

**IT'S CHILD'S PLAY:
Advergaming and the Online Marketing of Food to Children
July 19, 2006**

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VICKY RIDEOUT, M.A.: Good morning and welcome. My name is Vicky Rideout, and I am a vice president of the Kaiser Family Foundation and the director of our program for the study of entertainment media and health. Thank you all for joining us here today for the release of our new study of online food advertising to children.

According to the CDC, 16-percent of children and youth in his country are currently obese. That is 9 million children, with another 15-percent at risk for becoming obese. The American Academy of Pediatrics has said that the current rates of childhood obesity represent an "unprecedented burden on children's health." Experts point to a large number of likely contributors to the problem of childhood obesity ranging from genetics to a reduction in gym classes to super sizing of food portions and many others. But one of the areas that have been the focus on an increasing amount of public discussion over the past year is the issue of food marketing. Unfortunately, one thing that has been missing from this discussion to date is publically available data about the new world of online food advertising to children. With this study, we are trying to help fill that gap. Our hope is that these new data, the first data about the scope and extent of online food marketing to kids will help inform the decision making process of both policy makers and

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advertisers who are currently in the process of considering new self-regulatory guidelines for online advertising.

Of course, online marketing is only one small piece of the much larger world of food marketing to children, a world that includes television advertising, product packaging, in store placement, and so on. In comparison with advertising on television, online advertising still lags far behind but it is growing rapidly. According to Nielson research, in 2005 online spending was up about 25-percent, or 1 billion dollars, over the year before and a report just came out from Nielson two days ago that said it is up another 46-percent so far this year so it is a field that is really changing at a break neck pace but even in the online world, the study that we are talking about here today looks at only one aspect of online marketing to children, official, branded, corporate sponsored websites, things like hersheys.com or poptarts.com. It doesn't cover other forms of online advertising like the banner ads or the pop-up ads that you might see on other popular kids' websites like nick.com or neopets.com. What the study tells us is how many of the top food companies have web content for children, how extensive that content is, and what types of activities are offered to children on those websites? What it doesn't answer but what we hope our conversation here today, and future research can help eliminate, is how children respond

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to that content. What impact it may be having on them, and whether there are any voluntary or governmental regulatory policies that could or should be adopted concerning such content, so to help engage that conversation we have assembled a wonderful panel of experts who offer a variety of perspectives on this issue and I would like to introduce them to you now.

On my far right we are joined by Margo Wootan from the consumer advocacy organization, the Center for Science in the Public Interest. Margo is their director of nutrition policy and has been a strong proponent of limits on food marketing to children. Next to her we are joined by Professor Dale Kunkel from the University of Arizona. Professor Kunkel has studied advertising to children for many years and was a member of the Institute of Medicine's committee on food marketing and the diets of children and youth. Next we have Nancy Daigler, vice president of corporate and government affairs for Kraft Foods. At least a dozen of the top brands in this study belong to Kraft and the company recently announced some new policies that they are adopting concerning marketing their products to children on the internet as well as on television and we will hear more about that later. Next to Nancy we have Dr. William Dietz who is the director of the Centers for Disease Control and Prevention's division of nutrition and physical activity. He

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is a pediatrician, a member of the institute of medicine, and past president of both the American Society for Clinical Nutrition and the Association for the study of obesity. Next to Dr. Dietz we have Dan Jaffe. Dan is executive vice president of the Association of National Advertisers, a group that includes a lot of the top food advertisers in this country from Burger King to McDonald's, to Pepsi and coke, Hershey's and Nestle's, general mills and Kellogg's, they've pretty much got it all covered. The ANA has been a strong advocate for the marketing related concerns of these companies and we are really pleased to have Mr. Jaffe with us here today to represent those concerns. Finally, we are joined by Professor Elizabeth Moore. She is associate professor of marketing at the University of Notre Dame and she conducted the study for the foundation and authored the main report that is in your packets this morning. Professor Moore's research has been published in the *Journal of Marketing*, the *Journal of Consumer Research*, and the *Journal of Public Policy and Marketing*, among many other peer reviewed journals, and her work has been recognized with outstanding article awards in those journals and at the national conference of the American Marketing Association.

In a couple of minutes, Professor Moore is going to present the study's findings to you but first I just wanted to tell you a little bit about the methodology of the study,

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what we did. Our goal was to look at what, if anything, the companies that advertise food to kids on television are doing on the internet, so we used data from competitive media reports and identified the top food brands that advertised to kids on television. We identified about 100, just under 100 brands, and they are listed here. I don't expect you to read all of them but this gives you an idea of the breadth of it. We then looked to see whether there were any corporate sponsored branded websites for those products that were either designed specifically for kids or had special sections or content likely to appeal to kids ages 12 and under and in the latter case if it was just a separate section or piece of a broader website, only those parts of the website that were directed to kids were included in the study, so that search yielded a total of 77 websites which I have just listed here for you and they are also listed in the reports that you have in your packets and these sites essentially became the basis for the study and Professor Moore and her team then went through and looked at every single page of every one of these websites and analyzed and coded them in great detail and also collected a screen shot of every page. All of this was done. The content was all collected between June and November of 2005 so just about a year ago. A total of more than 4,000 unique web pages were coded for this report by Professor Moore and her team and each page was reviewed independently

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by two different coders. More than 400 different advergames were played and coded in great detail as well, so it is pretty extensive. In addition, in order to just get a sense of how many children are actually going to these websites, we purchased web traffic information from Nielson Net Ratings for the second quarter of 2005 and to these websites in the study, there were a total of 12.2 million separate visits to these specific websites among children ages 2 to 11 during that three month period a little more than a year ago, so April, May, and June of 2005, about 12.2 million total visits to these websites by children under the age of 12. Before we hear the detailed findings from Professor Moore, I want to see if I can't give you just a quick tour of some of these sites because I think it really helps to get a feel for what they look like live, you know, what a child actually sees when we are talking about an advergame or viral marketing or a webisode are a lot of the things that you will be hearing about, so I am going to give it a go.

One of the product categories that is heavily represented in the online world, not surprisingly, is fast food so, for example, one of the McDonald sites is Ronald.com. You can go to Grimaces Garage, the Hamburgler's Hideout, the Birdie's Tree house, or Ronald's Play Space. We will go there for a sec, and you can see there are a bunch of different activities you could do at Ronald's Play Space. I

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will show you one example, clowning with colors, so you can print out pages of a coloring book. This is something that we found on a number of the sites where you can either download the coloring page and color it offline or in this instance you actually can color it online and then download it so if you want to be really subversive you could actually make McDonald's arches purple instead of golden. [Laughter]

Another product category that we saw a lot of on the internet is snack foods. This is cheetos.com and it takes just a second to load up, so I am just going to let it do that. One of the things that you see here is something that Elizabeth, Professor Moore will be talking about later which is you know, entering a code or getting a code and that is something that she found on a lot of the different websites. Sometimes there will be a code inside the product package. You take it to the website, you enter it in, and it gets you access to a special game or something. This one doesn't seem to want to load for me. Cheetos.com got shy! [Laughter]

Ah! It was a really good one, too! I'm just going to let it do its thing. Oh Cheetos, well we will come back to Cheetos. Serial, not surprisingly, another one. [Simultaneous talking] Oh! Maybe it's not Cheetos' fault! We'll see. If I can't take you to any websites, I am going to just have to pause and wait a sec though because I really want to see if I can show you these because I think it really helps a lot to

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be able to, Professor Moore has a lot of different screen shots and in your reports you have a lot of different examples of the different things but to see it live, to hear the sound effects, I think helps a lot but I have a feeling we are not going to be able to do that right now.

[Simultaneous talking] Do you think I should try? [Music plays] There we go! This is Lucky Charms. So you can see a little island. You can go to lots of different places. We will go to this part. [Music continues] So this is something that is called a webisode. It is not exactly a T.V. ad. It is a special animated little feature. I want to watch #2. Let's take a look at, just for a few seconds I'll play a little bit of it. [Lucky Charm's voice] *"The Quest, Part 2, the quest begins! [Crow squawks] Ogres I can handle, but giant crows are a wee bit different! [Crow squawks again] Irish luck, don't fail me now! Marshmallow power! [Crow squawks] Fly! [Magic jingle] Whew! Leprechauns."*

You get the idea. Okay this is another serial site. [Music plays] Captaincrunch.com, they have a little fake instant messaging thing that goes on here. It is kind of cute, so you see it is "Live for Berries." That is the name of the screen name there. One of the things they have are downloads that kids can do, and this is again something that Professor Moore will give you the statistics of how many of the sites offer this but for example you can download a

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desktop icon so you can have these boxes of cereal or bowls of cereal of Captain Crunch as the icons on the child's desktop and you can see what it says here is "Would you rather double click on a folder or a bowl of crunch?" Easy answer! Another one that you can download as a freebie here are little icons to accessorize your instant messaging, so they have little IM buddy icons so you can have Captain Crunch or a bowl of cereal as the icon that pops up with your instant messaging. One of the more extensive sites is postopia.com, a Kraft site. This is an example of their cocoa, the great cocoa chase, which is one of the featured games on their website and that has got a tie-in with The Flintstones, obviously. This is a game that in order to play it you first have to get a code from the box of cereal and then you log in to the website and you enter your code and then you can play this particular game. This one also has the viral marketing that Professor Moore will be talking about a little more later where you can click on here and you can create your own postcard from Bedrock that you customize with different images and you can send it to a friend and then that comes with a message saying, you know, come visit postopia.com and play this game also.

There were candy sites online as well. Hersheys.com is one of the sites that have a special section for kids. Here there are lots of different activities like coloring

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pages. This is one where you download the coloring page and draw it in offline. So, they have like six or seven different coloring pages you can choose from. This is one of Hershey's syrup at a picnic with ants. [Laughs] So you print it out, the child colors it in. They also have screen savers you can download for your computer. Let's see if we can preview one. So, when your computers goes silent you could have this be the image, when it goes to sleep this could be the image that is on there, or any one of a number of other ones. They have games. I am actually going to try to play this game for you, just to show you what this one is like. Oops, I already messed it up, but you just basically squirt the different ice cream or milk or whatever and you try not to squirt the people and the dogs. [Laughter] I mean, you get the idea here of how there is sort of product placement of different branded items within the games that the kids are playing. The other thing you see on this website is something else we found in the study which is the use of ad alerts on some of the websites, so here you see there is this little icon up here that says ad alert. This website I think also down at the bottom has, yeah, has an ad alert here and you can see this text: Kids, ad alert is our way of telling you that the website you are viewing may be trying to tell you something. And it also has the CARU, the children's advertising review unit icon here showing that

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they are a website that they believe adheres to the CARU guidelines.

Okay my last website is one of my favorites and this is the Oreos website which is also a Kraft website. This is at Nabisco.com. It is the Oreos section of Nabisco.com and what they have got on there, something I think it may be just transitioning out now but it is a tie-in with American Idol and it is an Oreo cookie jingle contest and so the way it works is they encourage people to come up with, to write little songs about Oreo cookies and they submit them, post them on the web. Somebody I guess at the website picks the five finalists and they post the finalists there and you can enter a contest where if you watch every one of the jingles and vote for your favorite jingle, then you are entered in the contest to win a prize. The prizes for the contest are various Oreo related products like Oreo cookie jar or Oreo plates, Oreo glasses, and Oreo picture frames. They also have one of the viral marketing things where you can e-mail a friend and send them an Oreo cookies postcard and tell them about the jingle so that they can enter it too. I really want to thank you for whoever is guiding me. I really want to play my Oreos jingle too.

Well, you know what we will do? We will introduce Professor Moore and she will present the screen shots which are a little bit safer to do, and they are just not quite as

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lively and they don't have the good sound effects, and then if we get the internet working later, then we will come back and present that to you in just a minute. But obviously there is lots more that we could look at, and I am sorry we couldn't look at all of them here, but I think it probably gives you just a little bit of a flavor of what the experience is like for the kids that are there, all the different levels of activities that are available on any one website between the games and the downloads and the coloring pages and so on. What I am going to do now is I am going to just turn the podium over to Professor Moore to present her key findings to you and then we are going to start our panel discussion, so please join me in welcoming Professor Elizabeth Moore. [Applause]

ELIZABETH MOORE, PhD: Good morning. Thank you for being here. What I would like to do this morning is just to kind of give you a brief overview of some of the key findings. I would really encourage you to take a look at the report because we are really just going to kind of hit the highlights here. One of the first things I would like to say is of the brands originally identified for study, Vicky mentioned that there were 96 brands, 85-percent of them had a web presence either that was directly targeted at children or had content that would likely to be of interest to them. In terms of presenting the findings, I would like to break it

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down and talk about this in kind of seven different areas. When we originally started the study, it was really going to be about advergaming. It was really focused on the games and one of the things that we discovered very quickly is that there were, as Vicky just showed you, many other things on these sites so I would like to just kind of hit each of these areas very briefly. If we start with the advergaming and just to make sure that everybody understands what that is, that is essentially an advertiser sponsored game that is created with the brand imbedded within it; 73-percent of the study websites had games. There were a total of 546 games of food brands; 431 of these were for the brands in our study, so the rest were for related brands there, so you can see there was a lot of game playing in South Bend last summer. On these sites, there was a range from 0-67 games so there was an average of seven games per site but you can see that there is a pretty wide range here in terms of the number of games available. One of the things that we wanted to do in this study was to look at how prominent the brand markers or brand identifiers were in the games. How much brand information or visual kind of objects where they seemed they were connected to the brand and these are really a way to kind of get consumers to recognize and to recall a brand later. As you can see here, 97-percent of the games included at least one of the brand markers that were listed there and 80-percent

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included two or more. In 64-percent of the games, the brand marker was prominent and what we defined as prominent here is really that the brand somehow was kind of the primary object of the game, the primary game piece so here you are looking at candystand.com, Lifesaver's Bowling, and the bowling is actually going in to lifesavers so we would have counted this as a prominent piece of the game. We also wanted to look at in terms of the game as were there things imbedded in the games that would help to sustain children's interest or things to encourage them to play again and again and to return to the site potentially, so we looked at this in terms of four mechanisms. The first was did it have a request to play the game again? As you can see here, 71-percent of the games did ask the child if they would like to play again. Almost half of the games, 45-percent, had another mechanism which was really kind of the levels of play, so there were kind of easy, medium, and hard levels so as the child's skills improved, they could move on to the next level, so clearly there is kind of a mechanism there to encourage children to kind of challenge themselves and to get better at this game as their skills improve; 22-percent provided games, kind of related games that would be recommended, excuse me, recommended other games to children that were related to the game that they were playing, and 39-percent had something called a leader board which is essentially a public posting

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of your scores, and the example that you are looking at here is from popsickle.com so you can post your scores to the website and then you can kind of look where you stand in the competitive ranking so it adds a competitive element to it. Okay I am going to turn now to, I'm doing this pretty quickly, but the brand exposures beyond the game, so everything that I talk about from this point on is not the games but other aspects of the websites. One of the questions that we wanted to ask was when children are looking at these sites, how much exposure to the brand were they seeing overall? We looked at that in terms of four mechanisms. The first were the brand marks that I mentioned earlier, so the brand character, the brand logo, the package, the food item, perhaps like fruit loops in a bowl or something like that, and what we saw there, there was an average of four different, excuse me, two different types of brand markers per website page, okay, and what I want to highlight here is these were types of brand marks, not each occurrence, so for example if Tony the Tiger was in five locations on an individual page, that was counted as one, so essentially what this is saying is that for every page that children are going to, they are seeing two different types of brand indicators. We also looked at the kinds of claims that were being made here and what I mean here are explicit claims so text claims, so if a claim is being made sort of visually

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or something like that, that is not counted here. We coded something called brand benefit claims which are things like, as you see here, taste, suggested use, fun, variety, new and improved, those sorts of things, so these are explicit claims that were made. There were 1500 explicit claims made across this set of sites. At least one claim was made for 79-percent of the study sample and the range was between 1-160 different claims, so you can see here there was a range in terms of the number of claims that were being made, some very many claims and some not very many at all, or none. We also looked at nutrition information and claims, which I will come back to in just a second, and were there television ads available for viewing on these websites, or video? One of the things I think is kind of interesting about the internet is as a medium the technology of it allows us to do more than we have been able to do more before and so what you can see here is you could have all the capabilities of television and more because you also have the ability of text and those sorts of things, so we saw here that there were 53-percent of the study websites had television ads available for viewing and I will show you an example in just a second. We did look at nutrition information. We looked at three different types of nutrition information and in some ways the web is well qualified to do this because you can both provide detailed information that you might in print media but also you can

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use the site and sound to present other information as well; 51-percent of the brands, the nutrition information, some sort of nutrition information was provided, so more than half. There were also nutrition claims made. We looked at several categories of explicit claims and there were 380 in total nutrition claims that were made so you can see if you compare kind of the brand benefit claims to the nutrition claims, it is about a 4:1 ratio so more brand benefit claims than nutrition claims but 44-percent did make some nutrition claims. We also looked to see if there were kind of recommendations in terms of healthy eating advice. What you are looking at here is kelloggsnutritioncamp.com and this site actually uses brand characters. You will see like Tony the Tiger on the site but they provide information about balanced meals, serving sizes, calorie counters, and things like that so it is a real opportunity for children to learn about nutrition on this particular site.

To go back to the television commercials for just a second, I just wanted to show you an example of this. This is from Kellogg's Fun K Town site. As I mentioned, 53-percent of the sites had television commercials available for viewing. On this particular site, if a child watches commercials, they earn stamps, and those stamps can then be redeemed to play games on the site, so if you don't have the stamps, you can't play those particular games. However, I

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would say this particular site, in order to register, to earn those stamps you have to have parental permission, but you can see there is kind of an incentive there to watch the commercials. Some marketers are also using this as an opportunity to get feedback about their television ads. This is mysoup.com and you can see here that children can watch the television ads and then rate them or let the company know which ones they prefer. In terms of the third area, we also looked at efforts to kind of customize the visitor's experience and the reason we are looking here is we wanted to see if there were mechanisms that would kind of encourage consumer involvement or sort of engage the children, and what I am going to talk about this morning just briefly are just two different ways this was done. First is website membership, so this is a situation where children or visitors to the site are encouraged to either register or become a member on a website so you are really kind of customizing the experience for them and certainly this would encourage multiple website visits. One of the real challenges with internet marketing, I am sure you have heard the phrase "sticky," basically getting people to come to the site, to stay and to return on later occasions, so something like membership might help to create stickiness in a sense; 25-percent of the sites offered membership to children and you can see here that some of them required parental permission

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and some of them did not. The difference here is really whether they were collecting kind of personal information. If they were, they required parent permission. If they were only asking for a screen name that was created, they did not request parent permission. One of the things that membership does for a child is it provides access to special features, and you can see some of them are listed here: Gaming enhancements, so you might be able to play a special level of the game or you may get extra lives in a game or something like that. You may get sneak previews, new brand content, or rewards, or have an opportunity to customize the web space in some ways and we have a listing of those in the report if you would like to see what some of those benefits are for members.

Here is an example, this is from wonka.com. This is Club Dub and if you become a member on this website, you get a personally flavored home page and you can also have access to screen savers and e-cards, the e-mail cards that Vicky mentioned if you become a member. This is another one. This is gushers.com, gushers are fruit snacks, and here what you do is you create your own room on the site which you decorate and if you choose to, you can come back later as a member or a registered member and redecorate it and alter it, so you can do that kind of on multiple occasions.

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The other way that there was kind of an effort to customize the experiences, and Vicky mentioned this viral marketing. Essentially what viral marketing is, is kind of a proactive attempt to encourage consumers to talk with one another about a brand, so it is kind of electronic word of mouth, and what we saw in the study websites is that 64-percent of them used e-mail to stimulate this kind of word of mouth among children and they did it through e-cards, challenges to the game, invitations to the website. One thing that I would mention is there was a long history of research and marketing, indicating the strength of consumer to consumer communication, the credibility of information that goes from peer to peer, so this can be in general a powerful form of communication. Here are a couple of examples, this is from juicyfruit.com, inviting a friend to visit the website, and you can also see here there is a mention here about codes that you can bring to the website as well. This is Senna Island, Apple Jacks, again inviting a friend to their website. One thing that I should say is that Wendy's offers are made or when children are encouraged to send an e-mail to a friend, the information is not retained, so it is essentially used once, the first name and e-mail address and then it is not used beyond that.

The fourth level is marketing partnerships and these are really collaborative efforts with other brands, which

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have a lot of benefits for marketers in terms of the exposure of their brands, positive brand associations, cost sharing, message impact, etc, so it is really multiple brands working together. This morning I would like to just tell you about two ways this was done. One was through media tie-ins so tie-ins with movies or television shows or both, or in promotions and sponsorships.

This is an example from the M&M site last summer when they did a promotion with Star Wars: Revenge of the Sith, which is a big movie, blockbuster movie last summer, and this is Chocolate Empire, which was a part of their website then. One of the things that we see here is this is really an opportunity for integrated marketing communications, so what we see is not only tie-in on the site with the M&M's and with a movie but you also see themed packaging, TV ads, videos, so you really see an opportunity to talk to children across a variety of media. There were also TV ones, I won't show you an example of those this morning, I would like to turn to promotions, in particular sweepstakes and premiums.

On 40-percent of the sites there was a sweepstakes or contest and these were ones where children could participate in some way, and typically these required some sort of parental involvement so a parent needed to help the child enter or to claim their prize in some way. This one is on subwaykids.com where kids can become a Subway champion and

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this is for children ages 8-12. It does require parental permission and the focus of this one actually is kind of interesting. It focuses on health and exercise and things like that, and the winner of this particular promotion won a \$10,000 dollar scholarship. Also another kind of marketing partnership promotion was premiums. These are really gifts to consumers. They are items that are offered for free or at a discounted price with a brand purchase. In this particular case, people could get E.T. movie tickets, which was re-released last summer, but in order to do that they had to buy the Reese's candy to obtain the premium. Another area that we looked at were opportunities, and Vicky, with the coloring pages and things that she was showing you, where the opportunities kind of extend the online experience once children left the site, so the things that they could kind of take away and one of the things that we looked at were what we call the brand extras; 76-percent of the sites have some sort of brand extra and you can see a listing here of these. The most common were desktop features, so these are things that children could take away from the site. Vicky showed you I think the screen saver but there were many other kinds of things as well.

Another way that the experience attempts to extend the experience were through opportunities to earn what we call rewards. Here what would happen is children would

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collect points, unit pricing labels or codes, and then they could use those to earn premiums or play new games on the site, customizable, to customize the site in some ways for themselves or to get special downloads. Almost all of these, so 38-percent of these, where you got these codes was on the package. So, essentially what you are doing is you are creating a direct link between product use, consumption of the brand and the website, because the site experience is enhanced by having these codes. The quality of the site experience is enhanced, because you can do things that you can't do without them.

This is an example from postopia.com. Post tokens are included in the inside flap of a box and children take them to the site to play new games and to get extra lives. This is also a site you can see on the bottom. I will talk about ad breaks in just a second. At the bottom here, Postopia has their ad break on each page of their website.

We also looked at the presence of educational content; 35-percent of sites had some sort of educational content and you can see there is a range of topics here. This particular site, Ronald.com, this is a little information about Sue the dinosaur which is at the Field Museum in Chicago and there is actually a direct link to the Field Museum website to talk more about that. This is the second example from Mills, this is generalmillsberry.com and

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here they have an art museum and actually if you go to the site you see information about art and artists. I learned some things about the *Mona Lisa* in going to the site that I hadn't known. We also coded something which we are calling advergation, which is essentially kind of a blending or a mixing of advertising and education, or kind of a blurring of that content. These are things that might talk about a company's manufacturing processes or the history of a brand ingredient, so for example on Hershey.com, you can learn about the history of chocolate. This particular example is also on Fun K Town, the Tony mobile, which is a vehicle that travels around the country, and it talks here about how many people it took to build it, how heavy it is, so there are some kind of interesting facts about it. This advergation, something like this appeared on 33-percent of the study websites, and as I said it kind of blurs between advertising and education.

The final area that I would like to talk about just briefly are website protections for children. As we know, children under 12 are a particularly vulnerable audience and we have to be careful about how we talk to them in advertising so we wanted to see what kinds of protections were available on the websites and we looked at three different things. First, we looked at privacy protections. If companies were trying to collect information from

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children, they were careful to get parental permission, which is in compliance with the COPA regulations, so the privacy protections were in place. We also looked to see if there was explicit information for parents and on almost all of the websites there was specific information for parents either directly on the website or directly linked to it, and you can see the kind of information that was, so they might specify 91-percent specified what kind of information was collected from children and you can see COPA regulations mentioned of the CARU guidelines. One thing I would like to say is this is explicit mention of these things. It doesn't mean that they weren't in compliance so 47-percent of the sites mentioned that they adhere to the CARU guidelines but others certainly did, they just didn't talk about it specifically on their sites.

The last thing that we looked at, and Vicky did mention, was the ad break. These are, and I have some examples up here for you, these are really intended to remind children that they are looking at advertising and because they are looking at advertising that they should be more vigilant. There is kind of an analog here, if you look at television advertising, there are bumpers between programs and commercials, which are intended to kind of interrupt children and have them process the ad a little bit differently so there is an analog here. Only 18-percent of

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the sites provided these at this time, so the majority of sites did not have ad breaks. For those that did, they tended to be in multiple locations throughout the sites and these are just some examples of those, so I think with that, I will turn it back over to Vicky and I encourage you to read the report. Thanks very much. [Applause]

VICKY RIDEOUT, M.A.: Okay thank you, so what is going to happen now is I am going to serve as moderator for the panel discussion and we will also take questions from the audience at various points. I know there are some members of the press here who may want to ask questions as well as the general public and we have got people in the aisles with microphones so when we get to the audience question part, we will, you know, just wait for somebody to get to you and they will give you a microphone and that way it will be in the webcast. Okay and they asked me to check if my mic is on and my mic is on and the green light is on, so somebody somewhere else has to fix that if there is any issue with it. Okay so I am going to start now and I thought we would start with Dr. Dietz because you are the head of nutrition and physical activity for the CDC and everything that we are talking about here has a bearing on the issue of childhood obesity and that is the reason we are looking at it. Can you just take one second and just lay the groundwork for us, how big is the

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problem of childhood obesity, how serious are the consequences?

WILLIAM DIETZ, MD, PhD: Yes thank you Vicky and let me begin by a disclosure that the comments I am going to make are not necessarily those that reflect the opinion of the CDC or HHS, but I think as you pointed out, childhood obesity is an important problem for children and adolescents. The latest data suggests that 17-percent of children and adolescents are overweight. That has continued to increase over the last two decades and we know that overweight children have an increased risk of adverse health affects, so that for example among 5-10 year olds consistent with the population that pays these visits to the websites as you pointed out, among 5-10 year old overweight children, an additional 60-percent of those children have one additional cardiovascular disease risk factor, like elevated blood pressure, elevated insulin, elevated glucose, or elevated cholesterol, and 25-percent of those overweight children have two or more of those risk factors. The concern here is that we now know from a study in Bogalusa, Louisiana, that children who are overweight prior to eight years of age who go on to become obese adults tend to be much more obese as adults than adult onset obesity, so that about half of all adults with a body mass index over 40, which is 100 lb. or more overweight, had onset of their weight problem prior to

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eight years of age. This means the risk factors and the severity of obesity means that there is a wave of chronic disease risk factors moving through the pediatric population that in the very near future are going to be expressed as diseases in the adult population. Those diseases are going to be heart disease, diabetes, and cancer, and these are the diseases of concern and that is the reason that we should be concerned about childhood overweight.

VICKY RIDEOUT, M.A.: Okay thank you. I want to turn next to Dan Jaffe from the Association of National Advertisers, what we have been talking about here today is online advertising, can you just give us a sense of how important is the world of online advertising today to advertisers? Can you put it in some context for us?

DANIEL JAFFE, J.D.: Thanks a lot, Vicky, I'll be glad to try. I think you made a good statement at the beginning of the meeting that in fact online advertising is still a very small part of the total advertising picture. The interactive advertising bureau in 2006 estimated that for 2005, interactive advertising was 4.7-percent of the total pie for advertising, which is up about a percent from the year before. Second, what we are talking about today is a slice, a small slice, and in fact it is two slices now because first of all we are looking at food advertising and then we are looking at food advertising to children, and so

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we are talking about maybe 2-percent of that total pie is included there. There is a statistic in the study that I found very interesting which is this 12.1 million impressions per quarter, 12.1 million impressions for one quarter –

VICKY RIDEOUT, M.A.: It's not impressions, it is total visits.

DANIEL JAFFE, J.D.: Visits.

VICKY RIDEOUT, M.A.: Yeah I think it was hundreds of millions of page views.

DANIEL JAFFE, J.D.: Right when you look at the broadcast medium, what you find is 204 billion impressions, and so it is really a relatively small part when you make the comparison but it has grown and this is a very highly important area to advertisers and I would like to say, I'm not sure everybody knows this but all of advertising is regulated under self-regulatory codes, both for adults and kids. For the kids section is the children's advertising review unit, which was cited several times in the slides and in the talk, and the interactive area is covered as well. We are working about increasing and extending the children's advertising review unit coverage with a full industry wide effort at the present time, but right now if somebody is having false, deceptive, unfair advertising on the internet, that would be covered by CARU and in fact I was talking to the head of CARU yesterday and they said whenever they looked

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at any kind of media, if they find something that is false or deceptive in the broadcast area or if they find something false or deceptive in the magazine area, they then look across the whole spectrum including of course the internet, so this is something that we think is extremely important.

VICKY RIDEOUT, M.A.: Interestingly, one of the things that is in the CARU guidelines that specifically mentions websites right now that Professor Moore noted in the report, it says for product driven websites or character driven websites, like the ones that we looked at in this study, there should be a marker noting that this is advertising to kids and yet according to the research that was only on 18-percent of these sites. Do you have any explanation for that?

DANIEL JAFFE, J.D.: I am not the right, I wish Elizabeth [Inaudible] was sitting up here and she could immediately tell you what she has or has not done and so I can't give you a full answer on that but I'll be glad to check into that and get back to you.

VICKY RIDEOUT, M.A.: Okay, all right, Nancy Daigler I want to follow up with you on this issue of the importance of online advertising in general, how important to your company is the type of websites that we have been talking about here? How big a part of your media mix is that?

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NANCY DAIGLER: Well it certainly is a way that we talk to consumers but relatively speaking it is a small part of our marketing mix, particularly with regard to children. I did want to take a minute to do two things, one to thank the Kaiser Family Foundation for having us here today. Sitting here I am reminded of a conversation I had yesterday morning with my six year old and I kissed him goodbye because I was flying off yesterday and he said to me where are you going mom? I said I am going to Washington, D.C. for a meeting and he got completely exasperated and said mom, why do you need to travel halfway across the country to talk to people? And I said well, it is really important, and he goes why don't you just pick up the phone? [Laughter] So I did contemplate dialing in for this but it really is an important subject matter for Kraft and we welcome the opportunity to be part of these ongoing discussions. If I could take a minute to talk about what we have done in the area of marketing to children, about a year and a half ago we announced a policy where we said that we would only advertise on media that is directed to children 6-11, our better for you products. We called them Sensible Solutions and we recently announced that we would extend that policy to online marketing activities. We are committed to having that policy in place by the year's end and so by year end we will only be featuring our better for you products on our websites for kids.

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VICKY RIDEOUT, M.A.: Okay well let me ask you, what is the reason that you do this type of marketing? What is the reason that you have websites like the Oreos cookie website or the Postopia website or something like that, what does that accomplish for you that other advertising doesn't? What kind of return on investment do you think you get?

NANCY DAIGLER: As I said, it is a way for us to talk with consumers, to share information, and that includes children as well, to share information about our brands. It gives us an opportunity as someone mentioned before to share some health lifestyle information and it gives us an opportunity to provide some fun for kids. We don't see this as an either or proposition. We think that you can be responsible marketer and also provide some fun for kids and that is why we have implemented our sensible solution policy.

VICKY RIDEOUT, M.A.: Okay Margo Wootan, I want to turn to you next. You have been very outspoken about food marketing to kids, can you tell us briefly what are your concerns about marketing of food to kids and what would you like to see happen?

MARGO WOOTAN, D.Sc: Well, I will just start by saying congratulations. I know this was a huge undertaking and it is really terrific to have this kind of analysis of what kind of food marketing there is on the internet. I had the concept in my head but I think this study really helped

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to solidify the fact that food company websites directed at kids don't just include advertising, they are advertising, seeing how prominently the marketing is a part of the content of the site, that it is very clear these don't include ads, they are ads. I actually, thinking the study is terrific, I extended it a little bit and have one more figure for you to add. We looked at the brands that were marketed and looked at the nutritional quality of those brands and found that food companies are really undermining parents' ability to feed their children a healthy diet through the marketing that goes on on company websites that of the brands with kid targeted websites, we found that 90-percent encouraged children to eat foods of poor nutritional quality so those were candy, soda pop, sugary juice drinks, sugary cereal, fast food, and cookies, so it is not just the majority of the websites but overwhelmingly almost exclusively the websites that you are looking at are promoting foods of poor nutritional quality, high in calories, high in fat, high in saturated and trans fat, sodium, sugars, almost void of fruits and vegetables, so not very healthy.

VICKY RIDEOUT, M.A.: So tell us a little bit about what you would like to see happen. What do you think should happen?

MARGO WOOTAN, D.Sc: Well I think the most important issue related to food marketing to kids are the types of

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foods that are marketed, that the techniques, there are some techniques that are so overly manipulative they shouldn't be used but really the main issue with food marketing to kids are which foods should and shouldn't be marketed to kids and so that can be done by the companies themselves, like Kraft which has set nutrition standards for their marketing to kids. It can be done and needs to be done. I saw Jody in the audience, it has to be done by CARU, when CARU updates its guidelines for responsible marketing to children, and it has to include nutritional standards. If it doesn't, it doesn't address the heart of the problem and then if the industry can't do this through self-regulation, then congress needs to step in and restore the FTC's authority to regulate marketing to kids, especially junk food marketing to kids.

VICKY RIDEOUT, M.A.: Well, what do you think of what Kraft has done?

MARGO WOOTAN, D.Sc: Well I think Kraft is light years ahead of their competitors and their nutrition standards are not far off from our own, they have a couple of loopholes in there that need to be tightened up related to how they define children's programming and they allow reduced products, products that are reduced in certain nutrients to be marketed when those aren't always helpful but I think Kraft is a good model for the rest of the industry and I don't think it is the end point but they are really doing a

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lot more than any other company and I think other companies and CARU should look to them as a model.

VICKY RIDEOUT, M.A.: Okay just to make sure everybody in the audience is following some of the acronyms out here. CARU is the children's advertising review unit. Most of you probably know that. As Dan mentioned, right now they are involved with, well all of their current guidelines they have set apply to the internet as well as to television advertising to children. Their current guidelines focus as Dan said on not having misleading or deceptive advertising, not on the content of the advertising or particular techniques, like should there be viral marketing or should there be advergaming and so on, but CARU is involved right now in developing more detailed guidelines for online advertising to children and they are expected to announce what their new guidelines are going to be or post a draft of their new guidelines sometime in the relatively near future this summer. Dale Kunkel, I wanted to ask you, you were on the Institute of Medicine's committee. Congress asked the institute to look at the relationship between food marketing and childhood obesity, what did the committee conclude about that relationship?

DALE KUNKEL, PhD: Let me just briefly mention a couple of the premises that help us understand the effects evidence that the committee looks at. First, we looked at

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all of the marketing that is directed to children, and most of the research that is available is on television. The internet studies, the internet effect studies are not really out yet. This is one of the first content studies on advertising on the internet, but in terms of TV, we found essentially that half of all of the advertising on television directed to children is for food products, and the large majority, over 90-percent is for products that are unhealthy for children if consumed on a regular basis. These are products that can be consumed in moderation, on occasion is what the Department of Health and Human Services says in one of their food rating schemes, but we know there are lots of marketing of products that are less healthy for children in that environment.

Secondly, we know that children below the age of eight, eight and below have unique vulnerabilities to commercial persuasion. They don't understand the persuasive intent of advertising, so they don't understand the inherent exaggeration and bias that is associated with commercial persuasion as do older children and adults, so they are simply more easily persuaded. That leads us then to understand quite clearly that the committee identified 123 different studies, and we systematically evaluated those studies of the effects of food marketing on children, and we isolated the effects in different areas, and we drew pretty

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strong conclusions that the food marketing on television that is targeting kids impacts their knowledge both about the products as well as about overall nutrition and what is a healthy meal and healthy food products. It affects their product preferences, their attitudes towards products. It affects what they eat, and it affects their diet-related health and it lead us then finally to the conclusion, when you put this all together, not only do we have the effects evidence very clearly established, but we have this evidence about the preponderance of the less healthy food products being targeted to children to conclude that food and beverage advertising to children is out of balance with a healthful diet and puts children's health at risk.

VICKY RIDEOUT, M.A.: Nancy do you agree about the influence of advertising on children's diets? I mean, do you think it has an impact?

NANCY DAIGLER: I don't think that we know the answer to that and I think we need to leave that up to the research community but I can tell you that I think all of the experts today agree that there are many different factors contributing to childhood obesity and overweight and we still have considered this a very important topic for us at Kraft and have gone ahead and implemented some policies because of it.

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VICKY RIDEOUT, M.A.: Dan, do you have any comment you want to make?

DANIEL JAFFE, J.D.: Yes I would like to make a couple of comments, one just in regard to the internet. Of all the media that exists, it is the one that has the greatest potential for parental control, that parents can really stop kids from going to any site that they don't like or don't want their kids to go to, they can track where they are going, particularly obviously with young kids, the kids won't even be able to get up on the net without the parents involvement.

VICKY RIDEOUT, M.A.: Well you would have to be pretty young for that. According to our studies, they are learning pretty early!

DANIEL JAFFE, J.D.: Well, you are talking about some pretty young kids.

VICKY RIDEOUT, M.A.: Oh yeah but I mean our studies indicate that like five year olds can go online by themselves.

DANIEL JAFFE, J.D.: I'm saying that once a kid can go on, the parents can track where they have gone and also limit where they go. More importantly, the advertising community, the food community has gone way beyond the issue of trying to get into the blame game in regard to the obesity issue in trying to figure out what we can do to be proactive

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in responding to this issue and in the marketplace the food community has come up with more than 4,500 new and improved food products, or low fat, low calorie products and just since 2002 we have launched major programs through the ad council on trying to teach people how to have healthy lifestyles. A lot of that is using, by the way, the internet; 80,000 people come to the ad council sites per month now to get this kind of information. We have just recently launched new programs on good eating habits for kids through the ad council and we are continuing to work on strengthening CARU's guidelines, looking at virtually every one of the issues that were pointed out in your report, so the industry as a whole really thinks this is a very high priority issue and we are not just thinking about it, we are already acting to do something about it and Kraft is just one of many companies that have taken important steps in this area and that is going to continue. I can tell you from behind the scenes that there is constant discussion about how to do something about this. What we are hoping will happen is that there will also be steps in other areas as well that obviously food is a very important factor but also what people's lifestyles are, how they exercise or don't exercise, what they learn about nutrition in the schools, all of these things have to also be revved up and unfortunately there has been less activity in areas outside of the food community

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than in the food community. We are hoping we will work with other groups to try to get that started as well.

VICKY RIDEOUT, M.A.: Dale Kunkel, let me just ask you what did the institute of medicine recommend with regard to changes in this realm?

DALE KUNKEL, PhD: There are so many things I can't tell you all of them, but the essence of all of the recommendations is the food industry needs to be part of the solution and there are many ways in which the committee called upon the industry to take steps to be part of the solution to this problem area. One of the key recommendations here was that there should be balance in the foods advertised to children between more healthy and less healthy food products. One of the things you know here as we looked at all of the websites that Elizabeth identified in her study, this complements the findings with television advertising, you just can't find advertising for really healthy food products for children. There has been some indication in the press that some of this would be coming. I've heard talk about Sponge Bob being associated with carrots that would be marketed to children but we are not seeing the websites for those and the TV ads for those in the marketing campaigns so right now everything is out of balance and the recommendation is that we need balance. The sense was to give the industry time to respond on their own in a

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voluntary fashion consistent with the commitments that we hear from many different sources in the industry that say we want to work with the public health community to resolve the issue but the recommendation is also on the table from the Institute of Medicine that if the industry does not accomplish balance within two years from the issuance of the IOM report, that congress should adopt legislation to mandate that balance.

VICKY RIDEOUT, M.A.: Okay so back to you for a quick second, Dan, you were talking about the development of all the new healthy food products and so on and the revision of voluntary industry guidelines that is going on right now, is there a chance do you think that the guidelines might reflect this issue of what the product is and the nutritional value of the product that is marketed or will it still be focused on how the products are marketed?

DANIEL JAFFE, J.D.: I can't say what the final solution to these issues is going to be. I can certainly say this is under discussion as one of the issues that is under discussion. I think it is important however to say that you have to look at what is going on in the real world in regard to the food advertising. One, quick service restaurants sold over 50 million apples last year. They were the largest seller of yogurt. If you look around, you will see that almost all quick service restaurants have many new salad

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offerings. I am sure Kraft would be glad and as we have someone from there, would be glad to talk to you about some of their healthy offerings. If you went around and talked to every company, you would be able to find more and more and more healthy offerings and this is not just because of some sort of political pressure, this is because consumers, everybody here and everybody outside, is becoming more and more concerned and aware of these issues and is demanding this sort of thing and so I believe that if you really did look at these sites, you would find quite a number of foods that are healthy.

VICKY RIDEOUT, M.A.: You don't. [Laughs]

DANIEL JAFFE, J.D.: We can have our debate now but not all, you know, cereals are unhealthy.

VICKY RIDEOUT, M.A.: The industry brings up these little examples of things that have changed and I do think Kraft has made –

DANIEL JAFFE, J.D.: Do you think 50 million is a small number for apples?

MARGO WOOTAN, D.Sc: Yes if you look at McDonald's menu for example or any other fast food restaurant, it is great that they have added apples. It is great that they have salads and that they put the chocolate milk in some cute packages, I think all that is terrific but still if you go to McDonald's and you look at the possible choices in a Happy

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Meal, out of 24 possible combinations in a happy meal, only two of them are healthful. Nickelodeon talks about all the terrific PSAs they have and the great stuff that they are doing with the Clinton Foundation, but if you watch Nickelodeon as I do with my little girl on the weekends, still overwhelmingly almost all the ads, 90-percent of the ads on Nickelodeon are for unhealthy foods. As you walk through the supermarket, sponge bob, Disney princesses and other cartoon characters, they are not on the healthy foods they are on the unhealthy foods. CARU talked about what a great job they are doing. Dan talks about what they are doing. All the industry is holding up these tiny little examples which are good steps forward but they are baby steps forward. Still, as a mom as well as a public health professional, I know that overwhelmingly almost exclusively the foods that are marketed to kids on the internet, on product packages, on TV, are unhealthy foods or foods that are making a negative contribution [inaudible - interposing].

VICKY RIDEOUT, M.A.: But just to clarify what Dan was saying because we are focusing in here about online advertising of food to kids and so you are saying Dan that one of the things that the industry is looking at and considering and debating right now is whether or not you might adopt some broader policies regarding which foods are

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advertised in trying to achieve that balance that the IOM recommended.

DANIEL JAFFE, J.D.: Certainly those issues are being discussed within the industry. How that discussion will end, I can't tell you yet and we will have to wait and see but all of these issues about how to deal with the issues of blending, you know, so advertising and other information and how that can be made clear to people, all of these issues are under discussion but right now before any of that is completed, CARU has very strong guidelines and can step in and has stepped in in a number of areas. The Federal Trade Commission also has authority to step in these areas. It's not as if you have a [inaudible - interposing].

MARGO WOOTAN, D.Sc: Again, a deceptive advertising.

DANIEL JAFFE, J.D.: But even though the FTC has on a case by case basis the authority to go after unfair advertising and CARU also has guidelines about how you display foods and how you discuss foods that go beyond just truthful and non-deceptive but I just want, and then I will subside because I don't want to turn this into a big debate here but I think it is fine to call things baby steps, but the facts are there have been thousands of new products brought on the line and it is just wrong to believe that these companies don't believe that some of these products are going to be very commercially viable. The idea that only

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unhealthy foods would be commercially viable and therefore interesting to a business is not accurate. As long as the public is interested in getting low fat, low calorie foods, they will be sold and they are being sold and you may say that 50 million apples is a small thing or that a quick service restaurant that didn't have yogurt just a couple of years ago is having the largest sale of yogurt in this country, but all around you if you went from company to company to company, they would be able to show you that they are not only taking steps but they are making steps that are meaningful in the marketplace.

MARGO WOOTAN, D.Sc: But look at this study. I mean, you can look at the list. They showed a slide of the products that are being marketed on the websites and they are being marketed very aggressively and they are all foods of poor nutritional quality. They were candy, soda, fast foods, sugary juice drinks, cookies, sugary cereals, I mean you can say that someday you would like to do that but we are just waiting for that day to arrive.

VICKY RIDEOUT, M.A.: All right, you know Margo, I think we have kind of covered the issue of what the foods are that are advertised and we have kind of gotten on the table that there is the possibility that the ILM has recommended a change in the balance of foods that are marketed to kids. Some companies are doing that voluntarily and the industry is

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considering going further, I want to move back for a second to some of the techniques that are used on the websites to market to kids and I am interested to hear from Dan that these are all issues that are kind of on the table again for the revision of the CARU guidelines. One that interested me is the viral marketing and the extent of encouraging kids to send e-mails to their friends saying come to this website or play this game or if you send it to five different friends then you can earn points and so on. Do any of you think there are any ethical issues regarding viral marketing with kids?

DALE KUNKEL, PhD: I think there are ethical issues in all advertising to children and that takes into account their susceptibility to commercial persuasion, their if you will naiveté in terms of the nature and intent of advertising and the industry certainly agrees with that and that is why we have CARU and that is why we have a lot of self-regulatory protections. What you are doing in essence with this type of viral marketing is rewarding children for becoming agents of advertising. That is to say you are giving them prizes and premiums and so forth for them to sort of join in the campaign and I think that when you do that to young children, it does pose ethical issues.

VICKY RIDEOUT, M.A.: Nancy did you tell me you don't have viral marketing on your websites?

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NANCY DAIGLER: We do have some word of mouth marketing on our websites and that is an area that we continue to look at. We followed a bit of a stepped process at Kraft. We first looked at traditional advertising because that is how we send most of our messages to kids, and then obviously now we have moved online and certainly all of the other marketing activities are under discussion all the time at Kraft and we will continue to affect some change.

VICKY RIDEOUT, M.A.: Okay Bill Dietz, I wanted to ask you, we have referenced earlier all of the different factors that go into the problem of obesity, whether it is with kids or with adults and so on and Margo has talked eloquently about all of the different food choices that are out there and so on, realistically I mean if we do see changes in this field, what kind of an impact do we think that can have on the problem of childhood obesity and in particular I have heard you and others reference before the notion of small changes across a large population and what happens there, can you talk about that a little bit?

WILLIAM DIETZ, MD, PhD: Yes thank you. Before I do, I wanted to echo some of the earlier comments and congratulate the foundation for funding this study and Betsy for a fabulous job. It really is a very comprehensive study that I think has extended our knowledge and builds on not only the IOM report which Dale was part of but the joint FTC

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HHS conference and many of the themes that we are talking about emerged from those two initiatives including the expansion of CARU's responsibilities and I remember that the grocery manufacturer's association recommended that CARU expand to include these websites, but the question is how big a contribution does any single activity play in the genesis of this epidemic, or in the resolution of this epidemic? And I think we have to recognize that what is going to solve this epidemic of childhood obesity and overweight. It may be quite different than the factors which are generating. I think it is fair to say given what we know and what Dan has said about the small amount of advertising on advergames or advection or webisodes but it is likely to be a relatively small contribution, and I have to say that any new medium which is characterized by three new words: advergames, advection, webisodes, is not going to have a measurable outcome that we can talk about today. This indicates that we are in a new frontier of research, but one of the differences between the advertising on the internet and the advertising on television, or actually there are three differences. One is the intensity of that advertising experience and it would be useful to know in practice how much time children are spending on these websites because the intensity and the duration are quite different from the 30 second exposure that children have to television advertising, and an additional

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difference is the personalization of the experience, so even though I accept what Dan says about this being a relatively small contribution. I don't think we can neglect the potentially greater impact that this advertising exposure will have. Now, let's say that this affects dietary quality or even some health effect in 2, 3, or 4-percent of children. I would say that is a big number when you apply that percentage across the population of children. Now is it going to have as big an impact as increasing physical activity levels across the population, probably not. Will it has as big an impact as increasing the frequency and duration of breast feeding? Probably not, but I think that the media experience, specifically television viewing and the impact of these kinds of passive exposures to food coupled with the inactivity that both television and these types of advergaming and advergating and webisodes promote is a doubly whammy because it not only promotes food intake, but it also promotes inactivity.

VICKY RIDEOUT, M.A.: So where do you think the media ranks in terms of importance of factors regarding childhood obesity?

WILLIAM DIETZ, MD, PhD: I don't think we know. Other people, Dale and I think Margo both said that the epidemic of obesity in this country is not going to respond to a single intervention. It is not being caused by a single

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factor. We need a concerted effort and an integrated approach on multiple levels in multiple settings to address this. That said, I think that the media is one important influence on the quality of children's diets, the choices of children's diets, the choices that children make, their efforts to influence food intake and their diet quality because as Margo has pointed out, the types of foods that are advertised on television are not the foods consistent with the kind of healthy dietary pattern that we think that we need to promote, which is characterized by more fruit and vegetable intake, more whole grain intake, more low fat dairy product intake.

VICKY RIDEOUT, M.A.: So what do you think parents should do about all of this? I mean, what would you advise parents?

WILLIAM DIETZ, MD, PhD: This is an important challenge for parents in two domains. The first is I think we can anticipate like other forms of advertising that this is going to generate children's requests for foods and when parents deny those requests, inevitably conflict emerges and therefore I think that parents have to be prepared to say no, just as they do to other requests for children's foods, but the second point and I think it is an entirely valid one, is that parents can't view this aspect of the internet as benign, that like other forms of media to which children are

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exposed, parental oversight and regulation is required. This is an additional burden on parents who are already torn in lots of different directions in terms of their parenting types and in terms of the choices of foods that they make for their children but that is part of what parenting is all about.

VICKY RIDEOUT, M.A.: You know, you mentioned the inactivity that comes with a lot of media use and computer use, Nancy you were talking to me earlier about trying to find a way to make some of the games that are available on the websites actually involve physical activity. Can you tell us a little more about that?

NANCY DAIGLER: Yes we have done some active gaming for our websites and make available the game pads, I am not quite sure of the technical term, for them, through promotions so the idea is that the child can move and do physical activity while playing the game.

VICKY RIDEOUT, M.A.: So this is something that they attach to their computer at home. It is a pad on the ground and the game involves jumping around on the pad [inaudible].

NANCY DAIGLER: Yeah and we have also done some other things as well to our websites. We have included some physical activity and healthy lifestyle messages. On certain websites if you click a certain thing, another screen will come up. A popup will come up and say something along the

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lines of get out there and ride your bicycle, your body will thank you. We also include links to other websites, other healthy living websites like mypyramid.gov and kinetica.com so to the extent we can only include healthy messages online as well.

VICKY RIDEOUT, M.A.: Okay.

MARGO WOOTAN, D.Sc: Can we not leave this issue of parents yet? Because I think it is a really important one, as a parent and as a professional, that I think oftentimes this issue that is left at parents' doorsteps and people just say well you should say no and of course parents bear the ultimate responsibility for what they feed their children but other people feed our kids as well, you know. At school, they might have breakfast, lunch, snacks that other parents bring, there are parties at school, there are after school programs and so we are not the only ones that feed our children and the food marketing that kids are exposed to is really family unfriendly. It undermines parents' ability to feed their children because we as parents don't have the expertise that companies have. We don't have cartoons characters and contests and toy giveaways and these great games and great music and all this wonderful stuff.

VICKY RIDEOUT, M.A.: You have access to the computer and the television, though. That is pretty powerful.

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MARGO WOOTAN, D.Sc: Well but TV and the computer don't promote the healthy eating messages that I want.

VICKY RIDEOUT, M.A.: But I'm saying you control whether the kid has access to that.

MARGO WOOTAN, D.Sc: Well you're not supposed to bribe your children around the issues of food. You know, that is not considered a good way to get your kids to eat a healthy diet so I think, you know, parents are really put in this bad position by food companies and food marketers where we tell our children that this is the way they are supposed to eat which is more fruits and vegetables and whole grains and then companies market a totally different diet as desirable to eat and you know, we are almost made out to be liars that what kids see through marketing, what shapes the way they think about food, is so different. It is such a different diet than what the dietary guidelines say children should eat, and so I think we shouldn't just lay this on parents. We all have a role to play, government, food companies, parents, schools, that this is a societal problem that needs to be dealt with not only through parental education but also through policy.

VICKY RIDEOUT, M.A.: Okay and I am going to turn now and see if there are any questions from the audience and, oh I'm sorry, okay? Professor Moore wants to say something. We

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will go in just a second to the audience so please keep your questions in mind and I will get to you.

ELIZABETH MOORE, PhD: This is really a comment. It goes back to Bill's point which I thought was a very good one. If you go back to the nature of this media, I think one of the things that we need to remember here, he used the words intensity and duration that the nature of the exposure that children are seeing on this website is very different than what they see in a 30 second television ad. That is a relatively passive exposure to a marketing message. I teach advertising and promotional strategy so I think about these things a lot. When you get on the internet by definition I think we all know this but I kind of want to highlight this point, this is by definition an interactive process. You have to be making a series of decisions and actions as you go through this experience, so the nature of the exposure that children are seeing is much more in depth, it's much more engaging, much more involving, so I think when we are thinking about TV versus the internet, let's remember that what the children are seeing and the kind of experience they are having is very different and I think some of the things that we saw there, like Vicky mentioned the viral marketing, the reason that we are seeing viral marketing not just for children's sites but in other places is because it is pretty powerful. Consumers, when they are talking to one another

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that is a much more credible message if it is coming from a friend than if you perceive it to be coming from a marketer. So, I think that is something that we do want to be thinking about and I guess one question that didn't come up before when Vicky mentioned viral marketing was will children even recognize that this is an advertisement? They are seeing a message from their friend so will they even code this as a marketing message at all? If they are not coding it, to go back to some of Dale's points, is it just kind of, they just process this as information. There is no kind of interrupt to say ooh this is an ad and I need to look at this a little bit differently so I think there are some dimensions on these sites that are really important for us to be thinking about and that are very different than TV.

VICKY RIDEOUT, M.A.: Okay I want to start and see if there are any members of the working press who are here who I know are patient and who want to ask any questions at this point? Any members of the working press? Yes, in the back? Would you please identify yourself, stand up and tell us who you are?

CHRIS KIRKHAM: Yeah I am Chris Kirkham with the *Washington Post*. I know this wasn't addressed in the study but I was interested just anecdotally, how children are directed to these sites, where they are seeing particular

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advertising on other sites that leads into these sites where there is any interconnectivity between the sites?

VICKY RIDEOUT, M.A.: Yeah well they are directed to the sites in a number of different ways. Number one through product packaging, about half of the products that we looked at in the study have ads for the websites or mentions of the websites on the product package and there are examples of those out on the counter behind you if you want to take a look at them later. Secondly, the websites are promoted in some television ads that are aimed at kids will have a web address on them. Sometimes the web addresses are promoted in print ads. I have seen, you know, advertisements in like *Sports Illustrated for Kids* or something that says go to our website and do X, Y, and Z. They are promoted through viral marketing so once one kid goes to the site, they try to encourage the kid to send an e-mail with a link to the website to as many of their friends as possible and they are also promoted through links on one website; 84-percent of the websites in the study had links to other food related websites. All of that could change dramatically in the very near future because as we transition to digital television, there is the capability then, instead of the kid watching a TV ad and seeing a web address and then maybe remembering it later and going to that web address when they are online, they would just be able to click on the television with their

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remote control and go directly and immediately to the website on their TV and I think that is the point at which you might see internet advertising just take off in a completely different way and while we are on that subject, I just want to ask Dale Kunkel, there have been some discussions about regulatory policy about whether or not there should be a prohibition on interactive advertising in children's television, what is the status of that?

DALE KUNKEL, PhD: Well, in 2004 the federal communications commission issued a preliminary finding that interactive advertising to children, such as Vicky has just described, would be contrary to the public interest, that is to say that it would take unfair advantage of children and it should not be allowed. That decision is already established but it is a tentative conclusion. The commission has not yet formalized it in terms of defining when it would apply, would it apply only to broadcast or cable television, how would you define the program environments in which it applies, and so forth? And I know just from my interaction with different participants in the policy arena that the industry would like to see that changed, that at least some segments of the industry are discussing that with policy makers and so there is a lot of activity right now. In fact, there is an amendment from Senator Rockefeller on some omnibus legislation going through the senate right now that would

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formalize that as congressional policy rather than just FCC policy, so it is a very active area right now.

VICKY RIDEOUT, M.A.: Dan what is the position of the advertising community on whether there should be a ban on that kind of interactive advertising in kids' television?

DANIEL JAFFE, J.D.: We are completely opposed to that view. The FCC in fact has backed away from this finding in interactivity.

DALE KUNKEL, PhD: No they have not.

DANIEL JAFFE, J.D.: Well let me finish and then you can –

VICKY RIDEOUT, M.A.: We'll have to ask the FCC later.

DANIEL JAFFE, J.D.: There was a court case that we brought and they then are now putting it back under review, Dale, but there was legislation passed by the senate commerce committee that would make interactivity between children's programming and these types of sites illegal and we think that is a very bad mistake. It is an assumption that any kind of interactivity would be harmful. In fact, the way they have defined terms a site like going from a Sesame Street program to a Sesame Street site, even if there was no product being sold on that site would be illegal because it would be brand promotion of the Sesame Street brand and so we think this is way over broad, beyond that we believe it is

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unconstitutional. I have, on behalf of our association, recently written a letter to the congress stating why this proposal is not only misguided but would clearly violate the first amendment.

VICKY RIDEOUT, M.A.: Okay, any other questions from working press in the audience? In the back? And if you would please tell us your name and your media outlet.

FEMALE SPEAKER: [Inaudible], CNN. Vicky, now that you guys have completed this report, where is it really going from here?

VICKY RIDEOUT, M.A.: Well, I guess I would say that this is the first study that just tried to document in a comprehensive way what is the extent of online food marketing to young children and what are the features of that? And I think the most important use for the study is going to be to help inform the policy making process that is going on right now so there is the process happening within the industry through CARU and then there will be presumably some sort of public oversight of that process to see, you know, do policy makers think that met their expectations and their hopes for changes and so I assume that the federal trade commission and congress and so on will be looking at that. The FCC will be looking at whether or not they want to continue with the tentative ruling that they had before on the ban on interactive advertising and so our sense is that process

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can't really be effective unless it is based on an awareness of what is actually happening in terms of online food advertising right now, so that is the primary goal that we had. Okay any other, Ira Teinowitz from AdAge.

IRA TEINOWITZ: Take a moment to check on what has happened since the study. The study was done based on advertising from a year ago. There have been some care decisions since then that changed some of the stuff that had to be done and there has been, obviously that is sort of a lifetime on the internet, a year, have you seen any indication, obviously Kraft is talking about changing some of its stuff, have you seen any indication that anything has changed since the study came out that there are more warnings to kids, the stuff that is advertising has gotten changed, any sort of indication of changes?

VICKY RIDEOUT, M.A.: I have to say that you are right, it absolutely is a very dynamic environment. We haven't gone back systematically and looked but I can say kind of anecdotally. Well one thing that we did do that was systematic is we went back in I think it was the end of January and looked to see if these sites were still there and I think with the exception of two, they were still live and the content was very similar to what we had seen. One thing that we did see and this started to happen in the fall, we did see and I believe it was on some of the craft sites, when

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children go to load a game that a message would pop up and I don't know how long it is but just a very few seconds, it would have some sort of nutrition or exercise kind of message that would then disappear and then the game would load so it was a little bit of an activity kind of oriented message. I think that is the most [inaudible - interposing].

ELIZABETH MOORE, PhD: I think one other little change that I have noticed again anecdotally is more of the rich media, the video content on the website, so in the study we found that half of the websites had their TV ads posted online. We watched here earlier the webisode involving Lucky from Lucky Charms, I think that is something that as more and more people are getting broadband and as the rich media capabilities develop, that is something that I am seeing. It seems like it is changing kind of rapidly and expanding. Any other questions from working press? Yes? No, behind you, sorry I'll get to you in a sec.

SARA GRAHEE: I am Sara Grahee from UPI. I have two questions for you Nancy. The first one is what exactly does Kraft consider the better for you foods? And my second question would be earlier you mentioned that you have a six year old, I believe, so as a mother how do you feel about the online advertising and viral marketing, the types of foods that are advertised, not just for Kraft but for the industry as a whole?

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NANCY DAIGLER: Good questions, thank you. First, as far as our better for you foods are concerned, they are called Sensible Solution and if you go on Kraftfoods.com, you can get all of the nutrition criteria for each category of foods that Kraft sells, and so you will get a clear understanding that fit within the sensible solution categories and those that don't. Your other question about how I feel about food websites, well first of all I have two sons, 6 and 9, and by the way I also have a 45-year-old husband who I consider I am the mother of him as well [laughter], he'll kill me, but we are fine with our children going on food websites. They do go on food websites. We monitor their online activities, and frankly I would prefer and this is just my personal viewpoint, that they are on food websites versus some of the other alternatives out there.

VICKY RIDEOUT, M.A.: Okay right here.

WENDY MALILO: Hi, it is Wendy Malilo from *Ad Week* magazine. Having covered this issue for awhile, I would like to step back for a moment and ask. There was really no agreement on the guidelines at what age it is appropriate to even market to children. We keep approaching this issue by slicing off pieces. Today we are talking about the online component of this. I think I would probably guess what Dan and Margo would say about this question, so I am going to direct it to Dale Kunkel and William Dietz. Should there be

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a guideline that says we should not be marketing to children under the age of 8 if they don't even understand what an ad is?

DALE KUNKEL, PhD: I was senior author on a task force for the American Psychological Association that reviewed all of the evidence about how children understand and defend against commercial persuasion and one of the central conclusions of that report and that was issued about 2004, was that there should be fundamental restrictions. That doesn't use the word ban; there should be fundamental restrictions on all advertising to children too young to understand the persuasive intent of commercial content, so yes that recommendation is out there. I think people like Dan and many people in this country will say that advertising is so centrally and deeply routed in our culture, even to children, that it is not going away and that there are legal aspects to this debate but simply in terms of a psychological perspective, is it fair to target children? The research indicates that no it is not.

VICKY RIDEOUT, M.A.: Dr. Dietz?

WILLIAM DIETZ, MD, PhD: As a pediatrician, I am concerned about the effects of advertising on children and share some of Dale's perspectives. As a federal employee of HHS, I would defer that answer to the FTC. [Laughter]

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VICKY RIDEOUT, M.A.: Okay I think we have another question right here.

DAVID KLEMAN: Hi, I am David Kleman from the American Center for Children and Media and I want to get at a gap that I am hearing, particularly between what Margo and Dale are saying, I guess I would preface it by saying the only thing I have heard this morning that surprised me is that only 85-percent of the sites that you surveyed had children's sites. If they are advertising that much on children's TV I am amazed that 100-percent didn't. Margo, you talked in particular about the preponderance of sites for unhealthy foods and Dale you talked about the inherent inability to understand advertising, I took advantage of the wireless signal in here and went quickly to fiveaday.org. I went to Got Milk, I went to the USDA, and found that they are using virtually every technique that was found in the research. There is the link to Over the Hedge at the Five a Day. The only one I haven't found yet and I was only on for a minute or two was viral marketing, but everything else you talked about was there. If kids have an inherent inability to understand the advertising, are those sites out as well? Should we not be advertising? Should we not be using these techniques to advertise healthy foods to kids?

VICKY RIDEOUT, M.A.: You are saying is it unethical to teach kids the healthy eating habits when they are too

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young to know they are being taught? That is your question? All right does anybody think there is an ethical problem with public education campaigns on nutrition aimed at young kids that use new marketing techniques?

MARGO WOOTAN, D.Sc: I think that the fundamental issue is whether or not the food makes a positive or negative contribution to children's diets and health so I am all for advergaming using carrots and bananas and broccoli. I have looked at the Five a Day site and some of the other educational sites and I don't think mypyramid.gov is anywhere near as slick as Nabisco.com but I wish it was and I think it is fine to use marketing to promote healthy eating. I don't think it is unethical. What is unfair and what is detrimental to children is that the food that is being marketed to them currently through the web as we saw today on TV and previous studies and on packaged marketing, the problem is it is almost all unhealthy food.

VICKY RIDEOUT, M.A.: But you know, one other thing, I mean to David's point, I think the issue is that probably there are not as many kids going to the USDA's website as might be going to the Lucky Charms website but there are links to my pyramid on some of the food company websites that do attract the kids and one example I know on millsbury.com, I was on there the other day on their games arcade they have a link right to the CDC's web website and to the games

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section and the verb website does use games and so on and so forth and they weren't quite as slick as the ones that were on the Reese's [inaudible] cereal game on the Millsberry site but it was prominent, the link was placed pretty prominently so there are ways that I think the more popular food company websites could direct kids to some of the other websites.

DANIEL JAFFE, J.D.: Vicky just to build on what you just said and before I do that I want to also so it is unanimous, thank you for your work. I think this was a very helpful study and a very solid study, though I haven't read it as carefully as I will and I will probably find even more. What I have found already has been very useful. There has been a concerted effort by the grocery manufacturers association and other associations to make sure that my pyramid has gotten out effectively through the same sorts of sales, processes that we use elsewhere as part of our general effort to respond to the obesity problem in this country so there is a whole range of steps that are being taken. When you put all those steps together, it is really a very substantial effort and this is part of it and we are going to use our creativity to try to help kids. At some point we are hoping that the government and others are going to step in and start to try to see that there is more nutrition education in the schools and so that there won't need to be outsiders doing it but that insiders will be teaching kids on

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a daily basis so they will know what they need to know.

[Interposing]

MARGO WOOTAN, D.Sc: [Inaudible] do that together,
Dan. Let's lobby on the hill for more funding for a bill.

[Laughter]

DANIEL JAFFE, J.D.: That may sound funny but I think
there are areas in which we really agree and can lobby
together and we should lobby together because this is a real
need and we agree on that.

MARGO WOOTAN, D.Sc: We should do it together.

DANIEL JAFFE, J.D.: Go ahead and talk about it.

MARGO WOOTAN, D.Sc: Okay good.

VICKY RIDEOUT, M.A.: I wanted to add to what Dan was
just saying, in addition to, we found that I think about one
out of every four sites that we looked at in the study had
some type of healthy eating or nutritional information or
links to such sites on the website, one of the things I
noticed that was new that is on one of the product packages
out in the [inaudible] area there if anybody wants to look at
it was a Kellogg's Frosted Flakes box, I think is what it
was, and the whole back of the box and the whole, it was a
promotion to go to the website and earn points doing
activities but the activities are all physical activities and
so it is all under the rubric of earn your stripes so they in
essence made one of the primary focuses of their website and

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of the activities and the earning of points to be around physical activity. Did you want to add something Betsy?

FEMALE SPEAKER (BETSY): No I think actually one of the things that I showed here on nutritioncamp.com is very much focused on kind of healthy lifestyles. That is tonythetiger.com that you are talking about. We definitely saw some examples.

VICKY RIDEOUT, M.A.: Okay I think there was a question down here?

TODD HICKEN: Hi, Todd Hicken with National PTA, Vicky you brought up a point that I would like to see a lot more done on, something I know that Dale has done a lot of work on which is interactive advertising connected with television. Now the advertising folks as well as television industry have been saying for quite awhile to those of us working on this that it is a nascent technology and that it is not here yet, that we don't have to worry about it much; however, interactive advertising from television is considerably further advanced in Europe. They actually have this year is the third annual conference on interactive advertising to children in England and we already have seen examples here in the U.S. such as in Hawaii how you could purchase a pizza through your television remote control and unfortunately for parents you won't know about that cost until you get your bill the next month so while, as Nancy

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said, only 4.7-percent is online advertising, that connection between the internet and television is growing by leaps and bounds, particularly as we come to the digital age, so I hope that you guys continue to do work on that. I know Dale has been.

VICKY RIDEOUT, M.A.: Okay are there other questions in the audience, in the way back, ma'am?

MARIE DIAC: Thank you. I have a comment about the interactive activity with children on a website.

VICKY RIDEOUT, M.A.: Would you mind just telling us who you are, Marie?

MARIE DIAC: Marie Diac with the Entertainment Industry's Council. I understand that in some cases parents have to log in or give the kids permission, physically be there, but I would hope that there is a role as a child goes deeper into the site that the parents continuously need to be there because that kind of habit online, there are more dangers than cookies and pop tarts and other things, when kids get into that interactive kind of environment online and actually somebody like Kraft or the other advertisers can really create a learning experience for parents to know just how intimate, when a child is asked for information that is inappropriate, it gives the parents an opportunity to say we don't do that for this or for anything so I think the parent

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role needs to be expanded which Margo goes back to your point that the parents need to be involved.

VICKY RIDEOUT, M.A.: Right. Okay and right in front of you?

ABDUL SHAKE: Hi I'm Abdul Shake, I'm a cancer prevention fellow at the National Cancer Institute, I wanted to actually ask a question here and Dr. Dietz, you and Dr. Moore touched on the issue of personalization and how that increases relevance, I'm curious, the websites that you looked at, were there any features that children may not be consciously aware of that were targeted or tailored to their age or gender in addition to I guess the customization that they could intentionally do to personalize websites, were there any features that they didn't know necessarily that were personalized?

ELIZABETH MOORE, PhD: I'm not sure that I quite understand your question but I would say -

VICKY RIDEOUT, M.A.: It's kind of like amazon.com saying hi, Vicky Rideout, I have these recommendations for you.

ELIZABETH MOORE, PhD: The only time that happened, I mentioned the membership and registration, only if there was some sort of membership or registration did it recognize the child when they came back and if it was a situation where they were collecting more than a screen name and a password,

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parent permission was required, and that is in compliance with the children's online privacy protection act.

ELIZABETH MOORE, PhD: I'm not sure we know the answer to that question. It's an interesting question which is as a child goes through and plays certain games or makes certain choices on a website, is the website then kind of collecting that information using it for either broader marketing purposes or to kind of adjust the child's experience on that website beyond, I mean we do know like when you finish a game it may say to you here is another game that you might like playing, that kind of thing, Dale?

DALE KUNKEL, PhD: This isn't, the example I am going to draw on isn't from the food marketing area but just in following the kids' interactive websites, earlier there was a Barbie website where the child would go on and they would be asked to go through a poll and tell us how you like this and how you like that so that the marketer would learn their favorite color and their favorite sport and then shortly thereafter they would say oh, you know, you should really take a look at Pepper Ann because Pepper Ann likes green just like you do and Pepper Ann likes to play volleyball just like you do, and so that is an example of the way in which those strategies can be used.

VICKY RIDEOUT, M.A.: It's a really interesting question. Somebody else had asked me the same thing. I

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don't think our study, we really didn't have the capability to look at that, so I don't think we really have the answer. Nancy do you want to comment, is that something that you guys do or is it an industry practice? Are you familiar with it?

NANCY DAIGLER: I am not, quite honestly. [Laughter]

VICKY RIDEOUT, M.A.: Dr. Dietz?

WILLIAM DIETZ, MD, PhD: It isn't the question whether cookies have cookies. [Laughter] I don't know. Dan, maybe you can comment on this. Are cookies formally banned on these types of websites directed at children or do you have, and I don't know how you would discover that necessarily.

ELIZABETH MOORE, PhD: Actually and part of the information for parents, the websites, many of them would specify whether they collected cookies or not.

VICKY RIDEOUT, M.A.: Okay I think we have another question back here.

BRITNEY OH: Britney Oh, ABC, my question is for you Nancy, when you have been looking at the children who have been going on this website and tracking the information, has it been successful for Kraft, the different advertising that you have been using online, what components of the online advertising have been the most effective?

NANCY DAIGLER: I don't know that I have all of the answers to that question, I mean certainly it is a way that

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we talk to consumers and children and it is effective we believe and that is one of the reasons why we are implementing the policy that we are implementing so that when children are online they are getting exposure to our better for you products.

VICKY RIDEOUT, M.A.: You have already implemented the change with regard to television advertising, is that right?

NANCY DAIGLER: Yes, television broadcast, television, radio, and print, okay, and we are in the process of implementing the online policy so what might have been online a year ago might be different than what is on today and might be different a year from now.

VICKY RIDEOUT, M.A.: And so what you are doing is if a TV show or radio show or a website has a majority of the audience's children under 12, then you will only advertise your better for you products?

NANCY DAIGLER: Yeah and I just want to make the distinction it is basically 6-12. We don't have websites that appeal to children who are under 6 and so that is the area that we are looking at.

VICKY RIDEOUT, M.A.: It's a better design to appeal to children under 6.

NANCY DAIGLER: It is primarily viewed by 6-12 year olds.

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VICKY RIDEOUT, M.A.: Okay can I ask you a question? Have you seen any kind of a drop off in sales? I mean, has this affected you negatively by not advertising as much on the shows that are mostly watched by little kids?

NANCY DAIGLER: In certain categories. It has been a very interesting exercise for us because number one, it has created an interesting incentive within the organization to develop more better for you products for kids and to reformulate some of the products for kids that didn't meet sensible solution guidelines so that we can market the better for you products to children. There were some categories. Children's cereal comes to mind where we were not advertising on television for a period of time and yes there was a decline in sales in that category. We are back online now because we have reformulated to meet the sensible solution guidelines.

VICKY RIDEOUT, M.A.: Very interesting. Okay we have time for a couple more questions if anybody has anything further that they want to ask? I have one final area I want to go through, which is that in current law the federal communications commission regulates television advertising to children and they have three policies. They have limits on the number of ads an hour in children's programming. They have a ban on host selling, which means you can't have Scooby-Doo television show and then an ad for Scooby-Doo

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macaroni and cheese in the same show, and they have a requirement that there be a bumper after the TV show as you transition from the show to the ad, just to let the kid know it is an ad. I want to ask, do any of you feel like, what are your thoughts if anybody wants to comment, on whether or not we should try to find a way to apply those guidelines to the internet and is that something that would even be remotely possible? Dale, why don't you?

DALE KUNKEL, PhD: Well part of that effort is already started. For example, among the requirements that you have talked about, the bumpers or the separation devices, there is the ad alert that the study identified. Now, one of the things as you look closely at the findings of the studies is that there is really no uniform way that marketers are labeling their advertising. Some say commercials, some say paid message, some say ad alert, and so that is going to make it a harder task for a young child to try to identify what is [inaudible], what is commercial and non-commercial content? If the industry really wanted to be responsible, I think what they would do is they would go to a uniform symbol or icon or approach to identifying the ad.

VICKY RIDEOUT, M.A.: Betsy is there even any evidence so even if they did that, that it works? That the kid really gets that?

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FEMALE SPEAKER (BETSY): Actually I'm a researcher. I think that is a very important issue moving forward is how are children responding to these ad breaks? Do they notice them? Does it stop them at all? So, I think that is a very important issue and we don't know the answer. We don't know how kids are processing that, how effective they are, what kind of formats might be most effective.

VICKY RIDEOUT, M.A.: Okay I'm going to take one more question over here.

ELLEN FREED: My name is Ellen Freed. I am from New York University, and I was just wondering in terms of the effectiveness of the parental permission, if any research has been done to see if the kids are getting savvy enough to override that, and if they are, at what age they are being able to do that?

VICKY RIDEOUT, M.A.: Well, I mean in order to, the way the website finds out if they need to ask parental permission is they ask the child to input their age so presumably a child, if they wanted to get around parental permission, they might know that they have to put in a birth date that indicates that they are older than 13. I don't know of any evidence that indicates whether they do that or they don't do that or how effective asking of the age is. Do you, Betsy?

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FEMALE SPEAKER (BETSY): Just I would say there are a couple of other mechanisms that are used, too, like for example Kellogg's actually, if they want parent information, the parent actually has to go to the site and input credit card information.

VICKY RIDEOUT, M.A.: But my point was just that is if the kid indicated that they are under 13.

FEMALE SPEAKER (BETSY): Absolutely. And some sites also require written permission. I guess one of the questions that we asked in the study, too, was if they did require parental permission, how much could the kids go on the sites if they didn't have it? And in most cases there was a lot of activity that they could still participate in, although there were a couple of exceptions to that. Mycoke.com for example, you can't do anything without.

VICKY RIDEOUT, M.A.: Sandy Calvert, last question and then we are going to wrap up.

SANDY CALVERT: I have a question for Nancy. I am wondering if, you know when you reformulated your cereal and made it healthier, if you now have the same sort of base. Are kids coming back to it? Do they still eat it, and how well is that product line doing with children?

NANCY DAIGLER: Well some of the products have just been newly reformulated, and they are just back out on the marketplace so we are not quite sure yet. We do do consumer

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testing, ask kids to taste the cereal but you know, it is hard to know until you get out there in the marketplace. We have had circumstances though, certain products, we reformulated Alpha Bits, and it didn't taste very good and the kids didn't like it, surprise, surprise, but it goes back to the same old story which is it still has to taste good for people to consume it, and as a food company we have to find a way to get to tastier better for you products and we continue to work with all sorts of technologies to help us to try to do that. Thank you.

VICKY RIDEOUT, M.A.: I just want to ask the panelists if anybody has any final point that they want to make before we close? Dale?

DALE KUNKEL, PhD: Yeah I wasn't quite sure where to fit this in, but it is a policy recommendation that the Institute of Medicine issued in the food marketing report. It was the idea that there should be a uniform system of food ratings that would help parents understand what are the foods that should be consumed by their child only on occasion, not regularly, and to also address the situation. We have Kraft and it is really terrific that they have said here are the nutritional criteria for what will qualify as our healthy products, but there are lots of companies and those companies have different product portfolios and different economic interests and other companies draw the line differently, such

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that I have already looked at some of the products and something that would qualify as a healthy solution on one company wouldn't qualify on another. That is going to lead to a lot of consumer confusion unless there is a uniform system of food ratings and so that is a recommendation that is out there that is one that people haven't talked about very much. I do think it is quite doable and I think that would have an important contribution from the parents side in terms of them appreciating that I really do have to say no because this has a red light on it or this has a rarely on occasion or whatever would be the appropriate label for most of the products, and I also think it would help parents appreciate wait a minute, why do only the red light products, you know, I keep seeing them on the TV or on the internet so much and I don't see the green light products.

VICKY RIDEOUT, M.A.: Okay well I want to thank all of our panelists so much for coming here. Many of you travelled to get here. I really appreciate the contribution and the discussion and thank all of you for attending and anybody who wants to talk to the panelists a little bit one on one, we will try to stick around for a couple of minutes and speak to you. Thank you so much. [Applause]

[END RECORDING]

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