The Children's Television Act and Program-Length Commercials:

Current Interpretations and Implications for the Future

by KARI METROKA-KIRKHAM

Bachelor of Science, 1985 Texas Christian University

Submitted to the Faculty
Graduate Division
College of Communications
In partial fulfillment of the
Requirements for the degree of

MASTER OF SCIENCE May, 2008

The Children's Television Act and Program-Length Commercials: **Current Interpretations and Implications for the Future**

Ajor Professor

For the College of Communication

Thesis approved:

Acknowledgements

There are so many people I have to thank that helped me through graduate school and this thesis – I know the orchestra will start to play while I am thanking them all. Although I will try to make this brief, the depth of my gratitude to you all has no limit.

To all my friends, family and co-graduate students for your constant encouragement and understanding, I say thank you. You have been so patient, especially listening to me endlessly go on about my topic.

My thanks also go out to Dr. Matt McCallister from Penn State who helped me clarify my thinking about this entire subject. Also, I want to thank Dr. Dale Kunkel and Newton Minow who took the time to respond to my emails as I was trying to research this project. I cannot tell you what it means to me to hear from all of you about this subject.

My appreciation goes to all of the faculty and staff at TCU who have helped me through this process. I could not have done any of this without your help. A special thanks to Dr. Tommy Thomason and Dr. Julie O'Neil. Tommy – I would not be in graduate school at all if it had not been for you. To Julie, my thanks for not only guiding me through this paper (the ball started rolling with your class), but working with you on other projects, as well.

To all my readers I say many thanks. My sister, Sharon Dooley, Patricia Kirk of the Radio/TV/Film department at TCU – you have been such a friend to me, and Kent Chapline, formerly a TCU graduate crony and a fellow adjunct prof -- you were all brave enough to read this paper when I know you had better things to be doing. Most of all, I say a special thank you to my mom and dad – Audrey and Daniel Metroka – who have been constant readers of all my graduate work, gave me great suggestions and tons of support. I love you both.

I have a holy trinity of thesis committees. The gentlemen on my committee have all taught me so much, both in the classroom and with this paper. They have been a continual source of support, and they have challenged me to constantly strive for perfection in graduate school.

To Dr. Joel Timmer – thank you for sitting on my committee. Your expertise was the missing chunk I needed for this paper. I can honestly say your class was the most

difficult for me in my graduate program, but I learned so much from you that getting my only "B" in my program was palatable – even if it was an elective and an undergraduate level.

To Dr. John Tisdale – what an honor to work with you. I know your name will pop up alongside Pulitzer one of these days. I cannot wait to say "I know him." I can also honestly say that the most difficult book I ever read in graduate school came from your class – you know which one I mean! I also think the best books I used in graduate school came from your class, with some of them referenced in this paper. Your help and support with this thesis has provided the confidence I have needed to see this subject through.

To Dr. Gerald Grotta – what can I say? You have been my teacher, my mentor and my friend for many years. I know you sacrificed a lot to head this thesis committee, and I want you to know that I could not have made it through either undergraduate or graduate school without you. You gave me the courage to pick a thesis subject I liked. You have been there to calm me down and smooth my ruffled feathers when I needed it most. Your advice has and still is insurmountable – in school, work and life. Thank you does not say enough.

There are two people in my life that deserve the most thanks – my husband and son. Matt, you have patiently lived through almost three years of this craziness. Thank you for all your love and support, baby. You have always been there for me, supporting me and telling me to do what I want to do. I love you.

Last but not least, I have a special place in my heart for the inspiration of this paper – my son, Joe. I would never have looked at cartoons the way I now look at them if it had not been for you. I love you always, and I dedicate this paper to you.

Table of Contents

Acknowledgements	iv,		
Chapter	Page(s)		
1. Introduction	1		
2. History of the Children's Television Act Children's Television Act	6 9		
3. Interpretation v. Intent of the Program-Length Commercial Clause – Monetary, Public Opinion and Legal Implications <i>Monetary Impact</i>			
Public Opinion and Research Effects Legal Implications	16 19		
4. Interpretation v. Intent of the Program-Length Commercial Clause Ethical Implications			
Traditional Broadcast Set Precedence and a Unique Audience	21 27		
5. The New Media Environment Ethical and Legal Implications in Regard to Advertisin	_		
and Implicit Merchandising6. Program-Length Commercials and Yu-Gi-Oh GX	29 34		
7. Discussion and Conclusion			
8. Further Studies			
Appendix 1			
Appendix 2			
Bibliography			

Chapter 1 Introduction

About two years ago I was watching a cartoon with my son and was both amazed and concerned with how much the cartoon content was advertising merchandise. The entire cartoon was centered on a particular product and seemed like one long commercial instead of a cartoon. The children's cartoon, named Yu-Gi-Oh GX, is a program with an associated card game that is played within the cartoon but may also be played by individuals in real life. In fact, one cannot play the game in real life without purchasing the cards. The majority of the cartoon is about two main characters (called "stars" in this paper) that duel with each other. They tell what type of card they are playing, and explain the strategy of using that card in their play. The cards each represent some type of warrior, monster, magical entity or element. In the cartoon, the stars and co-stars who play the duel, usually portrayed as young adolescents, try to out-smart their opponent by trumping opposing cards with their own. The mystical characters on the cards come to life and battle one another. There is a strategy involved on which card to use next. Like chess, you use strategic thinking to decide which move to make to take you closer to winning the game.

The predominance of the card names, repeated images of the cards and a repetition of the fact that to win the game a player needs to have good cards throughout the cartoon show a greater-than-normal amount of merchandising strategy implanted in the content of the cartoon. To understand the amount of advertising content in *Yu-Gi-Oh*

GX, a content analysis test was performed. ¹ What was discovered in this test was that *Yu-Gi-Oh GX* aired sixteen commercial messages (based on test parameters) every minute, or approximately one message every four seconds. This seemed like an uncommonly high amount of merchandising in a child's cartoon.

However, using program content as a form of marketing is not a new strategy. The Disney Company, for example, has used its programs and movies to help promote its theme parks and merchandise for years. In fact, there was some suggestion that Walt and Roy Disney looked at movies like *Alice in Wonderland* and *Peter Pan* as "thinly disguised commercials" for the Disneyland theme park (Telotte, 2004). So although commercialization in cartoons and children's programming has occurred for a long time, I asked myself whether or not *Yu-Gi-Oh GX* was in accordance with the Children's Television Act (CTA) of 1990, enacted to provide educational television for children and to limit the amount of commercials that can be aired during children's program time (FCC Consumer Facts; Muehling, Carlson and Laczniak, 1992). Investigation into the CTA uncovered several answers for me.

What is important to know is that the Federal Communication Commission's (FCC) interpretation of the CTA allows for commercialized program content to air as long as a paid advertisement for that program and its related merchandise does not run within the content of the program. The occurrence of advertising within the content of a program is known as a program-length commercial and is regulated in both broadcast and cable. Heavily licensed products, therefore, may be aired within programs as long as those licensed products are not being sold in the program. For instance, G.I Joe may air cartoons with the adventures of Joe driving around in a vehicle – fighting Cobra and

¹ The complete literature review for the content analysis can be found in Appendix 1.

other assorted baddies that put our world in peril. The G.I Joe and Cobra characters, as well as the vehicle being driven may all be purchased as action figures and toys in a retail store. As long as the program in which they aired, however, does not explicitly advertise to viewers throughout the content of the program that G.I Joe and Cobra action figures should be purchased, the program is deemed to comply with following the rules of the CTA.

It is the implications of advertising within a child's program, however, that is a topic of discussion in this thesis. Children's programs often contain overt merchandising (referred to as "implicit merchandising" in this paper) (Eaton and Dominick, 1991).²

Overt merchandising is defined as "when the toy tie-in product's name is verbally or visually represented throughout the program," spending the majority of the program talking or showing the licensed product that can be purchased by viewers (Eaton and Dominick 1991, p. 67-75). Although the amount of implicit merchandising, especially if it were counted as commercialized messages, could contribute to what makes a program-length commercial, no definitive amount has been identified that could be regulated. *Yu-Gi-Oh GX*, therefore, is perfectly legal airing the amount of implicit merchandising messages it contains in its program because it does not actually say that that *Yu-Gi-Oh GX* cards must be purchased to play a game – it only implies that cards must be purchased to play a game.

²Carol B. Eaton and Joseph R. Dominick, "Product-Related Programming and Children's TV: A Content Analysis." *Journalism Quarterly* 68, no. ½ (1991): 67-75. Research has established that the term "implicit merchandising" is more accurate for this paper. The term "overt" implies "to tell someone directly," although the study by Eaton and Dominick refer to variables that maybe described as "implicit" (such as the tone of the music being played in the program). The word "implicit" implies that although no such direct command is actually made, references made within the body of the cartoon turns content into a commercialized form of communication. For the purposes of this paper, the term "implicit" will be used to describe commercialized content within a program (Matt McAllister, Personal Correspondence, 2006).

Protecting children from harmful effects of exposure to too much advertising in television has been a concern of the broadcast industry, government, and advocacy groups for many years. The CTA is meant to address that concern. The result of the FCC interpretation of the CTA, especially in the case of program-length commercials, is that it meets the broadcast industry, government and advocacy groups in the middle -- making a compromise for all, but not satisfying all, either. To many, the FCC interpretation of the CTA is vague and insufficient when it comes to dealing with commercial limits within children's television programs. In addition, this compromise with the CTA's current phrasing for program-length commercials may not reflect the intent of the CTA based on today's industry.

Concern over children's over-exposure to commercials has existed since the beginning of commercial television broadcast and still exists today. Numerous studies that deal with social issues such as violence, obesity and immorality in advertising and the effect they have on children are numerous. There are, however, few studies concerning program-length commercials in regard to program content and how it influences children. Since some studies contend that frequency of advertisements may influence children (Kunkel, 2001) it makes sense that the amount of implicit merchandising, if it is repeated within in a program, would also have an influence on children.

This line of reasoning raises certain questions. How does the FCC, for instance, justify its current interpretation of program-length commercials when it seems obvious that some children's programs abound with implicit merchandising? To continue to allow program-length commercials with implicit amounts of merchandising in their content

seems to be counter-productive to the FCC and broadcast industry's endeavors to protect children. In addition, how does the current interpretation protect children from implicit merchandising in programs in a new media environment? There are several factors that address these broad questions concerning the interpretation and intent of program-length commercials with implicit amounts of merchandising. This paper will address these factors.

The factors studied in this paper include a historical perspective or background of broadcast history culminating in the CTA, especially in regard to program-length commercials. Next, a review of legal implications and ethical positions of program-length commercials and implicit merchandising in children's programming will be presented. The challenges of a new media environment along with the implications they bring to the broadcast industry will be discussed. As noted, a concern among child advocates stems from the idea that program-length commercials are filled with implicit merchandising messages. Although under current FCC interpretation, those types of programs are legal, some see the programs as having a "sinister" agenda – to sell merchandise rather than to simply entertain viewers. Another factor, therefore, includes a brief discussion of monetary impact of advertising on the broadcast industry which explains why advertising and implicit merchandising may be of consequence in the discussion of program-length commercials. Finally, a content analysis test will be discussed, rounding-out the issues that face the interpretation versus intent of the program-length commercial clause found in the CTA. Discussions of each of these factors will provide a foundation to future studies of issues surrounding program-length commercials and implicit merchandising.

Chapter 2 History of the Children's Television Act

One cannot understand the CTA without knowing some of the history of how it evolved. The relationship between commercial television and children's programming is complex, and numerous events have occurred throughout the years to bring us to the FCC's current interpretation and position today.

Since the inception of commercial broadcasting, groups inside and outside the broadcast industry have voiced concern over the growing influence that advertisers play in broadcast content. Over the years these concerns have ebbed and flowed in importance.³

In the 1970s public concern became active through the creation of advocacy groups, particularly Action for Children's Television (ACT) (Kunkel, 1991, p. 184-186). During this decade, the broadcast industry had been subject to little regulation regarding the educational quality or commercial amounts in children's programming. Since the Federal Communications Commission (FCC) did not and still does not, directly regulate program content due to First Amendment restrictions, it relied on broadcasters to use self-regulation to guide them with children's programming (Kunkel, 1991, p. 183-184; Minow and LaMay, 1995, p. 93; National Association of Broadcasters Statement of Principles of Radio and Television). The pressures employed by ACT coupled with the

³ A complete history of commercial broadcast and children's programming can be found at The Museum of Broadcast Communications, available from http://www.museum.tv/archives. An additional source can be found in Newton N. Minow and Craig L. LaMay, Abandoned in the Wasteland (New York: Hill and Wang, 1995).

government's growing concern of the state of broadcasting to children consequently demanded that formal steps be made by the FCC to regulate children's programming in the 1970s. No formal regulations, however, were instituted. The FCC, perhaps in an attempt to appease the financially powerful broadcast lobby (who were supported by advertisers and manufacturers) or to avoid possible issues regarding free speech infringements, instead made a set of voluntary guidelines to be used by the broadcast industry for children's programming. These guidelines articulated that each broadcast station provide at least 14 hours per week of non-sponsored educational programming. Commercial limits were also addressed in the guidelines, suggesting 9.5 minutes of commercial time per hour on weekends and 12 minutes per weekday during children's programming, as well as establishing separation between commercials and programs.

The concern about how broadcasters programmed children's television heightened again in the 1980s. In 1983 Senator Timothy Wirth of Colorado presented bills for regulating children's programming. When Wirth left office, Congressman Edward Markey of Massachusetts took over. Based on Wirth's momentum, Markey engineered meetings between ACT and broadcast industry leaders, and again a bill was introduced to regulate children's programming. This bill would have required airing specific amounts of educational programming and to limit advertising to 10.5 minutes per hour on weekends and 12 minutes per hour on weekdays. The bill was vetoed by

⁴ "An evaluation of the effect of the 1974 Federal Communications Report and Policy Statement on Children's Television." *Children's Television Report Card* (1975). Available from http://web.ebscohost.com.ezproxy.tcu.edu/ehost/results?vid=2&hid=22&sid=b05ace89-dd16-464e-a23a-b907b3f784cc%40SRCSM2; accessed 10 December, 2007; Internet.

⁵ This rule is known as the "separation principle," which bans the practice of host-selling and programlength commercials (Dale Kunkel, "Crafting Media Policy: The Genesis and Implications of the Children's Television Act of 1990." *American Behavioral Scientist* 35, no. 2 [Nov/Dec 1991]: 185).

⁶ Children's Television: Hearing before the Subcommittee on Telecommunications and Finance of the Committee on Energy and Commerce, 101 Cong. 1, HR 1677 (1989); FCC Consumer Facts, "Children's

President Ronald Reagan due to his belief in open market forces. Reagan embraced the marketplace of ideas theory that competition among businesses would create balance in the market by allowing entities to compete with one another. This competition would therefore allow the public to freely choose which entity to support.⁷

Those beliefs were emulated by then FCC chairman of the Reagan administration, Mark Fowler, who advanced the deregulation of the broadcasting industry (Minow and LaMay, 1995, p.106). Because of deregulation, the marketplace of ideas pervades the broadcasting industry, allowing for more freedom in programming. When looking at Fowler's point of view regarding the public interest, he opted on the side of free trade versus protecting children from inappropriate broadcasting practices. From this we see the vision of social needs to protect children as the public interest was outweighed by the marketplace of ideas as the public interest. The result of deregulation was that "the kinds of commercial indiscretion that had prompted ACT to petition the FCC in 1970 had not only worsened but increased exponentially" (Minow and LaMay, 1995, p. 53-54). Toybased programs became prominent. Cartoons like the *Teenage Mutant Ninja Turtles* and *My Little Pony* and a myriad of programs based on popular toys became widespread as programming fare (Wilson and Weiss, 1992, p.371).

It was not until the presidency of George (Herbert Walker) Bush that Markey reintroduced the bill for regulating children's programming. With help from Senator Daniel

_

Educational Television – Commercial Time Limitations." Available fromhttp://www.fcc.gov/cgb/consumerfacts/childtv.html; accessed 10 December, 2007; Internet.

⁷ Supreme Court Justice Oliver Wendell Holmes used this theory in his interpretation ruling free speech in 1919. Holmes said that "society's ultimate good is better reached by free trade in ideas – that the best test of truth is the power of the thought to get itself accepted in the competition of the market" (W. Wat Hopkins "The Supreme Court Defines the Marketplace of Ideas," *Journalism and Mass Communication Quarterly* 73, no. 1 [1996]: 40-52).

Inouye of Hawaii, the issue was once again placed in the forefront of congressional debate (Kunkel, 1991, p. 192-195). Included in the re-introduced bill were limits to advertising in children's programming. Broadcasters make money through advertising, however, so limiting commercial time (they argue) is not considered in their best interest. The broadcast lobbyists were unhappy with the idea of regulating commercial time, saying it would undermine their ability to make profits and remain financially competitive (Kunkel and Wilcox, 2001, p.595; Minow and LaMay, 1995, p.19-21) as well as produce quality children's programming (Lee and Johnson, 2005, p.36). Inouye and the broadcast industry reached a compromise on language for the bill, which is now enforced by the FCC. The bill that would eventually become the Children's Television Act was passed by Congress and, without President Bush's signature, became a law in 1990 (Kunkel, 1991, p. 194-195).

The Children's Television Act

The Children's Television Act (CTA) of 1990¹⁰ provides rules for broadcasters regarding educational television for children, but limiting the amount of commercials that can be aired during children's program time (Brenner, Price and Meyerson, 1986). The act contains four major aspects that include instillation of educational programming, commercial limits -- 10.5 minutes per hour on weekends and 12 minutes per hour on

⁸ Children's TV Act of 1989: Hearing before the Subcommittee on Communications of the Committee on Commerce, Science and Transportation, 101 Cong. 1, S.707 and S.1215 (1989); Children's Television: Hearing before the Subcommittee on Telecommunications and Finance of the Committee on Energy and Commerce, 101 Cong. 1, HR 1677 (1989).

⁹ U.S.C. § 303(a). The Communications Act of 1934 gives the FCC the power to interpret and apply laws in their area of responsibility.

¹⁰ 101-437 U.S.C. § 303(A), (B) and 394. In addition, the CTA was imposed upon cable broadcasters with the idea that "...children do not turn on broadcast stations or cable systems. They just turn on the television set," *Commercial Time on Children's Cable TV: Hearing before the Subcommittee on Communications of the Committee on Commerce, Science, and Transportation*, 101 Cong. 1, S 101-426 (1989).

weekdays,¹¹ host-selling, which is a program character's commercial airing during a program in which that same character is airing, and program-length commercials.

Under the CTA television stations must provide parents and consumers with advance information about core programs (programming "specifically designed to serve the educational and informational needs of children") being aired, define the type of programs that qualify as core programs and air at least three hours per week of core educational programming (Kunkel and Wilcox, 2001, p. 596-600).¹²

As mentioned, the CTA prohibits host-selling. An explanation of host-selling is that a Looney Tunes character or merchandise may not air in a commercial immediately preceding, during or immediately following a Looney Tunes cartoon. ¹³ Fred Flintstone may tout Fruity Pebbles immediately before, during and immediately after the Looney Tunes cartoon, but any Looney Tunes character or product is prohibited. At the same time, if a Fruity Pebbles commercial is aired before, during and immediately after a Flintstones cartoon, that too would be considered host-selling.

The CTA also prohibits program-length commercials, which occur when a program that contains a product is commercially aired within the content of that program (Kunkel and Wilcox, 2001, p. 600). A program-length commercial is a character from the program that actually says certain items within that program should be purchased (such as you would find in a regular commercial). In other words, unless a character in

¹¹ FCC Consumer Facts, "Children's Educational Television – Commercial Time Limitations." Available from http://www.fcc.gov/cgb/consumerfacts/childtv.html;accessed 10 December, 2007; Internet (hereinafter "Commercial Limits").

¹² FCC Consumer Facts "Children's Educational Television – Core Programming." Available from http://www.fcc.gov/cgb/consumerfacts/childtv.html; accessed 10 December, 2007; Internet.

 ¹³ FCC Consumer Facts, "Children's Educational Television – What is Host-Selling?" Available from http://fcc.gov/cgb/consumerfacts/childtv.html; accessed 8 November; Internet (hereinafter "Host-Selling").
 ¹⁴ FCC Consumer Facts, "Children's Educational Television – Program-Length Commercials." Available from http://fcc.gov/cgb/consumerfacts/childtv.html; accessed 8 November, 2007; Internet (hereinafter "Program-Length Commercials").

the program turns to the screen and says "buy me" these commercialized programs are within the law (Golin, 2007, personal correspondence).

Some advocacy groups feel that the FCC language is not strict enough in its definitions which allow broadcasters and programmers to skirt the area regarding program-length commercials (Lambert, 1990). They can use toy-based characters throughout their programs without breaking any FCC rules. This becomes a point of contention between the FCC, advocacy groups and the broadcast industry and their associated parties (like advertisers and manufacturers).

Chapter 3

Interpretation v. Intent of the Program-Length Commercial Clause – Monetary, Public Opinion and Legal Implications

Monetary Impact

The broadcast industry has long held sacred the practice of self-regulation. ¹⁵ It prides itself on controlling the type of programming exposed to children. There is, however, still the perception among many that a significant amount of implicit merchandising is in program content. As mentioned, the CTA regulates the amount of commercials and host-selling that broadcasters may air during children's programming. ¹⁶ The FCC interpretation of a program-length commercial, however, motivates the broadcast industry by its ability to earn profits by it. Based on FCC interpretation, a program-length commercial is the practice of combining paid advertising into the content of a program, which does not deal with the issue of heavily commercialized content (Kunkel, 2007, personnel correspondence). The concern with program-length commercials is that overt or implicit merchandising throughout the content of a program is allowable, but to many it is an obvious marketing strategy, making the program more of a commercial and less of a program (Muehling, Carlson and Laczniak, 1992).

The final wording in the CTA for program-length commercials and its subsequent interpretation was a compromise between advocacy groups and the broadcast industry.

Commercial broadcasts, after all, are expensive to create and it is through advertising that

¹⁵ A brief history of the broadcast industry position on self-regulation and ethics may be found at The Museum of Broadcast Communications, "Ethics and Television." Available from http://www.museum.tv/archives/etv/E/htmlE/ethicsandte/ethicsandte.htm; accessed 25 February, 2008: Internet.

¹⁶ See Commercial Limits and Host-Selling.

they are able to continue producing popular commercial programs. In other words, the broadcast industry needs commercial advertising and merchandising to pay for the type of programming that attracts viewers (Lee and Johnson, 2005, p. 36). The final result is that current interpretations of the CTA assure that certain forms of commercialized content are acceptable so those programming needs can be met.

Another consideration that may fuel implicit merchandising within programs is that very often television programming is tied with licensed products. Large corporate sponsorships of these licensed products often influence, and in some cases pay for, toy-based programming. It is often through their influence to market their products that implicit merchandising may saturate a program (Jason and Hanaway, 1997, p. 11). For example, Mattel produced the *He-Man Masters of the Universe* toys before the *He-Man* cartoon was aired and used the cartoon as a way to promote *He-Man* toys (Minow and LaMay, 1995, p. 54). ¹⁷ Several companies followed suit, such as *My Little Pony*, *G.I. Joe* and *Teenage Mutant Ninja Turtles*.

In today's new media environment it is almost unheard of for a children's cartoon or program to not have associated merchandise; just visit the toy section of any major retail chain. It is the merchandise that is the core of making revenues. The broadcast industry does not want to forfeit revenue it makes by advertising that merchandise, and it has considerable lobbying clout within the government to ensure that its interests are protected (Glassman, 2007).

_

13

¹⁷ Additional information about the history of Mattel and *He-Man* may be found at He-Man.org, http://www.he-man.org/cartoon/exclusivefeatures/exclusive-mastersseriesbible-intro.shtml

The broadcast industry as well as advertisers and manufacturers, often use a First Amendment defense to uphold the arguments for implicit merchandising. Programlength commercials are dealing with content; therefore it is often argued that the FCC has no constitutional right to regulate it. More likely, however, is the fact that the broadcast industry makes money from the advertisements of merchandise based on characters from children's programs. If a program is attached to a manufacturer, the chances are that the visibility of the program rises. This will help increase the number of viewers who will in turn allow for broadcasters to charge higher prices for advertising (Dunlap, 2003). The concern of government interference in programming may therefore interfere directly with making profits (Minow and LaMay, 1995, p. 10 and 21).

Just how much advertising revenue is at stake for the broadcast industry?

According to reports from TNS Media Intelligence, advertising in general was forecast to increase by over five percent in 2006 (\$152.3 billion). Television was expected to receive around 43 percent of that amount. It has been estimated that around \$15 billion is spent on advertising to children. Growth in other areas of media is also expected, including online and in-game advertising. About 53 percent of all entertainment advertising (which

-

¹⁸ The First Amendment in the Bill of Rights states that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances" (The Bill of Rights, Amendments 1-10 of the Constitution).

¹⁹ Information gathered from "TNS Media Intelligence Forecasts 5.4 Percent Increase in U.S. Advertising Spending for 2006, Hispanic Network Television, the Internet and Cable Network Television Show Largest Growth." Available from http://www.tns-mi.com/news/01182006.htm; accessed Jan. 16, 2006; Internet. ²⁰ Information as mentioned in the New American Dream, *Facts about Marketing to Children*. Jan. 27, 2008, http://www.newdream.org/kids/facts.php.

include games, toys and movies) was geared to children.²¹ These numbers are a testament to how significant advertising is in our society.

Although broadcasters state that they are concerned about the amount of advertising children are exposed to, they also actively pursue ways to reach the children's market through new technologies. It is estimated that advertising in 2006 increased 10 percent to accommodate advertising just in new areas (other than traditional advertising) (Howard, 2007). This would include advertising on items like websites and video games. In addition, today's child consumer market has been estimated at around \$110 billion.²² This figure explains why reaching the child consumer market is so desirable to advertisers and broadcasters.

It should be noted that there appear to be no major non-compliance issues regarding implicit merchandising in children's television at this writing. The broadcast industry for the most part, has complied with CTA rules that have been instigated to manage children's exposure to advertising. A review of the FCC website concludes that there have been no major court cases involving a station or stations with non-compliance with the CTA in relation to program-length commercials. Most stations that are found in noncompliance of program-length commercials have been issued fines by the FCC, but none seem to be exorbitant amounts that have created huge outcries from the broadcast industry. Since program-length commercials do not at present appear to be a large concern to the broadcast industry, it follows that implicit merchandising within a program is not, either. Dale Kunkel, however, said "such issues are growing far more complicated

²¹ BNET.com, "American Kids Shout, 'I Want to Be a Millionaire!' and Stress Importance of Having Lots of Money." Available from http://findarticles.com/p/articles/mi_m0EIN/is/_2004_April_19/_; accessed April 19, 2004; Internet.

As mentioned in "Targeting the Youth Market." Available from http://www.sba.gov/gopher/Business-Development/Success-Series/Vol7/youth.txt; accessed 7 December, 2007; Internet.

in new media environments...which already deliver an astounding amount of marketing messages to children" (Kunkel, 2001, p. 389). Even if the matter of program-length commercials is not currently an issue, they may become one based on the fact of the large amounts of advertising that children now see due to the new media environment.

Although implicit merchandising may not be as immediate in importance as issues such as childhood obesity, violence or morality issues, the link between children watching too much advertising and the negative effects that ensue has been studied and documented. But because of the increase of advertising clutter and its alleged effects upon children, issues of implicit merchandising within programs may become more popular.

Public Opinion and Research Effects

As mentioned, much of the public (usually in the form of advocacy groups) does not see the current definition of program-length commercials in the CTA as being adequate to protect children from too much exposure to implicit merchandising. ²³ There have been several papers written over the years that have argued about the effects of television upon children. Many people have used various approaches to show a correlation between a child's behaviors versus how much television he or she is exposed to, according to those studies. ²⁴ Consequently, there are also concerns about the effects of advertising on children. These concerns are not new. They draw upon the cognitive development theory by Jean Piaget who said that children go through stages of cognitive development. According to Piaget, the understanding of what a commercial message is about will affect children differently at different ages (Pulaski, 1980).

-

²³ Among children's advocates, even Newton N. Minow, one of the authors of *Abandoned in the Wasteland* and former head of the FCC states that he would "prefer no commercials in children's programs" (Newton N. Minow, personal correspondence, 2007).

Although correlations have been established, arguments remain open that those correlations cannot be directly connected to too much television exposure, or to commercial messages, a.k.a., advertising.

Adding to the view of cognitive development is that of cultivation theory. This theory describes long-term effects of something, in this case, the long-term effects of watching commercialized television and how it socially influences children (Hughes, 1980). With these theories acting as catalysts, other studies have emerged measuring the response of children toward commercials. Wilson and Weiss, for example, calculated children's awareness of the differences between a commercial and a program (Wilson and Weiss, 1992). Some researchers have asked their child subjects what is a television commercial (Macklin, 1983), while others have studied if children understand the task that advertising is directing them to perform (Donohue, Henke and Donohue, 1980).²⁵ Many of these studies explore social behaviors that have been linked to commercial advertising to children such as relationships between children and parents (Hite and Eck, 1987). For example, one social aspect focuses on the conviction of parents that advertising has a detrimental effect on children (Muehling, Carlson and Laczniak 1992, p. 70). There is a belief by some that advertising is manipulative, which causes numerous harmful effects on a child, including their creativity and bonding relationships with parents (Hite and Eck, 1987). Another social concern is that children at an early age may turn into consumers to certain types of products because of implicit merchandising. This is considered as unhealthy because children could turn into material extremists (stressing the gain of material things rather than intellectual or spiritual effects) (McAllister and

.

²⁵ "Critics suggest that even if children are able to distinguish between ads and programming, which some studies show that younger children are unable to make this distinction, a program which features toy-based characters should not be allowed on the airwaves because of its intent to promote products while young viewers' advertising defense mechanisms are likely to be down." Still others contend that toy-based programs force out more creative, educational programming (Darrel D. Muehling, Les Carlson and Russell N. Laczniak. "Parental Perception of Toy-based Programs: An Exploratory Analysis." *Journal of Public Policy & Marketing* 11, no.1 [spring, 1992]: 63-71).

Giglio, 2005, p.42). A study conducted in the United Kingdom, for example, showed that over 83% of children have pestered their parents for a toy or game marketed on television. Still other studies report on the relationships advertising and smoking, obesity and violence among children (Hargrave and Livingston, 2006; Shanahan, Hermans and Hyman, 2003, p.61). The variables in these studies have included age, socio-economic status, race and gender (Roberts and Foehr, 2004). The end result is that these studies show a correlation between commercial advertising and the effects they have on children, particularly that the more advertising they are exposed to, the more instances of smoking, obesity and violence seem to occur.

The broadcast industry is aware that children at certain ages may have difficulty discriminating between what is a commercial and what is an actual program, especially those shows that often feature licensed characters that can be purchased in stores (Mundy, 1999). Nevertheless, they disagree with advocacy groups and find fault with many of the studies that have been conducted regarding these findings. Broadcasters and others associated with the industry say that it is impossible to know the effects of advertising on children because no longitudinal studies have been conducted to reinforce the study conclusions. The groups that have been studied are segmented and small, the argument says, so the industry does not denote a representative sample for the studies. Other

-

²⁶ Pester power is considered to be a social behavior connected with the viewing of advertising. The study done in the UK is from *Raising Kids* "Pester Power Breeds Savvy Shoppers!" (2007). Available from http://www.raisingkids.co.uk/fea/fea_43.asp. Similar studies done in the United States are not available or difficult to access. A closely related issue, however, is food-consumption by the children's market, which may offer insights into the relation between pester power and advertising. There are several studies from the United States and elsewhere related to causes on decision-making by children in purchasing food, including observed purchase behaviors, reported purchase influences and cross-sectional consumer evidence found in studies (Laura McDermott, Terry O'Sullivan, Martine Stead and Gerald Hastings, "International Food Advertising, Pester Power and its Effects," *International Journal of Advertising* 25, no. 4 [2006]: 513-540).

arguments they present include the right to advertise and how it boosts economies of scale, and how without advertising, broadcasters could not afford to televise at all (Haefner, 1991, p.86-87).²⁷

Legal Implications

Despite the arguments for and against the studies mentioned, one consideration between current interpretations versus intent of CTA language for program-length commercials is that since the broadcast industry has been mandated by the government to use airwaves in the public interest, they have a responsibility to air programming that is fair to the public, including children (Kunkel and Wilcox, 2001, p. 590). Airing programlength commercials with heavy implicit merchandising to children, therefore, may not be considered in the public interest if the ultimate effects are negative to children. Because implicit merchandising in program-length commercials could arguably be seen as both unhealthy and unfair to a parent-child relationship, program-length commercials could be construed as both unhealthy and unfair for child consumerism based on the results they instigate, therefore not in the public interest, and therefore not achieving the goal protecting children from the commercial broadcasting industry.

In addition, exposure to television advertising has grown from about 20,000 advertisements per year in the 1970s to around 40,000 per year in the 1990s, (Desrochers and Holt, 2007). Couple that with extended advertising in the form of program-length commercials, especially in a new media environment, and the amount of commercial messages to children is astounding. In addition, today's consumers receive about 5,000 marketing messages per day as opposed to 2,000 in the 1970s (Desrochers and Holt,

²⁷ Attempts were made to contact both the FCC and the National Association of Broadcasters throughout the writing of this paper. To date there has been no response from either entity to clarify current positions to these issues.

2007). Technology in the broadcast environment has changed since 1990. The definition of a program-length commercial has not kept apace.

Chapter 4

Interpretation v. Intent of the Program-Length Commercial Clause -- Ethical Implications

*Traditional Broadcast**

In considering whether or not the current interpretation of the CTA accomplishes the intent of protecting children, it is important to consider various ethical implications associated with advertising to children. In the advertising industry, it is stipulated that advertising must conform to certain ethical practices, such as non-deception. The question that remains -- is the practice of merchandising within a child's program in and of itself deceptive?

Bok mentions that as in medical and research professions, when distributing placebos, those less likely to be able to defend themselves, such as children, may be adversely affected by that action (Bok, 1978, p. 67). In the same vein, the practice of using merchandising within a child's program may be one of the better ways to gain attention due to industry changes, but it is argued that the practice may be damaging to children (Mundy, 1999).

Advertising to children, as suggested by research, has negative effects on children, and from a deontological standpoint is therefore "inherently wrong" (Spence and Van Heekeren 2005, p. 8). There is some thought that commercial messages should at least inform consumers that there is a financial motive behind the message since it is persuading potential customers to purchase something. This move would at least leave consumers with the opportunity to use their guard against the endorsement aspect of the message (Spence and Van Heekeren 2005, p. 83). The counter-argument to that approach

could include that this notice attached to every message could become tiresome to viewers. In addition, children, especially those who are very young, do not have the capability of determining whether the message is one of persuasion or entertainment, are less likely to make that decision. Thus, the marketing strategy may still be considered unethical, despite a warning to parents.

Some see the responsibility of acting morally in advertising as the responsibility of both the advertiser and the consumer. Therefore, freedom to advertise may encourage a free-market mentality but it may not excuse a moral responsibility to protect children (Brenkert, 1998). With this in mind, it would seem that whether the CTA interpretation of program-length commercials is in need of modification, there might be an ethical obligation to protect children, especially if it is certain that they are more at risk to unknowing coercion through commercials.

A teleological position may argue that the problem with advertising is that persuasion, which is sometimes touted as information, is considered by some as deceptive, and can cause harmful results. An example is the advertising of fast food and sugary foods to children. The end result can lead to obesity, which in the long run is harmful (Spence and Van Heekeren, 2005). The advertising, therefore, breaks ethical rules by being deceptive and manipulative.

This type of commercialism also violates the Categorical Imperative of being a means to its own end by making a lot of money for the marketer (Spence and Van Heekeren 2005). ²⁸ If one takes a Categorical Imperative position, it may be argued that

a universal law, and that one should always treat each other as an end, and never as a means. This may fuel an argument by some that advertising to children (since their cognitive ability to avoid persuasion is less acute than that of an adult) is immoral. The implication is that the broadcast industry looks at the end result

22

²⁸ Kant's definition of the Categorical Imperative has two factors: that a moral rule must be able to become

the broadcast industry, while it agrees to self-regulation and that children may be affected by television, also seems to look at new ways to fight fewer commercials being watched. Perhaps the industry is thinking primarily of ways to make money (Nielsen, 1982-83), which jeopardizes an industry's altruistic reputation by presenting a less-than-altruistic character to it. In addition, this type of deceptive or manipulative advertising to a vulnerable audience, such as children, is self-defeating to the advertisers. It fosters an impression of immoral, corruptive sentiment toward that advertiser (Spence and Van Heekeren, 2005, p. 40). Wong states that free market ideas are based on the premise that consumers are able to discern falsehoods from truth. Children, however, do not have the same cognizance as adults to do this. They should not, therefore, be branded in the same way as older consumers who have the mental abilities to resist deception, or even unwanted persuasion (Wong 1996, p. 1059).

We live in a free-enterprise society, however, and the question of protecting children may seem to clash with the freedom to make money. Aitchson points out that many Americans have died in wars to protect their rights, which would include the right to create (Aitchson, 2004), and advertising is considered a creative process. As often is the case, however, the people in this society are often willing to forego certain freedoms in the name of protecting other freedoms.

"As a democratic, capitalistic nation, we place limitations on the role of government in our lives. We subscribe to the concept of free private enterprise, yet we recognize that in certain areas there must be government regulation to protect our individual and collective freedoms. Compromises must be made to minimize sparks resulting from the inevitable abrasion between the open

(

of advertising to children, which would be that advertising in general is successfully sold, and money is made to further the industry's success. The end result is also that, if there is a correlation between exposure to advertising and consumerism, children could be harmed by this action, (Edward Spence and Brett Van Heekeren, *Advertising Ethics: Basic Ethics in Action* [New Jersey: Pearson/Prentice Hall, 2005]).

marketplace of ideas and what may be deemed socially responsible media content in the public interest" (Craig and Smith, 1996).

There have been several suggestions on how marketing to children may be approached in an ethical manner. A study by Laczniak suggests a business ethic that focuses on the principle of human dignity. He adds additional principles to that ethic, which are stewardship, preferential option for the vulnerable and worker dignity (Laczniak, 1999, p.127-128). In addition, when considering how to market to children, certain compromises might be obtained as suggested by Robin and Reidenbach, and outlined by Haefner. They point out that in any type of marketing to children, advertisers (and thus broadcasters, programmers, advertisers and merchandisers), should combine certain ethical theories into their strategic plan. These include John Rawl's Veil of Ignorance, a combination of deontology and utilitarianism and Aristotle's golden mean (Haefner 1991, p. 87-88; Robin and Reidenbach, 1987, p. 48-51).

Under the Veil of Ignorance, an advertiser places himself in a situation where everyone starts on equal footing. Under the veil, no one knows who will become the strongest, most powerful, richest, etc. The idea is that because of this, people will treat each other equally since they do not know who will rise to the highest positions of power – thus the weakest would undoubtedly be protected. If an advertiser subscribes to this theory, that advertiser would understand that children would be classified according to the Veil of Ignorance as weak, and therefore should be protected (Rawls, 1971, Part I, sec. 3. 88).

From a deontological standpoint, if free choice is used in watching a commercial, then there is nothing wrong. If children, however, do not have the ability to use free

choice, then the use of advertising directly to them would be unethical (Haefner, 1991, p. 88; Robin and Reidenbach, 1987, p. 46). Kant would tell us that we have a moral obligation to treat other people always "as ends in themselves worthy of respect in their own right and never merely as a means in the pursuit of our own self-interested ends" (Spence and Van Heekeren, 2005, p. 35). Therefore, broadcasting to children who may be vulnerable to advertising messages in order to make money and exist in a competitive free-market is not a one-sided issue.

Bok says that sometimes types of excuses may be used to justify actions (Bok, 1978, p. 74). She is talking primarily about lying, but to some degree the actions that both broadcast industry and advocacy groups use in regards to the CTA interpretation of program-length commercials do pertain. The broadcast industry uses the right to free speech and free enterprise as its excuse to air ever more programs that may not meet the intention of the CTA interpretation for program-length commercials. To the broadcasting industry, these excuses may justify the types of marketing strategies it uses. Advocacy groups, on the other hand, may be using the excuse of protecting children to justify getting more government regulation. This excuse, many say, challenges the principles of freedom of speech and free enterprise.

A utilitarian view looks at the consequence of an action. If that consequence provides the greatest good for the greatest number of people, it could be argued that the action is moral (Spence and Van Heekeren, 2005, p. 11). Opposing arguments to that view may ask if the greatest number of people is the children or the masses of people entertained and employed by the industry. In other words, is one freedom more "important" than the other, therefore is one more "correct" than the other? According to

the government, the airwaves belong to the public. Is it not the right of the public, therefore, to enforce ethical issues? Would that supersede the right to free trade or speech via pandering to children? The public may be considered as the greatest number of people who benefit by a certain consequence, but the public becomes very individualized. Every person has a slightly different view than the next person. This argument demonstrates where a combination of deontology and utilitarianism begins to conflict. Haefner points out that Robin and Reidenbach say "if serious individual effects are possible, deontological thinking should still prevail" (Haefner, 1991, p. 88), and the concern for the individual (i.e. children) would take precedence in the issue.

Bok argued that although lying is bad, and that most people can see that lying is bad, there are levels of lying – with some lies being worse than others (Bok, 1978, p. 242-243). Perhaps the same can be said about ethical behavior?²⁹ Even if some ethical issues are worse than others, however, they are still ethical issues. In other words, defining morality in terms of levels does not take away the fact that morality is a judgment of good against bad, with the word "judgment" becoming the key word. Within the continued argument over the ethics of advertising to children, the broadcast industry and advocacy groups have their judgments on the matter. To compound that, the political administration in charge over the FCC also has its own judgments that often change from election to election.

²⁹ Is advertising educational products like LeapFrog© to children less unethical than advertising wrestling action figures? One product is an inter-active educational toy, while the other product stems from programs that promote a violent sport. Although marketers may try to say that wrestling action figures do promote educational ideals, common sense would say that advertising wrestling figures to children may have unethical implications. In addition, although wrestling may not advertise during children's programming it may be seen by children during regular viewing time that are not regulated by the Children's Television Act (Elizabeth S. Moore, "Children and the Changing World of Advertising," *Journal of Business Ethics* 52, [2004]: 162).

It is easy to see why, by applying certain ideologies, the issue of advertising to children versus pursuing free trade and speech becomes a quagmire. As mentioned, Robin and Reidenbach suggest blending three ideals when building a marketing strategy. They include the Veil of Ignorance and deontology. The third ideal, Aristotle's golden mean, may be the core standard that both the broadcast industry and advocacy groups could agree upon. It would imply that all approaches be measured in moderation and that the marketing approach should be "neither excessive" nor "deficient in performance" (Haefner, 1991, p. 88; Robin and Reidenbach, 1987, p. 51).

Set Precedence and the Unique Audience

A consideration to make in the deliberation of the morality associated with interpretation versus intent of CTA language for program-length commercials is that children are described as being a unique audience deserving paternalistic guidance. This guidance is often in the form of laws for their protection (Bok, 1978, p. 204-212).

Certainly precedence of protecting children from harmful media effects in general has been set. For example, in cases such as Ginsberg v. New York and the FCC v. Pacifica Foundation, the court ruled in favor of entities seeking the protection of children from indecency through certain media modes. In Ginsberg, the court upheld a decision to prevent minors from purchasing certain adult-oriented magazines. In Pacifica, the court upheld FCC rulings that indecent content could not be aired when children were most likely to be listening. In both of these cases freedom of speech was secondary to the protection of children from harmful exposure to certain material through media outlets (Minow and LaMay, 1995, p.122-125; Kunkel and Wilcox, p. 594). Significant cases that argue that children are a unique audience deserving protection, the results of numerous

21

³⁰ Ginsberg v. New York, 390 U.S. 629 (1968); FCC v. Pacifica Foundation, 438 U.S. 726 (1978).

research studies that connect effects of commercials and children, and the overall increase of the amount of advertising messages children see on a daily basis support the argument that interpretation of program-length commercials need to change.

Protecting children should not be a secondary issue to making profits. And since other cases that tread on First Amendment issues have supported that fact, protecting children from over-exposure to program-length commercials and implicit merchandising do not seem any less violating upon their overall safety.

Chapter 5 The New Media Environment

Ethical and Legal Implications in Regard to Advertising and Implicit Merchandising

Increased amounts of advertising clutter due to media competition and new technology are another caveat added to the concern of the current interpretation of program-length commercials (Kunkel, 2001).³¹ Increased advertising is often considered an extension of commercial broadcasts because of the amount of advertising enmeshed within programs or games. As an example, there is a popular video game that reenacts a pro-basketball game. Just as in real life, there are advertisements posted all over the virtual arena. While the video game is being played, genuine advertising is seen in the actual video game. Computer and video programs and games are therefore often seen as a continuation of the programs from which they originate, including the amount of advertising being portrayed (Adler and Firestone, 1997; McAllister and Giglio, 2005).

Innovations made with the Internet, consumer electronics and computer graphics contribute to competition for viewers and perhaps the reason for the changes we see in programming content. With these innovations there is more demand to reach the children's market by companies and it also creates ways in which this market can be reached (Tseng, 2001). For example, the advancements in technology make advertising easier, graphically appealing and widespread. Because of these innovations children are easily reached and urged to use advertiser's products. In addition, due to these

³¹ A list of new technology and challenges are listed in Appendix 3.

innovations there is some thought that programming and marketing of products have changed and will continue to do so. For instance, commodity flows, which are the embedding of licensed products and corporate brands inside cartoon programming, lead a viewer from television programs to web sites (McAllister and Giglio, 2005). This strategy creates a significant amount of commercialism, starting with a television program, then leading viewers to a specific website, perhaps via a screen bug.³² Children may also be led to view programs seen on television on a website through video streaming,³³ which is also viewed as extending the broadcast program on a different media mode but is not regulated under the CTA.

The broadcast industry, government and advocacy groups agree that children are more easily affected by commercials, but they do not agree to what extent, nor how the issue should be managed (Haefner, 1991). As for implicit merchandising that can be found in the new media environment, which has increased the amount of advertising messages that children witness, there have been few studies to date that suggest whether or not children are affected by it (Moore, 2004, p.161). The Kaiser Family Foundation, however, found in a study conducted in 1999 that children spend almost 40 hours per week using some type of media (Diaz, 1999). Media that include new technologies -- called the "new media environment"-- compete with broadcast in the children's entertainment industry.

³² A "bug" is a small caption at the bottom of the television screen that usually displays a logo of the station or program that is airing. "Bugs" are sometimes used to promote an adjoining website to the program being watched.

³³ "Video streaming" refers to airing video content such as a television show on a website.

³⁴ Kaiser Family Foundation, "Kids & Media @ The New Millennium, (1999)." Available from http://www.kff.org/entmedia/1535-index.cfm; accessed 23 September, 2006; Internet.

The new media environment creates controversies related to program-length commercials in two ways. First, because of the nature of the new media environment, children are exposed to increased amounts of advertising and implicit merchandising. Second, because of the new environment children are less apt to watch a traditional commercial, either because they can skip over it or they are using another media venue altogether. This creates a challenge to traditional broadcasters, advertisers and manufacturers who want to get their marketing message across.

These new forms of media contain a large amount of advertising targeted at children. For example, Cartoon Network's home web page may lead a viewer to a certain cartoon web site, which in turns leads the viewer to a gaming page for that cartoon, or merchandise that can be purchased for the cartoon. The amount of advertising for one cartoon can move from one page to another. Add to that a number of different cartoons available on the home page and the amount of advertising messages grows exponentially. Sonsidering that children became engaged in interactive activity online as early as age two, the concern of whether or not they can identify the difference between an advertisement and a game on the Internet remains as much a concern as in a broadcast scenario (Demmer, 2001).

New technology also adds to the challenge of presenting marketing messages through traditional broadcasting methods. Television remote controls and digital video recorders (DVR) contribute to the ability to skip commercials entirely, causing marketers to search for new ways to reach their market with their advertising message. Programs like *Yu-Gi-Oh GX* may be a form of marketing strategy employed in traditional television

31

³⁵ Cartoon Network (2008). Available from http://www.cartoonnetwork.com; accessed 25 February, 2008; Internet.

to counteract the challenges posed by new technologies. Using implicit merchandising as content of the program is a way to compensate for people who may skip or miss a commercial. It is a strategy that ensures that the commercial message gets across to its viewers.

Implicit merchandising via digital television is another area that could add to the increase in advertisements. According to the advocacy group Children Now, a corporation may target children through interactive advertising. In addition, the science of interactive television will give children the ability to be exposed to all types of products with the touch of a button (Diaz, 1999). Digital television could conceivably allow children more access to advertising more quickly, including advertising messages that are embedded within the content of a program or game. Like video streaming, the concern raised by advocacy groups is that because a child is led to an interactive medium through digital television, those links should be considered an extension of programming or commercials. In other words, if a program or commercial advertises an on-screen interactive game for that program or commercial, this is an extension of that same program or commercial. The pages of that interactive game, therefore, should also be counted in the current FCC regulations for children's programming. The bottom line is that because so many of these site bridges lead children to interactive games enmeshed with implicit merchandising, they should be viewed as program-length commercials (Chester, 2005).

The broadcast industry, on the other hand, does not feel that the current CTA regulations should apply to the digital aspects of programming. It says that digital

television technology is still too new and no hasty rules should be put into action prematurely. It does not want its options limited at this point (Teinowitz, 2001).

The FCC, however, has issued a Further Notice of Proposed Rulemaking (FNPRM) that addresses educational programming and advertising issues to children in the age of digital television. According to the FCC notice, the CTA rules that currently regulate broadcast are to be passed over into digital broadcasting. The FNPRM also states that digital broadcasters must comply with certain rules in regard to streaming from a television to a web site. The proposed rules maintain that web sites may only use bugs to re-direct from a television to a website if 1) it offers a substantial amount of non-commercial related programming, 2) it is not intended for commercial purposes, like e-commerce or advertising, 3) the website is clearly labeled to distinguish between commercial and non-commercial material, and 4) the bug used to lead viewers from the television set to the computer is not linked to a commercial enterprise, such as a retail store. The proposed rules are retail store.

This proposed ruling has created a maelstrom of disagreement between the broadcast industry and the public (Chester, 2005). Broadcast entities like Nickelodeon and Disney do not want FCC regulations regarding commercial limits in broadcast to extend further into digital environments. Public concern, however, still exists that the new media environment demonstrates a proliferation of advertising that inundates children with commercialized messages on a larger scale from that of past decades. The increased opportunities to expose children to advertising and advertising messages from increased types of media are causing that alarm.

-

33

³⁶ Children's Television Obligations of Digital Television Broadcasters, Second Further Notice of Proposed Rulemaking, FCC Docket MM 00-167, paragraph 49-59 (2004).

³⁷ Id, paragraph 50.

Chapter 6 Program-Length Commercials and *Yu-Gi-Oh GX*

As mentioned earlier, "implicit merchandising" is defined as "when the toy tie-in product's name is verbally or visually represented throughout the program," spending the majority of the program talking or showing the licensed product that can be purchased by viewers (Eaton and Dominick, 1991, p. 70). Examples of implicit merchandising may include licensed products such as *Pokemon* and *Digimon* (McAllister and Giglio 2005, p. 35-36; Pokemon, 2008; Digimon, 2008), where a corresponding card game that may be played in real life is attached to the cartoon. These types of shows may not be an accident since the number of programs that have related card games seem to be growing. For example, Cartoon Network has announced a new program for release in 2008 called Bakugan that, like its predecessor Pokemon, has a corresponding card game that can played in real life. What is more, this program is about cards that fall from the sky that are more than just a game the cartoon characters may play with – it also becomes a quest.³⁸ In other words, the plot of the cartoon is about playing a card game to achieve a quest. A trip to a major retail store showed that *Bakugan* playing cards were already lining toy shelves, signaling that a card game is associated with the cartoon – along with other card games attached to other children's cartoons. Card games for Naruto, various Marvel characters (like Spider Man), Pokemon, Yu-Gi-Oh and Ben Ten were also available for purchase. This did not include the various action figures and toys associated

_

³⁸ *Bakugan* is aired on Cartoon Network. Available from http://www.cartoonnetwork.com/tv_shows/all_shows/index.html.

with those cartoons that could also be purchased. The point is that the amount of merchandise that is available to children in the form of toys and playing cards is vast. The quantity of merchandising, whether implied or not, has an "in-your-face" treatment in programs, and may be argued as being overassertive to children, especially based on their limited capacity to cognitively or rationally deal with commercialism. ³⁹

Earlier in this paper it was mentioned that a content analysis test was applied to test an example of implicit merchandising within the content of a program. A random sample of *Yu-Gi-Oh GX* cartoons (aired during children's hours -- 7 a.m. through 10 p.m.) was tested based on a scale that was established to measure the amount of implicit merchandising within the content of those *Yu-Gi-Oh GX* cartoons.⁴⁰

A scale based on a previous study was developed to determine implicit merchandising messages throughout the *Yu-Gi-Oh GX* cartoons that were sampled. Eaton and Dominick conducted a study measuring the content of product-based programs using overt merchandising as one of the variables. They found that there was no significant difference in overt merchandising for toy-based programs versus non toy-based programs (Eaton and Dominick, 1991, p. 71). Eaton and Dominick's study occurred in 1991 and there have been changes in the media environment since. Other elements, therefore, were included in establishing the *Yu-Gi-Oh GX* scale. For example, according to David Ogilvy, elements that make a commercial successful include "testimonials," "demonstrations," "problem solution," "characters," and "reason why." He gives additional tips that include "brand identification," "showing the package," "providing close-ups of the product," and

-

³⁹ Refer to Chapter 4, ethical implications concerning program-length commercials and implicit merchandising.

⁴⁰ The complete *Yu-Gi-Oh GX* content analysis test, including method, design and detailed analysis may be found in Appendix 1.

"showing the product in use" (Ogilvy, 1985, p. 110-112). These elements are linked with the variables of the *Yu-Gi-Oh GX* content analysis studies, re-emphasizing the implicit merchandising nature of cartoon content. By the same token, they help substantiate the use of an additional implicit merchandising variable to be analyzed in this study, which would be the strategy behind the applications of the cards that are used in the game. In particular, "demonstrations," "problem solution," and "reason why" occur often in the context of card strategies in *Yu-Gi-Oh GX*.

Another overt merchandising variable added to this study was the number of times the term "duel" was used in the program. Through a process of signification, (the social process of making meanings) the word "duel" is synonymous with "playing the game" (Budd, Craig, Steinman, 1999, p. 84). Other terms included phrases like "get your game on," "my cards are up for it" and "let's get ready to throw down!" There were other terms used in *Yu-Gi-Oh GX* that fell under the signification process that lead a viewer to understand that by having certain cards one may duel and win the game. These included phrases like "if you're old enough to draw, you're old enough to win," and "keeps her from being destroyed (losing the game)."

This scale was then applied to three randomly selected *Yu-Gi-Oh GX* cartoons, where implicit merchandising messages were counted. The test found that an implicit merchandising message occurred at a level of 16 commercial messages a minute, or around one message every three to four seconds. The test found around 320 implicit merchandising mentions in a 20-minute cartoon with the only relief from this advertising assault being the 10 minutes worth of regular commercials before, in the middle and at the end of the program. There was no scale developed in this study to determine if the

commercial content amount is excessive compared to other cartoons, but common sense would deem the amount to be high in implicit merchandising when considering the number of mentions on a per-minute and even per-second basis.

Why would the broadcast industry allow for a cartoon that seems to be filled with a large amount of merchandising to air when the industry has voiced concern of children's exposure to too much commercialization? As altruistically as one would hope the industry to be, it is difficult to ignore the financial impact that influence this scenario. For example, with success in the Japanese market, ⁴¹ Konami, the company that invented *Yu-Gi-Oh*, turned to the United States, selling the licensing to 4Kids Entertainment (*The Christian Science Monitor*, 2003). In 2003 Konami earned as much as \$113 million in profits for a fiscal year reported that year, where product sales of *Yu-Gi-Oh* are said to have impacted this figure (gamesindustry.biz, 2006). 4Kids earned around \$19 million in 2005 on *Yu-Gi-Oh* licensing, alone (ICv2 News, 2005).

The popularity of *Yu-Gi-Oh* and now *Yu-Gi-Oh GX* may be based on the fact that it is a trading card game, which has grown in popularity with children over the last several years. Through a thoughtful marketing process, 4Kids Entertainment has masterfully produced a marketing craze for *Yu-Gi-Oh* products, especially with the trading cards, where children know that having good cards is how you win the *Yu-Gi-Oh* card game. 4Kids understands that they want children to spend a lot of money buying cards. Their strategy is to package the rarest cards, or those that help most in winning a game, sparingly in *Yu-Gi-Oh* card packs. "To get the best cards, you have to buy lots of them" (*The Christian Science Monitor*, 2003).

_

⁴¹ Yu-Gi-Oh was first a comic book.

Since 4Kids wants to appeal to older kids, they rarely advertise their products on television through regular commercials with the theory that if younger children see the advertisements for *Yu-Gi-Oh GX*, older children will lose interest in it. Older children, according to a 4Kids spokesman Steve Syatt (in 2003), do not want to buy the same things little kids buy (*The Christian Science Monitor*, 2003). The question then becomes "How is *Yu-Gi-Oh GX* advertised?"

It could be that Konami and 4Kids learned from past successful marketing of merchandise like *Pokemon* and the *Power Rangers*. Both of these programs use several avenues within and outside their programming to advertise their licensed products, thus reaching a large market. *Yu-Gi-Oh GX*'s use of commercial-length programming as the cartoon is a savvy way to market a product to a large audience of children without the fear of missing the message. In other words, if the program is the commercial, the product message will be received by viewers.

In the case of *Yu-Gi-Oh GX*, if it did violate the current interpretation of programlength commercials due to the extreme amounts of implicit merchandising within its program, its commercial amount far exceeds the 10 .5- and 12-minute rules. Under current FCC rules, however, *Yu-Gi-Oh GX* is legal. ⁴² The issue remains that this type of heavily commercialized programming causes disagreements between different groups -- those who advocate that research has "proved" that advertising in television affects children; and those who hold that freedom of speech and embracing de-regulation take priority over protecting children from commercialized programs.

⁴² See Program-Length Commercials.

38

Chapter 7 Discussion and Conclusion

There has been discussion on how, and how much, broadcast material to children should be regulated since commercial television began. Legal regulations made through the Children's Television Act (CTA) partially control material that is seen by children, although the current interpretation of program-length commercials in the CTA seem vague. Although program-length commercials are forbidden, this is only so if a commercial message is obviously displayed within the program content. This does not address the issue that advertising in the guise of program-length commercials is growing or that the CTA, enacted in part to protect children from too much advertising, is ineffectual in regulating this increase of advertising via program-length commercials.

What is more, although the current interpretation of program-length commercials may make it legal to use implicit merchandising, it does not adequately protect children, nor does it uphold the intention of protecting children. Based on the amount of money spent on advertising to children⁴³ advertising has flourished in a new media environment. Issues of what constitutes a program-length commercial in a new media environment have increased concern over program-length commercials in general and how they affect children.

Legal and monetary implications over program-length commercials and implicit merchandising are questioned. Program-length commercials are an issue with the

39

⁴³ This is due in part to the response to the amount of money children now spend -- \$15 billion (see footnote 19).

government because it deals with the actual content of a program. Regulating the content of a television program raises concerns over First Amendment rights. Regulation may also reduce revenues that the broadcasting industry may earn. The public interest, therefore, becomes a conundrum. On the one hand, protecting children (always a priority with the government) is considered in the public interest. On the other hand is the public interest of broadcasters, advertisers and manufacturers who have the right to promote their business via free speech in order to be financially successful. The entangled legal and policy issues concerned are more fundamental – culminating in the clash of program-length commercials in the Children's Television Act and placing it in conflict against First Amendment rights.

The moral issues involved with the amount of program-length commercials and their effects on children should be questioned along with current legal and monetary implications. Although freedom of speech is a sacred component of United States media, protecting children is also sacred to Americans. Precedence has been established in overriding freedom of speech in media in the name of protecting children. This precedence is perhaps noteworthy in a new media environment where implicit merchandising abounds.

A re-examination and re-defining of the current interpretation of program-length commercials by the FCC is needed. In particular, clarifying how much implicit merchandising constitutes a program-length commercial in both traditional broadcast and the new media environment. Once clarified, consistent compliance of the new definition must also then be carried out.

Deciding what is to be considered a maximum amount of implicit merchandising poses a challenge to anyone who defines the term. One answer, however, may be to devise a quantitative scale, such as one similar to the content analysis test for *Yu-Gi-Oh GX*, that allows the FCC to determine amounts of implicit merchandising. Visual and auditory mentions of products or brands could be limited based on the amount of representations in children's programming, including new media. Finally, if implicit programs are often produced or supported by merchandisers, perhaps the FCC could work in conjunction with other governmental agencies, such as the FTC, to fine those participants who use implicit merchandising in traditional broadcast and the new media environment.

Admittedly, how the FCC establishes how much is too much will undoubtedly encourage deliberation among the broadcast industry and the public. The realities of how the broadcast industry operates, how children exist in society based on societal norms and basic legal ramifications associated with commercial broadcast are all elements to be addressed. Based on the precedence set of prior cases and the protection of children, however, these obstacles of debate are well worth addressing as the media environment continues to grow and change.

Program-length commercials containing implicit merchandising have not been as thoroughly researched as regular advertisements to children. The history and current debate of the CTA interpretation versus the intent, along with the other factors affected by program-length commercials and implicit merchandising, provides a foundation for further study into program-length commercials.

Chapter 8 Further Studies

As described in this paper, there are many areas of research that should be conducted on the subject of program-length commercials and implicit merchandising. Social, legal and ethical effects from implicit merchandising in traditional commercial broadcast and in a new media environment provide a wide array of research opportunities. Further studies might include:

- Developing a scale to measure the amount of implicit merchandising in several genres of children's programs.
- Conducting studies that measure the amount of implicit merchandising,
 commodity flow and product placement to see how much exposure to advertising
 children experience within a certain timeframe.
- Conducting research that would show how implicit merchandising, commodity flow and product placement could or could not be considered paid advertising.
- Determining whether program-length commercials affect children as much as advertising based on research already conducted. Are similar studies for advertising effects the same for program-length commercials?
- Measure how many implicit merchandising messages children recognize in a
 program. Discuss the different age ranges. This type of study could be tied to
 older studies and may be valuable based on the new media environment.
- Conducting research to determine if there is a connection between Piaget's cognizance levels of understanding with that of program-length commercials.
- Determine a child's level of recall from program-length commercials. Determine if those levels are similar to that of advertising recall levels.

- Research whether or not the *Yu-Gi-Oh GX* marketing style is the wave of the future. In that research, look for an increase of program-length commercials due to technology advances and increased competition within the broadcast industry.
- Count the levels of implicit merchandising in a program-length commercial.
 Determine whether or not some are more extreme than others. Compare those programs with one another. Establish if extreme levels of implicit merchandising outweigh non-extreme levels.
- Ascertain whether or not *Yu-Gi-Oh GX* is a cartoon paid for by merchandisers. Investigate whether or not that should constitute as paid advertising. If it is determined to be paid advertising, investigate whether or not the cartoon is conducting host-selling. The same type of measurements could also be made with product placement and certain elements in a commodity flow.
- Knowing how long it takes Congress or the FCC to make changes in rules, but also considering the new environment of the media, determine if the program-length commercial issue should again be brought into the forefront of debate. Ask if the FCC, for example, should issue a new inquiry to discuss this matter further.
- Study the implications of advertising effects on children from advanced technologies (like video games or websites).
- Investigate commodity flow that streams into other media venues (like websites).
 Determine whether or not they should they be regulated.
- Program-length commercials are seen by many as paid commercials. Legal
 inquiries may be argued, such as should program-length commercials be subject
 to commercial speech, partial protection, or intermediate scrutiny versus full
 protection from the courts.

Appendix 1

Cartoons and Overt Merchandising: Yu-Gi-Oh GX Gets Ready to Throw Down!

INTRODUCTION

Over the years there have been many studies conducted showing that advertising has an effect on children. Wilson and Weiss, for example, measured children's awareness of the differences between a commercial and a program (Wilson and Weiss, 1992). Some researchers have asked their child subjects what a television commercial is (Macklin, 1983), while others have studied if children understand the task that advertising is directing them to perform (Donohue, Henke and Donohue, 1980). The effects of advertising on children have been debated for years with ramifications that affect different groups in different ways. According to Martin there are two main areas of concern in the studies on the effects of advertising on children – political and social (Martin, 1997, p. 205).

Political Concerns

Some political concerns surrounding advertising to children have sprung from program rulings by the Federal Communication Commission (FCC) in the form of the Children's Television Act which limits the amount of program-length commercials and commercial content in a program. Other political concerns revolve around self-regulation by networks and pressures from advocacy groups.

A synopsis of political concerns is that broadcasters are unhappy with the idea that the FCC would interfere with programming, saying that their self-regulatory principles will guide them in making correct choices about programming for children (National Association of Broadcasters Statement of Principles, 2006). Advocacy groups are often under attack by broadcasters for treading upon constitutional rights. The FCC is often under attack by both advocacy groups and broadcasters for interfering and not interfering enough. It is a vicious circle.

Political ramifications could also manifest into legal ramifications. Further legal requirements could emerge if advocacy groups rally citizens to support changes in FCC rulings. An example would be if the FCC bows to pressure from the public to use stricter definitions of the terms that define what commercial matter entails.

Social Concerns

The social aspect focuses on parents' conviction that advertising has a negative, even detrimental affect on children. There is a belief by some that advertising is manipulative which causes a myriad of harmful effects for a child, including their creativity and bonding relationships with parents (Hite and Eck, 1987). Public interest groups, a result of social action, have formed watch-dog organizations against negative effects of advertising to children. These groups include the Action for Children's Television (ACT) and the Campaign for a Commercial-Free Childhood (The Museum of Broadcast Communications) (CCFC, 2004).

Although the political and social effects of advertising on children is an important area of study to mention, the focus of this study is not to look at those effects, but to focus on counting the actual commercial content within a cartoon. There are certain aspects from these other studies, however, that create the reason for this content analysis. The commonality of these studies suggests that there are effects of advertising on children. If certain programs contain significant amounts of commercialism within it, then they are in many respects like a regular commercial. It would follow, then, that programs that are heavily filled with commercialism would also affect children. The content analysis of a particular cartoon will lead to next steps for research. It also provides empirical data for use by any of the parties involved in the continuous debate over children's programming.

This Study

Casual observation showed a particular cartoon seemed to have more commercialization in its content than other cartoons. Another name for this is "overt merchandising," which is defined as "when the toy tie-in product's name is verbally or visually represented throughout the program" (Eaton and Dominick, 1991, p.70). This cartoon is definitely product-based -- you can find the product everywhere. The cartoon is named *Yu-Gi-Oh GX*, and is based on characters that play a card game throughout the cartoon. In other words, the plot of the cartoon is always about playing this card game.

The amount of overt merchandising in *Yu-Gi-Oh GX* program content, although legal under Federal Communication Commission (FCC) rules, may contain a large amount of commercialized content. Although the wording in the FCC ruling appears to

apply mainly to commercials, there is some outcry that in an effort to skirt the rulings, some programs are becoming commercials, themselves. In the case of *Yu-Gi-Oh GX*, it seems to follow the law in practice, but does it follow the intent?

This study, therefore, will attempt to measure the amount of content within the program to identify how much is considered overt merchandising. It seeks to address the research question:

RQ1: How much overt merchandising content does the cartoon *Yu-Gi-Oh GX* contain? LITERATURE REVIEW

In 1990 the FCC made rulings that limit the amount of commercial material that may be presented during children's television programming geared to kids 12 years old and younger. The definition that the FCC uses to describe commercial material is:

"Commercial material includes more than advertisements. For instance, where a commercial announcement is primarily for a product otherwise unrelated to a program, but that announcement also includes references to or offers of products which are related to the program, then the broadcast of that commercial announcement during or adjacent to the program will make that program a program-length commercial. In such a case, the entire duration of the program-length commercial will be counted as commercial material" (FCC Consumer Facts).

FCC rulings state that commercial matter may only be aired for 10.5 minutes per hour on weekends, and 12 minutes per hour on weekdays. The hours are prorated for programs less than an hour long (FCC Consumer Facts, 2006). The FCC definition explains the meaning behind what constitutes a program-length commercial, but it has also become a subject of discussion and controversy among regulatory organizations and their counterparts. Some advocacy groups feel that the FCC language is not strict enough in its definitions, and several loopholes exist that allow broadcasters and programmers to skirt this area regarding program-length commercials (Lambert, 1990).

Eaton and Dominick conducted a study measuring the content of product-based programs using overt merchandising as one of the variables. As mentioned, overt merchandising includes both visual and verbal representations of a product throughout a program. They found that there was no significant difference of overt merchandising for toy-based programs versus non toy-based programs that were compared (Eaton and Dominick, 1991, p. 71).

Times have changed, however, and that may not still be the case. Children's programming has been altered and challenged in the last decade due to technology advances, competition amongst media and advertising clutter (McAllister and Giglio, 2005, p. 28-29). Based on that, more programmers may use different kinds of programming techniques to combat those challenges. McAllister and Giglio, for instance, illustrate that the amount of commercialization in a cartoon is linked to the commodity flow. This is defined as embedding licensed products inside cartoon programming of corporate brands. They define this as "a concept that highlights the embeddedness of promotional and commercial techniques throughout television generally but especially in children's television" (McAllister and Giglio, 2005, p. 27). They say "it is in the best economic interests of television...to reduce the disjointed nature of the transition between 'switchable' moments, such as when a program breaks to a series of commercials, and thus keep viewers in their television place" (McAllister and Giglio, 2005, p. 28). Adding upon this, McAllister and Giglio quote Budd, Craig, and Steinman who also say that another "increasingly important way" that advertisers influence programming is by using the "flow of commodities" to keep audiences in front of the television. Similar product elements are therefore used in product commercials, promos and programs (Budd, Craig and Steinman, 1999).

Tseng also states that there have been many changes to children's programming over the years due to technology advances. She cites the innovations made in the Internet, consumer electronics such as personal computers, DVDs, CDs, video games and computer graphics as contributors to competition for viewers, and may be the reason for the changes we see in programming content. With these innovations there is more demand to reach the children's market by companies, and it also creates ways in which this market can be reached (Tseng, 2001) (Calcott and Lee, 1994). Because of these innovations there is some thought that programming and marketing of products (including toy-based cartoons that may be labeled program-length commercials) may have changed, especially with the new generation of cartoons currently on air.

Very often television programming is tied with licensed products. Large corporate sponsorships of these licensed products often influence, and in some cases pay for, toy-

based programming. It is often their influence that overt merchandising may pervade a program (Jason and Hanaway, 1997).

An example of these program changes can be seen in a trading card game that also has a linked television program mentioned by McAllister and Giglio. Pokemon is described by them as being "a program that is heavily commodity-oriented through licensing activities in the United States." McAllister and Giglio indicated that this may be an uncharacteristic moment in programming (McAllister and Giglio, 2005, p. 31-34). In the past few years, however, other trading card games with linked cartoons have appeared, including *Beyblade*, *Zatchbell* and the *Yu-Gi-Oh* series. Since this may not be an atypical trend after all, there may be more programs designed with a high commodity slant to them in the future. For this reason it is important to measure visual and verbal occurrences of overt merchandising in this study.

In addition to acknowledging that technical advancements, ad clutter and business practices may have affected children's programming, it is also useful to look at basic elements that go into making a commercial. According to David Ogilvy elements that make a commercial successful include "testimonials," "demonstrations," "problem solution," "characters," and "reason why." He gives some additional tips that include "brand identification," "showing the package," "providing close-ups of the product," and "showing the product in use" (Ogilvy, 1985, p. 110-112). These elements could be linked with the variables of the other studies, re-emphasizing the overt merchandising nature of cartoon content. By the same token they could help substantiate the use of an additional overt merchandising variable to be analyzed in this study, which would be the strategy behind the applications of the cards that are used in the game. In particular, "demonstrations," "problem solution," and "reason why" occur often in the context of card strategies in *Yu-Gi-Oh GX*.

Another overt merchandising variable added to this study is the number of times the term "duel" is used in the program. Through a process of signification, (the social process of making meanings) the word "duel" is synonymous with "playing the game" (Budd, Craig and Steinman, 1999, p. 84). Other terms include phrases like "get your game on," "my cards are up for it" and "let's get ready to throw down!" There are other terms that fall under the signification process that lead a viewer to understand that by

having certain cards one may duel and win the *Yu-Gi-Oh GX* game. These include phrases like "if you're old enough to draw, you're old enough to win," and "keeps her from being destroyed (losing the game)."

Background on Yu-Gi-Oh and the Game

In a cartoon the actors are known as characters. In this paper, however, the main character actors of the cartoons are referred to as the stars or cast. This will differentiate between references of the main actors and the characters that are on the cards that come to life to duel.

Yu-Gi-Oh is the precursor to Yu-Gi-Oh GX. The same program format is used in both cartoons, but the cast has changed. In fact, the main star in Yu-Gi-Oh GX is related to the main star of Yu-Gi-Oh. The program plot demonstrates how the card game is played. The plot of the program, therefore, and how the game is played is basically the same.

Life points in the cartoon are part of the duel. At the start of the game, each player begins with an equal number of life points. The object of the game is to reduce the life points of your opponent to zero, using strategies from the cards played. The cards each represent some type of warrior, monster, magical entity or element. In the cartoon, the stars and co-stars who play the duel (usually portrayed as young adolescents) try to outsmart their opponent by trumping opposing cards with their own. The mystical characters in the cards come to life and battle one another. There is a strategy involved on which card to use next. Like chess, you use strategic thinking to decide which move to make to take you closer to winning the game.

The majority of the cartoon is about two main actors that duel with each other. They tell what types of card they are playing, and explain the strategy of using that card in their play. The predominance of the card names, repeated images of the cards and a repetition of the fact that to win the game a player needs to have good cards throughout the cartoon show a greater-than-normal amount of merchandising strategy implanted in the content of the cartoon.

Since children spend as much as 28 hours a week watching television, and have a spending capacity of \$50 billion a year (National Institute on Media and the Family, 2006), considerable amounts of merchandising within a program may bolster sales of that

product. Konami, the company that invented *Yu-Gi-Oh*, has latched on to that craze. With success in the Japanese market (*Yu-Gi-Oh* started out as a comic book), Konami turned to the United States, selling the licensing to 4Kids Entertainment (*The Christian Science Monitor*, 2003). In 2003 Konami earned as much as \$113 million in profits for a fiscal year reported that year, where product sales of *Yu-Gi-Oh* are said to have impacted this figure (gamesindustry.biz, 2006). 4Kids earned around \$19 million in 2005 on *Yu-Gi-Oh* licensing, alone (ICv2 News, 2005).

The popularity of *Yu-Gi-Oh* and now *Yu-Gi-Oh GX* may be based on the fact that it is a trading card game, which has grown in popularity with children over the last several years. Through a thoughtful marketing process, 4Kids Entertainment has masterfully produced a marketing craze for *Yu-Gi-Oh* products, especially with the trading cards, where children know that having good cards is how you win the *Yu-Gi-Oh* card game. 4Kids understands that they want children to spend a lot of money buying cards. Their strategy is to package the rarest cards, or those that help most in winning a game, sparingly in *Yu-Gi-Oh* card packs. "To get the best cards, you have to buy lots of them" (*The Christian Science Monitor*, 2003).

Since 4Kids wants to appeal to older kids, they rarely advertise their products on television through regular commercials with the theory that if younger children see the advertisements for *Yu-Gi-Oh GX*, older children will lose interest in it. Older children, according to a 4Kids spokesman Steve Syatt (in 2003), do not want to buy the same things little kids buy (*The Christian Science Monitor*, 2003). The question then becomes "How is *Yu-Gi-Oh GX* advertised?"

Based on McAllister and Giglio's definition of commodity flow, it could be that Konami and 4Kids learned from past successful marketing of merchandise like *Pokemon* and the *Power Rangers*. Both of these programs are high in commodity flow, using several avenues within and outside their programming to advertise their licensed products, thus reaching a large market. *Yu-Gi-Oh GX*'s use of commercial-length programming as the cartoon is a savvy way to market a product to a large audience of children without the fear of missing the message. In other words, if the program is the commercial, the product message will be received by viewers.

This is not a new idea. The Disney Company has used its programs and movies to help promote its theme parks and merchandise for years. In fact, there was some suggestion that Walt and Roy Disney looked at movies like *Alice in Wonderland* and *Peter Pan* as "thinly disguised commercials" for the Disneyland theme park (Telotte, 2004).

The trading card and game phenomenon is still fairly new, around 13 years old (*The Christian Science Monitor*, 2003). Eaton and Dominick's finding that toy-based cartoons and non toy-based cartoons do not differ much in the amount of overt merchandising within the programs may be different when studying today's generation of cartoons. By studying the *Yu-Gi-Oh GX* content, a foundation of study may be formed for measuring program content for a new generation of programs.

RATIONALE

As mentioned, this study will measure the amount of overt merchandising content based on Eaton and Dominick's definition in the cartoon *Yu-Gi-Oh GX* to answer the research question "How much overt merchandising content does the toy-based cartoon *Yu-Gi-Oh GX* contain?" Since programming has evolved due to technological and marketing advances, and there is a connection with overt merchandising into the commodity concept, the arena of overt merchandising has changed. Because of these changes, the study of overt merchandising should include additional parameters to measure content.

METHOD

Design

The content of three *Yu-Gi-Oh GX* cartoons will be analyzed. The study will examine the amount of overt merchandising within each program. Established variables will be counted and measured against each other within the sample.

Sample

The sample will be a purposeful sample, as used by Eaton and Dominick (Eaton and Dominick, 1991, p. 68). To support this view using a purposeful sample, Minnesota Opinion Research, Inc. (MORI) says that "the dimensions or factors according to which the sample is drawn up are analytically and theoretically linked to the research question(s) being addressed" (MORI, 2006).

The sample will be picked from the one network that airs *Yu-Gi-Oh GX* – Cartoon Network. *Yu-Gi-Oh GX* plays at the same time on the same days (two programs, back-to-back, one airing at 3:30 p.m. and the other at 4 p.m.) according to the local television directory where the study will take place (*Fort Worth Star-Telegram*, 2006). Since *Yu-Gi-Oh GX* does not air on weekends, the sample will be videotaped during weekdays.

Twelve episodes of *Yu-Gi-Oh GX* will be videotaped during the course of two weeks. From that twelve, three episodes will be randomly picked for content measurement. To assist reliability of the sample, cartoons that are in parts or cliffhanger episodes will not be counted together to lessen the chance that overt merchandising is or is not a fluke.

Additional episodes of staggered air times will also be taped in the event that the original sample drawing produces duplicate episodes. These recordings will provide extra cartoons to draw from should the need arise.

Instrumentation

Stempel says "the decision about the unit of analysis depends primarily on what information is required for the purpose of the study" (Stempel, 1981, p.122). The eight variables used to measure content will therefore include:

- Visual appearance or image of the card character, the cards, themselves and accessories used with the cards that may be purchased through retail.
- Mention of the card character or the cards, themselves.
- The number of strategies used for winning the duel within program, including the
 audio mention of those strategies. These audio mentions will be counted as a
 segment. In other words, the entire strategy for using one card may be mentioned
 in more than one sentence. Therefore, the entire segment for one strategy will be
 counted.
- Since the object of the game is to reduce the life points of your opponent to zero
 by using strategies from the cards played, the visual representation of the box that
 shows life points of a character will be counted as a variable of overt
 merchandising.
- The number of times the word "duel" or words derived from the same meaning used are within the program.

 Although the main characters within the cartoon are also displayed for marketing purposes on the products, each time a main character appears in the cartoon will not be counted. In other words, only the cards, the card characters and audio mentions will be counted.

The eight variables will have its own coding column, and there will be a new coding sheet used for every episode watched. The study will measure content from videotaped recordings of *Yu-Gi-Oh GX*.

One coder will be used for this study. A trial run of one cartoon will be used by the coder to review responses. Reliability will be endeavored by recoding the first cartoon used at the end of the study. In other words, the first cartoon measured will be measured again at the end of the study after the other cartoons have been measured.

Analysis

Since the variables are not mutually exclusive, a simple frequency analysis will be conducted to determine the amount of overt merchandising within a sample of *Yu-Gi-Oh GX* cartoons. Analysis of data will be based on frequency findings across all variables from the study. The analysis will look for significant measurements, and then answer the research question.

RESULTS

This study tried to answer the research question "How much overt merchandising content does the cartoon *Yu-Gi-Oh GX* contain?" A basic count of overt merchandising showed that on average there are 316 overt merchandising messages per *Yu-Gi-Oh GX* cartoon (Fig. 1). To break this down, the analysis found that there is an average of 16 overt merchandising messages per minute or one overt merchandising message every 3.75 seconds in an average *Yu-Gi-Oh GX* cartoon.

Fig. 1
Total Amounts of Overt Merchandising Messages within *Yu-Gi-Oh GX* Sample

	Cartoon 1	Cartoon 2	Cartoon 3	Avg. OM mentions
Overt Merchandising Totals	394	281	272	316
OM mentions per minute	19.7	14.05	13.6	16
Card Character (visual)	81	45	59	62
Card, itself (visual)	55	51	47	51
Accessories (visual)	82	83	34	66
Card Character (audio)	48	29	47	41
Card, itself (audio)	27	12	24	21
"Duel," or its derivative	21	14	16	17
(audio mention)				
Strategy (audio)	58	30	26	38
Strategy (visual –	22	17	19	19
life point counter)				

The analysis found that the greatest amounts of overt merchandising mentions were in visual form, although the amounts of visual overt merchandising varied slightly from one cartoon to another. For instance, visualizations of card characters and accessories were highest in cartoon 1, with about four showings of each per minute. Cartoon 2 had a high number of accessory visualizations compared to the other visual variables that were measured, with a little more than 4 per minute (Fig. 2).

Another variable of overt merchandising is the visualization of the card, itself, before the character "comes to life" to duel. The actual visualization of the cards, themselves appeared about 51 times per show, or almost three times per cartoon (Fig. 2).

The largest visual overt merchandising message was in the form of the accessories used by the duelists when playing the duel. The accessory variable was displayed on average 66 times per episode. That translates into an average of a little over three times per minute (Fig. 2).

Fig. 2
Visual Counts of Card Characters, Cards, Themselves and Accessories

	Cartoon 1	Cartoon 2	Cartoon 3	Avg. OM
Overt Merchandising Totals	218	179	160	186
Card Character	81 (4.05 pm)	45 (2.25 pm)	59 (2.95 pm)	62 (3.1 pm)
Cards, themselves	55 (2.75 pm)	51 (2.55 pm)	47 (2.35 pm)	51 (2.55 pm)
Accessories	82 (4.1 pm)	83 (4.15 pm)	34 (2.7 pm)	66 (3.3 pm)

pm = visualizations per minute

Along with visualizations of the characters and the cards, audio mention of both was determined to be an overt merchandising element. Analysis found that there was not much difference in the amount of audio overt merchandising between cartoon 1 and 3. Cartoon 2, however, had a slightly less average compared to the other two, with a perminute average that was nearly half of that compared to the other two (Fig. 3).

Fig. 3

Audio Mentions of Card Characters and Cards, Themselves

	Cartoon 1	Cartoon 2	Cartoon 3	Avg. OM
Overt Merchandising Totals	75	41	71	62
Card Character (audio mention)	48 (2.4 pm)	29 (1.45 pm)	47 (2.35 pm)	41 (2.05 pm)
Card, itself (audio mention)	27 (1.35 pm)	12 (0.6 pm)	24 (1.2 pm)	21 (1.05 pm)

pm = mentions per minute

Using signification, the word "duel," or a derivative of that word -- such as "play," "smack down," "match," "get your game on," "throw down," or "bring it" -- was also measured as overt merchandising within the cartoon samples. Again, it was important to measure this variable because the whole concept of both the cartoon and the game is to play a duel. Using this word frequently in the cartoon only adds to the message that a viewer will need to purchase *Yu-Gi-Oh GX* cards in order to play the game. The frequency analysis found that there was no large difference of audio mentions between any of the members of the cast. Overall, the term was used an average of 17 times per episode, or a little less than once per minute (Fig. 4).

Fig. 4

Audio Counts of the Word (or derivative of) "Duel"

9	Cartoon 1	Cartoon 2	Cartoon 3	Avg. OM
Duel or derivative (audio mention)	21	14	16	17
OM mentions per minute	1.05	0.7	0.8	0.85

As mentioned earlier, applying different strategies is also used to win the duel. "Demonstrations," "problem solution," and "reason why" aspects to the cartoon are synonymous to strategies that are used in the cartoon for winning the game. This would apply in real life, too. If a child wants to win a duel while playing *Yu-Gi-Oh GX*, they will employ a strategic use of cards to win. In the cartoon, the effective use of a strategy is revealed by the visual appearance of the life point counter. When measuring the amount of visual strategies that are used in the sample cartoons there were about 19 mentions per episode. That is an average of one visual message per minute.

An audio strategy is when a cast member explains why he played a certain card during his turn. This is an important aspect to the cartoon and game because it explains the rationale of why a card is played, making those particular cards important in the overall strategy to win. The audio mentions of a strategy averaged 38 per show, or almost twice per minute.

From episode to episode there did not appear to be much difference in the amount of visual strategies used, but there was a slight increase of audio strategies used in Cartoon 1 compared to the other two cartoons (Fig. 5).

Fig. 5
Audio Strategies and Visual Strategies

	Cartoon 1	Cartoon 2	Cartoon 3	Avg. OM
Overt Merchandising Totals	80	47	45	57
Visual Strategies (life point counter	r) 22 (1.1 pm)	17 (.85 pm)	19 (.95 pm)	19 (.95 pm)
Audio Strategies	58 (2.9 pm)	30 (1.5 pm)	26 (1.3 pm)	38 (1.9 pm)

pm = mentions or visualizations per minute

The content analysis of an average *Yu-Gi-Oh GX* cartoon shows an amount of overt merchandising at a level of 16 commercial messages a minute, or around one

message every three-to-four seconds. There are around 320 overt merchandising mentions in a 20 minute cartoon with the only relief from this advertising assault being the 10 minutes worth of regular commercials before, in the middle and at the end of the program. There has not been a scale developed in this study to determine if the commercial content amount is excessive compared to other cartoons, but common sense would deem the amount to be high in overt merchandising when considering the number of mentions on a per-minute and even per-second basis.

LIMITATIONS

It is necessary that the study limitations should be pointed out. *Yu-Gi-Oh GX* is only one cartoon. There are a limited number of cartoons sampled for this study. Obviously, there may be other cartoons that were not measured in this study that may have more or less overt merchandising within its content. The *Yu-Gi-Oh GX* cartoons that are measured do not make up genres of all cartoons, only focusing on one genre. There are also other cartoons within the *Yu-Gi-Oh GX* genre which are not being studied. This sample, therefore, is not representative of all cartoons and genres of cartoons. In addition, not all television stations may play *Yu-Gi-Oh GX* the same amount of times per week. This may have an effect on the amount of commercial content aired per hour. An additional limitation is dependent on the consistency of Cartoon Network to air *Yu-Gi-Oh GX* as they have stated.

There may also be a certain amount of researcher's bias introduced in this study. The concept that the amount of overt merchandising in *Yu-Gi-Oh GX* has repeatedly brought into question whether or not it exceeds regulated amounts. Since no comparison has yet been made to other cartoons, it cannot be fully determined if the amount of overt merchandising in this content analysis is excessive.

FUTURE RESEARCH

Based on the findings of this study, there are several opportunities for further research. As mentioned earlier, these studies could be in both the political and social arenas of advertising effects on children. There may also be opportunity to use these results to study business practices.

Political

This study may have special import with the amount of overt merchandising in relationship to the Children's Television Act. Should the amount of overt merchandising in *Yu-Gi-Oh GX* exceed the time limit of 10.5 minutes per hour allowed by the FCC? Should the overt merchandising in the cartoon combined with regular commercials exceed regulated amounts? Additional studies could time the overt messages in a *Yu-Gi-Oh GX* cartoon and combine that with the commercial segments. This total could provide results to determine if the FCC should re-examine its current interpretations of programlength commercials in the CTA. In addition, knowing the amount of overt merchandising in *Yu-Gi-Oh GX* is important because it provides a basis for comparison among other cartoons, either of the same genre or of different genres. Overall, this type of analysis may help in establishing a content scale that could be used for all genres of cartoons. This would provide serious fodder in establishing clear-cut rulings on air time in relation to commercial content. It would also provide the much-needed empirical data needed for all parties in discussing this subject.

Social

From a social aspect one reason for the importance of measuring the commercial content in this cartoon is it leads to the question "does the amount of overt merchandising in *Yu-Gi-Oh GX* affect children's attitudes toward the product?" Since several studies do conclude that advertising does have an effect on children's behaviors, then a cartoon filled with overt merchandising may also affect children's behaviors. It would be interesting to see if the amount of overt merchandising in *Yu-Gi-Oh GX* does affect children's buying tendencies with that licensed product.

Cartoon 1 and 3 featured male cast members as the main duelists. Cartoon 2 featured a female cast member as the main duelist. There are some considerable differences of overt merchandising amounts for the male cast versus that of the female. Hers is lower in many instances. Another opportunity for study in a social aspect may concentrate on gender roles within a cartoon. For instance, does *Yu-Gi-Oh GX* have a different standard and level of overt merchandising in all the cartoons where the male star duels versus that of his female counterpart or other male friends? It would also be interesting to see if the male star's cards are purchased more often, although this may be

difficult to tell since all cards come in a pack, and it is unknown what cards are in those packs until they are purchased and opened. In other words, the male star's cards are not labeled as such on the packaging. Nor, for that matter, is the female or male co-star's. *Business Practices*

As the analysis illustrated, the highest amount of overt merchandising mentioned in this sample was in the accessories variable. The accessory being visualized happens to retail as one of the higher-priced items for the *Yu-Gi-Oh* product line. A future study may look to see if there is a connection between the highest-rated overt merchandising variable and the product, itself.

Another future study mentioned earlier is looking at whether commercial-length programming as the cartoon is a practical way to market a product based on changing technologies and competition with other entertainment sources. For instance, 4Kids Entertainment plans the release of their newly-purchased *Chaotic*, a cartoon that also has a card game tie-in attached to it (ICV2.com, 2005). With more competition vying for children's attention there may be more highly commercialized cartoons headed this way. DISCUSSION

Effects of advertising on children seem to exist as suggested by many studies done over the years on this subject, but as mentioned, there is little research done on actual program content, itself – especially with cartoons. Content of actual programs may have become more commercialized due to changes in technology, increased ad clutter and the relationship between product manufacturers and broadcasters. Cartoons like *Yu-Gi-Oh GX*, therefore, may not be the anomaly of overt merchandising it once was thought to be. Because of the changes in how programming is broadcast, this may be the wave of the future. This study, therefore, provides a stepping stone for further research on the topic of overt merchandising within a program. The ramifications of these findings may affect both political and social arenas mentioned earlier in this paper as well as studies in business practices. Additional research cannot proceed, however, without first knowing how much overt merchandising content *Yu-Gi-Oh GX* contains.

The most noteworthy discovery from this content analysis was the amount of overt merchandising per minute found in an average *Yu-Gi-Oh GX* cartoon. Although broadcasting may have evolved in the last few years, and will inevitably go on doing so,

this content analysis opens the door to other questions pertaining to the interpretation of FCC regulations. *Yu-Gi-Oh GX* contains 16 overt merchandising messages per minute, or around one every three-to-four seconds in a 20-minute cartoon. Although to some this may not seem like a substantial amount, to others it may be considered not only unacceptable but outrageous given the amount of commercial time that is legally mandated.

The arguments over the effects of advertising on children have existed for a long time and will no doubt continue. This content analysis may affect those arguments in that it may provide ammunition for or against the appropriate amounts of commercial content exposure that is acceptable for children. It may also provide empirical data for a genre of cartoon that may define a marketing trend for many types of children's programming in the future.

Yu-Gi-Oh Content Analysis Coding

Visual Appearances				
Cartoon #12 Air Date: Time Slot: Episode Name (if available): Episode description: Chumley duels				
Tally appearances bas Card Character	sed on: Card(s)		Accessories (x. deck holder)	
		61		

Appendix 2

Technical Innovations, Challenges and Marketing Strategies Within the Broadcast Industry

Excerpt from "Challenges of the Future for the Children's Television Act: A Historical Retrospect and Future Implications, by Kari Metroka-Kirkham"

As technology has changed, media, advertising and marketing has changed right along with it in order to keep up with the pace. Because of these technical innovations there is some thought that programming and marketing of products have changed and will continue to do so. A brief look at some of those technologies and marketing strategies is appropriate, focusing on a basic understanding of the advertising challenges involved and some of the advocacy concerns connected to those innovations.

The Internet is probably the largest technical advancement that has wide-spread advertising and marketing implications as it relates to traditional broadcast. "Advertisers and broadcasters have found a new way around the dividing line (of program-length

and broadcasters have found a new way around the dividing line (of program-length commercials) – the Internet. Children's programs will say 'Go to our web site.' When you click on the site, that's when the commercials and mail orders take over" (Mundy, 1999). Streaming video seems to be effective for marketers. They lead kids from the television programs onto program, or network web sites for interactive, commercially-immersed games (Shields, 2005). How it works is that a child may be sent to a site by a "bug" -- a promotional message leading one to an Internet site -- on the television. That site may carry promotional information for the television programs and products, as well as advertising for other products. This adds to the advocates' concern regarding the

separation of advertising to program content (Adler and Firestone, 1997, p. 33). They feel

that bugs leading a child to the Internet, and then to that site's promotional material, is simply an extension of advertising.

VHS/DVD

The role of the video home system (VHS) and the digital versatile disc (DVD) has in the last few decades changed how the public uses entertainment (Stanley, 2004, p. 5; Robins, 2006, p. 6). There is heavy use of home entertainment via a video movie or one

on DVD, which in turn supplies another avenue for advertising. These movies watched on television are fraught with "coming attractions," either to tout movies coming out in theaters or other movies or video games that are now available on VHS or DVD.

Companies have used videos as direct mail pieces for several years. For example, companies like Disney use promotional videos (and now DVDs, which are less expensive to make and easier to ship because of the small, thin size), geared to family and children to promote its properties.

Using a DVD as an advertising vehicle is also a way to get around FCC regulations for advertising to children. By sending a DVD as direct mail to children, it is able to advertise products via a long, story-like commercial. Advertisements surround the promotional movie, and often the mailing includes promotional coupons for the products being sent (Neff, 2004). Promotional DVDs are often co-packaged with toys, slipped into kid's magazines and regularly found inside children's breakfast cereal cartons. There is concern by some is that this type of advertising to children off the television airways, but nevertheless through the television set is a creative "dodge" of FCC barriers (Neff, 2004, 12).

Computer/Video Games

Another contender in the competition for viewers is in the form of computer and video games. According to a 2005 study by the Kaiser Family Foundation, an average seventh grader spends about three hours per day playing video games (Kaiser Family Foundation, 2005). Add children of other ages who undoubtedly play video and computer games as well, and that number becomes enormous. Considering the gaming industry has an annual worth of about \$25 billion, advertisers and marketers are eager to reach this market (Murphy, 2006). Although advertising has not yet saturated computer and video games, an increase of marketing strategies like product placement, banner ads, pop-up ads, and mini-games that use product-oriented characters are on the rise. To some, video games are replacing television in importance to children of this decade (Snyder, 2000). Again, this may be another venue for unmonitored advertising to children.

Television Remote

The broadcast industry has a growing concern over the effects of the remote control and channel surfing, or grazing, as utilized by consumers primarily to avoid

watching commercials. Awareness of this behavior has motivated the broadcast industry to produce alternative ways to advertise their product or service. For instance, there has been an increase in product placement within a program. There is also an increase in other forms of brand integration, including programs that mingle brands throughout the content of the program. These brands are usually sponsors of the show (McClellan, 2004). Many advocacy groups are already up-in-arms about brand-integrated programs they consider as program-length commercials (Wood, 2003). Both the practice and the concerns that attend it are being transferred into children's television programming (McAllister, 2006, p. 14-15).

DVR

Other advances in technology that cut into commercial viewing time include the advent of the digital video recorder (DVR) that automatically finds and records programming that may be watched later. Plus, viewers can use the remote to pause, rewind, use slow motion of live programs, and move ahead through commercials on programs that were recorded – much like a regular VCR recorder, but faster, and without the use of tapes. In addition, a program that is still being recorded can be viewed from the beginning, unlike the tape-based recorder counterpart. DVRs work with cable, satellite and roof-top antenna, and can also be used with existing VCRs and DVD players.

Industry fears are that DVR technology will allow for consumers to by-pass commercials. This could be as easily done during children's programming. What is more, the discriminating parent may prefer to "DVR" a child's program for their youngster specifically to skip unwanted ads. Many insiders are trying, however, to play up the positives of DVRs for advertisers. For example, some say that new technology will bring to advertisers the ability to target their ads to viewers. There are expectations that DVRs will develop more ways to make room for advertisers. One area may be the development of 'persistent ads' that appear like a banner when a consumer forwards through a commercial. "That allows advertisers to still generate some awareness when their messages are being skipped" (Whitney, 2005). In addition, advertisers have an advantage of running longer ads via the use of telespots, a link within 30-second commercials that allows viewers to connect to more information about a product if they desire. "TiVo (a DVR brand) is making friends with the very medium it became famous for helping

people avoid: the 30-second commercial (Whitney, 2005)." DVR companies also say that they can offer a service "that enables viewers to actively search for ads for a specific product, without any of those pesky programs getting in the way" (Kerschbaumer, 2005). *Digital Television*

The arguments over how much educational programming and commercials are allowed in children's programming do not seem to be abating with the advent of digital television. The concerns are the same, but digital television allows for even more expansion by providing on-line links on the shows itself. According to the advocacy group Children Now, a corporation may target children through interactive advertising. "With digital interactive television fast approaching, the mainstream kids with access to a television will soon be able to consume all kinds of goods with a mere touch of their remote controls" (Casey, 2005). Like video streaming, the concern raised by advocacy groups is that because a child is lead to an interactive medium through digital television, those links should be considered an extension of programming or commercials. Advocacy groups want the current commercial time mandates of 10.5 minutes on weekends, and 12 minutes on weekdays extend into digital promotions. In other words, if a program or commercial advertises a website geared to children, then the pages of that website should also be counted in the current FCC regulations for children's programming. Many of these groups also believe that V-chip ratings should apply to these digital promotions since current V-chip technology does not apply to commercials, only to programs (Teinowitz, 2001).

The broadcast industry, on the other hand, does not feel that the current FCC ruling should apply to the digital aspects of programming. They say that digital television technology is still too new, and that no hasty rules should be prematurely put into action. They do not want their options limited at this point (Teinowitz, 2001). *V-Chip*

Perhaps the leading technological method available to prevent children from watching certain programs comes in the form of the V-chip. The V-chip is a technology that allows for programming that carry certain ratings (created by parental guidelines as established by the FCC) to be completely blocked by viewers. In other words, parents could prevent their children from watching certain things on television by disallowing

them to air at all. If a parent decides that the rating of the program is unsuitable, they can enact the V-chip option in their television sets (FCC, 2006, V-Chip).

The broadcast industry voiced concern that advertising will also eventually be blocked by V-chip; although at this time advertisements are not currently rated so they cannot be blocked. The fear remains with the broadcast industry that this type of advertising rating may come if there is not a change in the current broadcasting modes often used – otherwise, the government will intervene. Peggy Conlon, President and CEO of the Ad Council said

"The Ad Council had been talking for several years about trying to get broadcasters involved in a campaign about the role of parents and technology as a way to protect media choices, adding that despite any political motivation by the broadcast industry, the campaign's message is 'consistent' with the Ad Council's long-term commitment toward healthier children" (Teinowitz, 2006).

One problem with the V-chip is that it is not well-known how to use it. If parents wish to utilize it as a blocking option, then whose responsibility is it to ensure that parents know how to utilize a V-chip? Although reticent at first, in 2006 the broadcast industry introduced a public service campaign through several media to talk about the V-chip and its use (Teinowitz, 2006). Whose responsibility it is to teach the buyer of a new television set how to use such chips is, however, still an open question, and may be the subject of further research studies.

Bibliography

"ACT Files at FCC against Program-Length Ads." *Journalism Quarterly* 60, no. 3 (autumn, 1983): 579.

Adler, Richard P. and Charles M. Firestone. *The Future of Advertising: New Approaches to the Attention Economy.* Washington, D.C.: The Aspen Institute, 1997.

Aitchson, Jim. "Can Our Culture Survive Impact of US Legislation?" *Media Asia* (October, 2004): 24.

Albiniak, Paige. "FCC Aims at Kids Ads." *Broadcasting & Cable* 130, no.16 (April, 2000).

BNET.com. "American Kids Shout, 'I Want to Be a Millionaire!' and Stress Importance of Having Lots of Money." Available from http://findarticles.com/p/articles/mi_m0EIN/is/_2004_April_19/_; accessed April 19, 2004; Internet.

Balkin, Jack M. "Media Filters and the V-chip." Part III (1998). Duke (ed). Accessed 18 September, 2006; available at http://www.yale.edu/lawweb/jbalkin/articles/vchip03.htm; Internet.

Bok, Sisella. *Lying: Moral Choice in Public and Private Life*. New York: Vintage Books, 1978.

Brenkert, George G. "Ethics in Advertising: The Good, the Bad, and the Church." *Journal of Public Policy & Marketing* 17, no. 2 (fall, 1998): 325-331.

Brenner, Daniel L., Monroe E. Price and Michael I. Meyerson. "Cable Television and Other Non-Broadcast Video: Law and Policy." 6-116.2, 1986.

Budd, Mike, Steve Craig, and Clay Steinman. *Consuming Environments*. New Jersey: Rutgers University Press, 1999.

Campaign for a Commercial-Free Childhood (2004). Accessed 7 February, 2006; available from http://www.commercialexploitation.org/; Internet.

Callcott, Margaret F. and Wei-Na Lee. "A Content Analysis of Animation and Animated Spokes-Characters in Television Commercials." *Journal of Advertising* 23, no. 4 (December, 1994): 1.

Cartoon Network. Available from http://www.cartoonnetwork.com; accessed 25 February, 2008; Internet.

--"Pokemon." Available from http://www.cartoonnetwork.com/tv_shows/all_shows/index.html; accessed 25 of February, 2008 Internet.

--"Bakugan." Available from http://www.cartoonnetwork.com/tv_shows/all_shows/index.html; accessed 25 February, 2008; Internet.

Casey, Natasha. "Air Raid: Countering Advertising Carpet-Bombing." *St. Louis Journalism Review* 35, no. 277 (June, 2005): 20-21.

Chester, Jeff "Viacom's Nickelodeon to Feds: Don't Stop Us from Targeting Kids with Interactive Junkfood Ads." Available from http://www.commercialexploitation.org/news/viacomdisneyvskids.htm; accessed October, 2005; Internet.

Children's TV Act of 1989: Hearing before the Subcommittee on Communications of the Committee on Commerce, Science and Transportation, 101 Cong. 1, S.707 and S.1215 (1989).

Children's Television: Hearing before the Subcommittee on Telecommunications and Finance of the Committee on Energy and Commerce, 101 Cong. 1, HR 1677 (1989).

Children's Television Obligations of Digital Television Broadcasters, Second Further Notice of Proposed Rulemaking, FCC Docket MM 00-167, paragraph 49-59 (2004).

Children's Television Report Card. "An evaluation of the effect of the 1974 Federal Communications Report and Policy Statement on Children's Television." Available from http://web.ebscohost.com.ezproxy.tcu.edu/ehost/results?vid=2&hid=22&sid=b05ace89-dd16-464e-a23a-b907b3f784cc%40SRCSM2; accessed 10 December, 2007; Internet.

Commercial Time on Children's Cable TV: Hearing before the Subcommittee on Communications of the Committee on Commerce, Science, and Transportation, 101 Cong. 1, S 101-426 (1989).

Craig, J. Robert and B.R. Smith. "The Children's Television Act to Date: A Market Study." *Communications & the Law* 18, no. 4 (December, 1996): 29 [journal on-line]; available from

http://plinks.ebscohost.com.ezproxy.tcu.edu/ehost/detail?vid=33&hid=101&sid=b7b91ca 4...; Internet; accessed 1, October 2006.

Demmer, Dina. "Children on the Internet." Universal Usability in Practice. Accessed 4 March, 2008; available from http://www.otal.umd.edu/uupractice/children/; Internet.

Desrochers, Debra M. and Debra D. Holt. "Children's Exposure to Television Advertising: Implications for Childhood Obesity." Accessed 7 December, 2007; available from http://www.marketingpower.com/content2018873.php; Internet.

Diaz, Ann-Christine, P. "Kids Use Media Nearly 40 Hours a Week: Study." *Advertising Age* 70, no. 49 (November, 1999).

Disney's Jetix. "Digimon." Accessed 25 of February, 2008; available from http://tv.disney.go.com/jetix/digimon/index.html; Internet.

Donohue, Thomas R., Lucy Henke and William A. Donohue. "Do Kids Know What TV Commercials Intend?" *Journal of Advertising Research* 20, no.5 (October, 1980): 51.

Dunlap, Bill. "Money in Toyland." Accessed 25 February, 2008; available from http://www.worldscreen.com/featuresarchive.php?filename=0103toys.txt.

Eaton, Carol, B. and Joseph R. Dominick. "Product-Related Programming and Children's TV: A Content Analysis." *Journalism Quarterly* 68, no. 1/2 (Spring/Summer 1991): 67-75.

Elkin, Tobi. "Bewitched by Games." Advertising Age 73, no.23 (June, 2002): 62.

Fahey, Rob. "Konami profits jump 149 per cent in first half" (2003).gamesindustry.biz. Accessed 26 of February, 2006; available from http://gamesindustry.biz/content_page.php?section_name=pub&aid=2565; Internet.

Federal Communication Commission, Consumer Facts -- Commercial Limits in Children's Programming. Accessed 17, November, 2006; available from http://www.fcc.gov/parents/commercials.html.

- -- U.S.C. § 303(a).
- -- 101-437 U.S.C. § 303(A), (B) and 394.
- --FCC Consumer Facts, "Children's Educational Television Commercial Time Limitations." Available from http://www.fcc.gov/cgb/consumerfacts/childtv.html; accessed 10 December, 2007; Internet.

-- Children's Educational Television -- Core Programming. Accessed 8 November, 2007; available from

http://www.fcc.gov/cgb/consumerfacts/childtv.html; Internet.

--Children's Educational Television – What is Host-Selling? Accessed 8 November, 2007; available from

http://www.fcc.gov/cgb/consumerfacts/childtv.html; Internet.

--*Children's Educational Television – Program-Length Commercials.* Accessed 8 November, 2007; available from

http://www.fcc.gov/cgb/consumerfacts/childtv.html; Internet.

- --Consumer & Governmental Affairs Bureau, Children's Educational Television. Available from http://www.fcc.gov/cgb/consumerfacts/childtv.html; accessed 7 February, 2006 Internet.
- --Lodged Complaints against Children's Programming. Accessed 10, November, 2006; available from

http://search.fcc.gov/query.html?qt=lodged+complaints+agaisnt+children; Internet.

--FCC Press Release (2001). FCC Releases Report on 3-Year Review of Broadcaster Implementation of Children's Television Rules. Accessed 10 November, 2006; available from

http://www.fcc.gov/Bureaus/Mass_Media/News_Releases/2001/nrmm0001.html; Internet.

FCC v. Pacifica Foundation, 438 U.S. 726 (1978).

Ginsberg v. New York, 390 U.S. 629 (1968).

Glassman, Mark. "Broadcast Industry Increases Lobbying Budget, Study Says." Available from

http://query.nytimes.com/gst/fullpage.html?res=9C01EED8113DF932A35752C1A9629C8B63&n=Top/Reference/Times%20Topics/Organizations/F/Federal%20Communications%20Commission; accessed Dec. 7, 2007; Internet.

Golin, Josh, Campaign for a Commercial-Free Childhood, 2007, personal e-mail correspondence.

H.A.J. and K. Adams, "FCC Comments call for Constitutional Challenge to Children's Act." *Broadcasting* 120, no. 4 (1991): 48.

Haefner, Margaret, J. "Ethical Problems of Advertising to Children." *Journal of Mass Media Ethics* 6, no. 2 (1991): 83.

Hargrave, Andrea Millwood and Sonia Livingston. *Harm and Offense in Media Content*, 2006.

He-Man.org. Available from http://www.he-man.org/cartoon/exclusivefeatures/exclusive-mastersseriesbible-intro.shtml; accessed 10 December, 2007; Internet.

Hite, Robert E. and Randy Eck. "Advertising to Children: Attitudes of Business vs. Consumers." *Journal of Advertising Research* 27, no.5 (October, 1987): 40-53. Hopkins, W. Wat. "The Supreme Court Defines the Marketplace of Ideas." *Journalism and Mass Communication Quarterly* 73, no. 1 (1996): 40-52.

Howard, Theresa. "Advertisers forced to think way outside the box." Available from http://usatoday.printthis.clickability.com/pt/cpt?action=cpt&title=USATODAY.com++Ad; accessed Dec. 7, 2007; Internet.

Huges, Michael. "The Fruits of Cultivation Analysis: A Reexamination of some Effects of Television Watching." *Public Opinion Quarterly* 44, no. 3 (fall, 1980); 287.

ICv2 News, "4Kids Reports Sales, Earnings Decline." Accessed 4 of March, 2006; available from http://www.icv2.com/articles/news/7352.html; Internet.

Jason, Leonard and Libby Kennedy Hanaway. *Remote control: a sensible approach to kids, TV, and the new electronic media*. Sarasota, Florida: Professional Resource Press, 1997.

Kaiser Family Foundation, "Kids & Media @ The New Millennium." (1999). Accessed 23 September, 2006; available at http://www.kff.org/entmedia/1535-index.cfm; Internet.

-- "The Effects of Electronic Media on Children Ages Zero to Six: A History of Research – Issue Brief." (2005). Accessed 23, September; available at http://www.kff.org/entmedia/7239.cfm; Internet.

Kerschbaumer, Ken. "New Watchdog Group for Child-Friendly TV." *Broadcasting & Cable* 133, no. 21 (May, 2003): 6.

Kunkel, Dale. "Crafting Media Policy: The Genesis and Implications of the Children's Television Act of 1990." *American Behavioral Scientist* 35, no. 2 (November/December 1991): 184-186.

Kunkel, Dale and Brian Wilcox. "Children and Media Policy." Dorothy G. Singer and Jerome L. Singer (Ed.). *Handbook of Children and the Media*. Thousand Oaks, CA: Sage Publications, Inc., 2001.

Kunkel, Dale. "Children and Television Advertising." Dorothy G. Singer and Jerome L. Singer (Ed.). *Handbook of Children and the Media*. Thousand Oaks, CA: Sage Publications, Inc., 2001.

Kunkel, Dale, 2007, personal e-mail correspondence.

Laczniak, Gene R. "Distributive Justice, Catholic Social Teaching, and the Moral Responsibility of Marketers." *Journal of Public Policy and Marketing* 18, no. 1 (spring, 1999): 125-129.

Lambert, Peter D. "Battlelines Drawn on Children's Rulemaking." *Broadcasting* 120, no. 5 (February 4, 1990): 22.

Lee, Monle and Carla Johnson, *Principles of Advertising: A Global Perspective*, 2nd ed. New York: The Haworth Press, 2005.

Leonard, Jason A. and Libby Kennedy Hanaway. *Remote control: a sensible approach to kids, TV, and the new electronic media*. Sarasota, Florida: Professional Resource Press, 1997.

Macklin, Carole, M. "Do Children Understand TV Ads?" *Journal of Advertising Research* 23, no.1 (Feb/Mar 1983): 63-70.

Martin, Mary C. "Children's Understanding of the Intent of Advertising: A Meta-Analysis." *Journal of Public Policy & Marketing* 16, no. 2 (fall, 1997): 205-216.

McAllister, Matthew P. and J. Matt Giglio. "The Commodity Flow of U.S. Children's Television." *Critical Studies in Media Communication* 22, no.1 (March, 2005): 26-44.

McAllister, Matthew P. (2006). "Just How Commercialized is Children's Culture?" Forthcoming chapter in S.R. Mazzarella (Ed.), *Kid Stuff: Twenty questions about youth and the media*. (photocopy). New York.

McAllister, Matthew P. 2006, personal e-mail correspondence.

McClellan, Steve. "The NATPE Message: Think Smarter, Advertisers." *Broadcasting & Cable* (January, 2004): 32.

McDermott, Laura, Terry O'Sullivan, Martine Stead and Gerald Hastings, "International Food Advertising, Pester Power and its Effects," *International Journal of Advertising* 25, no. 4 (2006): 513-540.

Metroka-Kirkham, Kari. (2006). "Cartoons and Overt Merchandising: Yu-Gi-Oh GX Gets Ready to Throw Down!" A content analysis of the *Yu-Gi-Oh GX* cartoons originating from a separate unpublished study by the author. (photocopy). Texas Christian University, Fort Worth.

Minnesota Opinion Research, Inc. "Research Methods Unit, Glossary of Terms." Accessed 28 February, 2006; available from http://www.mori.com/rmu/glossary.shtml; Internet.

Minow, Newton N. and Craig L. LaMay. *Abandoned in the Wasteland*. New York: Hill and Wang, 1995.

Minow, Newton N., 2007, personal correspondence.

Moore, Elizabeth S. "Children and the Changing World of Advertising." *Journal of Business Ethics* 52 (2004): 161-167.

Muehling, Darrel D., Les Carlson and Russell N. Laczniak. "Parental Perception of Toy-based Programs: An Exploratory Analysis." *Journal of Public Policy & Marketing* 11, no.1 (spring, 1992): 63-71.

Mundy, Alicia. "Screen Police." Media Week 9, no. 5 (February, 1999).

Murphy, James. "Gaming's Advertising Appeal." *Media Asia* 13 (September, 2006).

National Association of Broadcasters. *Statement of Principles of Radio and Television Broadcasters*. Accessed 25 February, 2005; available from http://www.nab.org/newsroom/Issues/NAB%20Statement%20of%20Principles.html; Internet.

National Institute on the Media and the Family, "The Teaching Power of Television Advertising." Accessed 2/26/06; available from http://www.mediafamily.org/: Internet.

Neff, Jeff. "Coming of Marketing Age." *Advertising Age* 75, no. 38 (September, 2004): 12.

New American Dream. "Facts about Marketing to Children." Available from http://www.newdream.org/kids/facts.php; accessed Jan. 27, 2008; Internet.

Nielsen, Arthur C., Jr. "The Outlook for Electronic Media." *Journal of Advertising Research* 22, no. 6 (1982-1983): 9-16.

Ogilvy, David. Ogilvy on Advertising. New York: Vintage Books, 1985, 103-113.

Pulaski, Mary Ann Spencer. *Understanding Piaget: An Introduction to Children's Cognitive Development*. New York: Harper & Row, 1980.

Raising Kids, "Pester Power Breeds Savvy Shoppers!" Available from http://www.raisingkids.co.uk/fea/fea_43.asp; accessed 10 December, 2007; Internet.

Rawls, John *A. Theory of Justice*. Part I, section 3. Cambridge: The Belknap Press, 1971. 137.

Rejoinder. "What Research Says About the New Code on Television Advertising for Children." *Journal of Advertising* 3, no.4 (1974): 39.

Roberts, Donal F. and Ulla G. Foehr. Kids & Media in America, 2004

Robin, Donald P. and R. Eric Reidenbach. "Social Responsibility, Ethics, and Marketing Strategy: Closing the Gap between Concept and Application." *Journal of Marketing* 51, no.1 (January, 1987).

Robins, J. Max. "TV Clobbers the Movie." *Broadcasting & Cable* 136, no. 14 (April, 2006): 6.

Shanahan, Kevin J., Charles M. Hermans and Michael R. Hyman. "Violent Commercials in Television Programs for Children," *Journal of Current Issues and Research in Advertising* 25, no. 10 (Spring, 2003): 61.

Shields, Mike. "Surfing Lessons." *Media Week* 15, no. 28 (July, 2005): 4-5.

Spence, Edward and Brett Van Heekeren. *Advertising Ethics: Basic Ethics in Action*. New Jersey: Pearson/Prentice Hall, 2005.

Snyder, Beth. "FCB Puts Looking Glass on Kid's Digital World." *Advertising Age* 71, no. 6 (February, 2000): 26.

Stanley, T.L. "Film connection reels 'em in." *Advertising Age* 75, no. 3 (January, 2004): 5.

Stempel, Guido H. III, and Bruce H. Westley. *Research Methods in Mass Communications*. New Jersey: Prentice-Hall, Inc., 1981.

"TNS Media Intelligence Forecasts 5.4 Percent Increase in U.S. Advertising Spending for 2006, Hispanic Network Television, the Internet and Cable Network Television Show Largest Growth." Available from http://www.tns-mi.com/news/01182006.htm; accessed Jan. 16, 2006; Internet.

"Targeting the Youth Market." Available from http://www.sba.gov/gopher/Business-Development/Success-Series/Vol7/youth.txt; accessed 7 December, 2007; Internet.

Teinowitz, Ira. "Kids TV at Issue Again." Advertising Age 72, no. 6 (February, 2001): 8.

-- "Broadcasters Launch V-chip PSA Campaign." 77, no. 4 (January, 2006): 29.

--"V-chip Threatens to Knock out TV Ads," 69, no. 30 (July, 1998): 12.

Telotte, H.P. *Disney TV*. Detroit: Wayne State University Press, 2004, 61-62. The Bill of Rights, Amendments 1-10 of the Constitution.

"The Commercialization of Children's Public Television," (March 15, 2000). Fairness & Accuracy in Reporting. Accessed 10 February, 2006; available from http://www.fair.org/activism/pbs-kids.html.

The Museum of Broadcast Education. *Ethics and Television*. Accessed 27 September, 2006 from http://www.museum.tv/archives/etv/E/htmlE/ethicsandte/ethicsandte.htm; Internet.

-- "Action for Children's Television." Accessed 7 February, 2006; available from http://www.museum.tv/archives/etv/A/htmlA/actionforch/actionforch.htm; Internet.

Timeline. *The History of Film & Television*. Accessed 27 September, 2006 from http://www.high-techproductions.com/historyoftelevision.htm; Internet.

Tseng, Eliana Shiao. *Content Analysis of Children's Television Advertising Today*. Center for Interactive Advertising, University of Texas at Austin. Accessed 28 February, 2006 from

http://www.ciadvertising.org/student_account/fall_01/adv392/estseng/ContentAnalysis...: Internet.

Whitney, Daisy. "TiVo a problem? No, ad solution." *Advertising Age* 76, no. 23 (June, 2005).

Wilson, Barbara J., and Weiss, Audrey J. "Developmental Differences in Children's Reactions to a Toy Advertisement Linked to a Toy-Based Cartoon." *Journal of Broadcasting & Electronic Media* 36, no.4 (fall, 1992): 375.

Wong, Kenman L. "Tobacco Advertising and Children: The Limits of First Amendment Protection." *Journal of Business Ethics* 15, no. 10 (1996): 1051-1064.

Wood, Doug. "10 Advertising Legal Issues for 2004." *Advertising Age* 74, no. 51 (December, 2003): 12.

"Yu-Gi-Oh GX" Fort Worth Star-Telegram, 3 March 2006, TV Star 15-45.

"Yu-Gi-Oh," The Christian Science Monitor, 18 March 2003, The Home Forum, p. 18.

"Yu-Gi-Oh GX" cartoons, titles unknown. 30 minute segments. Video recordings from 30 March through 4 April, 2006. Descriptions of the cartoons include:

• French Gambler challenges the Duel Academy

- Jayden duels a teacher at the Duel Academy Chumley fights a duel at the Duel Academy

Kari Metroka-Kirkham has over 23 years of experience in the business world. Her background includes work in book, magazine and newspaper publishing. Kirkham has initialized plans that have augmented revenues, creating programs and materials for many facets of marketing including communications, sales, research and special events. She specializes in marketing communication and research.

Kirkham received her undergraduate degree from Texas Christian University (TCU) in 1985. In 2005 she came back to TCU and entered the master's program, receiving a master of science in advertising and public relations. While a graduate student, Kirkham co-authored a paper with Dr. Julie O'Neil, that she presented at the Association for Business Communication, Europe, in Istanbul, Turkey, 2007. Kirkham presently works as a marketing communication consultant and teaches as an adjunct professor at the Schieffer School of Journalism at TCU.

Metroka-Kirkham lives in Fort Worth, Texas along with her husband of 20 years - Matt Kirkham. They have one son, Joseph, age nine.

Abstract

The Children's Television Act and Program-Length Commercials: Current Interpretations and Implications for the Future

The Federal Communication Commission's (FCC) interpretation of the Children's Television Act (CTA) allows for commercialized program content to air as long as a paid advertisement does not run within the content of the program. It is the implications of advertising within a child's program, however, that is a topic of discussion in this thesis. Children's programs often contain implicit merchandising that is embedded within its content.

The interpretation versus the intent of the CTA as it relates to program-length commercials and implicit merchandising is reviewed. In addition, discussion of monetary, social, legal and ethical implications of program-length commercials and implicit merchandising in both traditional commercial broadcast and the new media environment is presented.

The results of a previous content analysis test conducted on a current children's television program are communicated, providing an initial glimpse of the amount of implicit merchandising within its content. Those results along with the issues discussed in this paper provide a foundation for future studies in this area.