Henry J. Kaiser Family Foundation, *It's Child's Play: Advergaming and the Online Marketing of Food to Children 4* (2006) (Kaiser Advergaming Report), available at www.kff.org/entmedia/7536.cfm.
28. According to Nielsen//NetRatings, Frito-Lay is a brand that subsumes the Cheetos.com and Doritos.com channels, among other websites.
29. According to Nielsen//NetRatings, Kraft Entertainment is a channel of Kraft.com that subsumes the domains Postopia.com and Nabiscoworld.com, among other websites.
30. According to the Kaiser Advergaming Report, during the three-month period of the study, children ages 2-11 made 12.2 million visits across the 77 food brand websites included in the study. See *supra* note 27, at 4 (citing Nielsen//NetRatings data) & 51 (Appendix C).
31. During one or more months, 80% of McDonald's visitors and 93% of Postopia.com's visitors also visited Nabiscoworld.com. Sixty-six percent of McDonald's audience visited a Campbell Soup Company's website, and 60% also visited Postopia.com. See Table D-6.
32. By comparison, the FTC BE TV Study showed that in 2004, children on average were exposed to 2,202 minutes of food advertising, and teens 2,193 minutes. See FTC BE TV Study at 10, Table 3.1.

Appendix E

CBBB Children's Food & Beverage Advertising Initiative: Tables Summarizing Individual Food Company Commitments Regarding Food Marketing to Children

CBBB CHILDREN'S FOOD & BEVERAGE ADVERTISING INITIATIVE

List of Participants:

Burger King Corporation

Cadbury Adams USA

Campbell Soup Company (including subsidiary, Pepperidge Farm, Inc.)

The Coca-Cola Company

ConAgra Foods

General Mills

The Hershey Company

Kellogg Company

Kraft Foods Global, Inc.

Mars Snackfoods US

McDonald's USA

PepsiCo, Inc.

Unilever

The following tables set forth specific details of the various company pledges:

Quick-Serve Restaurant Companies

	Burger King	McDonald's
Policy on Advertising Directed to Children Under 12	<ul style="list-style-type: none"> 100% of national TV, radio, print, and Internet ads directed to children under 12 will be for Kids Meals that meet BK's nutrition criteria¹ Some ads will also promote healthy lifestyle messages Effective 12/31/08 	<ul style="list-style-type: none"> 100% of national TV, radio, and Internet ads directed at children under 12 will advertise meals that constitute "healthy dietary choices" Some TV ads will also include "healthy lifestyle messages" designed to appeal to children Effective 1/1/08
Definition of "Directed to Children Under 12"	<ul style="list-style-type: none"> <u>TV and Internet</u>: based on Nielsen standard demographics for audiences <12 <u>Radio</u>: based on Arbitron standard demographics for audiences <12² <u>Or</u>, any program or website where audience generally consists of 30% or more children <12 	<ul style="list-style-type: none"> <u>TV and Internet</u>: based on Nielsen standard demographics for audiences <12 <u>Radio</u>: based on Arbitron standard demographics for audiences <12 <u>Or</u>, any program or website where audience generally consists of 30% or more children <12³
Nutritional standards for "Healthy Dietary Choices"	<p>Kids Meal (entree, side dish & beverage):</p> <ul style="list-style-type: none"> ≤560 calories <30% fat calories <10% saturated fat calories no added trans fats ≤10% calories from added sugars 	<p>Kids Meal:</p> <ul style="list-style-type: none"> ≤600 calories ≤35% fat calories ≤10% saturated fat calories ≤35% total sugar by weight
Interactive games	<ul style="list-style-type: none"> Will not approve, pay for, or actively seek placement of food or beverage products in any interactive game in the US primarily directed to children <12, for the purpose of promoting the sale of the products, unless the products are Kids Meals meeting the nutrition criteria Effective 12/31/08 	<ul style="list-style-type: none"> Any game primarily directed to children <12 that incorporates a company food or beverage will incorporate or be accompanied by products representing a "healthy dietary choice" or "healthy lifestyle messaging" Effective 1/1/08
Product Placement	<ul style="list-style-type: none"> Will not approve, pay for, or actively seek placement of food or beverage products in program/editorial content of any medium in US primarily directed to children <12 Effective 1/1/08 	<ul style="list-style-type: none"> Will not pay for or actively seek to place its food and beverage products in program/editorial content of any medium primarily directed to children <12 for the purpose of promoting the sale of those products Effective 1/1/08

<p>Third-party licensed characters</p>	<p>Burger King</p> <ul style="list-style-type: none"> ● Will limit use of third-party licensed characters in kid-directed national ads to promotion of Kids Meals meeting nutritional criteria ● Effective 12/31/08 	<p>McDonald's</p> <ul style="list-style-type: none"> ● Will limit use of third-party licensed characters in kid-directed ads to promotion of "healthy dietary choices" ● On company websites directed to children, will limit use of third-party characters to promotion of "healthy dietary choices" <u>or</u> healthy lifestyle messages ● Effective 1/1/08
<p>Elementary school advertising</p>	<ul style="list-style-type: none"> ● Will not advertise food and beverage products in elementary schools⁴ ● Effective 1/1/08 	<ul style="list-style-type: none"> ● Will not advertise food or beverage products in elementary schools ● Effective 1/1/08

Candy, Gum Companies

	Cadbury Adams	Hershey Co.	Mars
Policy on Advertising Directed to Children Under 12	<ul style="list-style-type: none"> No advertising directed to children under 12 in any medium for Bubblicious brand⁵ Effective 3/31/08 	<ul style="list-style-type: none"> No TV, radio, or Internet ads for food products directed to children under 12 (may run ads promoting healthy lifestyles) Effective 1/1/07 	<ul style="list-style-type: none"> No ads for food products directed to children under 12 Effective 3/31/07 Will include “healthy lifestyle messaging” and nutrition information at company websites Effective 9/30/07
Definition of “Directed to Children Under 12”	<ul style="list-style-type: none"> > 50% of audience is children under 12 	<ul style="list-style-type: none"> <u>TV</u>: programming “traditionally considered children’s programming” or where 30% or more average annual audience is children <12 <u>Radio & Print</u>: 30% or more average annual audience is children <12 <u>Internet</u>: <ul style="list-style-type: none"> measured: 30% or more average annual audience is children <12 unmeasured: on company website, will not use subject matter, graphics, etc. targeted to children <12 	<ul style="list-style-type: none"> TV, radio, print, Internet: venues where <12 audience at time of media purchase is estimated to exceed 25% of total audience over entire season, <u>or</u> Child-directed content (e.g., TV programming during kids-block times, other TV programs directed to children <12), <u>or</u> Print publications or Internet sites with content aimed at children <12⁶
Nutritional standards for “Healthy Dietary Choices”	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable⁷
Interactive games	<ul style="list-style-type: none"> Interactive games will be used consistent with the terms of the Initiative 	<ul style="list-style-type: none"> Will not include games designed for children <12 on its consumer websites Effective 1/1/07 	<ul style="list-style-type: none"> Will not include games for children <12 on company websites unless food products featured there meet nutrition criteria⁸ Effective 6/30/07

	Cadbury Adams	Hershey Co.	Mars
Product Placement	<ul style="list-style-type: none"> Will not allow product placement of Bubblicious in medium primarily directed to children <12 Effective 3/31/08 	<ul style="list-style-type: none"> Will not participate in paid product placement or actively seek unpaid product placement in media targeted to children <12 Effective 1/1/07 	<ul style="list-style-type: none"> Will not seek or authorize paid product placement in media primarily intended for children <12
Third-party licensed characters	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Will not license third-party characters or personalities targeted to children <12 	<ul style="list-style-type: none"> Will not use third-party licensed characters in ads directed to children <12
Elementary school advertising	<ul style="list-style-type: none"> Will not advertise Bubblicious in schools Effective 3/31/08 	<ul style="list-style-type: none"> Will not advertise to children or youth in school settings⁹ Effective 1/1/07 	<ul style="list-style-type: none"> Will not advertise products in elementary schools

Beverage Companies

	Coca-Cola Co.	PepsiCo. ¹⁰
Policy on Advertising Directed to Children	<ul style="list-style-type: none"> No ads directed to children for any beverage product Effective already¹¹ 	<ul style="list-style-type: none"> 100% of ads directed to children will feature Smart Spot products Company websites directed to children will also encourage active lifestyles Effective 1/1/08
Definition of “Directed to Children Under 12”	<ul style="list-style-type: none"> Media “primarily directed to” and having an audience of 50% or more children <12 	<p>Factors considered:¹²</p> <p>TV: Nielsen and IRI ratings, time of programming, programming content</p> <p>Radio: Arbitron and/or RADAR ratings</p> <p><u>Print</u>: PIB or MRI data¹³</p> <p><u>Internet</u>: comScore Networks estimate of website target age (for third-party sites) or company-owned sites primarily directed to children <12</p>
Nutritional standards for “Healthy Dietary Choices”	<ul style="list-style-type: none"> Not applicable¹⁴ 	<p>A product can qualify for the “Smart Spot” in 3 ways:</p> <ul style="list-style-type: none"> Meets limits for fat, saturated fat, trans fat, cholesterol, sodium, and added sugar¹⁵ (see examples below) <u>or</u> Is formulated to have specific health or wellness benefits¹⁶ <u>or</u> Is 25% lower in calories, fat, saturated fat, sodium, or sugar¹⁷ <p><u>Examples of Smart Spot nutrition standards:</u></p> <p><u>Beverages</u></p> <ul style="list-style-type: none"> ≤3g fat, ≤1g saturated fat, 0g trans fat, ≤60mg cholesterol, ≤480mg sodium 10% or more Daily Value for one or more positive nutrients¹⁸ At least 1/4 cup fruit/vegetable, or 8g whole grain <p><u>Canned Pasta</u> (per serving)</p> <ul style="list-style-type: none"> No more than: 350 calories, 35% fat calories, 10% saturated fat calories, 0g trans fat, 25% calories from added sugar, 750mg sodium At least 10% Daily Value for 2 positive nutrients At least 1/4 cup fruit/vegetable, or 8g whole grain <p><u>Pudding</u> (per serving)</p> <ul style="list-style-type: none"> No more than: 100 calories, 35% fat calories, 10% saturated fat calories, 0g trans fat, 25% calories from added sugar, 240mg sodium

	Coca-Cola Co.	PepsiCo. ¹⁰
Interactive games	<ul style="list-style-type: none"> ● Not applicable (does not conduct promotional efforts on interactive games directed at children <12) 	<ul style="list-style-type: none"> ● Will only allow Smart Spot products to be incorporated into games designed for children <12 ● Effective 1/1/08
Product Placement	<ul style="list-style-type: none"> ● Will not feature beverages within editorial content of any medium primarily directed to children <12 ● Effective already 	<ul style="list-style-type: none"> ● Will not pay for or actively seek placement of products in content of any medium directed to children <12 ● Effective 1/1/08
Third-party licensed characters	<ul style="list-style-type: none"> ● Will not use third-party licensed characters in ads on any media primarily directed to children <12 ● Effective already 	<ul style="list-style-type: none"> ● Will use third-party licensed characters in ads directed to children only if ads are for Smart Spot products ● Effective 1/1/08
Elementary school advertising	<ul style="list-style-type: none"> ● Does not advertise in schools¹⁹ 	<ul style="list-style-type: none"> ● Will not advertise products in elementary or middle schools²⁰

Packaged Food Companies

	Campbell Soup Co. (and subsidiary Pepperidge Farm, Inc.)	ConAgra
Policy on Advertising Directed to Children	<ul style="list-style-type: none"> • Ads directed to children <12 will be for “sound food choices” • No ads directed to children <6 • Effective for 2007-2008 business year (beg. 8/07) 	<ul style="list-style-type: none"> • 100% of TV, radio, print, and Internet ads directed to children <12 will be for products meeting nutrition criteria <u>or</u> include healthy lifestyle messages • Effective September 2008 (Kid Cuisine, Peter Pan, Hunt’s Snack Pack), June 2009 (Chef Boyardee)
Definition of “Directed to Children Under 12”	<ul style="list-style-type: none"> • “Disproportionate” portion of audience is children aged 6-11 (<i>i.e.</i>, roughly 2 times their proportion in the U.S. population)²¹ • Using AC Nielsen data for TV, print, Internet 	<ul style="list-style-type: none"> • 35% or more audience estimated to be children <12 • Uses third-party media measurements to determine audience share (Nielsen, Simmons and/or MRI, comScore)
Nutritional standards for “Healthy Dietary Choices”	<p>“Sound food choices”:</p> <ul style="list-style-type: none"> • Soups • ≤ 150 calories per 8-oz serving and “positive nutrition”²² <u>or</u> • 25% less sodium • Snack crackers • packages with ≤100 calories <u>or</u> • has <35% fat calories, <10% saturated fat calories, 0 grams trans fat, “modest amount” of added sugars • Canned pasta (per 8-oz serving) <ul style="list-style-type: none"> • <35% fat calories • 25% less sodium²³ • contains a serving of vegetables or one-ounce equivalent of whole grains <u>and</u> • is a good source of two or more nutrients²⁴ 	<p>Meals</p> <ul style="list-style-type: none"> • No more than: 500 calories, 35% fat calories, 10% saturated fat calories, 0g trans fat, 25% calories from added sugar, 760mg sodium • At least 10% Daily Value for 3 positive nutrients • At least 1/4 cup fruit/vegetable, or 8g whole grain • Canned Pasta (per serving) <ul style="list-style-type: none"> • No more than: 350 calories, 35% fat calories, 10% saturated fat calories, 0g trans fat, 25% calories from added sugar, 750mg sodium • At least 10% Daily Value for 2 positive nutrients • At least 1/4 cup fruit or vegetable, or 8g whole grain • Pudding (per serving) <ul style="list-style-type: none"> • No more than: 100 calories, 35% fat calories, 10% saturated fat calories, 0g trans fat, 25% calories from added sugar, 240mg sodium • Nuts, Seeds, Peanut Butter (per serving) <ul style="list-style-type: none"> • No more than: 200 calories, 0g trans fat, 25% calories from added sugar, 480mg sodium • At least 10% Daily Value for one positive nutrient • At least 1-ounce equivalent of meat and beans

	Campbell Soup Co. (and subsidiary Pepperidge Farm, Inc.)	ConAgra
Interactive games	<ul style="list-style-type: none"> Will depict only sound food choices in any interactive game primarily for use by children 	<ul style="list-style-type: none"> Will limit use of food and beverages in interactive games primarily directed to children <12 to products meeting nutrition criteria and/or game will include healthy lifestyle messaging Effective September 2008 (Kid Cuisine, Peter Pan, Hunt's Snack Pack), June 2009 (Chef Boyardee)
Product Placement	<ul style="list-style-type: none"> Does not actively seek or pay to place products in content of any medium primarily directed to children Effective already 	<ul style="list-style-type: none"> Will not pay for or actively seek product placement in media primarily directed to children <12 Effective June 2008
Third-party licensed characters	<ul style="list-style-type: none"> If used in ads directed to children, will be only for "sound food choices" 	<ul style="list-style-type: none"> Will only use in ads directed to children that promote products meeting nutrition criteria <u>or</u> include healthy lifestyle messaging Effective September 2008 (Kid Cuisine, Peter Pan, Hunt's Snack Pack), June 2009 (Chef Boyardee)
Elementary school advertising	<ul style="list-style-type: none"> Will not advertise products in elementary schools²⁵ 	<ul style="list-style-type: none"> Will not advertise food and beverages to children in elementary schools Effective June 2008

	General Mills	Kellogg
<p>Policy on Advertising Directed to Children</p>	<ul style="list-style-type: none"> • Ads directed to children <12 will only advertise food meeting nutrition criteria • Will not target any ads to children <6 • Effective between 6/1/07 and 12/31/08 	<ul style="list-style-type: none"> • TV, radio, print, third-party Internet sites ads directed to children <12 will only advertise food that meets nutrition criteria • Will feature healthy messaging on company-owned Internet sites directed to children <12 • Will not target ads to children <6 • Effective: 12/31/08²⁶
<p>Definition of “Directed to Children Under 12”</p>	<ul style="list-style-type: none"> • 35% or more children <12²⁷ <u>or</u> • 50% or more children <6 • For company-owned websites, consider factors including content’s subject matter, format, projected audience demographics 	<ul style="list-style-type: none"> • <u>TV</u>: • projected audience 50% or more children <12 <u>or</u> • projected audience 35-49% children <12 <u>and</u> show is specifically targeted to, or designed specifically to appeal primarily to, children <12 • <u>Radio, 3rd-party websites</u>: projected audience 50% or more <12 • <u>Print media</u>: specifically designed to appeal to, or primarily targeted to, children <12²⁸
<p>Nutritional standards for “Healthy Dietary Choices”</p>	<p>Per serving:</p> <ul style="list-style-type: none"> • ≤12g sugar²⁹ <u>and</u> • ≤175 calories <u>and</u> • Either: <ul style="list-style-type: none"> • meets FDA definition of “healthy”³⁰ <u>or</u> • supplies at least ½ serving of whole grain, fruit, vegetables, or fat-free or low-fat dairy <u>and</u> has limited sodium, saturated and trans fats³¹ 	<p>Per serving:</p> <ul style="list-style-type: none"> • ≤200 calories • ≤2g saturated fat • 0g trans fat • ≤230mg sodium³² • ≤12g sugar³³
<p>Interactive games</p>	<ul style="list-style-type: none"> • Will only feature products that meet nutritional criteria above in interactive games directed at children <12³⁴ • Effective 12/31/08 	<ul style="list-style-type: none"> • Will only feature products that meet nutritional criteria above in interactive games directed at children <12³⁵ • Effective 12/31/08
<p>Product Placement</p>	<ul style="list-style-type: none"> • Will not pay for or actively seek to place products into content of any medium primarily directed to children <12 • Effective 12/31/08 	<ul style="list-style-type: none"> • Will not pay for or seek out product placement in content of any medium directed primarily to children <12 • Effective 12/31/08

Third-party licensed characters	<p>General Mills</p> <ul style="list-style-type: none"> ● Will only use in ads directed to children <12 for foods that meet nutrition criteria ● Effective 12/31/08 	<p>Kellogg</p> <ul style="list-style-type: none"> ● Going forward will only use in ads directed to children <12 for foods that meet nutrition criteria³⁶ ● Effective immediately, subject to existing contract obligations
Elementary school advertising	<ul style="list-style-type: none"> ● Does not advertise in elementary schools 	<ul style="list-style-type: none"> ● No advertising directly to children in elementary schools

	Kraft	Unilever
Policy on Advertising Directed to Children	<ul style="list-style-type: none"> 100% of ads directed at children 6-11 will be for products meeting "Sensible Solutions" nutrition criteria No ads directed to children <6 Effective since 2005 	<ul style="list-style-type: none"> 100% of ads directed to children will be for products meeting "Eat Smart" or "Drink Smart" nutrition criteria No ads directed to children <6 Effective as of July 2007³⁷
Definition of "Directed to Children Under 12"	<ul style="list-style-type: none"> <u>TV</u>: >35% of total audience is <12 or program is shown during time period considered "kids viewing time"³⁸ <u>Radio & print</u>: primarily directed at children³⁹ <u>Internet</u>: 35% or more total visitors <12⁴⁰ 	<p>Based on analysis of factors:</p> <ul style="list-style-type: none"> whether the medium in which ad is placed is used primarily by children <12 whether ad was intended to appeal primarily to children <12 for TV, whether ad appears during, just before, or just after "kids programming"⁴¹
Nutritional standards for "Healthy Dietary Choices"	<p>There are 2 ways to qualify as a "Sensible Solutions" product:</p> <ul style="list-style-type: none"> Product contains limited amounts calories, fat (saturated and trans), sodium, and sugar and either provides positive nutrients at a meaningful level or delivers a "functional benefit"⁴² <ul style="list-style-type: none"> Specific limits on nutrient amounts vary by product category⁴³ Product is "free," "low" or 25% less in calories, fat, saturated fat, sugar, or sodium, compared to similar products 	<ul style="list-style-type: none"> ≤10% total calories from saturated fat ≤33% total fat from saturated fat ≤2% total calories from trans fat ≤60mg cholesterol ≤25% sugar or limited added sugar limited sodium (limit varies by product category)
Interactive games	<ul style="list-style-type: none"> In any interactive game on website primarily directed to children <12, only Sensible Solutions products depicted 	<ul style="list-style-type: none"> In any game primarily directed to children 6-11, only Eat Smart or Drink Smart products will be used Effective 10/15/07
Product Placement	<ul style="list-style-type: none"> Will not solicit or accept paid product placement on any TV show or movie primarily directed to children <12 	<ul style="list-style-type: none"> Will not pay for or actively seek food or beverage product placement in content of any covered media primarily directed to children <12 Effective already
Third-party licensed characters	<ul style="list-style-type: none"> Will only use in ads for Sensible Solutions products⁴⁴ 	<ul style="list-style-type: none"> Will only such characters that particular appeal to children <12 in kid-directed ads for Eat Smart or Drink Smart products

	Kraft	Unilever
Elementary school advertising	<ul style="list-style-type: none"> • Does not engage in in-school advertising and marketing 	<ul style="list-style-type: none"> • Will not advertise in elementary schools⁴⁵ • Effective 10/15/07

Examples of Brands and Products Meeting Pledge Nutrition Criteria

Examples of “Healthy Dietary Choices” to be Advertised to Children Under 12	
Burger King	<p>Advertised meal will consist of:</p> <ul style="list-style-type: none"> • 4-oz serving of Kraft Macaroni & Cheese • BK Fresh Apple Fries with low-fat caramel dipping sauce • 1% low-fat milk
Cadbury Adams	None – pledged no advertising to children <12 ⁴⁶
Campbell Soup Co.	<p>Soups: Campbell’s 25% Less Sodium Chicken Noodle soup, Campbell’s Tomato soup, Campbell’s Chicken & Stars soup, Campbell’s 25% Less Sodium Tomato soup, Campbell’s <i>Dora the Explorer</i> Soup, Campbell’s <i>Shrek</i> Shaped Pasta with Chicken Broth soup, Campbell’s Souper Shapes Cars Soup</p> <p>Snack crackers: Pepperidge Farm Goldfish Cheddar snack crackers and 100-calorie pack, Pepperidge Farm Goldfish Cheddar Made with Whole Grain</p> <p>Canned pasta: Campbell’s Spaghettios (plain and meatball)</p>
Coca-Cola Co.	None – pledged no advertising to children <12
ConAgra	<p><i>Chef Boyardee</i> pasta</p> <p><i>Kid Cuisine</i> meals</p> <p><i>Hunt’s Snack Pack</i> pudding</p> <p><i>Peter Pan</i> peanut butter</p>
General Mills	<p>Cereals: Cinnamon Toast Crunch, Cocoa Puffs, Cocoa Puffs Combo, Cookie Crisp, Honey Nut Cheerios, Lucky Charms, Berry Lucky Charms, Chocolate Lucky Charms, Reese’s Puffs, Trix</p> <p>Yogurt: Yoplait Go-Gurt Fruit Flavors, Yoplait Trix Fruit Flavors Multi-pack, Yoplait Fizzix</p> <p>Fruit Snacks: Fruit by the Foot, Fruit Roll-Ups, Fruit Roll-Ups Stackerz, Fruit Gushers G Force, Fruit Gushers Flavor Shock and Spider-Man ³⁴⁷</p>
Hershey Co.	None – pledged no advertising to children <12
Kellogg	<p>Frosted Flakes cereal</p> <p>Eggo frozen breakfast products</p> <p>YoGos Rollers (fruit snacks)⁴⁸</p>

Examples of “Healthy Dietary Choices” to be Advertised to Children Under 12	
Kraft	<p>Beverages: CapriSun Roarin Waters (Tropical Fruit), CapriSun juice drinks (reformulated), Kool-Aid Singles</p> <p>Snacks: Nabisco Cheese Nips Baked Snack Crackers, Soccer Ritz Bits cracker sandwiches, Honey Maid Grahams n’ Apple Dip</p> <p>Cereal: Cocoa Pebbles</p> <p>Other: Lunchables Chicken Dunks, Lunchables Mini Tacos⁴⁹</p>
Mars	None – pledged no advertising to children <12
McDonald’s	<ul style="list-style-type: none"> • a 4-piece Chicken McNuggets Happy Meal with low fat white milk and apple dippers with low-fat caramel dip • a Hamburger Happy Meal with low fat white milk and apple dippers with low-fat caramel dip • a grilled Snack Wrap with a Fruit n’ Yogurt Parfait with granola and bottle of water
PepsiCo.	<p>Baked! Cheetos Crunchy Cheese Flavored Snacks</p> <p>Baked! Cheetos Flamin’ Hot Cheese Flavored Snacks</p> <p>Baked! Cheetos Cracker Trax Cheesy Cheddar and Spicy Cheddar flavored baked snack crackers</p> <p>Gatorade Thirst Quencher</p>
Unilever	<p>Certain Skippy and Popsicle brand products, e.g.:</p> <p>Skippy Creamy Peanut Butter</p> <p>Skippy Natural Creamy Peanut Butter Spread</p> <p>Skippy Reduced Fat Creamy Peanut Butter</p> <p>Skippy Roasted Honey Nut Creamy Peanut Butter</p> <p>Popsicle Snow-Cone</p> <p>Popsicle Firecracker</p> <p>Fat Free Fudgsicle</p> <p>Popsicle Sugar Free Life-Saver Pops</p>

Endnotes

1. Internet advertising includes advertising on both third-party websites and company-owned websites. *See* Children’s Food and Beverage Advertising Initiative: Initiative Program Document 1 (Initiative Program Document), <http://us.bbb.org/WWRRoot/storage/16/documents/InitiativeProgramDocument.pdf> (last visited July 9, 2008).
2. Although Burger King and other companies reference Arbitron data as one means of determining whether particular radio programming is directed to children, Arbitron does not, as of the date of this report, provide data for the 2-11 age range. This appears to be an inadvertent error on the part of the companies. In any event, it appears to be widely agreed in the industry that Radio Disney is the only commercial radio directed at children.
3. McDonald’s states that it generally does not utilize print media in its national advertising primarily directed to children under 12. *See* McDonald’s USA, LLC, July 2007 Pledge at 2, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).
4. Burger King states that this commitment does not apply to any local activity engaged in by independent franchisees, and, pursuant to the Initiative’s core principles, does not apply to displays of food and beverage products, charitable fundraising, public service messaging, or items provided to school administrators. *See* Burger King, Sept. 2007 Pledge at 4 n.12, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008). *See also* McDonald’s USA, LLC, *supra* note 3, at 4 n.5.
5. Cadbury states that it has a pre-existing practice of not advertising to children under 8. *See* Cadbury Adams, USA, LLC, July 2007 Pledge at 1, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008). As of the date of its pledge in July 2007, Cadbury advertised only one brand to children under 12 – Bubblicious. *Id.*
6. Mars cites National Geographic Kids as an example of a child-directed print publication. *See* Mars, Inc., July 2007 Pledge at 3-4, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).
7. Although Mars has pledged not to direct any advertising to children, it provided criteria for products that would constitute “Healthier Dietary Choices”: ≤150 calories, ≤2g cholesterol-raising fat, ≤0.5g trans fat, ≤35% sugar, and one of the following: (1) is ½ serving of vegetable, fruit, whole grain or low fat dairy; (2) is 25% lower in total fat, sodium or sugar, or (3) contains 20% Daily Value of a nutrient for which children ages 9-12 are deficient, such as Vitamins E and K, Magnesium, Calcium, and fiber. *See id.* at 2.
8. In connection with its pledge, Mars eliminated several online games originally developed for children under 12 that appeared on company websites featuring traditional confectionary or snack food products (*i.e.*, those not meeting nutrition criteria). *See id.* at 4.
9. Hershey has also pledged not to license its brands for use on educational materials or materials intended for use in elementary or secondary schools. *See* The Hershey Company, July 2007 Pledge at 1, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).
10. PepsiCo offers both beverage and snack food products, under the following brands: Pepsi-Cola, Aquafina, Tropicana, Gatorade, Frito-Lay, and Quaker. *See* PepsiCo, Inc., July 2007 Pledge at 1, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).
11. Coca-Cola states that it has a historical and continuing practice of not placing ads for any of its beverages in any media “primarily directed to, and [having] an audience of 50% or more,” children under 12. *See* The Coca-Cola Company, July 2007 Pledge at 2, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).

12. PepsiCo states that it determines whether a particular media is directed to children under 12 in accordance with guidelines set forth by the Children’s Advertising Unit (CARU) of the Better Business Bureau, which analyze several factors: whether the media content is designed for children under 12 (*e.g.*, subject matter, format, characters, other advertising); whether the advertised product or service is intended for use by or of interest to children under 12; where is the media itself promoted and advertised; available projections of audience demographics (*i.e.*, is a majority of the audience projected to be under 12); and, for TV, whether the program is aired during what is generally considered “kids programming.” *See* PepsiCo, Inc., *supra* note 10, at 1-2.
13. “PIB” stands for Publisher’s Information Bureau, and “MRI” stands for Mediamark Research. *See id.* at 3.
14. Coca-Cola states that the company would submit a revised pledge if it decided in the future to advertise on programming directed to children. *See* The Coca-Cola Company, *supra* note 11, at 2.
15. Specific nutrient limits and other requirements vary by food products category, such as beverage, food, or snack, and are set forth at PepsiCo, Smart Spot Product Criteria, www.smartspot.com/about/criteria (last visited July 11, 2008).
16. That is, the product must deliver “a functional benefit via natural or fortified ingredients proven to be efficacious.” *See id.* One example provided in PepsiCo’s pledge is the beverage Gatorade, which has been formulated for rehydration.
17. The reduction is measured in comparison to the “base product or other appropriate reference product.” *See id.*
18. Examples of these nutrients include: Vitamin A, C, iron, calcium, protein, or fiber. *See id.*
19. Coca-Cola states that it is updating its “vend fronts” in schools to replace “full calorie sparkling beverage brands” with either non-commercial messaging or brands consistent with the company’s Model School Guidelines and the American Beverage Association’s School Beverage Guidelines. *See* The Coca-Cola Company, *supra* note 11, at 4.
20. PepsiCo’s commitment specifically includes “books covers, book packs, pencils, posters, and the like.” *See* PepsiCo, Inc., *supra* note 10, at 4.
21. Campbell Soup Co. provided an “illustrative list” of media outlets for which is it assumed, for purposes of their pledge, that ads are directed to children aged 6-11. Examples include:
 - Cable TV networks: Nickelodeon, Nicktoons, Cartoon Network, Toon Disney
 - Saturday Morning “Kids Block” on broadcast networks ABC, CBS, NBC, Fox, CW
 - Print publications: DC Comics Group, Disney Adventures, National Geographic Kids, Sports Illustrated Kids, Nickelodeon Magazine
 - Company websites: myslurp.com, pfgoldfish.com
 - Third-party websites: Disney Channel, Cartoon Network, Nick, Neopets, Kaboose, WB, SI Kids, Yahoo! Kids
 - Radio: Radio Disney

See Campbell Soup Company, July 2007 Pledge at Schedule B, *available at* Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).
22. *E.g.*, a serving of vegetables, or 10% Daily Value or more of a vitamin or mineral. *See id.* at 3.
23. The reduction is measured in comparison to the largest-selling canned pasta item in that product category. *See id.* at 5.
24. The nutrients will include one that is in short supply in children’s diets, such as fiber, calcium, potassium, or vitamin E. *See id.* at 5.
25. Campbell Soup Co. has committed to limit its activities in elementary schools to: “(a) communicating public service messages through materials provided to food service personnel, school administrators, or teachers and designed for use in either classrooms or the lunchrooms; (b) supporting charitable fundraising activities

- or other programs benefitting schools, through such efforts as our Labeling for Education program; and (c) providing product display materials to foodservice personnel.” *See id.* at 8.
26. This effective date is subject to existing contractual obligations. *See Kellogg Company, July 2007 Pledge at 2, available at Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWWRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).*
 27. Audience composition is to be determined using AC Nielsen ratings for TV and Internet, SRI Research for radio, and Simmons and MRI data for print publications. *See General Mills, Inc., July 2007 Pledge at 6, available at Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWWRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).*
 28. Examples of covered publications cited by the company include: National Geographic Kids, Sesame Street Magazine, Sports Illustrated Kids, Nickelodeon, American Girl, Boys Life. *See Kellogg Company, supra* note 26, at 3.
 29. This limitation excludes sugar that naturally occurs in dairy, fruit and vegetables. Amount is per serving. *See General Mills, Inc., supra* note 27, at 3.
 30. General Mills sets forth FDA’s definition as follows: 3g or less total fat; 1g or less saturated fat and no more than 15% of calories from saturated fat; 480 mg or less of sodium; 60mg or less cholesterol; at least 10% daily value of vitamin A, vitamin C, calcium, iron, protein or fiber. *See id.* at 10.
 31. Specific limits on these nutrients are: not more than 230 mg sodium for cereal and snacks or 480 mg for side and main dishes; no more than 2g saturated fat; and 0g labeled trans fat. One-half serving is equivalent to: 8g of whole grains, 1/4 cup of fruit or vegetable, ½ cup of fat-free or low-fat dairy. *See id.* at 9.
 32. This commitment includes an exception for Eggo frozen waffle/products, which have a maximum allowable sodium level of 460 mg under Kellogg’s nutrient criteria. *See Kellogg Company, supra* note 26, at 3 n.1.
 33. This limitation excludes sugar that naturally occurs in dairy, fruit and vegetables. Amount is per serving. *See id.* at 3
 34. General Mills also pledged that company websites and interactive games directed to children under 12 will feature a 30-minute “activity break” which pauses the game to encourage kids to engage in another “more active” activity. *See General Mills, Inc., supra* note 27, at 12.
 35. The company also states that it will limit access by children under 12 (through use of age screening and/or parental consent) to company websites for brands that do not meet nutrient criteria. In addition, the company has committed to implementing automatic breaks and lifestyle messaging on websites and webpages that are targeted to or designed to appeal to children under 12. *See Kellogg Company, supra* note 26, at 4.
 36. Kellogg notes that it will honor existing contractual obligations, most of which end during 2008, and all of which end by December 31, 2009. *See id.* at 3.
 37. As applied to Internet advertising, this commitment was effective October 15, 2007. *See Unilever, July 2007 Pledge at 5, available at Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWWRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).*
 38. “Kids viewing time” is defined as “designated by media providers.” *See Kraft Foods Inc., July 2007 Pledge at 3, available at Council of Better Business Bureaus, Company Pledges, <http://us.bbb.org/WWWRoot/SitePage.aspx?site=113&id=9a35a6f9-6768-4ad6-8b1d-9bb1039da8cd> (last visited July 11, 2008).*
 39. This determination is made based on MRI- reported readership data for publications and Arbitron-reported audience data for radio. Examples: American Girl, Boy’s Life, Disney Adventures, Girls’ Life, Highlights, National Geographic for Kids, Nickelodeon, Nintendo Power, Official US Playstation, Official Xbox Magazine, PSM Playstation 2, Sports Illustrated for Kids, Time for Kids, Tips & Tricks, Radio Disney. *See id.* at 3.
 40. Audience composition is based on Nielsen//NetRatings or comScore data. *See id.* at 3.

41. Unilever states that whether a program constitutes “kids programming” is determined based on the time of day during which the ad appears and the media outlet, or if the program is counted toward the broadcaster’s or cablecaster’s Children’s Television Act obligations. *See* Unilever, *supra* note 37, at 8.
42. For example, the product may contain 10% or more of the Daily Value of Vitamin A, C, or E, calcium, magnesium, potassium, iron, protein or fiber, or may comprise at least a half-serving of fruit or vegetable. A “functional benefit” may include heart health. *See* Kraft Foods, Sensible Solution Nutrition Criteria, <http://kraftfoods.com/kf/HealthyLiving/SensibleSolution/NutritionCriteria.htm#generalcriteria> (last visited July 10, 2008).
43. Product categories include Beverages, Cereals, Cookies, and Crackers and Snacks. *See* Kraft Foods, Sensible Solution Nutrition Criteria, www.kraftfoods.com/kf/HealthyLiving/SensibleSolution/NutritionCriteria.htm (last visited July 11, 2008), for a complete list of product categories and relevant nutrition criteria.
44. Kraft states that it will only use licensed characters “on a long-term basis” in advertising for Sensible Solutions products. The company also uses licensed characters in “short-term promotions” for brands across Kraft’s portfolio, but has committed that any advertisements for such promotions will only feature Sensible Solutions products. *See* Kraft Foods Inc., *supra* note 38, at 5.
45. Consistent with the Initiative’s Core Principles, Unilever states that this commitment does not apply to displays of branded or unbranded food and beverage products, charitable fundraising activities, public service messaging, or advertising directed to school administrators. *See* Unilever, *supra* note 37, at 5.
46. The only product advertised to children as of the date of Cadbury’s pledge was Bubblicious.
47. Chocolate Lucky Charms, Trix, and Yoplait Trix Fruit Flavors Multi-pack did not meet the sugar standard at the time of General Mills’ pledge. Accordingly, the company committed to either reformulating the products to meet the standard, or discontinuing advertising them to children under 12 by December 31, 2008. *See* General Mills, Inc., *supra* note 27, at Schedule D.
48. Among the products that did not meet Kellogg’s nutrition criteria as of June 2007 were: Apple Jacks, Froot Loops, Cocoa Krispies, Raisin Bran, and Rice Krispies cereals; Pop-Tarts toaster pastries (42 varieties); and YoGos fruit snacks (5 varieties). Nearly 50% of Kellogg’s products did not meet the criteria as of June 2007. *See* *Kellogg Won’t Market Sugary Cereals to Kids*, CBS News, June 14, 2007, www.cbsnews.com/stories/2007/06/14/health/main2926923.shtml (last visited July 11, 2008).
49. Among the products that did not meet Kraft’s nutrition criteria were: Original CapriSun juice drinks and Kool-Aid beverages, Original Oreos and Chips Ahoy cookies, Froot Loops cereal, Kraft “Handi-Snacks” snacks, Original Lunchables lunch combinations, Kraft macaroni & cheese. *See* Transcript of FTC/HHS Forum on *Marketing, Self-Regulation & Childhood Obesity* (July 18, 2007) at 29, available at www.ftc.gov/bcp/workshops/childobesity/index.shtml.

Appendix F

Tables Summarizing Alliance for a Healthier Generation School Beverage and Competitive Food Guidelines

ALLIANCE FOR A HEALTHIER GENERATION

I. School Beverage Guidelines

- Participants: Cadbury Schweppes Americas Beverages, The Coca-Cola Company, PepsiCo, The American Beverage Association, dairy processors and associations.
- Guidelines apply to all beverages (outside of the school meal) sold to students on school grounds during the regular and extended school day.¹

Except as otherwise indicated, beverages in each category must meet ALL requirements listed:

	Elementary School	Middle School²	High School *at least 50% of non-milk beverages must be water and no- or low-calories options
Water	Yes	Yes	Yes
Milk	<ul style="list-style-type: none"> • Up to 8-oz serving • Fat-free or low-fat • Regular or flavored • ≤150 calories/8 oz³ 	<ul style="list-style-type: none"> • Up to 10-oz serving • Fat-free or low-fat • Regular or flavored • ≤150 calories/8 oz⁴ 	<ul style="list-style-type: none"> • Up to 12-oz serving • Fat-free or low-fat • Regular or flavored • ≤150 calories/8 oz⁵
Juice	<ul style="list-style-type: none"> • Up to 8-oz serving • 100% juice • No added sweeteners • ≤120 calories/8 oz • ≥10% recommended DV for 3 or more vitamins, minerals 	<ul style="list-style-type: none"> • Up to 10-oz serving • 100% juice • No added sweeteners • ≤120 calories/8 oz • ≥10% recommended DV for 3 or more vitamins, minerals 	<ul style="list-style-type: none"> • Up to 12-oz serving • 100% juice • No added sweeteners • ≤120 calories/8 oz • ≥10% recommended DV for 3 or more vitamins, minerals
Other	Not permitted	Not permitted	<u>Either:</u> <ul style="list-style-type: none"> • No- or low-cal beverages with ≤10 cal/8 oz <u>Or:</u> <ul style="list-style-type: none"> • Up to 12-oz serving of other drinks with ≤66 calories/8 oz

Examples from Participants' School Beverage Catalogs⁶

Products Meeting Alliance Guidelines

Company	Elementary School	Middle School	High School
Cadbury Schweppes	Snap-2-O (water) Deja Blue (water)	Snap-2-O (water) Deja Blue (water)	Snap-2-O (water) Deja Blue (water) Schweppes Sparkling Water (v)** Canada Dry Seltzer (v) Snapple 100% Juiced Clamato Diet Snapple (v) Snapple Diet Green Tea (v) Country Time Light Lemonade Light Hawaiian Punch Diet Dr. Pepper (v) Diet 7-Up (v) Diet A&W Root Beer Diet Sunkist Diet Canada Dry (v)
Coca-Cola Co.	Dasani (water) Minute Maid 100% juice (6.75 oz box) <ul style="list-style-type: none"> ● Kids + Orange Juice ● Apple Juice ● Fruit Punch 	Dasani (water) Minute Maid 100% juice (6.75 oz and 10 oz) (v)	Dasani (water) Dasani flavored water (v) Minute Maid 100% juice (6.75 oz and 10 oz) (v) V8 Vegetable juice (v) Diet Coke (v) Coca-Cola Zero Sprite Zero Diet Barq's FRESCA Fanta Orange Zero Minute Maid Light Orangeade PowerAde Option (v) Diet Nestea (v) FUZE (v)

Company	Elementary School	Middle School	High School
PepsiCo	Aquafina (water) Tropicana Pure Premium Orange Juice (6 and 8 oz boxes) (v)	Aquafina (water) Tropicana Pure Premium O.J. Dole Plus Juice (v)	Aquafina (water) Aquafina Alive (v) Aquafina Sparkling (v) Tropicana Pure Premium O.J. Dole Plus Juice (v) Diet Mountain Dew Diet Mug Root Beer Diet Pepsi (v) Diet Tropicana Twister Soda Sierra Mist Free Propel Fitness Water (v) Diet Lipton Iced Tea (v) Gatorade All Stars (v) (12 oz) SoBe Synergy (v) (11.5 oz)

** As used in this table, the symbol “(v)” indicates that multiple varieties or flavors of the product meet the Guidelines criteria.

II. Guidelines for Competitive Foods

- Participants include: Campbell Soup Company, The Dannon Company, Inc., Dole Food Company, Kraft Foods Global, Inc., Masterfoods USA (a division of Mars, Inc.), PepsiCo Inc., Stemilt Growers, and the Snack Food Association.⁷
- Competitive foods are those for sale other than through the school’s meal program or entrees sold through an a la carte program. They include snacks, desserts, side items and treats sold in vending machines, a la carte lines, school stores, snack carts and as fundraisers.⁸

Except as otherwise indicated, foods in each category must meet ALL requirements listed:

Fruits & Vegetables	<ul style="list-style-type: none"> • No added sweeteners (fruit) • Not fried (vegetables) • If fresh, no calorie limit • If packaged in own juice or dried, product may have up to: <ul style="list-style-type: none"> • 150 calories for elementary schools • 180 calories for middle schools • 200 calories for high schools
Cheese	<ul style="list-style-type: none"> • Reduced fat or part-skim • No more than 1.5 ounces/serving
Egg	<ul style="list-style-type: none"> • No added fat • One egg limit⁹
Other	<ul style="list-style-type: none"> • ≤35% total calories from fat¹⁰ • ≤10% calories from saturated fat <u>or</u> ≤1 g saturated fat • 0 g trans fat • ≤35% sugar by weight • ≤230 mg sodium¹¹ • If dairy, must be low-fat or non-fat • ≤100 calories¹² <i>unless</i> product contains <u>one or more additional nutritional benefits</u>¹³ – then, product may have up to: <ul style="list-style-type: none"> • 150 calories for elementary schools • 180 calories for middle schools • 200 calories for high schools

Examples from Participants' School Snack Catalogs¹⁴

Products Meeting Alliance Guidelines

Product Category	Elementary School	Middle School	High School
Bars, Bites & Baked Goods	Quaker Chewy 25% Less Sugar Granola Bars (v)** Quaker Chewy 90-Calorie Granola Bars (v) Quaker Fruit Crisp Bars (v) Quaker Oatmeal To Go (v)	<i>All Elementary School offerings plus:</i> Quaker Breakfast Cookies (v)	<i>All Elementary & Middle School offerings plus:</i> On Track Energy Bars (v)
Snacks	100-Calorie Pack Chips Ahoy! Thin Crisps 100-Calorie Pack Cheese Nips Mini Pepperidge Farm Goldfish Snack Crackers (v) Physedibles Baked Animal Crackers (v) Honey Maid Grahams M&M's Cookies Snickers Clusters 3Musketees Brownie Bar Baked! Cheetos (v) Baked! Lays (v) Baked! Tostitos (v) Reduced Fat Doritos (v) Reduced Fat Smartfood Popcorn Stacy's Soy Crisps Frito-Lay Sun Chips Teddy Grahams (v) Combos Crackers (v) Stemilt Sliced Apples (v)	<i>All Elementary School offerings plus:</i> 100-Calorie Pack Oreo Thin Crisps Cornnuts Crunchy Toasted Corn	<i>All Elementary & Middle School offerings plus:</i> Honey Graham Snack Mix Stacy's Pita Chips
Cookies, Desserts	Jello Fat Free Pudding Snacks (v)	<i>Same as Elementary School offerings</i>	<i>Same as Elementary School offerings</i>

Product Category	Elementary School	Middle School	High School
Dairy	Breakstones Cottage Doubles (v) Knudsen's Cottage Doubles (v) Dannon Creamy Fruit Blends Lowfat Yogurt (v) Danimals Drinkable Lowfat Yogurt & Smoothies (v) Dannon Fruit on the Bottom (v) Dannon Light & Fit Nonfat Yogurt (v) Snackables Low Moisture Part-Skim Mozzarella String Cheese	<i>All Elementary School offerings plus:</i> Danimals XL Drinkable Lowfat Yogurt (v) Frusion Smoothies (v)	<i>All Elementary & Middle School offerings</i>
Soup	Campbell's Tomato Condensed Campbell's Goldfish Soup Campbell's Healthy Request Soups (v) Campbell's V8 Soups & Chilis (v) Campbell's Well and Good Soups (v)	<i>Same as Elementary School offerings</i>	<i>Same as Elementary School offerings</i>
Side Items	McCain Foods Varieties (including Ore Ida): Fries, Shoestrings, Potato Wedges, Potato Skins, Hashbrowns, Sweet Potato Thin Stix	<i>Same as Elementary School offerings plus:</i> Harvest Splendor Sweet Potato Deep Groove Crinkle	<i>Same as Elementary & Middle School offerings</i>

** As used in this table, the symbol "(v)" indicates that multiple varieties or flavors of the product meet the Guidelines criteria.

Endnotes

1. The Guidelines do not apply to school-related events where parents and other adults comprise a significant portion of the audience or are selling beverages as boosters. *See* Alliance for a Healthier Generation, School Beverage Guidelines, www.healthiergeneration.org/beverages/ (last visited July 9, 2008).
2. If middle and high school students have shared access to areas on a common campus or in common buildings, then the school community has the option to adopt the high school standard. *See id.*
3. Due to limited availability of flavored milk with less than 150 calories per 8-ounce serving, the calorie limit for flavored milk is extended to 180 until August 31, 2008, and to 210 calories in California (180 calorie limit thereafter). *See id.*
4. *See id.*
5. *See id.*
6. *See* School Beverage Catalogs for Cadbury Schweppes, The Coca-Cola Company, and PepsiCo, *available at* Alliance for a Healthier Generation, What Products Qualify, www.healthiergeneration.org/schools.aspx?id=774 (last visited July 9, 2008). The products listed in the table are illustrative examples only and do not constitute a complete list of qualifying products.
7. Other participants include: The Bachman Company, Barrel O’Fun, Blue Bunny, Bouquet of Fruits, Dale & Thomas Popcorn, Have your cake and eat it too!, Kind Cakes, McCain Foods USA, and Nadja Foods.
8. *See* Alliance for a Healthier Generation, Guidelines for Competitive Foods Sold in Schools to Students, www.healthiergeneration.org/uploadedFiles/For_Schools/Helpful_Tools/Competitive%20Foods%20Guidelines%20Text%20Version-09-03-07.pdf (last visited July 9, 2008).
9. An equal amount of egg equivalent is permitted, with no added fat. *See id.*
10. Nuts, nut butters, and seeds are exempt from this limitation and are permitted. In addition, products with no more than 7% of calories from saturated fat may have up to 40% calories from total fat until August 31, 2008. *See id.*
11. Vegetables with sauce, and soups, may have up to 480 mg sodium if they contain one or more of certain specified nutrients, and soups meeting that requirement may have up to 750 mg sodium until August 31, 2008. *See id.*
12. Vegetables with sauce, and soups, may have up to 150 calories if they contain two or more of the following: ≥ 2 g fiber; ≥ 5 g protein; $\geq 10\%$ daily value of Vitamin A, C, E, folate, calcium, magnesium, potassium, or iron; $\geq 1/4$ cup fruit or vegetables. *See id.*
13. These benefits are: ≥ 2 g fiber; ≥ 5 g protein; $\geq 10\%$ daily value of Vitamin A, C, E, folate, calcium, magnesium, potassium, or iron; $\geq 1/4$ cup fruit or vegetables. *See id.*
14. *See* Alliance for a Healthier Generation, Healthy Schools Product Navigator, www.healthiergeneration.org/productnavigator/ (last visited July 9, 2008). The products listed in the table are illustrative examples only and do not constitute a complete list of qualifying products.

