

For Immediate Release

CARU RECOMMENDS DISNEY MODIFY SWEEPSTAKES ADVERTISING, COMPANY AGREES TO DO SO

New York, NY – March 10, 2009 – The Children’s Advertising Review Unit of the Council of Better Business Bureaus, Inc., has recommended that the Walt Disney Company audibly disclose a free means of entry and the likelihood of winning in advertising sweepstakes to children. The company has said it will do so in all future advertising.

CARU, children’s advertising industry’s self-regulatory forum, examined broadcast advertising for a holiday promotion, Disney Movie Rewards, which came to CARU’s attention through CARU’s ongoing monitoring of advertising directed to children under the age of 12. The promotion aired during children’s programming.

The commercial at issue featured Mrs. Claus, who stated that “Santa gave himself a Disney DVD, and on the inside there’s an extra present that even he didn’t know about.” Santa opened “Pirates of the Caribbean” DVD case and found a game card with a secret code inside. A voiceover stated that the cards could be found inside participating Disney DVDs and later stated that every eligible code yields an entry into a million dollar sweepstakes. A small super on the last screen shot stated, “No purchase necessary.” The lettering for the super was almost identical in color to the background.

CARU questioned whether the commercial adequately disclosed the free means of entry, the likelihood of winning, and the number of prizes offered.

In response to CARU’s inquiry, Disney stated that the advertisement was no longer running, and that the promotion and sweepstakes would end on January 31, 2009. The advertiser agreed with CARU’s position that the free means of entry should have been audibly and clearly disclosed and stated that it understood that the number of prizes and likelihood of winning were unclear in the commercial.

Disney stated its intention to comply with CARU’s *Self-Regulatory Program for Children’s Advertising* and agreed to take measures to ensure that future sweepstake advertisements contain language that children can easily understand.

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

About Advertising Industry Self-Regulation: 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) and Children’s Advertising Review Unit (CARU), as well as for the National Advertising Review Board (NARB) and Electronic Retailing Self-Regulation Program (ERSP).

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. 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/NARC/NARB’s sole source of funding is derived from membership fees paid to the CBBB. Funding for ERSP is derived from membership fees paid to the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.