

**Second Supplemental Supporting Statement for a Paperwork Reduction Act
Submission to OMB
FTC Study of Food Marketing to Children and Adolescents**

The Office of Information and Regulatory Affairs (“OIRA”) has requested further information on two points: (1) the basis for selecting the 44 companies targeted to receive the proposed Section 6(b) orders; and (2) the conclusions that might be drawn from the data received from these companies. The Federal Trade Commission (“FTC” or “Commission”) has selected companies based on the likelihood that they market food products directly to children and adolescents. The companies selected have not been randomly sampled to represent the total population of companies that produce, distribute, and market food products in the U.S. because that is not the relevant population for purposes of this study.

As explained in the previous Supplemental Supporting Statement, the FTC staff conducted extensive research in order to compile the list of proposed recipients of the Section 6(b) orders. The staff first reviewed a number of published studies, as well as trade press reports, regarding food marketing to children. In addition, the staff consulted with FTC economists who conducted an empirical study of child and adolescent exposure to food advertising on television. Based on this research, staff was able to identify food categories most frequently marketed to children. FTC staff then purchased TV exposure data from Nielsen Media Research to determine which companies account for the majority of the advertising directed to children and adolescents for these categories of foods. For most of the selected food categories, the target companies constitute the top television advertisers in programs or time segments where 30% or more of the audience is ages 2 to 17. Moreover, for the primary products in these food categories, the targeted companies account for 60% to 90% of U.S. sales for the product.

The Council of Better Business Bureau’s (“CBBB”) Children’s Food and Beverage Advertising Initiative (described in the previous Supplemental Supporting Statement) has 11 members, who, according to the CBBB, accounted for an estimated two-thirds of children’s food and beverage television advertising expenditures in 2004. Therefore, it is safe to conclude that the proposed FTC study, obtaining data from 44 marketers, will account for significantly more than two-thirds of advertising expenditures directed toward children and adolescents. In its report on this study, the Commission will accurately characterize the data within the context of the sample from which the data were derived and will draw conclusions supported by the data.

As noted by OIRA, there has been little published research on emerging and unmeasured media techniques used to market food to children and adolescents. The Kaiser Family Foundation study (“It’s Child’s Play: Advergaming and the Online Marketing of Food to Children,” published July 2006) was perhaps the first in-depth study of online food marketing to children via corporate websites. Other unmeasured media techniques are even more difficult to probe for researchers who do not have the ability to compel companies to provide data. The proposed study will contribute to a better understanding of the unmeasured media techniques being used in this area. The ultimate report will, of course, carefully characterize the data to

relate the conclusions to the companies surveyed.

OIRA has also asked for further explanation of why the FTC proposes to collect data from 2006. Collecting data from 2006 is sensible for several reasons. First, 2006 is the most recent complete year, so companies are likely to possess all of the requested data. Second, it is the first year after the FTC's July 2005 workshop on "Marketing, Self-Regulation, & Childhood Obesity" (described in the previous Supplemental Supporting Statement). At the workshop, members of the food marketing industry described changes that they planned to implement regarding their marketing policies and practices. Thus, 2006 data should reflect the beginning of such changes, and will provide an appropriate baseline against which to measure future changes (including those to be announced at the Commission's July 18, 2007 Forum on Marketing, Self-Regulation, & Childhood Obesity). Finally, 2006 data would not be susceptible to the criticism levied by some food advertising representatives of studies based on 2005 or earlier data as not reflecting current industry practices (*see e.g.*, "TV's Duty to Kids," Broadcasting and Cable, Apr. 2, 2007, p. 34).

For the reasons stated here and in the prior Supplemental Supporting Statement, the FTC believes that the proposed study will make a useful contribution to the existing body of knowledge in this area and will provide the FTC with information relevant to its consideration of food marketing directed to children and adolescents.