

For Immediate Release

CARU RECOMMENDS GANZ MODIFY PACKAGING TO BETTER DISCLOSE MATERIAL INFORMATION TO CHILD CONSUMERS; COMPANY AGREES TO DO SO

New York, NY – June 18, 2010 –The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that Ganz, manufacturer of Webkinz, modify product packaging to disclose details about Webkinz online memberships. The company said it would do so.

Advertising for Webkinz came to the attention of CARU through a consumer’s complaint.

Webkinz are plush stuffed animals that are available in several different animal varieties. Each comes with a unique "Secret Code" printed on the hang-tag, which currently allows access to the "Webkinz World" Website for one year.

The Secret Code, which can be viewed after purchase, allows the child to register a virtual version of its Webkinz toy to play with online and join the Webkinz online community. At the end of the year, the user must purchase an additional Webkinz toy in order to maintain access to the Website.

CARU questioned whether the tag clearly disclosed that the purchase of a toy provided online membership to "Webkinz World" for only one year and that continued access to the Website required consumers to purchase additional Webkinz toys.

In response to CARU’s inquiry, Ganz stated that the company was discontinuing the hang tags at issue. The advertiser noted that new hang tags would state "Online Account is Time Limited."

CARU noted that the voluntary actions taken by Ganz were appropriate and necessary to avoid any possibility of consumer confusion.

Ganz, in its advertiser’s statement, said the company "welcomes the input of CARU and is pleased to consider its suggestions in the future."

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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. NARC establishes the policies and procedures for the National Advertising Division (NAD) of the Council of Better Business Bureaus, the CBBB’s Children’s Advertising Review Unit (CARU), the National Advertising Review Board (NARB) and the Electronic Retailing Self-Regulation Program (ERSP).

The NARC Board of Directors is composed of representatives of the American Advertising Federation, Inc. (AAF), American Association of Advertising Agencies, Inc., (AAAA), the Association of National Advertisers, Inc. (ANA), Council of Better Business Bureaus, Inc. (CBBB), Direct Marketing Association (DMA), Electronic Retailing Association (ERA) and Interactive Advertising Bureau (IAB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation.

NAD, CARU and ERSP 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. NARB, the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate NAD/CARU 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 primary source of funding is derived from membership fees paid to the CBBB. ERSP’s funding is derived from membership in the Electronic Retailing Association. For more information about advertising industry self-regulation, please visit www.narcpartners.org.