Digital Marketing

Interactive Food & Beverage Marketing:
Targeting Children and Youth in the Digital Age

An Update

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In April 2007, the Berkeley Media Studies Group and the Center for Digital Democracy released the report “Interactive Food & Beverage Marketing: Targeting Children and Youth in the Digital Age.” It provided an overview of contemporary developments in the interactive media marketplace, and explained how food and beverage companies are using new digital media to promote their products to young people. As that report documented, economic, institutional, and technological trends are transforming the nature of marketing in the digital era, ushering in what is now called the “marketing eco-system,” which encompasses not only television, but also a growing number of digital “platforms,” from online games to cell phones to 3-D virtual worlds.

In the year since that report was released, the techniques we identified are still very much in practice, and many of them have been further refined, as food and beverage marketers combine them in a variety of integrated cross-platform campaigns. The interactive marketplace has experienced significant growth and expansion. Internet advertising spending has increased. Behavioral targeting is becoming more sophisticated. And “social media marketing”—reaching young people through highly popular websites such as MySpace and Facebook—has grown dramatically, spawning a new generation of data mining and viral techniques. With more and more youth downloading videos on YouTube and other online services, advertisers are perfecting their ability to transform that practice into a lucrative business model.

This memo will highlight some of the recent developments in interactive marketing, and how they are influencing the strategies that food and beverage companies are using to target young people. We will also briefly summarize current public policy debates over contemporary digital marketing practices, and suggest some key questions for health professionals to address in order to develop effective strategic interventions on behalf of children and youth.

### A Growing And Robust Digital Marketplace

This past year has witnessed a frenzy of experimentation, innovation, and investment in interactive advertising services. According to industry sources, interactive media “is the fastest growing sector in the media world,” surpassing both radio and cable TV advertising in total U.S. ad spending during 2007. Online advertising experienced a continued rise in revenues, earning $21 billion in 2007 and $5.8 billion in the first quarter of this year. Major advertisers are already redirecting a growing proportion of their ad budgets to digital media. Helping fuel the growth of the digital market is the widespread adoption of broadband in the home, which, as a recent report by Microsoft observed, “has profoundly changed the consumption patterns of media.” Venture capitalists are investing heavily in three particularly promising growth areas for digital marketing: social networks, mobile phones, and online video. The leading online companies—Google, Yahoo, Microsoft and AOL—have made a series of strategic acquisitions in the interactive ad sector, increasing their capacity to offer targeted and integrated campaigns across the Web and on mobile networks.
Marketers remain keenly focused on the nearly 38 million 3-to-17-year-old Internet users who are the leading force in the growth of many digital platforms. Youth are the market leaders in downloading online videos, with 4.1 million 2-11 year olds and 8.9 million 12-17 year olds on YouTube in April 2008 alone. As Michael Pond, senior media analyst for Nielsen Online, explained, “today’s youth don’t know—or don’t remember—a time when they weren’t going online, so their adoption of online video has been seamless.”

Major food and beverage companies launched new digital ad campaigns over the last year, and were in the forefront of integrated multi-platform marketing strategies involving online video, social networks, and mobile communications. McDonald's use of online marketing reached 52 million users in March, delivering 295 million online display ads. Coca-Cola's international campaign, called “The Happiness Factory,” with sites in Europe and the U.S., included a viral video, online game, and virtual reality tie-in.

At the heart of the interactive advertising revolution is measurement—specifically, more precise techniques for measuring user interaction and response, yielding unprecedented amounts of details about individual consumers. Advertisers are refining the emerging advertising industry metric called “engagement,” designed to determine how well an ad generates a corresponding consumer response. The Advertising Research Foundation created a new “Engagement Council” in February 2008 to further its development, with a working definition of “Generating relevant behavior with the customer or prospect.” Food and beverage companies that have worked on engagement include Con Agra, Kellogg's and Masterfoods.

The Expanding Role Of Behavioral Targeting

There has been continued growth of interactive marketing technologies that track, collect, and analyze the online activities of users, in order to engage in behavioral targeting. According to a recent New York Times article, five companies alone—Yahoo, Google, Microsoft, AOL and MySpace—record at least 336 billion data “events” each month. A June 2008 eMarketer overview predicts that spending for behavioral targeting will grow from $775 million this year to $4.4 billion by 2012.

This growth reflects the continued evolution of the “one-to-one” paradigm that is at the core of interactive marketing: learn enough about individuals so they can be targeted with advertising crafted to uniquely engage them. As the J.P. Morgan “Nothing but Net” report explained last January, “We believe that advertisers used to pay for audiences on websites but will now start to pay for specific users.” Advertisers are willing to pay higher fees to use behavioral targeting techniques because of their ability to bring significant results. Marketers are able to track and monitor a broad spectrum of online consumer behaviors, including:
• the pages or sites users visit;
• the content they view;
• search queries they enter;
• the ads they click on;
• the information they share on social Internet sites; and
• the products they put in online shopping carts.

These kinds of data are combined with the time, length and frequency of visits. The tracking data can also be merged with visitor demographic data—such as age, gender and ZIP code—derived from site registration or Web surveys.15

Behavioral targeting is growing in sophistication, through technological advances in such areas as data mining, audience segmentation, and predictive analysis. Advertisers are working, often conjointly with agencies, market research firms, and trade associations, to further the growth of powerful precision-marketing techniques. The goal, as one trade publication recently explained, is to develop a “complete view of the customer journey,” where user behavior is both well-understood and directed.16 For example, market researcher Homescan/Spectra retains a national panel of about 120,000 consumers and collects data on everything they have purchased by scanning the UPC code. Homescan/Spectra uses a subset of that panel—45,000 users—who agree to track their Web-surfing behavior on Yahoo. Steve Warshaw, VP of Homescan/Spectra explains the value of this system: “A client will come to us or through Yahoo and say they want to run an ad on Yahoo and target heavy soft-drink buyers, for instance. So we look at the 45,000 households which exhibit the heavy soft-drink buying behavior, and then we look at their Yahoo surfing patterns. We model that and with algorithms provided by Yahoo, we provide them with an algorithm that tells them which are the ones in their universe that would be the heaviest soft-drink buys. Then Yahoo serves the ads to those people.”17

Psychographic targeting company Mindset Media announced a new service early in April to “enable brand advertisers to target consumers with specific personality traits that drive buyer behavior and brand affinity...[based on] 20 different elements of personality, including creativity, assertiveness, self-esteem, and spontaneity.... Every MindsetProfile identifies the Mindsets that differentiate the target at the 95% level of statistical confidence.” Mindset is now partnering with WPP’s 24/7 Real Media, which will enable its products to be used via sites that reach “150 million viewers each month.”18

Food and beverage companies are relying on these niche behavioral targeting companies to help them perfect their abilities to market to individuals. For example, Coca-Cola used online marketing specialist Tacoda (now owned by Time Warner) to target “specific behavioral segments” for the MyCoke Rewards program. The result was a dramatic increase (250 percent) in the number of users who engaged in the desired “clickthrough” behavior.19 Coca-Cola also used search advertising to help drive its marketing efforts, while other companies are employing targeting databases that combine offline and online data to create highly detailed personal profiles.20
Social Media Marketing – Penetrating The “Social Graph”

The two leading social networks—MySpace and Facebook—have witnessed amazing growth during this past year, particularly among young people. Facebook grew 125 percent in a single year, and reported more than 60 million users in 2007. MySpace recently boasted of 72 million unique U.S. monthly visitors on its site.21 More than $3 billion was invested or acquired in the social media field in 2007 and the first quarter of 2008.22 Interactive advertising is the key force that is driving this investment. In the last year, both companies took major steps to open their networks to advertisers, enabling them to develop highly sophisticated marketing campaigns. An entire infrastructure has emerged—from specialty ad agencies to tracking and measurement services to “third-party developers”—to facilitate what is now called “social media marketing.” Dozens of trade shows, workshops, and industry reports offer a multiplicity of ways for marketers to infiltrate these online communities. Food and beverage companies such as Coca-Cola, Kraft, Pepsi, and Taco Bell are among the pioneers of this new marketing strategy.23

Because young people are living much of their personal and social lives on these sites, marketing through social networks can combine a variety of digital techniques, including behavioral profiling, viral peer-to-peer brand promotion, user-generated advertising, broadband video, and mobile communications. One approach (part of a promotional effort for the candy, Skittles, for example) is to create branded “wrappers” or “skins” that can “transform a social network’s landing page into a 360-degree branding experience, complete with wallpaper, photos, video, music, and links. As one trade publication explained, a user logging onto MySpace “would find the home page fully dedicated to a single brand or product, and could easily engage with that marketer even before entering her password.”24

Social networks offer a wealth of opportunities for targeting individuals. At the core of MySpace’s new marketing service, announced last year, is a unique “hypertargeting” system. The company tells advertisers it can create a “detailed profile of each user and their friends, including age, gender, location and interests,” offering access to the valuable demographic groups that frequent its platform. Its media kit promises potential clients access to its 6.2 million users between the ages of 15-17 (or 57 percent of all online teens), making it the “#1 most viewed site” for that age group.25 “MySpace users want to share personal information—it’s a fundamental part of how they express themselves and connect with others,” the kit explains. “The freely expressed data in a user’s profile offers marketers more authentic, powerful, and direct targeting beyond common proxy methods.” By combining registration data (“Personal demographic information provided by MySpace users when they become members”) with profiling data (“Freely expressed information by consumers about their passions and interests”), MySpace promises to deliver “next-generation targeting.”

Among the initial advertisers to take advantage of this new service was Taco Bell.26 MySpace executives report that marketers who make use of the profiling data on its members have experienced success (“733% lift in brand awareness, 800% lift in recall, 152% increase in brand favorability, and 179%
increase in purchase intent.”) Media marketer Videoegg has been working with Burger King, McDonalds, Chili’s, Totinos, Nestle, Hot Pockets, and Fanta on a variety of social media campaigns, promising “unique video advertising formats” and a highly sophisticated “targeting approach” that can “deliver higher engagement rates for brands and more relevant ad experiences for consumers.”

Social networks are considered particularly powerful tools for brand advocacy and viral marketing. Recommendations from friends in one’s social network are an increasingly important strategy for brand promotion, spawning terms like “community branding” and “fanvertising,” all part of the emerging lexicon of social media marketing practices. In November, Facebook launched a multi-pronged approach for marketing on the site, unveiling “an ad system for businesses to connect with users and target advertising to the exact audiences they want,” offering “advanced targeting” by “age, gender, location, interests” and other variables, as well as “deep analytics” for understanding exactly how individuals are engaging with the marketing. Through its innovative new system of “social ads,” the company promised to revolutionize marketing and advertising. “For the last hundred years media has been pushed out to people,” Facebook founder and CEO, Mark Zuckerberg told an audience of marketing and advertising executives in New York, “but now marketers are going to be a part of the conversation.” The key to this next generation of advertising, according to Zuckerberg, is for companies to insert themselves into what is called the “social graph,” the web of relationships and ongoing interactions—among friends and friends of friends—that these websites encourage and facilitate.

“Social actions are powerful because they act as trusted referrals and reinforce the fact that people influence people,” he explained. “It’s no longer just about messages that are broadcasted out by companies, but increasingly about information that is shared between friends.”

Among the 12 major advertisers that signed up for the initial Facebook “social ads” launch was Coca-Cola, creating a Facebook page that invited users to add an application to their account called “Sprite Sips,” which enabled them to “create, configure and interact with an animated Sprite Sips character.” U.S. consumers can insert a PIN code found under the cap of every 20 oz. bottle of Sprite, in order to “unlock special features and accessories.” Such tactics can encourage over consumption as users purchase more Sprite to get more bottle caps. The animated interactive character also “provides a means for interacting with friends on Facebook,” serving not only as a fun way to pass the time online, but also as a way to “leverage Facebook’s natural viral communications to spread the application across its user base.” Thus, as young people send messages among their circle of friends, the branded animated character becomes part of the communication process.

Facebook introduced another new ad program late last year called “Beacon,” which enabled advertisers to post announcements on members’ news feeds whenever a user purchased a product or...
engaged in other activities either on the social network itself or with Facebook’s outside advertising partners. The practice, launched during the holidays, quickly generated controversy as some Facebook members became alarmed when gift purchases and other transactions involving Facebook’s advertising partners were transmitted to their friends. Privacy advocates (including the authors of this report) raised questions in the press about the service, and Moveon.org launched an online backlash on Facebook’s own site.

After bad publicity, threats of FTC action, and the online protest, the company decided to revise its Beacon program to give users more control over the way it reported their activities.34 But Facebook’s move was only meant to correct a few kinks in this particular advertising service, not to change the overall direction of its marketing and advertising strategy. Its decision to open the platform to third-party advertisers has resulted in a flood of new software applications designed to promote products, gather information, and obtain a range of details about individual users. (See discussion of widgets below.)

Both Facebook and MySpace are now offering Spanish versions of their social networks.35 For example, MySpace claims to reach 7.7 million Hispanic users, with 92 percent of Hispanic MySpace users visiting daily.36 With more than half of online Hispanics participating in instant messaging, sharing photos and reading or posting blogs, the Internet is a vital source of communication for this group.37

Companies such as Nielsen and BuzzLogic have developed software to monitor behavior on social networks, in order to help marketers identify and encourage key “influencers” who can help promote their brands. For example BuzzLogic bills its “Conversation Targeting” product as a “social media measurement system” that analyzes blog conversations and the network of links connecting them in order to identify where ads can be precisely placed. As the company explains: “Measurement is no longer simply about eyeballs and Page Views—it’s about relationships, conversations, and the degree to which you are influencing consumers.”38

New software applications are also making it possible for almost any individual or company to create a social network, and a host of new niche social networks have already been launched to tap into users using video programming, mobile phones and other emerging media. Some food and beverage marketers are creating their own social networks, stocked with engaging multi-media amusements that are also sophisticated data collection tools.

**Pepsi’s** “Youniverse” launched a “beta” for a social network targeting European fans of football. It allows users to compare their “Visual DNA” with famous stars of the game through a “personality test [where] you have to answer the questions by choosing the appropriate images to get your psychographic description,” (surrendering detailed personal information in the process). This accomplishes two goals for the company. First, it prolongs engagement with the brand by giving the user something to do on the site. Second, the personal info the user provides can be used by **PepsiCo** for future target marketing campaigns.
Pepsi’s chief rival, meanwhile, has launched its own interactive application for social networks. “One of Coke’s latest ventures is its Coca-Cola Conversations blog (coca-colaconversations.com), launched last January after two years of blog monitoring to see what was being said about the brands.”

New Techniques: Widgets

The Social Networking revolution has witnessed a proliferation of “widgets”—small, downloadable applications that allow users to customize their personal pages while also serving as a means of delivering advertising and tracking user responses to those ads. From games, such as Scrabulous (based on the game Scrabble), to entertainment, such as iLike, which lists your favorite music, or to Google’s “gadget” utility, widgets are becoming omnipresent devices in the world of social networks. Widgets can be created solely as an ad, or can contain an ad that is launched as the user interacts with the application. They are now an important part of the interactive marketing infrastructure, promoting brands, selling products, and collecting user data. Food and beverage marketers have embraced widget advertising. Pizza Hut, Papa John’s, Coca-Cola, Pepsi, and 7-11’s Slurpees have all recently promoted their products via widgets.

Widgets are being expressly designed and promoted as viral devices, what one widget ad company calls “Snaggable Ads,” which can be shared across social networks, home pages and blogs. Each widget comes equipped with a “unique ID” which permits tracking and campaign analysis as the ad is shared (forwarded) virally across the Internet. Google’s widgets, for example, called Google Gadgets, can collect a broad array of information on user interactions with gadgets, such as the viewing of videos, gameplay, or whether a form or poll has triggered a response.

Technique Evolution: Viral Video

Online video is quickly becoming a fully developed medium, offering long-form programming and highly targeted interactive advertising that will be viewed by tens of millions. In March 2008, 64 percent more Internet users watched online videos than only one year before. Coupled with this growth in capabilities and audience, the business prospects of the industry are improving. According to a recent estimate, advertising dollars spent on online video will increase from $2.5 billion in 2008 to more than $9 billion in 2012. Video search engines, video recommendation services, content distribution platforms and video advertising companies are evolving at a brisk pace, improving their business models and drawing the attention of commercial interests.

Behavioral targeting applies to video as well, and technologies for analyzing and tracking user interaction with online video and multimedia content are becoming even more sophisticated. In addition to what’s called pre- and post-rolls, online videos can be surrounded by an interactive ad border, have engaging animated or viral calls to action, or feature an “overlay” pop-up to take over the entire video screen. These new interactive ad formats permit data collection, instant messaging, and advanced targeting.
agencies have also been researching how teens react to advertising within episodic online series (dubbed “webisodes”).

Food and beverage marketers have played a leading role in helping Internet video evolve as an important medium for advertisers. As the Interactive Advertising Bureau recently explained in a report, companies such as “McDonald’s, Kellogg’s and Coca-Cola” began [in 2005] spending “millions of dollars for digital video.”

Marketers are designing online videos that encourage users to “co-create” the ads, as in the case of this recent Arby’s campaign, described in an industry trade article: “Arby’s is letting consumers act in its ads. The company is extending its ‘Rescue Brigade’ campaign, launched earlier this year, with the Web-based element, in which consumers can upload audition material.... Arby’s has a deal with Yahoo to feature the brigade on high-traffic pages. Consumers can upload the videos as auditions to arbysrescuebrigade.com to vie for a role in a forthcoming Arby’s commercial and free Arby’s food for a year.”

Not only can consumers act in marketers’ videos, they can “direct” them as well, as this account of a new soft-drink campaign illustrates: “Pepsi-Cola North America is launching an original online series in the summer. The soda giant will serve as its own studio for a serialized action-adventure production ...that will be a branded-entertainment play for soft drink Mountain Dew.... But in a twist, viewers will able to alter the storyline by selecting from a menu of options after each episode that take the series in different creative directions, akin to the ‘Choose Your Own Adventure’ book franchise. ‘Putting this kind of interactivity in the story line allows the consumer to have some engagement with the brand,’ Pepsi VP marketing Frank Cooper said.... “It will start online, but we think that it can evolve into a broader experience that can come offline,’ he said.”

Digital technologies are also opening up video and interactive content to feature more advertising, including new forms of highly targeted product placement. Video and other content are now being “scanned for suitable advertising zones... then tracked frame by frame....” They are also being analyzed using “speech-to-text transcription and visual analysis technology.” One company, for example, explains that it can “embed your brand’s image directly into the heart of the content. Viewers cannot miss it, and they cannot skip it.... [B]rands and images are placed into video streams to look as though they were always there.” Kellogg’s Rice Krispies is one of the embedded ads that MirriAd displays to illustrate how the service works. The evolution of search advertising will soon provide more video and other multi-media programming as part of the results. Video ads for products will accompany the results, delivered because they have been analyzed to leverage the request for content. Coca-Cola is using the service, as are other major advertisers. Pointroll, which has made ads for McDonald’s, Coca-Cola, Chili’s, Pepsi, Masterfoods, M&M’s and Kellogg’s, allows marketers to insert “hotspots” in programming that trigger the launch of a video ad. Ads will also increasingly surround the content in various ways, through what are called overlays.
Online video sites, such as Google’s YouTube, have incorporated viral marketing as part of their services to advertisers. In May, YouTube introduced its new “buzz targeting” product. YouTube engineers developed “an algorithm that determines which YouTube partner videos are quickly becoming popular on the site and about to go viral,” explained a company press release. “The algorithm looks at several factors, such as acceleration of views, favorites, and ratings activity, and then allows advertisers to target their ads specifically to these videos on YouTube.”

**From Mobile Marketing to the Mobile Web**

The growth of cell phones connected to the “mobile web” is creating a major force in advertising. The “one-to-one” targeted business model for online advertising is migrating to the mobile phone market. Mobile marketers are able to identify the location of individual users, in addition to knowing a range of other behaviors. Mobile advertising is expected to be a $6.5 billion a year business in the U.S. by 2012. Food companies continue to be in the forefront here as well. **Papa John’s** and Yahoo recently “expanded their current relationship” to include a mobile coupon campaign. “We see mobile coupons as a natural extension of our leading digital marketing platform and a way to turn coupons into a strategic marketing vehicle that delivers value,” said Steve Boom, Senior Vice President, Mobile, Yahoo.

HipCricket has executed mobile-based projects for “national brand leaders like Maybelline, Coca-Cola, AEG, Bose, Disney, Dunkin’ Donuts, General Motors, Hershey’s, Nokia and plenty of other household names” the company explained. “Brands exist in that curious space between the concrete product and the consumer’s emotions. What these companies realize is that the mobile device has become an extension of the body. Consumers keep it with them all the time: at the office, at the movies, watching TV—even while they sleep… HipCricket drives revenue and increases listenership, viewership and loyalty for clients by tapping into the behaviors and interests of more than 136 million Americans who use text messaging on a regular basis.”

A recent **Burger King** campaign, is yet another example of contemporary mobile marketing practices: “BK CITY™ puts you into the King’s world and allows you to compete for the opportunity to become his personal assistant….with a series of twelve dynamic mini-games. Can you drive The King’s limo or shine The King’s head? Are you up to the task of negotiating the return of The King’s “Bling” that was stolen? Or are you better suited to taking orders at a **Burger King** Restaurant?... **Burger King** is always looking for new and interesting ways to engage with their core audience and we know that our core consumer is into mobile gaming,’ said Heather Krasnow, spokeswoman at **Burger King**, Miami. ‘So it’s a way to interact with them and be relevant in the space they live....’ The gamers navigate through the King’s
In three favorite hangouts—a Burger King restaurant, the King’s mansion and BK City—encountering Whopper sandwich builds and squirting ketchup through the air.”

**In-game Advertising**

In-game advertising continues to grow, along with the videogame industry itself (which now rivals the film industry in annual revenues). Virtual worlds are also playing a growing role with marketing campaigns, as products and services are woven into these immersive online environments.

Not surprisingly, with companies such as Microsoft now owning some of the biggest in-game ad companies (Massive), the industry is quickly adopting business models that allow it to more accurately measure its impact on consumers. In June, Massive became “the first dynamic in-game advertising network to undergo a third-party impression audit...[providing] advertisers and agencies with the accountability required of a mature media form.”

“...Massive found that candy bars featured in the NASCAR 08 game contributed to the majority of respondents agreeing with a statement that the candy was ‘a great snack to eat while playing video games.’”

Massive has been engaged in research to determine how gamers will react to ads, including those for candy and quick service restaurants. The research, unveiled in June, demonstrated that “across all game genres and advertisers studied...an average of 70 percent of gamers agreed with statements that the dynamic in-game ads ‘contributed to realism,’ ‘fit the games’ in which they were served and looked ‘cool,’ explained Massive. Massive found that candy bars featured in the NASCAR 08 game contributed to the majority of respondents agreeing with a statement that the candy was ‘a great snack to eat while playing video games.’ This research also focused on ads for quick service restaurants (QSRs). An unnamed QSR advertised within the racing game “Need for Speed Carbon.” The research results showed that significant gains in how the brand was viewed by gamers.

Google, which acquired a smaller in-game ad company in 2006, also applied last year for a patent that would expand in-game target marketing. The patent was designed to help ensure that “information about a person’s interests and gaming behavior may be determined by monitoring their online gaming activities (and perhaps making inferences from such activities)."
Online games that incorporate advertising have also migrated to social networks, such as Facebook and Bebo. Ad supporting gaming networks now reach tens of millions of users, many of whom have given valuable registration data.65

Youth-oriented companies, such as Viacom’s MTV/Nickelodeon, are dramatically expanding the role of gaming to draw users in. In June, MTV/Nick announced it would create a new “Nickelodeon Kids and Family Games Group” to help oversee its expanding investment ($100 million, announced last year) in games (which includes neopets.com). Pepsi is the key advertiser for the home page of MTV’s Addictinggames.com site, which is described as “the number-one independent gaming site for teens.”66

Racial/Ethnic Target Marketing

Marketers are paying close attention to the growing use of new media by multicultural youth, especially Hispanics and African Americans.67 By 2011, 61.5 percent of African Americans and 50.3 percent of Hispanic/Latinos will be online, according to eMarketer. Not lost to advertisers is that the Hispanic population in the U.S. is a very youthful one, containing a large number of the most highly coveted consumers—teens. According to a recent market research report, “Multicultural America: Redefining the “Mainstream,” “the US Hispanic Population will approach whites by the end of the century.... Latinos...account for 47 million of the total U.S. population. That’s a lot of brands, products and services being consumed and, as important, a lot of media and technology being consumed by this dynamic market.... And with one in four babies in the U.S. being born to Hispanics, this powerful phenomenon will only strengthen. Advertisers that capitalize on these cultural shifts will reap the benefits.”68

McDonald’s placed a video on YouTube in February 2008, targeting “bicultural, bilingual young Latinos” with “two male Hispanic teens who challenge each other to a series of French fry eating scenarios.” The “Flying Fry” ad effort included the creation of a special online site “meant to continually bring kids back.”69

There are online ad networks specializing in the African American community as well. For example, AdGroups.com’s promotional material boasts “the widest targeting for reaching African Americans,” promising advertisers “a growing network of nearly 200 digital media outlets” reaching “social networks, college students, black women, black men, [and] hip hop.”70 BET, in January 2008, launched the online “BET Vertical Ad Network,” which “allows advertising clients to reach beyond the BET brand to other targeted websites for urban and African American consumers. Since its launch in January, the ad network has reached 10 million unique users on more than 250 websites.” BET now also has a mobile division “that meets the needs of its tech-savvy users who want to send, receive and watch video on their cell phones.”71 Coca-Cola used music to target African Americans through the Black Planet social network and generated “250,000 friends” for the brand.”72
What’s Coming in the New Media Landscape

The trends cited above represent only a small part of the larger developments taking place in the media landscape. There will be a further increase in the range and amount of interactive advertising all of us experience online. New marketing services now permit anyone to purchase a ready-made interactive or video ad and, with a few clicks and a modest fee, target specific users. Already, such ads feature templates for quick service restaurants offering pizza and hamburgers. Local businesses will take advantage of such targeting, enhanced by the emerging online ad business serving particular neighborhoods and communities.73

Policy Implications of the Latest Food Marketing Practices

Advocates and others have briefed the FTC, FCC, members of Congress, and several state attorneys general on the role digital marketing is playing in the youth obesity crisis. For example, with input from our report in May 2007, the Federal Trade Commission requested data on digital techniques for its report on marketing data it collected August that year from 44 of the major food, beverage, and quick service restaurant companies. The report, which was mandated by Congress, is due for release in the summer of 2008. It is expected to cover both traditional advertising and new media marketing targeted at children and adolescents. However, since the information solicited from the companies covers only the activities and expenditures during 2006, it is unlikely that the FTC study will be able to document the full scope of contemporary marketing practices.

The growth of interactive advertising has raised other policy concerns with direct relevance to food marketing and youth. Consumer and privacy groups have recently filed a number of petitions with the Federal Trade Commission, calling on the agency to investigate and regulate online marketing. The Center for Digital Democracy and USPIRG submitted a detailed report, documenting the behavioral targeting and other digital marketing practices that threaten user privacy, including those that are specifically focused on young people. In response, the FTC proposed a set of self-regulatory privacy principles in December 2007. As part of its proposal, agency staff asked for public comments on whether data collected from children should be given heightened protection.74 A coalition of child advocacy and health groups filed comments with the agency, calling for privacy and marketing safeguards to protect adolescents as well as children in the digital media. These actions have helped to renew a debate over Internet privacy that began in the mid-90s. The public controversy has in turn placed political pressure on the online marketing industry. In January, the major self-regulatory trade group for interactive advertising companies, the Network Advertising Initiative, proposed a ban on behavioral targeting aimed at children under 13.75 Microsoft has also responded to the rising concerns over privacy by revising its own corporate guidelines.76

Key questions remain for advocates and policy makers concerned about the effects of food and beverage digital marketing targeting children and youth. Among the key issues are 1) assessing and
prompting or supporting regulatory action; 2) promoting self-regulation; and 3) informing policy makers, parents, and the public about the problem and potential remedies.

Questions Regarding Regulatory Action

• How could a focused legal and regulatory research effort identify potential cases of unfair and deceptive interactive food and beverage marketing practices that the Federal Trade Commission could investigate?

• Is the use of such techniques as “immersive multimedia advertising content” or behavioral profiling to promote youth consumption of unhealthy food and beverage products possible grounds for a successful FTC intervention? Would such an effort be also useful in generating significant press interest and the attention of policymakers, and help build pressure on industry to address digital marketing concerns?

• How might pending or developing FCC policies which regulate wireless, wireline, and cable communications address food and beverage advertising campaigns targeted to children and youth? Given the growing role of mobile marketing with food and beverage products, how might potential FCC regulation protect children and youth in this area?

Questions Regarding Self-regulation

• Given the online ad industry’s own self-regulatory efforts in such areas as tobacco and alcohol promotion, would a series of meetings with key officials at Google, Microsoft, Yahoo, and AOL, possibly lead to new corporate policies which could limit marketing of obesity-linked products to children and youth?

Questions Regarding Informing Parents, the Public and Policy Makers

• What strategies should advocates and health experts develop for responding to the forthcoming FTC report to Congress on digital food marketing?

• What are the technological tools, either now on the market or forthcoming, which could be used by parents to block certain forms of interactive advertising?

• Are there key research gaps into the effects of interactive marketing on child and youth that scholars should address? Would the convening of a working group of scholars tasked to analyze the potential relationships of various digital techniques and youth obesity be able to play a timely critical role?

• Given the overall lack of knowledge by the public and some public health advocates about the state of interactive marketing and its impact on children/youth health, would a series
of in-person briefings and additional online resources contribute to a more informed and proactive field?

- Similarly, since many federal and state officials are also now just beginning to address digital marketing concerns, would briefings on digital marketing and youth obesity help build greater awareness and potential political support for hearings and possible regulation?

At minimum, given the rapid evolution of the digital marketplace—and the active involvement of food and beverage companies targeting children—a robust monitoring system must be established to collect, analyze, and publicize the latest digital techniques.

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