This report surveys the basic research on how children understand and respond to television advertising messages in order to determine whether regulation is necessary. The implications of the research findings for likely marketplace developments in an unregulated environment are discussed, and it is concluded that there is no sound basis to expect that unregulated marketplace mechanisms will effectively limit the amount of advertising aimed at children. Policy alternatives for resolving this issue are then presented and discussed with emphasis on the following key issues: (1) whether the public interest requires the maintenance of advertising guidelines for children's programming; (2) whether children are sensitive to commercialization, and whether they will tend to switch from one channel to another to avoid overcommercialization; (3) whether competitive market forces will tend to place constraints on commercialization in children's programs, and how the amount of commercial time presented while limits were in effect would compare to the amount presented without such limitations; (4) policies that should be pursued to limit children's exposure to television advertising and how a policy limiting commercial content would affect the number and type of programs available for children; and (5) how the Federal Communications Commission (FCC) should address concerns about programs associated with toys. (65 references) (EW)
CHILDREN AND TELEVISION ADVERTISING:
CAN THE MARKETPLACE PROTECT THE PUBLIC INTEREST?

Dale Kunkel
Dept. of Psychology
University of California, Santa Barbara
Santa Barbara, California 93106
(805) 961-2244

Children and Television Advertising: Can the Marketplace Protect the Public Interest?

Dale Kunkel

Abstract

In 1974, the FCC recognized research documenting young children's inherent susceptibility to televised commercial persuasion and established specific policies to restrict advertising to children. In 1984, the Commission rescinded certain aspects of these policies, arguing that the unregulated marketplace would serve to limit advertising abuses as effectively as governmental regulation. The U.S. Court of Appeals has since ruled that the FCC's 1984 decision failed to take into account important evidence regarding the unique needs and capabilities of the child audience, and thus must be reconsidered by the Commission. Moreover, the uncertain status of the FCC's policies to protect children from television advertising has attracted substantial attention in the Congress, resulting in an unprecedented number of legislative proposals in this area.

To determine the appropriate policies necessary to protect child-viewers from television advertising, it is essential to consider the basic scientific evidence regarding how children understand and respond to advertising messages. This report surveys the relevant research in this area and discusses the implications of the findings for likely marketplace developments in an unregulated environment. The analysis offered concludes that there is no sound basis to expect that unregulated marketplace mechanisms will effectively limit advertising to children. Policy alternatives for resolving this issue are presented and discussed.
BACKGROUND

From an historical perspective, television advertising directed to children has not always raised the level of controversy currently associated with the topic. Until the late 1960s, few serious complaints had been voiced about the issue. Broadcasters and advertisers were essentially free to present commercial content to children in whatever fashion they chose, subject of course to any general limitations applicable to television advertising overall.

That freedom ended in 1974 when the Federal Communications Commission established policy guidelines uniquely tailored for advertising directed to child audiences (FCC, 1974). At least two important factors contributed to this regulatory step. First, substantial changes in the amount and type of advertising appeals directed to children occurred during the late 1960s and early 1970s. Commercial levels on children's programs increased far beyond the amount typical for adult-oriented programming (Barcus, 1980). The aggressiveness of the persuasive appeals employed in children's advertising also increased (Melody, 1973) and these developments led policymakers to take a closer look at the matter. Secondly, at about the same time that these changes were occurring in broadcast practices, social scientists were starting to explore children's understanding of television advertising, applying principles from child development theory to help explain the extent of children's comprehension of commercial messages.

These developments soon converged, creating the foundation for policies designed to protect child-viewers from television advertising deemed particularly excessive or aggressive in terms of its persuasive power. Specifically, the evidence was clear that the unregulated marketplace was generating increasingly high levels of commercials during children's programming. This consideration, coupled with a fast-growing body of psychological evidence indicating that children's limited cognitive abilities left them uniquely vulnerable to commercial appeals, led the FCC (1974) to establish policies restricting television advertising primarily directed to children.

Two different types of policies were established by the Commission in this realm. First, limits were placed on the overall amount of commercials that could be presented during children's programming. The FCC's fundamental goal was to limit broadcasters to the "lowest level" of advertising necessary to sustain their children's programming efforts (FCC, 1974, p. 39400). Operationally, the Commission adopted maximum permissible advertising levels consistent with limits established by the National Association of Broadcasters self-regulatory code. Phased in over a 14-month period, this regulation ultimately restricted commercials during children's programs to no more than 9 1/2 minutes per hour during weekends and 12 minutes per hour during weekdays.
The second major element of children's advertising policy dealt with the separation between program and commercial content. Based on the growing body of evidence that young children experienced great difficulty in distinguishing programs from commercials, the FCC held that the public interest required broadcasters to maintain a clear separation between these two types of material during children's programs. Several applications of this policy were implemented, including restrictions on the use of programs or program hosts to promote products to children. Both the commercial limits and the clear separation requirements were intended to ensure that broadcasters did not take unfair advantage of young children's naivete about the nature and purpose of advertising.

THE ISSUES TODAY

The policies described above comprise the core of the FCC's children's advertising regulation and remained in effect for roughly the next decade. In 1984, however, consistent with its general desire to deregulate content-related restrictions on the broadcast media, the Commission discarded all of its policies limiting the amounts of permissible commercial content. Specifically, the Commission held that "marketplace forces can better determine appropriate commercial levels than our own rules" (FCC, 1984, p. 33598). The FCC's logic went as follows: if a station exceeded viewers' tolerance for advertising, then the size of the audience would drop, advertising rates would decline (because they are proportional to audience size), and the broadcaster would ultimately be forced by economic considerations to reduce the number of commercials. The Commission wasn't saying that overcommercialization was acceptable, only that government regulation wasn't necessary to prevent it.

Surprisingly, none of the FCC's consideration of this matter addressed the potential impact of this deregulation on children's television. In 1974, when it first established limits on children's advertising time, the Commission noted that the unregulated marketplace posed "a serious basis for concern about overcommercialization on programs designed for children" (FCC, 1974, p. 39399). Nevertheless, because the deregulation order superseded all previous policies limiting the amount of commercials, the FCC accomplished a major revision of its children's advertising regulations literally without directly addressing the special needs or interests of children (Huston, Watkins, & Kunkel, in press).

Based on a complaint filed by Action for Children's Television, the U.S. Court of Appeals remanded the FCC's decision in this case back to the agency for reconsideration, holding that:

The Commission has offered neither facts nor analysis to the effect that its earlier concerns over market failure [in the children's area] were overemphasized, misguided, outdated, or just downright incorrect. Instead without explanation, the Commission has suddenly embraced what had theretofore
been an unthinkable bureaucratic conclusion that the market-
place did in fact operate to restrain the commercial content
of children's television.

(Action for Children's Television v. FCC, 1987)

In response to the court's remand, the Commission has been
forced to rethink its most recent approach to the regulation of
children's television advertising. A Notice of Inquiry and
Further Notice of Proposed Rulemaking (FCC, 1987) has been issued
to gather information relevant to the need for policies that
limit commercialization practices directed at children. Among
the key issues are:

1. Does the public interest require the maintenance of
   advertising guidelines for children's programming?
2. Are children sensitive to commercialization? Will they
tend to switch from one channel to another to avoid
   overcommercialization?
3. Will competitive market forces tend to place constraints
   on commercialization in children's programs? How does
   the amount of commercial time presented while limits
   were in effect compare to the amount presented without
   such restrictions?
4. What policies should be pursued to limit children's
   exposure to television advertising? How would a policy
   limiting commercial content affect the number and type
   of programs available for children?
5. How should the FCC address concern with programs
   associated with toys?

This report addresses each of these questions in detail, drawing
on the relevant scientific evidence regarding children's under-
standing of television advertising as well as research examining
broadcasters' commercialization practices directed to children.

**ISSUE 1**

**Does the public interest require the maintenance of advertising guidelines for children's programming?**

To address this question, it is important to first review
the relevant empirical evidence documenting young children's
inherent vulnerability to commercial persuasion. Extensive
research examining children's understanding of television adver-
tising has been conducted, primarily in the 1970s. This area of
research has been reviewed and summarized as part of two major
projects, one conducted by the National Science Foundation (Adler
et al., 1977) and the other by the Federal Trade Commission (FTC,
1978a). The key findings of these literature reviews were that
children suffer from two principal types of "deficits" in their
processing of television advertising. First, many young children
lack the ability to discriminate program from commercial content,
and second, an even greater proportion of children lack the
ability to recognize the persuasive intent which necessarily
underlies all television advertising. A summary of the key findings in each of these two areas is offered below.

Program/commercial discrimination

Given the similarities in terms of production characteristics, featured characters, and the like found in both children's television programs and commercials, it is hardly surprising that many youngsters experience great difficulty distinguishing between these two types of content. Numerous investigations of children's program/commercial discrimination document confusion on the part of a substantial proportion of children below the age of about 5 years. Variance in the findings regarding this ability seem to be an artifact of the type of measurement strategy employed across different studies.

Research using direct verbal questioning to measure children's ability to discriminate programs from commercials indicates that children first recognize this difference based on either affective (e.g., "commercials are more funny than programs") or perceptual (e.g., "commercials are short and programs are long") cues (Blatt, Spencer, & Ward, 1972; Ward, Reale, & Levinson, 1972). These studies typically find that a majority of children below age 5 exhibit "low awareness of the concept of commercials, frequently explaining them as part of the show" (Ward, Reale, & Levinson, 1972, p. 486).

Some have argued that young children's limited verbal abilities might be masking their true competence in discriminating programs from commercials when only direct questioning is used to measure such ability (e.g., Levin, Petros, & Petrella, 1982). However, techniques which avoid dependence on children's language skills have also been used to explore this issue. For example, Palmer & McDowell (1979) showed kindergarten and first-grade children (approximately 5-7 years) videotapes of two Saturday morning children's shows with commercials included. Subjects were assigned to one of four treatment groups: three of these viewed the programs with separation devices from one of the three television networks and the fourth was a control that saw the commercials with no separators between the program and commercials. At predetermined points, the tape was stopped and children were asked whether what they were just watching was "part of the show" or a "commercial." Slight differences were observed in correct ability to recognize commercials across the three treatment conditions, but the most interesting finding was that children in the control group performed as well as or better than all the other subjects. Unfortunately, the separation devices typically employed by broadcasters apparently fail to assist child-viewers in recognizing commercial content, a finding consistently corroborated by other research (Ballard-Campbell, 1983; Butter, Popovich, Stackhouse, & Garner, 1981; Stutts, Vance, & Hudleson, 1981). In terms of basic program/commercial discrimination ability, the Palmer & McDowell (1979) study indicates that a large segment of kindergarten and first grade children cannot consistently distinguish program from commercial content. Aver-
Aging the results across all four experimental groups, children correctly identified a commercial about 64% of the time in one program, and about 55% of the time in the other. Both of these results are only slightly above chance for a dichotomous measure.

A more recent investigation (Kunkel, 1988a) found that even once children can correctly apply the label "a commercial" to advertising content, they do not necessarily recognize such content as separate and conceptually distinct from the adjacent program material. Data from this study indicate that although 91% of 3-5 year-olds could correctly apply the term "commercial," only 31% recognized that a commercial just viewed was not part of the story in the adjacent programming. It appeared that children's initial use of the concept of a commercial does not reflect the understanding that such content is in any way different from entertainment programs. The same type of difficulty occurred with older children aged 7-8 years, though to a lesser extent with 97% able to apply the term "commercial" correctly, but only 64% demonstrating an awareness that the commercial was not part of the program.

To summarize, the evidence is clear that a substantial proportion of young children, probably comprising a majority of those below the age of 5, cannot consistently discriminate between television program and commercial content.

Recognition of persuasive intent

The primary purpose of all television advertising is to influence the attitudes and subsequent behavior of viewers. This is in contrast to informative or non-persuasive entertainment content presented as program material. For adults, the recognition that a given piece of television content is a commercial triggers a cognitive filter or "defense" mechanism which takes into account factors such as the following: (1) the source of the message has other perspectives and other interests than those of the receiver; (2) the source intends to persuade; (3) persuasive messages are biased; and (4) biased messages demand different interpretive strategies than do unbiased messages (Roberts, 1983). When these considerations can be taken into account, viewers can be considered "fair partners" in the advertising process.

Young children, by virtue of their limited cognitive development, lack the ability to apply such considerations to their comprehension of television advertising. Below the age of approximately 7-8 years, children are highly egocentric and have difficulty taking the perspective of another (Flavell, 1977; Selman, 1971; Shantz, 1975). This age range corresponds well with the transition from the preoperational period to that of concrete operations in Piaget's stage theory of cognitive development, which holds that children lack skill in role-taking before reaching the stage of concrete operations (Piaget, 1950; 1952). Thus, there is a strong theoretical basis for the expectation that young children will be unable to attribute persuasive
intent to television advertising. A substantial body of empirical evidence corroborates this position.

Typical of studies on this topic, Ward & Wackman (1973) interviewed children aged 5-12 to determine their understanding of the purpose of television advertising. Rather than conducting their analyses by age, however, these researchers used independent measures to categorize children into 3 levels of cognitive ability, with the lowest level equivalent to Piaget's preoperational stage of development. Fifty-three percent of the 5-6 year-olds and 41% of the 7-8 year-olds were categorized as "low" in cognitive level. Low cognitive level was found to be a significant predictor of a low level of understanding of the persuasive intent of commercials. This study concluded that "the low cognitive level children cannot abandon their own perspective and take the perspective of the advertiser when viewing commercials" (Ward & Wackman, 1973, p. 127). Numerous other studies (e.g., Donahue, Meyer, & Henke, 1978; Robertson & Rossiter, 1974; Rossiter & Robertson, 1974; Ward, Wackman, & Wartella, 1977) have produced comparable findings that age is positively correlated with an understanding of commercials' persuasive intent, with the approximate age of 7-8 years as the point that such ability typically develops.

As with the measurement of children's program/commercial discrimination, some have raised concern children may "know more than they can tell" and perform poorly on persuasive intent recognition measures primarily because of their limited ability to verbalize such understanding for researchers (e.g., Macklin, 1983). To overcome this potential shortcoming, one study created a non-verbal technique to measure persuasive intent attribution (Donahue, Henke, & Donahue, 1980). Children aged 3 to 6 years were asked to choose between two pictures, one of a mother and child buying cereal at a supermarket and one of a child watching television, to indicate what the commercial they had just seen wanted them to do. The results indicated that about 80% of the subjects picked the supermarket picture, which supposedly reflected persuasive intent knowledge. However, two elaborate attempts to replicate these results have proven unsuccessful (Ballard-Campbell, 1983; Kunkel, 1984).

Each attempt to replicate this finding has utilized the identical type of non-verbal measure as that employed by the Donahue, Henke, & Donahue (1980) study, with the only methodological difference being the addition of a third picture alternative to minimize the possibility of children selecting the correct option by chance. In one case, only 13% of 4 year-olds and 33% of 6 year-olds chose the correct picture (Ballard-Campbell, 1983). In the other, 24% of 4-5 year-olds and 30% of 7-8 year-olds responded correctly (Kunkel, 1984). Thus, even if one were to accept such non-verbal measures as a valid indicator of children's ability to recognize persuasive intent in television commercials, which remains a controversial point, there is no consistent evidence to suggest that children younger than about age 7-8 years can indeed identify this concept.
In conclusion, the several dozen empirical studies examining this issue indicate that at least half of the children aged 6 and below are generally unable to recognize the persuasive intent of televised commercials. While the use of non-verbal measurement techniques might suggest that younger children can recognize persuasive intent, both methodological and conceptual weaknesses cast doubt on the validity of such findings. Overall, the weight of the evidence indicates that the ability to recognize persuasive intent is not well developed until about the age of 7-8 years.

Implications for public policy

The evidence reviewed above is entirely consistent with the scientific findings considered by the FCC in the early 1970s which ultimately served as the basis for implementing restrictions on children's advertising practices (FCC, 1974b). Furthermore, the findings regarding young children's limited ability to recognize (i.e., discriminate programs from commercials) and defend (i.e., attribute persuasive intent) against televised commercial persuasion are even stronger today than was the case in the early 1970s. At that time, the Commission held that "the medium of television cannot live up to its potential in serving America's children unless individual broadcasters ... put profit in second place and children in first" (FCC, 1974b, p. 39402) and therefore established specific policies to limit the amount of television advertising to children. Due to the overwhelming evidence of young children's inherent vulnerability to commercial persuasion, it seems clear that the public interest requires the FCC to continue to afford children as much protection as possible from exposure to television advertising.

ISSUE 2

Are children sensitive to commercialization? Will they tend to switch from one channel to another to avoid overcommercialization?

The Commission has argued that "if stations exceed the tolerance level of viewers by adding 'too many' commercials the market will regulate itself, i.e., the viewers will not watch and the advertisers will not buy time" (FCC, 1984b, p. 33599 at 67). This rationale, coupled with the presentation of data suggesting that marketplace forces have served to keep commercial levels lower than the maximum allowed by regulation (FCC, 1984b, p. 33598 at 59) comprise the Commission's justification for its decision to deregulate its children's advertising limits.

To function effectively, the marketplace process the FCC contends will limit overcommercialization requires at least two important criteria be met: (1) viewers must be capable of recognizing and responding to differences in the level of various stations' commercial practices; and (2) viewers must be 'annoyed'
or respond unfavorably to excessive commercial interruptions. Herein lies the problem of applying such rationale to the marketplace of children's television.

As reviewed above in Issue 1, a substantial proportion of children below age 5 lack the cognitive ability to discriminate programs from commercials. It can hardly be argued that young children who cannot tell the difference between a program and a commercial would somehow react aversively to excessive commercial practices. Moreover, once children can distinguish between these two types of content, there is little support for the assertion that overcommercialization would be perceived negatively.

Research consistently indicates that children's attitudes toward commercials presented during children's programming is negatively correlated with age. That is, the older a child, the less likely s/he will hold a favorable attitude toward television advertising. However, the age at which children actually develop a negative attitude toward commercials, if in fact such a perspective evolves during childhood, has not been precisely defined.

In one study typical of findings in this area, the proportion of children indicating they liked all commercials declined from 69 percent at first grade to 56 percent by third grade to 25 percent by fifth grade (Robertson & Rossiter, 1974). Other investigations demonstrate that preschool and early grade school children generally like to watch Saturday morning commercials, while older elementary school age children express ambivalent feelings at worst (Atkin, 1975; Rossiter, 1977; Ward, 1972). Children find the humor and attention-getting formal features or production conventions which predominate commercials attractive (Greer, Potts, Wright, & Huston, 1982; Wartella & Ettema, 1974; Wartella & Hunter, 1983). Finally, even for older children aged 9-11, who generally have developed the ability to recognize persuasive intent in commercials and are therefore cynical and suspicious of television advertising, positive attitudes toward individual commercials is a common response (Adler et al., 1977).

Taken as a whole, the evidence argues strongly against the assertion that a heavy load of commercials would encourage child viewers to seek other program alternatives. Younger children lack the basic skills to differentiate program from commercial content, and older children are most likely to find commercials sufficiently attractive that they would not choose to turn off a program because of excessive commercialization. The inherent marketplace mechanism that the Commission has identified as its rationale to support the deregulation of its children's advertising limits cannot be expected to serve to protect children from excessive exposure to commercial content.
 ISSUE 3

Will competitive market forces tend to place constraints on commercialization in children's programs?

How does the amount of commercial time presented while limits were in effect compare to the amount presented without such restrictions?

The evidence discussed in Issue 2 above argues that the size of audiences for children's programs will not decline as a function of excessive commercialization. Thus, market forces alone would not seem to be an adequate check on broadcasters' commercial practices. Neither the increase in the number of television stations in recent years nor the availability of children's programs via alternative non-broadcast technologies mitigate this situation. That is, the presence of greater competition both within and outside of the broadcast television medium offers no incentive to minimize advertising practices when children are likely to keep viewing a given program regardless of the level of commercialization.

It is a separate issue whether or not broadcasters will choose to take "best" advantage of the situation by increasing their commercial levels beyond the previous limits once those regulations have been removed. Other factors, such as political considerations related to a desire to avoid re-regulation, might influence broadcasters' decisions on this issue. Such influences, however, can hardly be evaluated empirically. In contrast, research can provide a fairly clear evaluation of the actual levels of commercial content directed to children. Before addressing this issue, an important methodological consideration must be raised.

Neither the original policy statement implementing the children's advertising limits (FCC, 1974b) nor the current NOI/Further NPRM on the same topic (FCC, 1987) explicitly state how the Commission defines the restricted content. Indeed, in the 1974 policy statement, the language "non-program content" is used along with only slightly more precise terminology such as "commercials" or "advertising." Because the FCC chose the 9 1/2 and 12 minute standards solely on the basis that they mirrored figures developed and endorsed for the self-regulatory National Association of Broadcasters (NAB) Code, and because the NAB Code included all non-program content in its 9 1/2 and 12 minute restrictions rather than simply commercial advertising, it is difficult to know for certain exactly what material is subject to the FCC's limits and what is not.

Might it be reasonable to assume that the NAB Code's definition of non-program content is the operative criterion? This is the course that the Commission staff has pursued in the past when it conducted its own study in this area. Fontes (1979) applied the following definition of non-program material, derived from
the National Association of Broadcasters Television Code, 20th edition, 1978:

Non-program material refers to commercial messages, public service announcements (aired only on independent stations), billboards, promotional announcements, and credits in excess of [certain limits]...

Obviously, the criteria employed to define commercial material will color dramatically the findings obtained from research. In the comments offered below evaluating the amount of commercialization during children's programs, the constituent categories (e.g., product advertisements, program promotions) and relevant data within each will be clearly identified whenever possible to offer greater utility irrespective of the final resolution of this issue.

Amount of commercial time

One researcher, F. Earle Barcus of Boston University, repeatedly examined children's advertising content throughout the 1970s. Publications by this author constitute the most comprehensive assessment of children's advertising from this period available publicly. All of the findings cited below associated with this researcher categorize only product advertisements and program promotional messages as commercial content.

Weekend network advertising. In 1971, prior to the FCC's children's advertising policies, Saturday morning network children's programming typically devoted approximately 20% of its time to commercials, or roughly 12 minutes per hour (Barcus, 1971). After the FCC established limits on children's advertising in 1974, this figure declined to approximately 15% of total program time, or about 9 minutes per hour, according to several studies conducted in 1975 (Barcus, 1980). One analysis of 25.5 hours of Saturday morning network children's advertising in the Boston market found that the three networks averaged 8.15, 8.82, and 10.73 minutes per hour, respectively, of commercial time (Barcus, 1975a).

In a study conducted by the Commission staff in January, 1979, one hour segments of Saturday morning children's programming on 50 network affiliate stations were monitored (Fontes, 1979). Using the NAB's definition of non-program content cited above, this research yielded averages of 7.67, 9.19, and 10.34 minutes per hour for the three commercial networks, respectively. No breakdown of the data according to constituent categories such as ads, PSAs, and so on was provided in this report, which concluded that "on an aggregate basis, network affiliates were not in violation" of the 9 1/2 minute standard (Fontes, 1979, p. 9).

More recent data gathered in 1983 and 1985 suggest the same general conclusion. Based on a sample of 40 hours of programming from each of these two years, Condry, Bence, and Scheibe (1987) reported an average of 11.8 minutes per hour of non-program
material across the three networks. This study, however, employed a broader definition of non-program content than that established by the NAB Code, including for example "drop-ins" (i.e., short 1-2 minute educational/prosocial segments, similar to extended PSAs). Product commercials averaged 7.6 minutes per hour and program promotions 1.2 minutes per hour for the three networks, indicating probable adherence to the 9 1/2 minute standard for data gathered both shortly before and shortly after the limits were deregulated. Although this study did not report data individually for the two years sampled, the authors noted no significant changes occurred in the time devoted to each type of non-program message from 1983 to 1985.

A recent study conducted by the National Association of Broadcasters (Cohen, 1988) collected self-report data from 267 stations regarding the amount of commercial advertising and other non-program content presented during 1986-87. Data for the networks, which present children's programming almost exclusively on the weekends, indicated an average of 9:11 per hour of product commercials and 11:07 for all non-program content. The study also noted that two of the three networks had subsequently increased their advertising levels one minute per hour shortly after the study.

To summarize, it appears that weekend network programming generally kept commercial content within the advertising limits when they existed and for a short period afterward. Product commercials seem to have increased markedly under deregulation, from 7.6 minutes/hour for 1983-85 to 9.2 minutes/hour for 1986-87, with clear indications that further increases are developing. Current practices approach or exceed the levels of non-program content Barcus found prior to 1974, when the FCC first determined the need for regulatory restrictions.

Weekday independent advertising. The commercialization practices of independent stations generally tend to exceed those of network affiliate stations. In 1975, Barcus (1980) found that weekday children's programs on independent stations averaged about 20% commercial time (12 minutes per hour) for advertisements and program promotions. One study in May, 1975 that examined the 3-6 p.m. weekday time slot on 10 independent stations across the country reported an average of 11.92 minutes per hour (Barcus, 1975b). Programming for this study was primarily though not exclusively child-oriented.

Little other research examining independent stations' past weekday children's commercial practices is publicly available. The data cited are too scanty to allow firm conclusions to be drawn regarding general industry-wide compliance with the FCC's 12 minute weekday limit while it was in effect. There is evidence that independent stations probably failed to comply with the 9 1/2 minute guideline for weekend programs, averaging over 11 1/2 minutes per hour of non-program content in a 1979 study of 17 stations (Fontes, 1979). The 11 1/2 minute figure, however, was derived using the NAB Code definition of non-program content.
and no separate analysis of the amount of commercials and program promotions was reported. A determination of compliance with the FCC's standards, therefore, would rest on a final decision from the Commission regarding what material was meant to be included in its previous limitations (e.g., should program promotions be counted as they were in the NAB Code).

A survey of the non-program content on independent stations' weekday children's programs conducted throughout 1985 (Kunkel, 1987) found somewhat higher average figures for product commercials and program promotions than the Barcus (1975) research. This study sampled more than 250 hours on 8 stations in large, urban areas. A partial summary of the data reported in Table 1 indicates an average of 12:10 per hour for product ads and program promotions. Including PSAs in the calculation, as was done in the Fontes (1979) study based on the NAB Code's definition of non-program content, would raise the overall average to 12:54 minutes per hour. Of the stations surveyed, half exceeded the previous 12 minute limit summing their product advertisement and program promotion time alone. One station averaged 14:00 minutes per hour, or more than 23% of its children's programs, devoted to these two types of content throughout the entire year.

---

**TABLE 1**

COMMERCIAL CONTENT MEANS PER BROADCAST HOUR

<table>
<thead>
<tr>
<th>city/station</th>
<th>hours sampled</th>
<th>product ads</th>
<th>program promos</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>(38.5)</td>
<td>11:06</td>
<td>1:27</td>
<td>12:33</td>
</tr>
<tr>
<td>KCOP</td>
<td>(40)</td>
<td>10:19</td>
<td>1:16</td>
<td>11:35</td>
</tr>
<tr>
<td>Detroit</td>
<td>(34)</td>
<td>9:54</td>
<td>1:15</td>
<td>11:09</td>
</tr>
<tr>
<td>WKBD</td>
<td>(32)</td>
<td>11:18</td>
<td>2:42</td>
<td>14:00</td>
</tr>
<tr>
<td>WXON</td>
<td>(32)</td>
<td>10:34</td>
<td>1:04</td>
<td>11:38</td>
</tr>
<tr>
<td>WDCA</td>
<td>(33)</td>
<td>11:12</td>
<td>1:11</td>
<td>12:23</td>
</tr>
<tr>
<td>Kansas City</td>
<td>(25)</td>
<td>10:05</td>
<td>1:06</td>
<td>11:11</td>
</tr>
<tr>
<td>KSHB</td>
<td>(33)</td>
<td>10:13</td>
<td>2:38</td>
<td>12:51</td>
</tr>
<tr>
<td>All stations combined</td>
<td>(267.5)</td>
<td>10:36</td>
<td>1:34</td>
<td>12:10</td>
</tr>
</tbody>
</table>
A more recent analysis of independents' advertising practices after deregulation is reflected in the NAB study (Cohen, 1988). This research found an average of 8:56 per hour of product commercials and 13:56 for all non-program content. The mean for product commercials found in this research is extraordinarily low compared to other previous and contemporary studies. Methodological problems related to the use of untrained coders to gather data may have yielded inaccurate data. Among other possibilities, station personnel responding to the NAB survey may not have coded accurately the barter commercial spots already placed in children's programs tapes prior to their delivery to the broadcaster. Only brief instructions were included along with the self-report survey sent to broadcast stations nationwide.

In any case, the conflicting nature of the data examining independent stations' product advertisements make drawing any clear conclusions difficult. For non-program content overall, there appears to be an increase of about one minute per hour from 1985, shortly after deregulation, to 1987-88.

**Conclusion.** There is no evidence to suggest that broadcasters flouted the FCC's children's advertising guidelines while they were in effect. Although in some cases research indicates that actual commercial practices may have exceeded the guidelines somewhat, compliance appears to be the norm rather than the exception. Any more precise conclusions are precluded by the FCC's failure to have specified explicitly what material it intended to include when it first established its restrictions.

Since the deregulation of the FCC's children's advertising limits both weekend network and weekday independent children's programming have seen marked increases in overall non-program content. Growth in the amount of product advertising is more clear for weekend network programs than for weekday independent offerings, although this difference may be tied to methodological difficulties. These findings support the assertion that marketplace forces in children's television do not provide incentives to limit broadcasters' commercial practices.

Given that the Commission has already recognized that the public interest requires that advertising to children be kept to an absolute minimum (FCC, 1974b, p. 39400 at 38 and 42), and given the present evidence that the unregulated marketplace fails to protect this important aspect of the public interest, it appears that regulatory limits on television advertising to children must be re-imposed to effectively limit broadcasters' commercial practices during children's programming.
ISSUE 4

What policies should be pursued to limit children's exposure to television advertising?

How would a policy limiting commercial content affect the number and type of programs available for children?

The previous limits of 9 1/2 and 12 minutes per hour have no magic aura about them and certainly ought to be examined closely along with other policy options. The fundamental public policy goal, as the FCC has stated in the past, is to ensure that children are exposed to as little television advertising as possible. Specifically, the Commission has ruled that it "will expect all licensees ... to limit advertising to children to the lowest level consistent with their programming responsibilities" (FCC, 1974b, p. 39400 at 42).

Adherence to this goal, which accompanied the initial implementation of the Commission's limits on the amount of advertising to children, was never effectively evaluated. The FCC has conducted no economic analyses to assess the extent of profitability that exists in children's programming after 1974 (a single study was conducted prior to the 1974 policy statement, see Pearce, 1972), although it has stated that "the public interest does not protect advertising which is substantially in excess of that amount [needed to produce children's programs]" (FCC, 1974b, p. 39400 at 38). When the Commission established limits of 9 1/2 minutes per hour on weekends and 12 minutes per hour on weekdays for children's advertising content, it intended these figures to be ceilings, not norms. The overarching policy interest established by the FCC in 1974 suggests that broadcasters ought only present commercial content commensurate with their need to meet costs associated with the airing of children's programs. Thus, it is quite possible that even though broadcasters may have been in general compliance with the 9 1/2 and 12 minute guidelines while they were in effect, the spirit if not the letter of the FCC's general policy on children's advertising may have been violated. This would depend upon the expenses associated with the presentation of children's programming and the revenues generated by children's commercials. The Commission's "laissez-faire" approach to oversight in this area has at best done little to ensure that children were indeed exposed to the least possible amount of commercial content, which was the clearly stated policy goal.

Given the evidence regarding young children's inherent naivete in understanding and defending against televised commercial persuasion, the most ideal remedy would be a prohibition of all advertising directed primarily to child audiences. Such a policy has been formally considered by both the Federal Communications Commission (FCC, 1971) and the Federal Trade Commission (FTC, 1978b). In both cases, these agencies opted not to invoke complete prohibition, arguing that such action would potentially
undermine the economic foundation that "drives" children's pro-
gramming or was otherwise unworkable.

In considering the most appropriate course to pursue today in restricting children's television advertising, it is important to note that in both of the two previous cases where a prohibi-
tion on all children's advertising was considered, it was dis-
missed as unworkable but not inappropriate given the evidence of harm presented. For example, the FTC's final order declining to enact a children's advertising ban concluded that:

... child-oriented television advertising is a legitimate cause for public concern ... [because] young children do not possess the cognitive ability to evaluate adequately child-oriented television advertising.

Despite the fact that these conclusions can be drawn from the evidence, the record establishes that the only effective remedy would be a ban on all advertisements oriented toward young children, and such a ban, as a practical matter, cannot be implemented (FTC, 1981, p. 2).

Given the evidence already on the record regarding the harms associated with television advertising to children, a workable ban would seem to be an appropriate remedy. The following proposal for a limited prohibition on television advertising to children offers such a solution.

For more than 10 years, the FCC maintained an open docket (No. 19142; originally proposed FCC, 1971; formally rejected FCC, 1984a) that proposed rules to require that each television licen-
see provide a minimum amount (e.g., 14 hours per week, FCC, 1971; 2 1/2 to 5 hours per week, FCC, 1980) of educational/informational programming for children. Such a rule was ultimately rejected when the Commission held that the availability of children's programs via alternative channels and modes of communication mitigated the clearly demonstrated failure of most commercial television licensees to serve children's needs adequately (FCC, 1984a). This ruling has been criticized as an entirely unfair and unsound basis for public policy because of its inherent adverse impact on economically disadvantaged segments of society (Huston, Watkins, & Kunkel, in press; Kunkel & Watkins, 1987; Watkins, 1987). That is, direct payment is required to gain access to many of the forms of media (e.g., cable, satellite reception) the FCC relied upon as mitigating the need for commer-
cial television broadcasters to serve the child audience. Chil-
dren from economically disadvantaged families that cannot afford such access no longer benefit from the FCC's previous policy (FCC, 1974b) designed to ensure that all commercial broadcasters would serve the needs of children. Thus, a situation has been created whereby the public interest is not served because all of the public does not have access to educational/informational programs for children.
This situation could be remedied by establishing a requirement that each television licensee provide a minimum amount of educational/informational children's programming and also stipulating that such content be provided without commercial interruption. A limited ban on advertising during a specific amount of required children's programming offers several unique advantages. First, it overcomes objections of unworkability associated with previous proposals for children's advertising bans. Objections raised that it would be difficult to determine what programs and/or time slots a ban would apply to would be rendered irrelevant. Broadcasters could be required to clearly identify for both the Commission and the public what programming was being provided to meet the educational/informational content requirement and would therefore be presented free of commercials. Parents who might wish to direct their children's viewing activities toward content with the least amount of commercialization would be aided by this approach, whereas parents with such desires today would find it extremely difficult to identify the children's programming that best fits this description. Such a limited ban, in conjunction with a children's programming requirement, would also overcome possible objections of potentially adverse effects on the amount of television programming provided for children. Other programs for children not designed to fulfill the educational/informational obligation could retain commercial support and thus should be unaffected by the proposed policy.

It should be noted that, according to impartial legal opinions such as that of the Congressional Research Service (Siddall, 1984), there is no constitutional impediment to the establishment of a minimum children's programming requirement, despite partisan claims to the contrary. The need for such a programming requirement and the benefits to be derived from its implementation have been clearly documented by the Commission in its record for Docket 19142.

The proposed limited ban on children's advertising would address only one dimension of the problems associated with children's exposure to television advertising. Its enactment would further the public interest substantially by assuring that children could view programming designed to serve their special needs without encountering the harms associated with their exposure to advertising. For most children, however, viewing of the commercial-free program content would be unlikely to constitute the majority of their time spent watching children's programs. Thus, this policy alone would not be adequate to ensure that children are exposed to the least amount of television advertising possible.

Maintenance of maximum limits on the overall amount of television advertising permissible during children's programs is a necessary component of policies in this area. As a policy principle, the Commission should reaffirm its longstanding position, first established in 1974, that the public interest requires broadcasters to present only the minimum amount of
commercial content practicable during children's programs. The previous 9 1/2 and 12 minute restrictions should not be blindly reestablished. Rather, economic analyses to ascertain the costs typically associated with children's programming and the revenues generated by related commercial practices should be conducted and regulatory limits established somewhere near the equilibrium point between these two factors.

The Commission should not shy away from this course by arguing that such regulation would discourage broadcasters from providing programs for children, thereby reducing the overall amount of available children's programming. Several factors mitigate against this concern. First, broadcasters remain bound by their public interest obligations, and the Commission has held that children's programs are an important aspect of service to the public (FCC, 1960; 1974b; 1984a). A substantial reduction in a broadcaster's children's programming efforts would be inconsistent with the public interest and could potentially jeopardize the expectation of license renewal. Furthermore, factors other than the immediate production of commercial spot revenues can provide incentives for offering children's programs. For example, the concept of audience flow and channel loyalty (e.g., Goodhardt, Ehrenberg & Collins, 1975) is well recognized throughout the broadcast industry. Many broadcasters believe that the presentation of children's programs offers important indirect value to a station's efforts to increase audience size by providing exposure to a channel for parents who co-view with children. This consideration accounts for the presentation of program promotional messages targeted at adults often seen during children's programming. These and other factors, such as the experience gained during the 10 years when the previous children's advertising limitations were in effect, suggest that the overall amount of children's programming would not be harmed as a function of reinstating limits on children's advertising practices.

ISSUE 5

How should the FCC address concern with programs associated with toys?

The Commission's restriction of children's product-related programming traces back to a ruling in 1969 which held that the program "Hot Wheels" was inconsistent with the public interest (FCC, 1969). In this case, which appears to be the first example the FCC confronted of what it later described as a "program-length commercial," the Commission stated:

There can be no doubt that in this program Mattel receives commercial promotion for its products beyond the time logged for commercial advertising. Nor is there any doubt that the program was developed with this promotional value in mind.
We find this pattern disturbing; more disturbing than the question of whether the commercial time logged is adequate. For this pattern subordinates programming in the interest of the public to programming in the interest of its saleability. (FCC, 1969, p. 149).

The issue the Commission addressed regarding the logging of commercial time was related to its requirement that television licensees maintain records categorizing their broadcast material as commercial or non-commercial content. These records would then be subject to review during consideration of a licensee's renewal application. Although no precise criterion had been established at this point as an allowable maximum amount for advertising time, the FCC's concern with preventing overcommercialization had been clearly conveyed (e.g., FCC, 1964). If the entire 30 minute "Hot Wheels" program was considered commercial content, it would pose an obvious problem for broadcasters. After the FCC released its opinion, the network presenting this program apparently chose to discontinue it prior to any formal Commission sanctions.

The FCC's basic concern in the "Hot Wheels" case was whether or not the promotion of products in children's programming content was consistent with broadcasters' public interest obligations. The Commission's position in 1969 was clear: children's programs created and designed to showcase products were deemed inappropriate and that stand was reinforced in its 1974 children's policy statement.

The FCC (1973, 1974a) later extended its prohibition of product-related programming to all television content, coining the term 'program-length commercial' in the process. It defined a program-length commercial as content with the "dominant purpose" of product promotion.

The primary test is whether the purportedly non-commercial segment is so interwoven with, and in essence auxiliary to, the sponsor's advertising ... to the point that the entire program constitutes a single commercial promotion. (FCC, 1974a, p. 986)

What are the harms associated with this practice as it pertains to children's programming? There are several. The most fundamental is the question of the fairness of such advertising practices directed to children. Given the evidence cited in Issues 1 and 2 above regarding children's unique susceptibility to televised commercial persuasion, it is clear that the public interest requires that broadcasters maintain a clear separation between children's program and commercial content. This policy known as the "separation principle," was established by the Commission in 1974 and remains in effect today. Separation is required to ensure that advertising to children does not take unfair advantage of their inability to distinguish program from advertising content and to redress the related vulnerability to commercial persuasion this shortcoming creates. It seems obvious
that the integration of commercial appeals within the body of children's programs would also generate the same types of harms as those created by practices such as host-selling, which current Commission policy prohibits as a violation of the separation principle. Specifically, the direct harm to children associated with advertising approaches which violate the separation principle is the powerful persuasive effects they exert on child audiences (e.g., Wartella, 1985; Kunkel, 1988a).

A second type of harm associated with the program-length commercial practice is the likelihood that such programming may place its non-product related competition at a substantial disadvantage in the children's television marketplace (Kunkel, 1988b). Program-length commercials offer attractive economic advantages over non-product related programming for the broadcaster because either: (1) their production costs are subsidized by the toy manufacturer whose product is displayed in the program, or; (2) a percentage of the sales from program-related toy products is shared with broadcasters airing the show.

Furthermore, as competition increases among various children's program-length commercials, product manufacturers affiliated with some of these programs have begun to use the leverage of their overall advertising expenditures to help 'encourage' broadcasters to carry their particular shows ("Added attraction," 1987). If, for example, a broadcaster commits to air a program featuring XYZ Company's toys, then XYZ will commit to purchase a certain amount of advertising time for its products across the broadcaster's entire schedule. According to one broadcaster:

This complicates our commitment to select the best quality programming for children. We'd hate to see that advertising money go to a competitor. ("Added attraction," 1987, p. 23)

Whether or not such leverage is utilized, product-related programming offers more attractive financial arrangements to broadcasters than other children's content. This consideration, coupled with the relatively limited demand by broadcasters for children's programming of any type, suggests that program-length commercials could potentially dominate the children's television marketplace. To the extent that more diverse types of children's programs, such as educational, informational, or non-fiction content, offer only limited potential to promote toy products to children, then the likelihood that such programs will be produced and broadcast could be substantially diminished by the growth of the program-length commercial genre.

In the FCC's 1984 decision to deregulate all limits on acceptable amounts of advertising, the agency also rescinded its policy banning program-length commercials (FCC, 1984b). The Commission appears to have taken this action because it viewed the harms associated with program-length commercials as solely related to overcommercialization. That is, because the FCC had judged that marketplace forces would create incentives to limit excessive commercial practices and because it was apparently
assumed that the harms associated with program-length commercials stemmed from the excessive amount of commercialization they necessarily entailed, the Commission decided to lift its restriction on program-length commercials. This rationale may be appropriate as it pertains to adult audiences. It is erroneous, however, in terms of its applicability to children.

So far as children are concerned, the restriction on program-length commercials is much more clearly associated with its violation of the separation principle than with the problems it raises regarding overcommercialization. In the FCC's 1974 children's television policy statement, the prohibition on program-length commercials was established entirely under the conceptual domain of program/commercial separation issues (FCC, 1974b, p. 39401 at 46-55) and not at all mentioned in the section addressing overcommercialization practices (FCC, 1974b, p. 39399 at 31-45).

The Commission continues to maintain that the separation principle is a valid foundation for public policy. As originally established, this principle was applied in three ways: (1) broadcasters were required to place audio/visual separation devices between program content and commercial breaks in children's programs; (2) host-selling, whereby program characters promote products in commercials during or adjacent to the programs in which they are featured, was prohibited; and (3) program-length commercials were prohibited.

Because the separation principle remains an essential aspect of the FCC's children's television advertising policies, and because program-length commercials exacerbate children's inherent susceptibility to program/commercial confusion and thus take unfair advantage of their unique vulnerability to commercial persuasion, the Commission should reinstate its longstanding policy prohibiting such practices. Moreover, this action is the only course the FCC can pursue to maintain any degree of consistency in its children's advertising policies, short of discarding the separation principle and its remaining applications entirely.

The Commission has raised cogent concerns regarding the nuances involved in the various strategies employed by programming that promotes products to children. The central issue is whether or not a sound basis exists to differentiate programs whose primary purpose is to promote products from those without such orientation. While this concern may seem valid on its face, it is important to recognize that the FCC's longstanding definition of program-length commercials was employed without question or controversy for roughly a decade and was unquestionably effective in restricting such practices. Only after rescission of the policy did program-length commercials grow dramatically in the children's television marketplace (Englehardt, 1986; Kunkel, 1988b).

To suggest that definitional constraints serve as a barrier to implementing policy in this area seems a shallow perspective.
Thoughtful proposals to supplement the FCC's previous definition of such content have been offered in recent petitions to the FCC (Action for Children's Television, 1988) and in legislation introduced in the 100th Congress (e.g., S. 1505). The more fundamental issue is whether or not advertisers should be allowed to promote products to children by methods that are not clearly recognizable as advertising. Based on evidence documenting the need for a clear separation between programs and advertising in children's television, the answer is no.

CONCLUSION

The policies established by the FCC in 1974 to govern children's television advertising made thoughtful use of the relevant empirical evidence, were logically consistent, and in large part provided protections consistent with the interests of children that would not otherwise have been generated in the marketplace. Perhaps this outcome is related to the comprehensive approach to children's advertising policies that was pursued at the time, as compared to the more piecemeal revision attempted in the 1984 deregulatory ruling. That same piecemeal approach is now being pursued by the Congress as well as the Commission and seems unlikely to satisfactorily resolve the growing number of issues in this area.

The issues surrounding children and advertising policy continue to grow not because there is any change in the way in which children understand commercial content, but rather as a function of the many innovations in the way in which broadcasters and advertisers attempt to persuade child-viewers. To leave it up to those whose economic interests are at stake as to where to draw the line regarding acceptable advertising practices for child audiences almost invites abuses.

In general, even those who champion a reliance on marketplace competition rather than governmental regulation as the most appropriate philosophy to guide broadcast policy do not argue their case from an absolutist perspective. Where there is clear evidence of marketplace failure, regulation is generally deemed acceptable even by those otherwise opposed to it. Given what we know about young children's limited understanding of television advertising and the fundamental economic structure of commercial broadcasting, there is little reason to expect that marketplace factors can protect the interests of children in this area as effectively as regulatory provisions.

It seems time once again to pursue a thorough and comprehensive examination of the appropriate policies in this area, even beyond the simple restrictions placed on the amount of commercial content presented to children. Only through a comprehensive approach to evaluating the need for children's advertising regulations can a cohesive and viable policy be developed that will truly serve the public interest.
REFERENCES


Federal Communications Commission. (1986, May 1). Memorandum opinion and order: In the matter of revision of programming and commercialization policies, ascertainment requirements, and program log requirements for commercial television stations. Federal Communications Commission Reports, 104(2d), 358-374.


