

The Children's Confection Advertising Initiative In Action

A Report on Compliance and Progress During 2017



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Letter from the President

It is encouraging to present the excellent results of the second annual compliance assessment of the Children's Confection Advertising Initiative (CCAI). Launched in 2016 with six small-to-medium confectionery companies, CCAI has grown to nine participants. The program was created through a partnership of the Council of Better Business Bureaus (CBBB) and the National Confectioners Association (NCA) with the goal of offering the benefits of self-regulation to smaller companies in the confection industry. CCAI and CFBAI confectionery company participants make the same promise: to not engage in advertising that is primarily directed to children under age 12 or to advertise their candy in elementary schools.

BBB, with its mission of trust in the marketplace, has long recognized that both small and large businesses can play an important role in self-regulation efforts. We applaud the confection industry's commitment to improve the children's food advertising landscape and hope that we can continue to expand participation. We found compliance with CCAI and CFBAI participants' commitments to be excellent in 2017. We will continue to independently monitor compliance and publish periodic compliance reports for both programs.

The nine companies that have joined CCAI, along with the six larger confectionery companies in CFBAI, account for most of the confections on retail shelves. By voluntarily joining together and making public commitments that they are held accountable for, these companies are making a difference in the children's ad landscape. We are proud to support their efforts and fulfill BBB's goal of promoting responsible advertising and trust in the marketplace.

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CCAI Participants





Executive Summary

This is the Children's Confection Advertising Initiative's (CCAI) second annual compliance report. It provides information regarding the program and its goals, what the participants' commitments are, and an assessment of their compliance in 2017, which was excellent.

CCAI is a self-regulatory initiative launched in 2016 that promotes responsible advertising to children created by the Council of Better Business Bureaus (CBBB) in partnership with the National Confectioners Association (NCA), a trade association representing the chocolate, candy, gum and mint industry. CCAI is modeled after the Children's Food and Beverage Advertising Initiative (CFBAI), another CBBB-administered advertising self-regulation program. CCAI participants agree to not engage in advertising primarily directly to children under age 12 ("child-directed advertising") in covered media, including digital, mobile, print, and radio, or children in elementary schools.

YEAR IN REVIEW

CCAI adds two confection companies. Nine confection companies currently participate in CCAI. The two most recent participants, Goetze's Candy Company and Impact Confections, joined in December 2017. During CCAI's first year (2016), eight companies joined: Brown & Haley, Ferrara Candy Company, Ghirardelli Chocolate Company, Jelly Belly Candy Company, Just Born Quality Confections, Promotion In Motion Companies, R.M. Palmer Company and Wolfgang Candy Company. (Wolfgang Candy Co. ceased engaging in consumer-directed promotion and sales at the end of 2017 and is no longer a CCAI participant.) These companies joined the five large confection companies that

are CFBAI participants (American Licorice Company, Ferrero USA, The Hershey Company, Mars, Incorporated and Mondelez Global, LLC) in committing to not engage in child-directed advertising in media primarily directed to children under age 12 and to not advertise in elementary schools. Together, the participants in CCAI and CFBAI represent the majority of confections on retail shelves in the United States.

Compliance Monitoring. CFBAI comprehensively monitored CCAI participants' compliance with their commitments, including advertising of their brands on company websites, as well as on children's TV networks, child-directed websites and on other child-directed media. As required in the CCAI Core Commitments and in their contracts with BBB, each CCAI participant also submitted a compliance statement that attested to its compliance with the commitment to not advertise to children under age 12 or in elementary schools.

Compliance Findings. The level of compliance is very high. We found no significant problems.

Looking ahead. Through the CCAI program and its participants, there is now an additional level of commitment to responsible marketing that benefits the children's food landscape. Growing the program by two companies in 2017 expanded the impact of the program and demonstrated the continued commitment to responsible marketing by industry members. In 2017 and beyond, we will continue to seek to extend the program's impact on the food advertising landscape.



I. Introduction and Report Overview

CCAI is an opt-in, self-regulatory program that brings the benefits of adherence to CFBAI's Core Principles and participation in CFBAI within reach for small-to-medium size NCA members in a program tailored to their unique needs and more limited resources. Participation in CCAI is voluntary. CFBAI administers CCAI, and monitors and reports on compliance.¹

Nine companies that make popular brands of candies are the current CCAI participants: Brown & Haley (Roca® and Mountain® brands); Ferrara Candy Company (maker of Trolli and Red Hots); Ghirardelli Chocolate Company (maker of Ghirardelli Squares and Bars); Goetze's Candy Company (maker of Caramel Creams and Cow Tales); Impact Confections (maker of Warheads); Jelly Belly Candy Company (maker of Jelly Belly Jelly Beans and Sunkist Fruit Gems); Just Born Quality Confections (maker of PEEPS and MIKE AND IKE); The Promotion In Motion Companies, Inc. (maker of Sun-Maid Milk Chocolate Raisins and Sour Jacks Sour Candy); and R.M. Palmer Company (maker of Palmer seasonal

chocolate candies). Along with the confection companies in CFBAI, they represent approximately 60% of confectionery sales in the U.S.² Goetze's Candy Company and Impact Confections joined the program in late 2017 and will be included in the 2018 CCAI Compliance and Progress Report.

Part II of this report provides a brief history of CCAI and its core principles and requirements, including a short review of how CFBAI provided a model for CCAI's development. Part III describes CFBAI's methodology for assessing participants' compliance with their commitments, and explains how CFBAI and CCAI define child-directed advertising. Part IV describes participants' compliance, which was excellent.³



II. The History of CCAI

A. Background

BBB, the administrator of several long-standing and influential advertising self-regulation programs, created CCAI as a program for smaller confection companies to take part in ongoing self-regulation efforts that respond to concerns about childhood obesity. CCAI is directly modeled on CFBAI, in which five of the largest U.S. confection companies commit to not engage in advertising primarily directed to children under age 12. Other CFBAI participants commit to feature only foods that meet CFBAI's Uniform Nutrition Criteria in child-directed advertising.

CFBAI was created because BBB and responsible food companies and quick serve restaurants wanted to be responsive to requests from the Institute of Medicine (IOM), Federal Trade Commission (FTC), Health and Human Services (HHS), and others for increased self-regulatory focus on food advertising to children in light of concerns about the prevalence of childhood obesity.⁴ Under CFBAI, the participants have decreased nutrients to limit such as sugars and sodium, and increased food groups to encourage, such as fruits and vegetables, fat-free and low-fat dairy, and whole grains, in foods they advertise to children.

Each CCAI participant enters into a contract with BBB that details the rights and duties of each party, including a requirement that each participant submit an annual statement that it has complied with its CCAI commitments. CCAI participants acknowledge that CFBAI monitors covered media to ensure compliance, and they agree to respond on a timely basis to reasonable requests for information from CFBAI. As partners in creating this program, NCA and BBB also entered into a contract in which NCA agrees to promote the program to its members and to report periodically to its board on the program. CFBAI's oversight provides the important element of public commitment, transparency and accountability.

The new program received positive feedback at its launch from key players such as the FTC and CSPI. The FTC Chairwoman at the time, Edith Ramirez, issued a statement that positively responded to the creation of the program:

"This new initiative is a welcome addition to the CBBB's existing Children's Food and



Beverage Advertising Initiative and represents the type of self-regulatory solution the FTC has long advocated. The commitment by six confectionery companies to refrain from advertising in elementary schools and in media targeted at children is a positive step. I also hope that this new partnership with the National Confectioners Association will encourage other smaller candy companies to participate.”⁵

The Center for Science in the Public Interest also commended the CCAI participants for making their important commitment.⁶

B. CCAI Core Commitments

CCAI participants commit to not engaging in child-directed advertising. Child-directed advertising includes “measured media” (TV, print, radio, and Internet), which CCAI participants define as having an audience percentage of at least 35% children under age 12, and other media as follows:

- ▶ Company owned websites;
- ▶ Video and computer games that are rated “Early Childhood” or “EC” and other games that are age-graded as primarily for children under age 12;

- ▶ Product Placement (paying for or actively seeking to place their food and beverage products in editorial/programming content that is primarily directed to children under 12 for the purpose of promoting the sale of those products);

- ▶ G-rated DVDs; and

- ▶ Mobile media and word-of-mouth. Participants also commit to not advertising foods and beverages in elementary schools.⁷ CCAI participants did not engage in child-directed advertising prior to joining CCAI and thus already had developed and implemented procedures to accomplish that policy.⁸ Through their commitments to BBB, these companies have taken the additional step of publicly pledging that they will not do so in the future.

As with CFBAI, CCAI’s standards apply to advertising primarily directed to children under age 12, a vulnerable age group that the advertising industry has long recognized needs special protections.⁹ CCAI and CFBAI were not designed to address the entire marketing landscape and all ads children might see across that landscape. Such a goal would be unworkable and would infringe significantly on advertising directed to other audiences or where children are not a significant portion of the audience.¹⁰



C. CCAI Administrative and Compliance Procedures

By joining CCAI, participants agree, by contract, to BBB/CFBAI oversight and monitoring of their commitments and to be held accountable for failure to comply with these commitments. BBB has the discretion to expel from CCAI any participant that does not substantially comply with its pledge after giving the company notice and an opportunity to bring its conduct into compliance, and may refer the matter to appropriate regulatory authorities.

The program recognizes that many confectionery companies have fewer administrative resources than those participating in CFBAI and that disparity can present a barrier to their participation in CFBAI. Accordingly, CCAI's administrative requirements are more streamlined than those of CFBAI.

First, CCAI participants are not required to submit an individual pledge. Instead, their participation is noted on BBB's webpage for the CCAI program. Second, CCAI participants are not required to submit annual compliance reports. A CCAI participant is required, however, to submit an annual statement signed by a responsible

company official that it has complied with its CCAI commitments. Each participant also must report any violations when it learns of their occurrence and what steps the company has taken to address the issue and prevent its reoccurrence. CFBAI, of course, independently monitors compliance with the commitments to not engage in child-directed advertising in measured and other covered media. Finally, CCAI participants agree to respond on a timely basis to reasonable requests for information from CFBAI.

CCAI program information is available on its website, which includes CCAI's Core Principles.¹¹ CFBAI often presents at conferences and meetings on food advertising and childhood obesity, and occasionally exhibits at conferences and expos related to food, nutrition or children's health and well-being. During 2017, CFBAI included information about CCAI in its presentations, including at a University of North Carolina/Virginia Tech Washington D.C. Policy Seminar (January 2017); Tufts University Friedman School of Nutrition Science & Policy seminar (April 2017); and Supply Side West Food Conference (November 2017).



III. Pledge Compliance Evaluation

In its 2017 compliance monitoring review, CFBAI found no CCAI compliance issues. Through CFBAI's routine monitoring we observed that there had been no advertising to children by CCAI participants on child-directed TV, print, on the company's websites, or third-party websites. When the program was created, high compliance was expected, as most of the companies already had policies to not engage in child-directed advertising. Participating in CCAI allowed the companies to formalize and make public their commitments to responsible advertising, and set guardrails for future practices.

This section of the Report summarizes CCAI's evaluation process, including an overview of our media monitoring practices, and the results of CFBAI's assessment of the participants' compliance with their pledges.

A. Media Compliance Evaluation Overview and Assessment

In 2017, CFBAI included CCAI participants' brands in its media assessments. CFBAI's

finding of excellent compliance by CCAI participants is consistent with assessments of 2016.

1. CFBAI Monitoring

On an ongoing basis, CFBAI independently monitors advertising on various platforms. These are TV, video on demand ("VOD"), print, radio, the Internet, and apps available on tablets and smart phones. For measured media such as TV, child-directed advertising generally means advertising for which children ages 2-11 constitute at least 35% of the expected audience at the time of the media buy ("audience threshold"). It is well established that children consume multiple types of media and spend considerable amounts of time in front of many types of screens. Television, however, remains children's favorite media for content,¹² and the one on which they spend the most time. Although traditional TV remains the favored medium of children under 12, children's VOD use is increasing, mirroring the growing use of this medium overall.



Driven by strong consumer demand, the variety of VOD services in general and child-directed content in particular continues to expand. CFBAI and CCAI participants treat advertising on child-directed VOD content as covered by the Core Commitments, regardless of the particular device on which children view that content. At this time many of the most popular VOD services are subscription-based and ad-free,

although Yahoo View offers some free, ad-supported programming, including children's programming, which CFBAI monitored. No CCAI participant advertising was observed. CFBAI also monitored popular child-directed YouTube channels and did not observe advertising by CCAI participants on those channels. Table 1 summarizes CFBAI's 2017 monitoring activities.

TABLE 1. CFBAI 2017 MONITORING

Media	Monitoring	Comments
Television ¹³	Reviewed thousands of ads on children's programming	The Children's Advertising Review Unit shared its ad monitoring results
Radio	Periodically monitored Radio Disney	There is very little child-directed radio programming
Print	Reviewed issues of children's print titles at the Library of Congress	CFBAI also reviewed food ads from CARU's children's magazine subscriptions
Internet	Regularly monitored more than 120 child-directed third-party sites	<p>Where visitor age composition data is not available, CFBAI considers additional factors</p> <p>Sites may be deemed child-directed based on a qualitative analysis of content, language, graphics, pictures, games,¹⁴ age limits and/or where other ads for the foods or websites are placed</p>
Mobile Media and apps	Periodically monitored mobile-optimized sites; selections on Apple's App Store	
VOD	Periodically monitored free kids' shows on Yahoo Free	
YouTube	Periodically monitored popular kids' YouTube channels	Most advertising on child-directed channels is not food advertising

2. Key Compliance Findings

Compliance was excellent. Below we summarize our findings by media platform and CCAI requirements.

- ▶ Child-directed video games or G-rated DVDs. We did not observe or hear of any participant advertising on these media.
- ▶ Digital. Compliance was excellent. CFBAI “reviewed” CCAI company-owned websites and found no child-directed content.¹⁵
- ▶ Mobile apps. We did not observe CCAI participants confections in the child-directed apps we reviewed. In addition, CCAI participants previously had worked with Google or the CCAI administrator to ensure that CCAI company-owned channels on YouTube would not be viewable on the YouTube Kids app through its search function. The participants did not purchase ads on this app, and do not have control regarding whether content from its company-owned YouTube channels or videos are accessible on it. However, like other food companies, it is possible that CCAI participants’ YouTube content inadvertently could be viewed on the YouTube Kids app.
- ▶ Print and Radio. We found no compliance issues. There are only a few such outlets and CCAI participants did not advertise in these media.
- ▶ Product Placement. We did not observe any compliance issues.¹⁶
- ▶ Television. Compliance was excellent. Most CCAI participants do not engage in any television advertising, even in adult programming.

- ▶ VOD. We did not observe any issues.
- ▶ Word-of-mouth advertising. We did not observe any WOM advertising and none was reported by the participants.

B. Commitment to Not Advertise to Children in Elementary Schools

CCAI participants commit to not advertise their confections to children in elementary schools (pre-K through sixth grade).¹⁷ This restriction is based on the age of the child (the grades mirroring CFBAI and CCAI’s focus on children under age 12) and our recognition that because elementary schools are a special environment, commercial promotion of food and beverages should be avoided. There were no reports of any non-complying activities in elementary schools in 2017.

CCAI’s elementary school commitment bars direct advertising activities to children in schools for the specified grades.¹⁸ CCAI Core Commitments cover the regular and extended school day when children are under the authority of the school or third parties on behalf of the school. This means that the time period before and after the official school day is covered. Excluded from this prohibition are participant-supported programs that schools or school groups may voluntarily choose to participate in, including charitable donations, sponsorships, public service messaging and curriculum materials, items given to school administrators for their personal use, and fund-raising opportunities. CFBAI guidance regarding the commitment emphasize that branded foods should not be featured and that any brand or corporate identification related to such activities and associated materials are minimal.

Under USDA Local School Wellness Policy Rule, marketing during the day in schools is



permitted only for foods that meet USDA's Smart Snack nutrition standards.¹⁹ USDA's guidance, published in 2017, stated that its marketing restrictions are not intended to prohibit certain activities (e.g., label redemption programs, incentive programs, and foods made available to students but not sold to them).²⁰ The exempted activities identified in the elementary school commitment substantially align with USDA's guidance regarding permitted activities.

CCAI participants have complied with their commitments not to advertise in elementary schools.



CCAI continues to expand self-regulation's impact on the children's food advertising landscape and advertisers' role in addressing childhood obesity. The program demonstrates that advertising self-regulation can be flexible enough to develop meaningful standards and workable frameworks for both large and small companies. We were pleased that two additional companies, Goetze's Candy Company and Impact Confections, joined the seven other CCAI participants in 2017, and we hope to continue to grow the program.

IV. Conclusion

NOTES

¹ CFBAI is the CCAI program administrator. References in this report to “CFBAI” generally refer to this administrative function.

² This percentage is based on 2014 data, Euromonitor International.

³ CCAI annual reports and other program materials are available at <https://bbbprograms.org/programs/ccai>. The progress that has been made under CFBAI is documented in CFBAI’s annual reports and other materials available on CFBAI’s website at <https://bbbprograms.org/programs/cfbai/>.

⁴ CFBAI complements another BBB-administered program, the Children’s Advertising Review Unit (CARU), which focuses on *how* foods and all products are advertised to children. BBB created CFBAI to focus on *what* foods are advertised to children. CARU has promoted high standards of responsible advertising to children under age 12 since 1974. (CARU’s operational policies are set by the Advertising Self-Regulation Council, which is a strategic alliance of the advertising industry and BBB.) CARU has guidelines for children’s advertisers to ensure that children’s advertising is not deceptive, unfair or inappropriate for its intended audience. CARU’s guidelines apply to all children’s advertisers while CFBAI and CCAI are opt-in programs.

⁵ Statement available at <https://www.ftc.gov/news-events/press-releases/2016/03/ftc-chairwoman-ramirez-statement-childrens-confection-advertising>.

⁶ “Six candy companies pledge not to advertise to kids under 12,” March 16, 2016, available at <https://cspinet.org/new/201603161.html>.

⁷ CFBAI’s elementary school restrictions do not apply to displays of foods, charitable fundraising activities, public service messages, items given to school administrators for their own use, and donations to schools. These activities fall outside the CFBAI’s objective of restricting advertising or commercial sales messages for foods directed to children in elementary school. See Section IV.B.

⁸ It is noteworthy that CFBAI and CCAI participants have voluntarily assumed their CFBAI-specific commitments to monitor and report on or certify compliance in a highly competitive marketplace in which not all industry members make the same commitment.

⁹ Although studies suggest various ages at which children begin to understand the persuasive intent of advertising, it is generally agreed that by age 12 children do have that ability. Because special protections are important for this age group, the advertising industry always has had a set of stringent guidelines for advertising primarily directed to children under age 12. See note 4, above.

¹⁰ Child-oriented television has long been the key medium children use, although children’s use of digital and mobile media increases yearly. While many children may watch family programs, sporting events and other programs, they typically represent a small percentage of the audience.

¹¹ CFBAI’s website includes materials relevant to both CFBAI and CCAI, including comments to governmental bodies or non-governmental organizations (NGOs), statements regarding food marketing to children issues, and presentations to various organizations.

¹² Common Sense Media has reported that the amount of time children up to age eight spend watching TV is the same as it was in 2011. Commonsense Media, *The Common Sense Census: Media Use by Kids Zero to Eight 2017* (“Zero to Eight 2017”) (Oct. 2017) at 13, available at <https://www.commonsensemedia.org/research/the-commonsense-census-media-use-by-kids-age-zero-to-eight-2017>. *How* children are consuming media has changed significantly, however. Mobile device use has gone from 5 minutes a day in 2011, to 15 minutes a day in 2013, to 48 minutes a day in 2017. Time on mobile devices reflects different activities, including TV/videos, mobile games, video-chatting and other activities. *Id.* In terms of total time spent on screens, the proportion spent on mobile devices has gone from 4 percent in 2011 to 35% in 2017. *Id.* Regarding “tweens” (children ages 8-12), Commonsense Media reported in 2015 that this age group ranked TV as their favorite media source and spent the most time on it. *The Common Sense Census, Media Use by Tweens and Teens* (Nov. 2015), available at <https://www.commonsensemedia.org/research/the-common-sense-census-media-use-by-tweens-and-teens>.

¹³ As part of its compliance monitoring procedures, and to assess the nutritional profile of foods advertised to children, CFBAI has conducted snapshots of ads airing on Nickelodeon and other children’s cable networks yearly since 2009. In 2017, rather than record children’s programming in-house and manually review, categorize and evaluate the ads as we have done in the past, we used an independent real-time TV ad-tracking platform to review ads on children’s programming. The platform uses audio and video fingerprinting technology to extract product advertisements, movie trailers, and other entertainment promotions. It identifies the industry, product category and brand, as well as information regarding where and when the ad aired. This database can be searched by various criteria and subscribers can view the ads. This platform allows us to more efficiently create reports regarding ads and brands within a specified timeframe, making it a helpful monitoring tool. We did not find any advertising by CCAI participants.

NOTES

¹⁴ Animation, cartoon or licensed characters, fantasy and games are often used in sites directed to older teens and adults and thus do not necessarily make a site child-directed.

¹⁵ In addition, the lack of any advertising in child-directed media such as children's TV programming makes it very unlikely that children would visit the websites.

¹⁶ CCAI participants commit to not paying for or actively seeking to place their food or beverage products in the program/editorial content of any medium primarily directed to children under age 12 for the purpose of promoting the sale of those products. Participants' commitments cannot guarantee, however, that child-directed entertainment or editorial content will not include their foods or beverages because movie or other media production teams independently may decide to use them as stage dressing in, for example, films or games.

¹⁷ CCAI and CFBAI's restriction on advertising to children in elementary schools applies to the entire elementary school and school grounds and facilities, including classrooms, cafeterias, libraries, hallways, auditoriums, gyms, playgrounds and athletic fields. The commitment covers the entire school day while children are under control of the school or third parties on behalf of the school. The restriction also covers school buses used to transport children to and from elementary school or to any official, school-sponsored event at an elementary school. For more information, see the Fact Sheet on the Elementary School Advertising Principles (2009) ("Fact Sheet"), available on CFBAI's website.

¹⁸ The restriction on advertising to children in elementary schools does not apply to school-sponsored or school-related activities that take place off of school grounds (e.g., on a field trip children may visit, for example, sports arenas or amusement parks, where advertising for food and beverage products may be present). Similarly, the use of school buses for non-school events is not covered.

¹⁹ For several years the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) has required that school districts have a "school wellness policy" that addresses certain issues and topics. Under the final rule, now one of these topics is marketing in schools.

²⁰ USDA, Food and Nutrition Service, Local School Wellness Policy: Guidance and Q&As (April 6, 2017), available at www.fns-rod.azureedge.net/sites/default/files/cn/SP24-2017os.pdf.



The NCA and CFBAI Children's Confection Advertising Initiative: A Voluntary Self-Regulation Program for Confectioners

INTRODUCTION

The Children's Food and Beverage Advertising Initiative (CFBAI), a voluntary advertising self-regulation program of the Council of Better Business Bureaus (BBB), and NCA, a trade association representing the chocolate, candy, gum and mint industry, have established the Children's Confection Advertising Initiative (CCAI) for NCA-member confectionery companies that comprise no more than 5 percent of confectionery market sales and are not already participating in CFBAI.¹ The CCAI is a new, voluntary, opt-in, self-regulatory program designed for NCA-member confectioners that wish to adopt CFBAI's Core Principles but are unable to participate in the program independently. Currently, Hershey, Mars Incorporated, Mondelēz, Nestlé, Ferrero, and American Licorice Company, which represent approximately 60% of confectionery sales in the U.S., participate in CFBAI.² The CCAI will bring the benefit of participation in the CFBAI within reach for other NCA members in a program tailored to their unique needs and more limited resources.

A company that voluntarily elects to participate in the CCAI publicly commits to not engage in advertising primarily directed to children under age 12 ("child-directed advertising"), as defined below, and to not advertise to children in elementary schools. This program recognizes that many confectionery companies have fewer administrative resources than those already participating in CFBAI and that disparity can present a barrier to their participation in the full CFBAI. Accordingly, the administrative requirements in the CCAI will be more streamlined than those of CFBAI. First, a CCAI participant will not be required to submit an individual pledge.³ Instead, its participation will be noted on BBB-CFBAI's webpage for the CCAI program. Second, a CCAI participant will not be required to submit comprehensive annual compliance reports. A CCAI participant will be required, however, to submit an annual statement that it has complied with its CCAI commitments. CFBAI also independently will monitor compliance with the commitments to not engage in child-directed advertising in measured and other covered media. CCAI participants agree to respond on a timely basis to reasonable requests for information from CFBAI.

NCA will be an associate member of CCAI and will participate with BBB-CFBAI in periodic reviews of the overall CCAI program. While CFBAI will be the CCAI program administrator, participants in CCAI are not CFBAI participants and are not eligible to participate in CFBAI program reviews.

CCAI CORE PRINCIPLES

A CCAI participant publicly commits to not engage in child-directed advertising and to not advertise to children in elementary schools, as described below.

I. No Child-Directed Advertising

A CCAI participant publicly commits to not engage in child-directed advertising as specified below.

A. Advertising on Measured Media. This means advertising on television, radio, print, and Internet (third-party sites) that is primarily directed to children under age 12.

B. Child-Directed Content in Other Media. This means advertising that is primarily directed to children on:

- Company-owned websites or micro-sites primarily directed to children under age 12.
- Video and computer games that are rated "Early Childhood" or "EC," which are inherently primarily directed to children under age 12, and other games that are age-graded on the label or packaging as being primarily directed to children under age 12;
- DVDs of movies that are rated "G" whose content is primarily directed to children under age 12.

C. Mobile Media and Word of Mouth. This means advertising that is primarily directed to children under age 12 on cell phones, tablets and through word-of-mouth.⁴

D. Product Placement. This means participants will not pay for or actively seek to place their confections in the program/editorial content of any medium primarily directed to children under age 12 for the purpose of promoting the sale of those products.

II. Advertising to Children in Elementary Schools

A CCAI participant publicly commits to not advertise to students in elementary schools (defined for purposes of the CCAI program as schools from pre-kindergarten through 6th grade). This commitment does not apply to displays of foods, including materials that identify the products that are being offered for sale, charitable fundraising activities, public service messaging, items provided to school administrators for their personal use, and charitable donations to schools.⁵

III. Definitions of Child-Directed Advertising

For certain media, such as television, radio, print, and third-party websites, "advertising primarily directed to children under age 12" generally means advertising for which children ages 2-11 constitute at least 35% of the expected audience (viewers, listeners, readers or visitors) at the time of the media buy. CFBAI and CCAI participants also may consider a company-owned or third-party website child-directed even if less than 35% or an unknown percentage of visitors are children based on a multi-faceted analysis, including factors such as an assessment of the target audience according to the media plan, actions taken to restrict child access, such as age-screening, and the overall impression of the site's content.

For advertising in other covered media, CFBAI will make determinations based on an analysis of factors that include the overall impression of the advertising, the target demographic based on the company's media plan, and the audience definition for measured media. For example, the CFBAI administrator and a CCAI participant may consider the percentage of children under age 12 viewing in-cinema G-rated movies that are now on DVDs, the content developer's designation and description of the expected target of mobile or PDA content, or the percentage of children viewing TV content that has been adapted for mobile media.

IV. Monitoring and Enforcement

Each CCAI participant will submit an annual compliance statement, signed by a responsible company official, that it did not engage in child-directed advertising in measured and other covered media and did not advertise to children in elementary schools, as specified in the CCAI core principles. CFBAI also will monitor a CCAI participant's compliance with the above commitments in measured and other covered media. Monitoring will include a review of advertising materials, compliance statements and other information. Each CCAI participant agrees to cooperate and respond to reasonable requests for information from the program administrator to assess participant compliance.

Both CFBAI and NCA will post information on their websites to allow the public to submit inquiries or complaints regarding the CCAI. NCA will forward all such inquiries and complaints it receives to CFBAI and CFBAI will endeavor to respond to all complaints.

The program provides, by contract, for the expulsion of a company that does not comply with its CCAI commitments, after being given notice and an opportunity to bring its conduct into compliance, and notice of any expulsion to regulatory authorities such as the Federal Trade Commission under appropriate circumstances.⁶

V. Public Reports

The program will publicly issue reports detailing its activities and monitoring on a periodic basis.

VI. Periodic Program Reviews

CFBAI and NCA will conduct periodic reviews to assess the effectiveness of the program and determine whether it should be continued or changed.

¹ Participation in CCAI is entirely voluntary and there are no sanctions for companies that choose not to participate. NCA continues to urge all of its members who may choose to advertise to children to abide by the Children's Advertising Review Unit's (CARU) Self Regulatory Program for Children's Advertising, which provides guidelines on how to advertise products responsibly to children (available at <http://www.caru.org/guidelines/guidelines.pdf>). NCA continues to be a member of CARU's Supporter Council.

² This percentage is based on 2014 data, Euromonitor International.

³ NCA and each CCAI participant will enter into a contract with BBB that defines each party's rights and responsibilities.

⁴ The commitment regarding word-of-mouth advertising refers to advertising where a participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to promote consumption of confections or to promote discussion of such products and the advertising is primarily directed to children under 12.

⁵ Additional information about how CFBAI interprets the elementary school commitment can be found in CFBAI's Fact Sheet on the Elementary School Principles (2009), available at <http://www.bbb.org/us/storage/O/Shared%20Documents/ESFactSheetFinalWord.pdf>.

⁶ Under the contract with a CCAI participant, BBB will give the participant at least 30 days prior written notice before termination for cause and 60 days prior written notice for termination without cause. (A participant also has the right to terminate its participation upon prior written notice.) Specifically, when appropriate, BBB will notify a participant in writing of substantial noncompliance and give the participant a reasonable opportunity to bring its conduct into compliance. Upon termination BBB may refer the matter to appropriate regulatory authorities. BBB will give a participant notice prior to making the termination and referral public.

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ABOUT BBB

For more than 100 years, Better Business Bureau has been helping people find businesses, brands and charities they can trust. In 2017, people turned to BBB more than 160 million times for BBB Business Reviews on more than 5.2 million businesses and Charity Reports on 11,000 charities, all available for free at bbb.org. The Council of Better Business Bureaus is the umbrella organization for the local, independent BBBs in the United States, Canada and Mexico, as well as home to its national programs on dispute resolution, advertising review, and industry self-regulation.



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