



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.

January 2016. © 2016 Council of Better Business Bureaus, Inc. All rights reserved.

