

# Children and the Changing World of Advertising

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**ABSTRACT.** Concerns about children's ability to fully comprehend and evaluate advertising messages has stimulated substantial research and heated debate among scholars, business leaders, consumer advocates, and public policy makers for more than three decades. During that time, some very fundamental questions about the fairness of marketing to children have been raised, yet many remain unresolved today. With the emergence of increasingly sophisticated advertising media, promotional offers and creative appeals in recent years, new issues have also developed. This paper provides a basis for further examination of some the key questions in this area, and suggests how children's advertising research can be employed to illuminate them.

## Introduction

Advertising is ever-present in the lives of most American children. Estimates suggest that children spend an average of 4 hours per day watching television and are exposed to as many as 25,000 commercials in a single year (Federal Communications Commission, 2003; Kunkel, 2001). Emerging media such as the Internet have further expanded advertising's reach and offer novel opportunities to target this young audience. Approximately 88% of children between 5 and 14 years old use computers, and 53% have access to the Internet (U.S. Department of Education, 2003). Concern about children's ability to comprehend and evaluate these selling messages has stimulated substantial research and heated debate since the early 1970s. Embedded within this debate

is the contention that advertising to children is inherently "unfair." Critics assert that it is unfair because children lack the cognitive skills and life experiences needed to resist persuasive claims. Supporters, on the other hand, have argued that children's vulnerabilities are often overstated and that by providing product information advertising helps parents and children to make more informed choices. The scope of this debate has broadened in recent years with the emergence of more sophisticated advertising venues. Children are now exposed to advertising in multiple media each of which has particular strengths as a tool for persuasion. As a result, they face new challenges in terms of their capacity to interpret and assess commercial messages. Currently, there is little direct empirical evidence that shows how children are responding to this changing media environment.

The present paper provides a basis for further examination of some key issues that arise in this area, and suggests how children's advertising research can be employed to illuminate them. Through deeper understanding of children's developmental capacities we can begin to address the broader ethical questions about the fairness or unfairness of marketer actions. Before turning to these issues, however, it is helpful to briefly review the current scope of advertising aimed at this young audience.

## Children as a target market

Marketers have long recognized the economic potential of the children's market. Recent estimates suggest that children account for approximately \$24 billion in direct spending each year, and influence an additional \$500 billion in family purchases (McNeal, 1998). Children are also viewed as a future market, and are thus often the target of campaigns aimed at

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forging brand loyalties at an early age (e.g., Moore et al., 2002).

In 2002, approximately \$15 billion was spent in the U.S.A. on marketing communications directly targeted at children (Center for Science in the Public Interest, 2003). This included television and print advertising, product placements, sales promotions, packaging design, public relations, and in-school marketing. There is little doubt that television remains the most effective medium to reach children. On average, U.S. children are viewing almost 5 hours of television commercials per week. A recent study conducted with "tweens" (ages 9–14) in seven countries indicates that these young people view TV as the single most important source of product information (Lindstrom and Seybold, 2003). Toys, breakfast cereals, candy and snacks account for more than 75% of all commercials shown during Saturday morning network schedules (Macklin, 2003), with targeted networks such as Nickelodeon and Cartoon Network offering similar fare. However, children are exposed to a much wider range of products via TV commercials because they also tend to be regular viewers during the prime time hours. In the study of "tweens" noted above, participants were asked about cars, fashion, and cell phones: the children were well aware of various brands in these product categories and readily supplied opinions about them. Studies of media use further suggest that new media such as the Internet are not displacing television viewing but rather supplementing it (Montgomery, 2001). Advertising for individual brands now frequently appears in multiple media; each capitalizing on the specific advantages of that communications channel.

### Advertising's impacts on children

At the root of the children's advertising debate is the question of children's unique vulnerabilities. Concerns about young children range from their inability to resist specific selling efforts to a fear that without benefit of well-developed critical thinking skills they may learn undesirable social values such as materialism (Macklin, 2003). The Center for Science in the Public Interest (CSPI) has recently issued a detailed report arguing that growing health problems such as childhood obesity and poor diets can be linked to

the advertising of high fat, high sugar foods aimed at this young audience (Center for Science in the Public Interest, 2003). These kinds of longstanding concerns stimulated considerable research in the 1970s and early 1980s much of which focused on the impacts of television advertising. Significantly less research attention has been devoted to this topic in recent years, despite the growth in marketing communications now targeting children.

Drawing on information processing and developmental stage theories, researchers have studied what children understand in commercial messages, under what conditions they are persuaded, and how their responses change as they mature (see Roedder, 1999 for a review). Among the most basic tenets of this research is that younger and older children differ both in terms of their general understanding of advertising's purpose as well as in how they deploy this knowledge when responding to specific advertisements. To evaluate advertising, children must acquire at least two key information processing skills. First, they must be able to distinguish between commercial and non-commercial content. Second, they must be able to recognize advertising's persuasive intent and use this knowledge to interpret selling messages.

By about age five, most children can make a perceptual distinction between commercials and television programs (e.g., Blatt et al., 1972). Young children can articulate that commercials are "shorter" or "funnier" than programs. However, perceptual differentiation does not necessarily mean that children have a conceptual understanding that advertising content is independent of the entertainment that surrounds it (Kunkel, 1988). Thus, researchers and policymakers view a child's capacity to recognize advertising's persuasive intent as a developmental milestone. By approximately 8 years of age most children have at least an initial understanding that advertising aims to sell products (e.g., Macklin, 1987; Roberts, 1982). Traditionally, it has been assumed that once children understand the persuasive purpose of advertising that they become more skeptical and are then capable of resisting its appeal (Federal Trade Commission, 1978; Rossiter and Robertson, 1974). Advertising thus has the power to shape children's thinking until they acquire "cognitive and attitudinal defenses."

Younger children have generally been thought to be especially vulnerable. They are less likely to

understand advertising's essential intent, tend to believe message claims, and have more positive attitudes about advertising. Older children (10–12 year-olds), on the other hand, readily acknowledge that advertising does not always tell the truth and are more likely to express skeptical views of advertising (e.g., Boush et al., 1994; Robertson and Rossiter, 1974). However, a general understanding and skeptical attitude may not be sufficient. Children between the ages of 8 and 12 tend not to invoke their knowledge of persuasive influence attempts when viewing a television commercial, unless explicitly reminded to do so (Brucks et al., 1988). Thus, having “cognitive and attitudinal defenses” is not the same thing as using them. This has proven to be a critical distinction.

### Existing protections in the marketplace

Self-regulatory and government actions have been undertaken over the years to try to create special protections for this vulnerable audience. However, the U.S.A. has fewer governmental restrictions on advertising to children than most other Western nations. The Federal Communications Commission (FCC) regulates the number of commercial minutes allowed during children's television programming.<sup>1</sup> It also prohibits “program length commercials” and “host selling” (i.e. character endorsements) that may make it difficult for children to distinguish between program and commercial content (Federal Communications Commission, 2003). Broadcasters insert separators between television programs and commercials so that young children are explicitly encouraged to differentiate between them. Within the self-regulatory arena, the Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus plays a key role in promoting responsible advertising targeted at children under 12 years of age. CARU publishes detailed ‘Self-Regulatory Guidelines’ for advertisers, and does extensive monitoring and evaluation of child-directed ads appearing in all media (Children's Advertising Review Unit, 2003). When an ad is found to be misleading or inaccurate, CARU seeks the voluntary cooperation of the advertiser in resolving the problem. CARU plays a highly valued and respected role in the marketing system. Despite the

great value of this self-regulatory mechanism in resolving individual cases however, it does not address the more fundamental question of whether it is fair to advertise to children at all (Kunkel, 2001).

More than 20 years ago, the Federal Trade Commission (FTC) proposed a trade regulation rule that would have severely restricted or banned all television advertising to children (FTC, 1978).<sup>2</sup> The Commission argued that advertising to children too young to understand its selling intent is “inherently unfair and deceptive,” under Section 5 of the FTC Act. Political opposition to the rule was swift and powerful, and in 1980 Congress prohibited any further action toward adoption of the proposed rule. After the congressional mandate was implemented, scientific research and interest in the impacts of children's advertising waned considerably.<sup>3</sup> This was in marked contrast to the intense research effort devoted to this topic in the 1970s. *A principal result of these events is that fundamental issues raised about children's capacity to understand, and defend themselves against advertising have never been fully resolved.* This is not unique to the children's advertising debate. Other important consumer protection questions have also been “left behind” (and left unresolved) as researchers turn their attention to new frontiers (Andreasen, 1997).

### The blurring of advertising and entertainment

As the media landscape children face has diversified, the lines between advertising and entertainment have become increasingly blurred. This is true across media. For example, television commercials have become increasingly focused on entertainment and image creation, and are often tied to enticing web site games and activities through brand characters. Children's magazines also often include puzzles, games, comics, or editorials that are sponsored by advertisers. Promotional tie-ins or placements in movies further muddy the distinction between advertising and entertainment designed for children.<sup>4</sup> Toys, apparel and foods provide tangible reinforcements. More generally, commercially sponsored web sites containing games, contests and promotions designed for children pervade the Internet. Estimates suggest that 98% of children's sites now permit advertising, and that more than two

thirds of web sites designed for children rely on advertising as their primary revenue stream (Neuborne, 2001).

Children are ready consumers of these marketing communications: approximately 64% of children (5–14) who access the Internet do so to play games (U.S. Department of Education, 2003). Engaging “advergames” are now prevalent on web sites designed for, and visited by children. These advertiser sponsored interactive games embed brand messages in colorful, fun and fast-paced adventures (see, for example, Nabiscoworld.com or McDonalds.com). Brands represent an integral component of the games whether as game pieces, prizes or secret treasure. By playing the games brand awareness is reinforced, and repeat visits are encouraged.

Online games and contests can provide deeper more extended interaction with a brand message than is typical in traditional advertising. Estimates suggest that visitors to online gaming sites spend an average of 26 minutes (Fattah and Paul, 2002). Interactive games can provide a highly involving consumption experience such that the consumer becomes “immersed” in the medium (e.g., Ferrazzi and Benezra, 2001). More broadly, the web has the potential to deliver a brand message in such a way that consumers will interpret it more like information obtained from their own direct experience with a product, than as an advertisement (Klein, 2003). Academic research with adults suggests that compelling web content provides “virtual product experiences” that result in more positive and confidently held brand attitudes than that engendered by traditional communications (e.g., Li et al., 2003). When these sites also offer entertainment, consumers become more favorable toward the brands they see (Raney et al., 2003). So, rather than capturing children’s attention for thirty seconds through a television commercial, the advertiser may now engage children for several minutes in this potentially powerful, interactive medium.

Despite claims in the business press that children have become more sophisticated and astute in their judgments about the marketplace (e.g., Lindstrom and Seybold, 2003), there is little evidence to suggest that children’s understanding of advertising and how it works can be accelerated beyond their capacities at key points in their cognitive development. Discriminating between an advertisement and enter-

tainment may be a much more difficult task for a child in this seamless environment. For example, when children play “Lifesavers Boardwalk Bowling”<sup>5</sup> or the “Oreo Dunking Game” where should they draw the line between commercial and content? Does such a line exist?

### **When entertainment persuades**

Marketing communications targeted at children are thus more readily integrated than in the past: advertising, entertainment, and the brand experience reinforce and flow into one another. Are children likely to draw on their understanding of advertising’s persuasive intent when surrounded by multiple modes of communication? What role does entertainment play in the persuasion process? Very few studies have examined the combined impacts of advertising with other marketing stimuli. Here, I report briefly on the findings of two empirical studies conducted with 7–11 year-old children that provide some insight into this issue. Combining both depth interviews and experimentation the studies were designed to learn about how children think about advertisements and how they link what they see to their everyday experiences with products. The findings suggest that older children (11–12 year olds) may actually be more attentive to the entertainment provided by advertising than younger children (7–8 year olds), and are more likely to allow it to shape their interpretations of product usage (see Moore and Lutz 2000 for more detailed findings).

In the first study, a series of depth interviews (45–130 minutes) were conducted with 60 children between the ages of 7 and 12. These interviews revealed two seemingly disparate points-of-view, one rather narrow and product focused (younger children), and the other, more inclusive, yet firmly centered on creative dimensions (older children). The younger children focused primarily on advertisements as information about brands that had personal relevance in their daily lives. They generally restricted their comments to brands that they either personally owned, or sought for future acquisition. Other ads were often summarily dismissed for lacking personal interest on those dimensions. A very different perspective was evident among the

older children who seemed to view advertising both as entertainment, and as a purveyor of brand information. It was the amusement provided by an ad, its novelty, or drama that best captured their attention. The older children were fascinated by the way advertisements are constructed, and why particular creative techniques are used. They were able to detect multiple levels of meaning in ads employing hyperbole and fantasy. Thus, their view was much richer and broader than that of the younger children: they were able to understand and assimilate both the literal and figurative meaning present in many advertisements. However, their perceptions were also often fraught with misconceptions. Reflecting their relative inexperience in the marketplace, some of the older children believed that ads are supposed to contain fictional elements, and as a result permit advertisers substantial creative license in what they say about their brands. Unless an advertiser was perceived as having grossly overstepped the line between exaggeration and deliberate deception, the children tended to characterize genuine problems as merely innocent mistakes or oversights.

Given the apparent centrality of entertainment to the older children, an experiment was conducted to investigate the limits of its appeal. Seventy two children participated in the study, representing two age groups, second graders (7–8 year-olds) and fifth graders (10–11 year-olds). The goal of this second study was to assess whether advertising could influence children's perceptions of their product usage experiences. Intuitively, it would seem that direct experience with a product would overwhelm any possible lingering effects that an advertisement might have.<sup>6</sup> Once a child has a product in hand, what possible effect could prior advertising exposure exert? The results of this study were intriguing. Contrary to what theory might suggest, it was the older children in this study who continued to be influenced by advertising when consuming a product, particularly its entertainment-related dimensions. Appreciative of the creativity and cognizant of the intrinsic intent of the ads, the older children were more open to new information and ideas. If the older children enjoyed watching an advertisement, they were more likely to interpret their product usage experience positively. This was not true of the younger children who appeared to have difficulty cognitively integrating experiential evidence with

the fantasy and hyperbole in advertisements. They relied on product usage as the primary basis for their judgments.

Thus, the older children's increased cognitive sophistication, knowledge and experience with advertising may extend their receptivity to commercial content in some situations. The fact that older children are both more attentive to entertainment in advertising, and better able to integrate what they are exposed to across multiple media suggests that continuing concern is warranted for this age group. Equipped with the ability to integrate the fantasy in the ad with the brand reality, yet not ready to enlist their defenses spontaneously, these children may be particularly susceptible to its influence. By blurring the boundaries between advertising and entertainment advertisers may simply overwhelm the defenses children are still in the process of building. At least some marketing practitioners believe this to be the case among the older, presumably more sophisticated children:

“Advertainment has proved to be one of the most effective tools in tween marketing...Disguising promotions as games and comics makes it harder for tweens to be skeptical of advertising messages”

(Lindstrom and Seybold, 2003, p. 225).

The blurring of advertising and entertainment targeted at children is a social, political, and ethical issue that deserves our collective attention. The range, level and sophistication of advertising targeted to children continues to accelerate. With the targeted completion of the transition to digital TV just a few years away, the opportunity for seamless integration of television content and commercial web sites is upon us. Empirical research is needed now to understand how children interact with the deluge of advertising that already infiltrates their daily lives. It is also time to resurrect formal public debate about our increasingly sophisticated media system and its role in children's lives.

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## Notes

<sup>1</sup> The FCC regulates advertising according to the provisions of the Children's Television Act of 1990. A maximum of 12 minutes of commercials per hour are allowed on weekdays, and 10.5 minutes per hour on weekends.

<sup>2</sup> The FTC rule would have: (1) banned all TV advertising to children (under 8 years of age), (2) banned all TV advertising for sugared food products directed to older children (ages 8–12), and (3) required that all other TV advertising for sugared products seen by significant proportions of older children to be balanced by health messages also paid for by the advertiser.

<sup>3</sup> The FTC has been very active in protecting children's online privacy through the Children's Online Privacy Protection Act (COPPA). The rule is intended to prohibit unfair or deceptive practices in the collection, use or disclosure of personally identifiable information from children (under age 13) on the Internet. Among other provisions, COPPA requires that commercial websites post privacy policies, obtain verifiable consent from a parent or guardian before they collect personal information from children, and protect the confidentiality and security of any information collected (see [www.ftc.gov](http://www.ftc.gov)).

<sup>4</sup> For example, Universal Pictures released 'The Cat in the Hat' on November 21, 2003. Among their major promotional partners were Hershey Foods, Kellogg's, Kraft Foods, Pepsi/Frito Lay, and Procter & Gamble. At that time, an independent website listed over 200 product tie-ins with the movie ([www.kokogiak.com](http://www.kokogiak.com)).

<sup>5</sup> This game as well as many others are available at the [www.candystand.com](http://www.candystand.com) website. This site receives more than one million unique visitors per month (Edwards, 2003). Visitors spend an average of 37 minutes on the site (Fattah and Paul, 2002).

<sup>6</sup> Research indicates that direct experience is generally perceived to be more credible than advertising among adults (e.g., Smith and Swinyard, 1982). In some cases, adults may treat an advertising claim as a provisional hypothesis that is then tested via product usage. Thus, in limited circumstances advertising may frame product trial (Hoch and Ha, 1986).

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