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2013 Compliance Monitoring Report
For the International Food & Beverage Alliance

On Global Advertising in Television, Print and Internet

March 2014

• Consulting • Technology • Outsourcing

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Introduction

Accenture Media Management, a leading provider of media auditing services, has been commissioned by the International Food & Beverage Alliance (IFBA) to produce this report on behalf of its members: The Coca-Cola Company, Ferrero, General Mills, Grupo Bimbo, Kellogg's, Mars, McDonald's, Mondelez International, Nestlé, PepsiCo and Unilever.

IFBA is a group of leading food and non-alcoholic beverage companies with a global presence, who share a common goal of helping consumers in all nations to achieve balanced diets and healthy, active lifestyles. In May 2008, they committed to five actions in support of the World Health Organization's 2004 *Global Strategy on Diet, Physical Activity and Health*, including a commitment to extend their policies on responsible advertising and marketing to children, globally.¹ This means changing the way they advertise to children so as to emphasize better-for-you choices. IFBA members also committed to third-party monitoring of the implementation of this commitment globally.

Accenture Limited is a publically traded company that trades on the NYSE. Accenture, through its dedicated Media Management team, delivers all its media work as an independent service provider. Accenture performs all its work in line with Accenture's existing global ethical business principles and processes². All Accenture employees take compulsory annual training on topics such as conducting business ethically, corruption, export compliance policies, conflict of interest and transparency.

Accenture has no connection to IFBA other than as a provider of objective monitoring reports at arm's length on a contractual basis. Accenture is not a producer, supplier, retailer or advertiser of food or beverage products. Some of our clients may be involved in food production, supply or retail, but we make entirely independent business decisions.

In April 2013, IFBA engaged Accenture to monitor its members' compliance in television, print and internet advertising with their stated global marketing and advertising to children policy:

IFBA members have committed to only advertise products to children under 12 years of age that meet specific nutritional criteria based on accepted national and international evidence and/or applicable national and international dietary guidelines; or to not advertise products to children under 12 years at all. For the purpose of this initiative, "advertising to children under 12 years" means advertising to media audiences with 35% or more children under 12 years.

We have conducted similar monitoring exercises annually since 2009. This report presents the 2013 results and a comparison of the results with previous years.

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¹ For more information, please see <https://www.ifballiance.org/>

² <http://www.accenture.com/us-en/company/governance/ethics-code/Pages/index.aspx>

Overall Methodology

We independently monitored seven markets for television advertising, five markets for print advertising and five markets for internet advertising. We conducted the monitoring exercise as a random sample of the companies' advertisements. The monitoring exercise was completed during the second half of 2013.

All the media research data analyzed in order to produce this report was gained from sources independent of the advertisers and their associated media agencies. Accenture chose the period to be monitored after the advertising space had already been purchased by the companies.

To monitor compliance with television advertising, we:

- Examined all advertising spots³ for products marketed by IFBA members aired in the selected markets;
- Reviewed those spots for products not meeting IFBA member's nutrition criteria for advertising to children against product lists supplied by IFBA members;
- Included all spots for companies that do not advertise any of their products to children under 12;
- Analysed audience composition at the time of broadcast in order to identify those spots aired when 35% or more of the audience was composed of children under 12 years of age⁴; and
- Counted these spots as non-compliant with the IFBA policy.

This is the first time that IFBA members' compliance with their policy in relation to television advertising is measured on the basis of the stricter 35% audience threshold, since this threshold became applicable in 2013 (previously the applicable threshold was set at 50% or more children under the age of 12 in the audience).

For print advertising, we isolated all print publications (50) targeting children under 12 years of age in the selected markets, and reviewed each of these to determine if any of these contained any advertising by IFBA members.

There is no reliable demographic audience data for many websites. Therefore, we developed a sample list of child-targeted websites (86) for the selected markets, and performed a manual check during a three-week period on each website to assess compliance.

³ Spot means each individual advertising activity, i.e. the airtime used by the advertiser.

⁴ In Thailand the age threshold data analysed by Accenture was under 14 years of age instead of 12 years. This is because the data available to media agencies in this country is based on this demographic segment.

Summary of Key Results

A. 2013 Compliance Rates

Television: overall compliance rate is 96.9%

This result is based on the review of more than half a million advertising spots (619,430) promoting food and non-alcoholic beverage products by IFBA members broadcast in China (Shanghai), Colombia, Malaysia, Russia, Saudi Arabia, South Africa and Thailand during the monitoring period. Instances of non-compliance represent all spots for products not meeting IFBA members' nutritional criteria aired at a time when the reported audience share of children under the age of 12 exceeded 35%⁵.

12,460 instances of non-compliance were identified. Of these, a high proportion (12,192) were spots aired during the night (21:00-05:00) or spots with less than 1 GRP⁶. Statistical anomalies may occur when looking at spots with such a low sample. For such spots, any slight changes in the audience can lead to large swings in the percentage of audience split. Although the profile can show a majority child audience share, these programmes tend not to be directed at children. Nonetheless, these spots were considered to be non-compliant. If these spots were to be excluded, the overall compliance rate would be 99.5%.

All instances of non-compliance were reported to the IFBA member concerned in order for corrective action to be taken, as appropriate.

Print: overall compliance rate is 100%

50 publications were identified as targeting children under 12 years of age. We did not find any advertisements that promoted products of IFBA members in these publications in the countries analysed: Brazil, China, Russia, Singapore and South Africa.

Internet: overall compliance rate is 100%

We did not find any non-compliant advertisements for products advertised by IFBA members on any of the 86 websites reviewed in Brazil, China, Russia, Singapore and South Africa.

⁵ PepsiCo spots were assessed for compliance based on a 50% under-12 audience threshold as its policy to lower the audience threshold from 50% to 35% became effective at the end of 2013.

⁶ Gross Rating Points (GRPs) measure the size of an audience reached by a specific media vehicle or schedule. The small audience size means that the reported audience share data is statistically not reliable. Audience data can be skewed if even very few viewers that are part of the measurement panel misreport their viewing (e.g. reporting a child under 12 years of age watching instead of an adult in a given household).

B. Comparison with previous years' results

Since 2009, the compliance monitoring programme has been carried out in the following countries:

- **TV:** Argentina, Australia, Brazil, Canada, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, New Zealand, The Philippines, Russia, Thailand, Saudi Arabia, South Africa, Ukraine and the USA.
- **Print & Internet:** Argentina, Australia, Brazil, Canada, China, India, Indonesia, Mexico, New Zealand, The Philippines, Russia, Singapore, South Africa, Thailand, Ukraine and the USA.

Since 2009, the compliance rate for TV advertising has been above 86% for all markets. The 2013 monitoring exercise was conducted for the first time on the basis of the stricter 35% under twelve audience threshold, which entered into force on 1 January 2013. The 2013 results are therefore not wholly comparable with previous years' results. Print and internet compliance is stable with a 100% compliance rate for all years.

Television Compliance Monitoring 2013

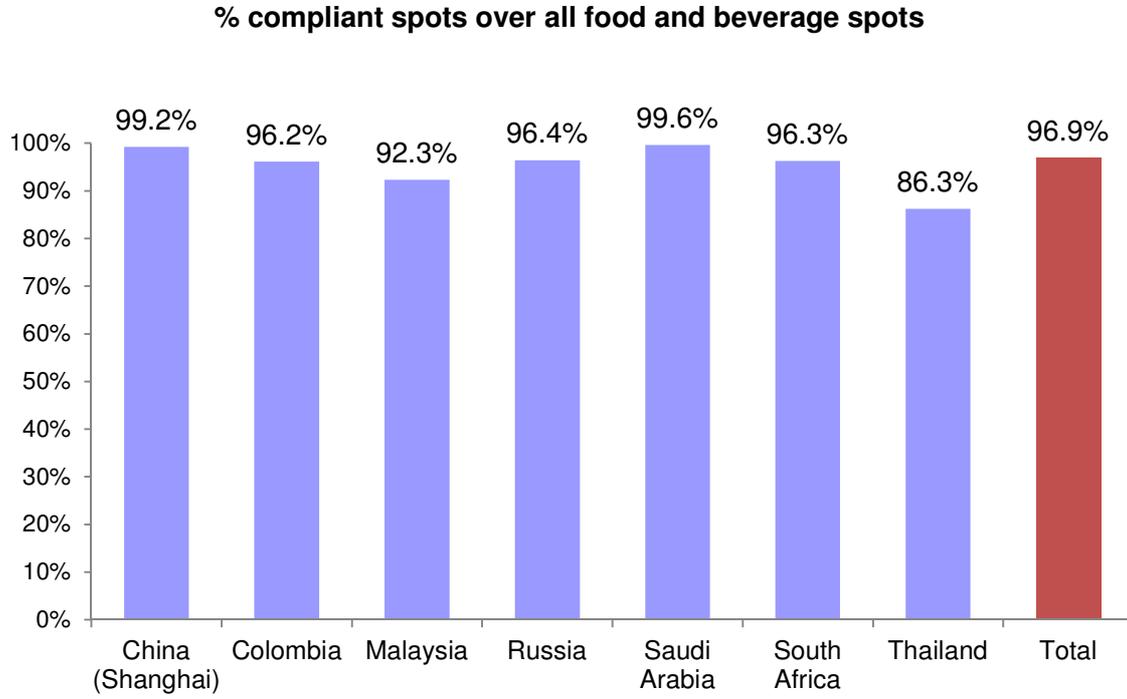
Methodology

- For the purposes of this verification, seven sample markets were chosen: China (Shanghai), Colombia, Malaysia, Russia, Saudi Arabia, South Africa and Thailand (*See Appendix 1 for a list of the 247 monitored television channels*)
- All spots by IFBA member companies aired in these seven markets from 1 April to 30 June 2013 were collected. Total sample size: 619,430 spots.
- Spots for products that do not meet IFBA companies' nutrition criteria, where applicable (some member companies do not advertise any products to children under 12 years of age), were identified on the basis of product lists supplied by companies.
- Audience composition at the time each spot was aired was analysed on the basis of national ratings data. This allowed us to identify advertisements aired in and between programmes with an audience composed of 35% or more children under 12 years of age.⁷
- All spots for products that IFBA member companies have committed not to advertise to children under 12 years of age, aired at times when the audience was composed of 35% or more children under 12 years of age, were deemed non-compliant.

⁷ In Thailand the age threshold data analysed by Accenture was under 14 years of age instead of 12 years. (*See footnote 3*)

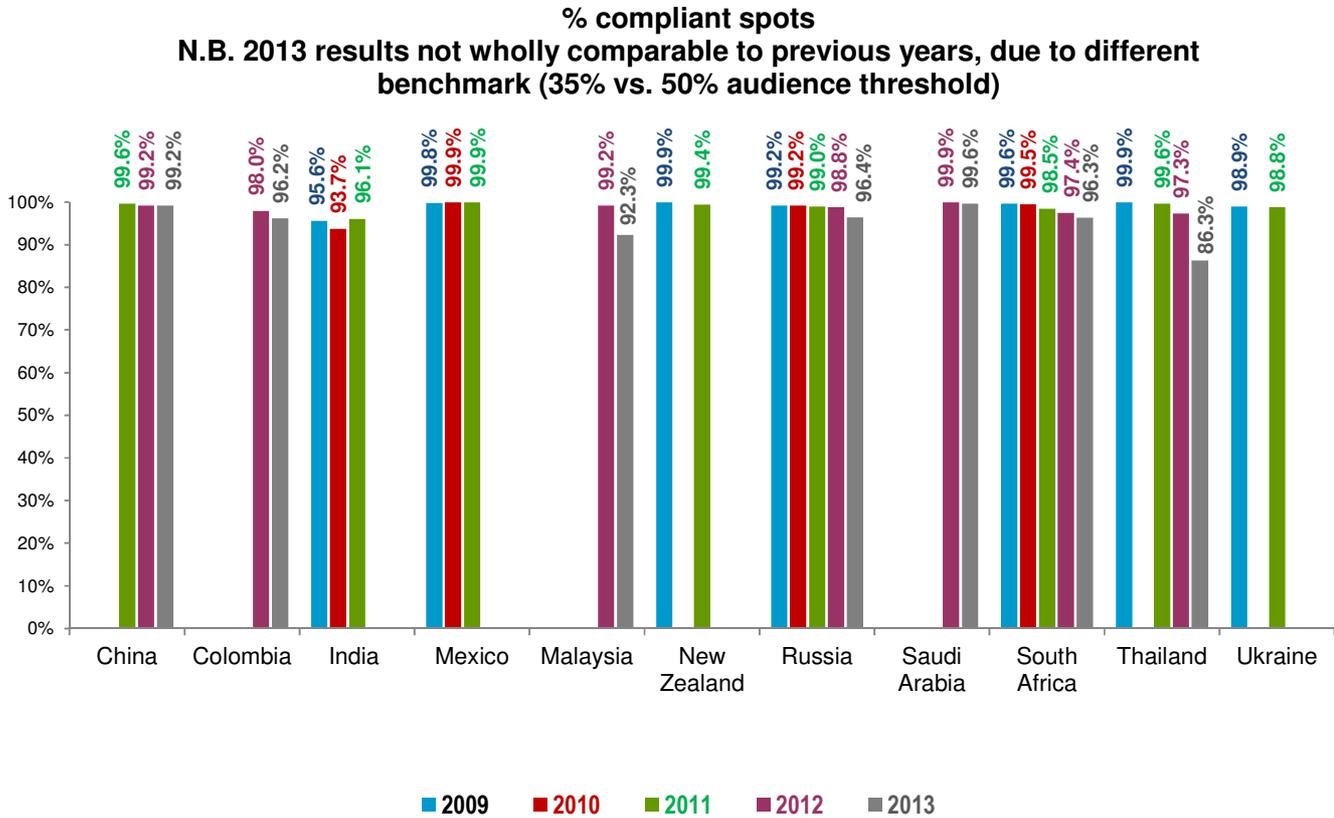
Results

Fig. 1: Television Overall Compliance Results (All spots included) (2013)



Measuring Change: Trends in IFBA Member Companies' Television Advertising

Fig. 2: 2009 - 2013 Compliance Results (All Spots)



When looking at all spots, we can see that since 2009, the compliance rate has always been above 90% for all markets, except for Thailand, showing 86.3% compliance in 2013, due to a higher number of spots with very small audiences (less than 1 Gross Rating Point), rather than a higher incidence of genuine incidences of non-compliance (i.e. spots for non-compliant products in children's programmes).

The 2013 monitoring exercise was conducted for the first time on the basis of the stricter 35% children under twelve audience threshold, which entered into force on 1 January 2013. The 2013 results are therefore not wholly comparable to previous years' results.

Print Compliance Monitoring

Methodology

- As age-specific readership data for children's print titles is not available, Accenture prepared a list of children's titles in each of the five monitored markets - Brazil, China, Russia, Singapore and South Africa - on the basis of national genre classifications used in the media industry. (*See Appendix 2 for a list of the monitored print titles*)
- Accenture purchased children's magazines available from the local newsstands for a spot check. The findings across most markets were that children's magazines were mostly comics which did not have advertising in them.
- Using advertising data from national monitoring agencies (databases of all advertisements placed in print titles), Accenture reviewed these 50 publications for advertisements for products that IFBA member companies have committed not to advertise to children under 12 years of age.
- Any advertisement for such products in any of these titles was deemed non-compliant.

Results

Print Advertising: All markets were 100% Compliant: Brazil, China, Russia, Singapore and South Africa

Internet Compliance Monitoring

Methodology

- A list of children's websites in each of the five monitored markets - Brazil, China, Russia, Singapore and South Africa - was selected by Accenture's local offices to represent a sample of child-oriented websites. *(See Appendix 3 for a list of the monitored websites)*
- The 86 websites were accessed over a period of three weeks during the second half of 2013 to check for advertising relating to non-compliant products from IFBA members.
- Any advertisement for such products in any of these websites was deemed non-compliant.

Results

Internet Advertising: All markets were 100% Compliant: Brazil, China, Russia, Singapore and South Africa

Appendix 1: Television Channels Monitored

Colombia

A&E
AXN
Cable Noticias
Canal Caracol
Canal RCN
Canal UNO
Cartoon Network
Citytv
Discovery Channel
Discovery Home &
Health
Discovery Kids
E! Entertainment
Film Zone
Fox
Fox Sports
FX
History
MTV
National Geographic
Nickelodeon
Sony
Space
Studio Universal
TeleAntioquia
TeleCaribe
TelePacífico
TNT
Universal
Utilísima
Warner Channel

Malaysia

8TV
AEC
Asian Food Channel
ASTRO ARENA
ASTRO CERIA
ASTRO CITRA
ASTRO DISCOVERY
ASTRO NG
ASTRO OASIS
ASTRO RIA
ASTRO SHUANG XING
ASTRO SUPERSPORT
ASTRO SUPERSPORT 3
ASTRO WARNA
Awani
AXN
DISNEY
ESPN
Hallmark Channel
HUA HEE DAI
Mustika HD
NTV7
ONE HD
PRIMA
RTM1
RTM2
STAR WORLD
TV3
TV9
VT
WAH LAI TOI
XHE
XING HE

Thailand

40-50 CHANNEL
ACTS
BANG
CARTOON CLUB
CH11
CH3
CH5
CH7
CH8
CH9
FANTV
GANG CARTOON
GMM MUSIC
GMM ONE
GREEN
JATINGJA
JKN
M CHANNEL
MEDIA CHANNEL
MEDIA NEWS
MIRACLE
MONGKOL
NATION
PLAY
POP
SABAIDEE
SAMRUJLOKE
SARANAIR
SPRING NEWS
STARMAX
T NEWS
THAI CHAIYO
TV POOL MUSIC
VETEE THAI
VOICE TV
WORKPOINT TV
YOU CHANNEL
YOU2PLAY

China

Dragon TV
HaHa TV
Shanghai East Movie
Shanghai Education TV
Shanghai TV Arts Humanities
Shanghai TV Documentary
Shanghai TV Entertainment
Shanghai TV Great Sports
Shanghai TV International
Shanghai TV News
Shanghai TV TV Drama
Shanghai TV Young
Toonmax TV

Russia

2X2
RU.TV
ДОМАШНИЙ
ЗВЕЗДА
КАНАЛ DISNEY
МУЗ ТВ
НТВ
ПЕРВЫЙ КАНАЛ
ПЕРЕЦ
ПЯТНИЦА
ПЯТЫЙ КАНАЛ
РЕН ТВ
РОССИЯ 1
РОССИЯ 2
СТС
ТВ ЦЕНТР
ТВ-3
ТНТ
Ю

South Africa

Africa Magic Entertainment
Africa Magic Movies 1
BBA iTV
Comedy Central
Discovery TLC
Disney XD
DSTV Africa Magic
DSTV Africa Magic Plus
DSTV BBC ENTERTAINMENT
DSTV BBC KNOWLEDGE
DSTV BBC LIFESTYLE
DSTV BBC World
DSTV Big Brother
DSTV Boomerang
DSTV Cartoon
DSTV Channel O
DSTV Discovery
DSTV Discovery World
DSTV E! ENTERTAINMENT
DSTV ESPN
DSTV History Channel
DSTV Magic World
DSTV MTV Base
DSTV MTV Europe
DSTV National Geographic
DSTV New Super Sport 4
DSTV Sony Entertainment
DSTV SS4/UPDATE
DSTV Style Network
DSTV Super Sport 1
DSTV Super Sport 2
DSTV Super Sport 3
DSTV Super Sport 5
DSTV Trace
DSTV Vuzu
ETV
Food Network
Hallmark
Kyk Net
kykNet & kie
KykNet Musiek
MNET
M-Net Analogue
M-Net Drama&Romance (Movies 2)
M-Net Movies Action
M-Net Movies Comedy
M-Net Movies Family
M-Net Movies Premiere
M-Net Stars
Mzansi Magic
Mzansi Music
Nickelodeon
SABC1
SABC2
SABC3
Series
Sony Max
Soweto TV/ DSTV Soweto TV
Studio Universal
Super Sport 1 HD
Super Sport 2 HD
Super Sport 4 HD

Saudi Arabia

ABU DHABI AL OULA
ABU DHABI SPORT 1
AL AAN TV
AL ARABIYA
AL JAZEERA SPORTS +1
AL JAZEERA SPORTS +10
AL JAZEERA SPORTS +2
AL JAZEERA SPORTS +3
AL JAZEERA SPORTS +9
AL JAZEERA SPORTS 1
AL MEHWAR
AL RAI TV
ART AFLAM 1
ART AFLAM 2
ART HIKAYAT
CARTOON NETWORK ARABIC
DREAM 1
DREAM 2
DUBAI ONE TV
DUBAI SPORTS CHANNEL
DUBAI TV
ESC
FATAFEAT
FOX
FOX MOVIES
FX
LBC SAT
MAZZIKA
MBC 1
MBC 2
MBC 3
MBC 4
MBC ACTION
MBC DRAMA
MBC MAX
NATIONAL GEOGRAPHIC ABU
DHABI
ROTANA AFLAM
ROTANA CINEMA
ROTANA CLASSIC
ROTANA CLIP
ROTANA KHALEEJIAH
ROTANA MUSIC
SAMA DUBAI
SAUDI SPORT
SAUDI TV 1
STOON
TOYOR AL JANAH
WANASAH
ZEE AFLAM
ZEE ALWAN

Appendix 2: Print Titles Monitored

Singapore

Princess Magazine
Disney Junior
Mat Yoyo
Asian Geographic Junior
Phineas and Ferb
Transformers
Barney Magazine
Disney Pixar Cars
Toys Story
Young Generation

China

Mickey Mouse
Children Fun Barbie
Garden Baby
Cars
Moore Park
A little Princess
Winnie the Pooh

Brazil

Almanaque da Mônica
Heróis Marvel
Disney Princesas
Recreio
Mickey
Carrossel
Turma da Mônica Jovem
Luluzinha
Nintendo World
Homem-Aranha

South Africa

Barbie Magazine- Disney
Disney and Me- Disney
Princess- Disney
Hoezit
MiniMag
National Geographic Kids
Disney Junior

Russia

Wings
Scooby Doo
Spider man
Luntik
Smeshariki
Klassny
Geolenok
Hello kitty
Hy Pogodi
Cars
Murzilka
prostikvashino
Tom and Jerry
Winnie the Pooh
Disney
Veseliye kartinki

Appendix 3: Websites Monitored

Brazil

www.crianças.uol.com.br
www.atrevidinha.uol.com.br
www.joguim.com
www.folha.com.br/folhinha
www.disney.com.br
www.cartoonnetwork.com.br
www.discoverykidsbrasil.com
www.mundonick.uol.com.br
www.crianças.terra.com.br
www.tvglobinho.globo.com
www.sbt.com.br/clubinhosbt
www.clubelilicaripilica.com.br
www.senninha.globo.com
www.recreionline.abril.com.br
www.dolls.com.br
www.iguinho.com.br
www.neopets.com
www.br.pollypocket.com
www.qdivertido.com.br
mundogloob.globo.com
contandohistoria.com
mundodacrianca.com

China

www.61baobao.com
www.17roco.qq.com
www.51seer.com
www.tom61.com
www.down.dishini.com
www.chunmiao.cn
www.060s.com
www.aobi.com
www.beva.com
www.funshare.com.cn
www.hezi.com
www.chinakids.net.cn
www.tongnian.com
www.jinmiao.cn
www.hongniba.com.cn
www.mykaka.cn
www.ccppg.com.cn
www.baidu.com.cn
www.hongdaishu.com
www.sst.org.cn

Russia

www.smeshariki.ru
www.luntik.ru
www.tvidi.ru
koshki-mishki.ru
dtsait.ru
pae-alina.narod.ru
dvdmulti.ru
leshiki.ru
murzilka.org
Klepa.ru
teremoc.ru
geolenok.ru
classmag.ru
scubiland.ru
wings-online.ru
multxit.ru
disney.ru

South Africa

kids.nationalgeographic.com/kids
moshimonsters.com
miniclip.com/games/en
nick.com
sterkinekor.com/site.php
gsn.com
neopets.com/
cartoonnetwork.com
spongebob.nick.com
lego.com
barbie.com
kids.yahoo.com

Singapore

entertainment.xin.msn.com/en/tv/okto
www.nick-asia.com
www.cartoonnetwork.com
home.disney.com.sg
www.toysrus.com.sg
www.toyshunt.com.sg
cf-vanguard.com/en/shop
www.brainpop.com
www.knowledgeadventure.com/default.aspx
www.nickjr.com
www.nick.com
pbskids.org
www.zoo.com.sg/kidzworld
kids.yahoo.com
www.tomandjerryworld.com