Marketing Violent Entertainment to Children:

A Fourth Follow-up Review of Industry Practices in the Motion Picture, Music Recording & Electronic Game Industries

A Report to Congress

Federal Trade Commission
July 2004
The site for *X Files* was the only site that provided specific information about the ESRB ratings. None of the sites linked to parentalguide.org. The homepage for *Outlaw Volleyball* linked to a section of the site containing sexually explicit imagery, although there was a disclosure stating that this section may not be suitable for children under 18.

(2) Retailer websites

For this Report, the Commission reviewed five retailer sites—Amazon.com, BestBuy.com, CircuitCity.com, EBGames.com, and GameStop.com—to see if they included rating information for five M-rated games.212 Parents looking on major retailers' sites for a game’s rating can usually find it easily. The rating was usually prominently placed near the box art. The retailers linked from the web page with information on the game to helpful information on the ESRB rating system—Circuit City also linked to the ESRB's website, www.esrb.org. Some of the sites also provide additional information, such as reviews or descriptions of the game, that may give more details about game play and content.

Aside from EBGames, however, only one site provided the ESRB content descriptors in addition to the rating—and then only for one of the five games checked. Also, while the rating itself was usually provided, the ratings given were not always accurate. One site erroneously categorized a game as not having been rated, when it was actually rated “Mature”; another site indicated that a Mature-rated game was rated “Teen.” Two sites provided a rating in writing that was inconsistent with a rating icon visible on the game’s box art. In one case the site indicated that the game had been rated “Mature,” when the icon on the game’s box art indicated “RP” (rating pending); in the other, the reverse situation occurred, as the site indicated the game had not yet been rated, when the icon on the box indicated that the game was rated “M.” Similarly, the content descriptors that were provided were often different, though usually subtly, from the official content descriptors assigned by the ESRB. One game that the ESRB assigned an “intense violence” descriptor was instead described as containing “violence.”

The EBGames site was exemplary in providing information about the rating system and the ratings process and in providing the content descriptors, both in text and in several instances in a screen shot of the back of the box art.

C. Efforts to Enforce the Rating System at Point-of-Sale

The Commission's prior nationwide undercover surveys in 2000 and 2001 found that unaccompanied children ages 13-16 were able to buy M-rated games 85% (2000) and 78% (2001) of the time. The survey conducted for this Report shows continued, modest improvement. Sixty-nine percent of the children were able to purchase M-rated games, and more than half (56%) of the youngest shoppers—13-year-olds—were able to buy an M-rated game. A breakout by age of the mystery shop results follows:
FTC Mystery Shop Results by Age - Electronic Games

Q. Was the shopper able to make the purchase?

<table>
<thead>
<tr>
<th></th>
<th>13 years old</th>
<th>14 years old</th>
<th>15 years old</th>
<th>16 years old</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>44%</td>
<td>23%</td>
<td>34%</td>
<td>15%</td>
<td>31%</td>
</tr>
<tr>
<td>Yes</td>
<td>56%</td>
<td>77%</td>
<td>66%</td>
<td>85%</td>
<td>69%</td>
</tr>
<tr>
<td># of Shoppers</td>
<td>68</td>
<td>47</td>
<td>62</td>
<td>48</td>
<td>225</td>
</tr>
</tbody>
</table>

Even among those retailers with programs in place to restrict sales,213 55% of the unaccompanied children were able to buy violent M-rated games. Although the results reflect improvement from the Commission’s last survey two years ago and indicate that some retailers are enforcing policies to restrict sales, the numbers still fall short of what might be expected given the multi-year effort by the ESRB to encourage retailers to adopt restrictive sales policies. The trade group representing game retailers, the IEMA, indicated at the Workshop that the industry was considering additional steps and would have some announcement in the near future.214 On December 8, 2003, the IEMA announced that all merchants belonging to the association will have in place by the “Holiday Season of 2004” a national carding program and an identification check process for all M-rated games.215

Such steps are important because M-rated games continue to be very popular with young teens, especially boys. A recent Gallup poll reported that 75% of boys 17 and under indicated that they had played at least one of the games in the Grand Theft Auto series.216 Additional data from Gallup suggests as well that the younger respondents (those age 13 to 15) were more likely to say they had played a game in the series than the older respondents (age 16 or 17).217 The latest Video Game Report Card issued by the National Institute on Media and the Family notes that its own survey, conducted in the summer of 2003, showed that 87% of tween and teen boys (and 46% of girls) say they have played M-rated games, and that most indicate that M-rated games are among their favorites.218 According to industry data, nearly 40% of M-rated games purchased in 2002 were for children under 17.219

D. Product Packaging

To obtain a rating from the ESRB, companies must agree to place the assigned ESRB rating icon on the lower portion of the front of the package, and any content descriptors on the lower portion of the back of the package.220 The size of the rating icon varies with the size of the box.221 The rating icon also must be displayed legibly and prominently on game cartridges, compact discs, and smart cards, and on or in the game’s manual or an accompanying insert.222 In June 2003, the ESRB improved these requirements (enforcement of these new provisions began on September 30, 2003). The ESRB now requires that a game’s content descriptors be placed in a rectangular box attached to the rating icon on the lower portion of the back of the product package.223 This change enhances the readability and prominence of the descriptors. Still, the Commission is aware of research that suggests that most parents would prefer to have a game’s content descriptors on the front of the package.
E. Analysis of Current Industry Practices

As the Commission has recognized in its prior reports, the electronic game industry has adopted numerous standards that limit children’s exposure to ads for Mature-rated products and require the disclosure of rating information in most forms of advertising. The industry is actively enforcing those standards and penalizing those companies found to be in noncompliance. Yet those standards permit, and, in fact, industry members continue to place, advertisements in television and print media with substantial youth audiences.

The industry, with the exception of some retailers, continues in nearly all instances to include in its advertising rating information that would be helpful for parents. Retailers, while doing a better job in restricting sales to children of Mature-rated products, still routinely make such sales to most buyers. These sales should diminish substantially, however, if promised industry improvements in adopting and enforcing restrictive sales policies are put into place by the end of this year.

V. Conclusion

The Commission’s review of marketing practices by the motion picture, music recording, and electronic game industries reveals that the movie and game industries continue to comply, for the most part, with their self-regulatory limits on ad placement, and that the music industry has made some progress in this area as well. In addition, the industries are disclosing rating information in most forms of advertising, and generally are doing so in a clear and conspicuous manner; this practice is not widespread among retailers, however.

Nonetheless, the Commission finds that all three industries continue to advertise violent R-rated movies, explicit-content labeled recordings, and M-rated games in media with large teen audiences. The Commission has noted this practice in earlier reports. In addition, despite the existence of restrictive policies among some retailers, the Commission continues to find that teens can purchase rated or labeled entertainment products at a significant number of stores and theaters. The movie theater industry has made real progress in this area, and to a lesser extent so have game retailers, compared to the Commission’s prior “mystery shops,” but there remains room for improvement across the board.

The Commission recommends that all three industries continue to improve compliance with existing ad placement guidelines and rating information practices, with particular attention to avoiding advertising in venues popular with under-17 audiences, regardless of whether those audiences reach or exceed 35%. All three industries should also consider developing “best practices” to avoid advertising in venues popular with teen audiences, such as recommending that promotions for R-rated films not take place in venues likely to attract significant numbers of young teens or that advertisements not be placed on websites that have a substantial teen audience.

The Commission also recommends that the industries continue to improve their rating information disclosure practices. Although there has been notable progress in both the frequency and legibility of rating information disclosures, there remains room for improvement in both areas. With respect to