

CARU NEWS

For Immediate Release

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KRAFT WORKS WITH CARU TO CLARIFY SWEEPSTAKES DISCLOSURES

New York, NY – May 5, 2005 – The Children’s Advertising Review Unit of the Council of Better Business Bureaus (CARU), the children’s advertising industry’s self-regulatory forum, is pleased to announce that in response to CARU’s concerns, **Kraft Foods** (Kraft) has committed that future sweepstakes advertising will more clearly disclose the free alternate means of entry.

A television commercial for Kraft’s Lunchables “Music Download Instant Win Game” Sweepstakes came to CARU’s attention through its routine monitoring. The referenced commercial featured a link to the Lunchables Website. Both the commercial and Website raised concerns with CARU’s Self Regulatory Guidelines for Children’s Advertising (the Guidelines).

CARU was concerned that neither the commercial nor the Website clearly and prominently disclosed the alternate means of entry. The commercial contained a small video disclosure and there was a link in small lettering on the very bottom of the lunchables.com homepage., CARU believes that this is not a sufficiently prominent disclosure for the child audience, and that its Guidelines require that material disclosures be in audio format.

In response to CARU’s concerns Kraft informed CARU that the television ad had run its course and would not appear again, acknowledged CARU’s concerns regarding inadequacy of the disclosures in the television spot and committed to review upcoming television ads “with increasing scrutiny.” The advertiser also committed to add the phrase “no purchase necessary” to the Lunchables Website sweepstakes area, “Either directly above or below the words ‘Download Details’...” However, Kraft disagreed in principle that the CARU *Guidelines* as currently written actually “require” an audio disclosure in this instance.

CARU’s inquiry was conducted under NAD/NARB/CARU Procedures for Voluntary Self-Regulation of National Advertising. Details of the inquiry, CARU’s decision and the advertiser’s response will be included in the next NAD/CARU Case Report.

Members of the press who wish to see a copy of the decision now should email elascoutx@caru.bbb.org.

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The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American

Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB's National Advertising Division (NAD), the Children's Advertising Review Unit (CARU), and the National Advertising Review Board (NARB).

NAD and CARU are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media, including the Internet. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARB's sole source of funding is derived from membership fees paid to the Council of Better Business Bureaus.