

For Immediate Release

CARU RECOMMENDS SKECHERS, ECKO MODIFY FUTURE ADVERTISING FOR 'REDS' SHOES

Advertisers Say They Will Appeal CARU's Decision to NARB

New York, NY – March 23, 2009 – The Children's Advertising Review Unit of the Council of Better Business Bureaus has recommended that Skechers, the maker of Red Phrans-Phavorite Sneakers, and Marc Ecko Enterprises, which markets the product, modify or discontinue advertising that suggests the shoes are illuminated. The advertisers have said they will appeal CARU's determination to the National Advertising Review Board.

Broadcast advertising for the product came to the attention of CARU through CARU's routine monitoring of advertising directed to children under 12. The advertising at issue aired during the program "Fairly Odd Parents" at 5 p.m. on Nickelodeon.

The commercial opens with Vanessa Hudgens, one of the stars of the Disney movie "High School Musical," donning a pair of Reds and then joining friends on a dark street for a song and dance number. As the actress sings and dances, her shoelaces light up in bright red. Four friends in blue and green sneakers join her, their shoelaces lighting up as well. Two close-ups of the *Reds* depict laces that are illuminated in bright red. Another shot of the product shows a red light beaming from the back of the sneaker.

In fact, no part of this sneaker is in any way illuminated.

CARU was concerned that a reasonable take-away message for children from the commercial is that both the shoelaces and rear pink jewel on the shoes light up, when, in fact, they do not.

At the outset, the advertiser contended that CARU lacked jurisdiction to review the advertising, because the commercial is directed solely to consumers over the age of 12.

The advertiser further asserted that the advertising at issue features the sneakers in several in the dance sequence and that any reasonable child would understand that the relevant dance sequence is obviously a dramatization that employs unrealistic special effects. Finally, the advertiser noted that the price point for the shoe is such that they would likely be purchased only with the aid of an adult and, given the nature of the product, examined and fitted in advance of purchase.

CARU considered the jurisdictional question and determined that, based on factors outlined in CARU Guidelines, the advertisement was placed in media primarily directed to children under the age of 12. After weighing all of the relevant factors, CARU determined that the content of the media was intended for children under 12.

CARU then determined that child consumers could reasonably take away the impression that the Reds do light up; the pivotal action of the commercial presents Vanessa and her friends singing and dancing in their Reds while their shoes-laces and the pink jewel placed on the rear of the sneaker light up. There are two close-up shots of the brightly lit shoelaces. Another shot of the product shows a pink light beaming from the heel of the sneaker.

As to the advertiser's reliance on its claim that the packaging makes clear how the product performs, CARU noted that the subject commercial is the child's first point of contact with the Reds and, consequently, should clearly depict how the product performs. Further, CARU noted that an advertisement which is inadequate on its face, cannot be corrected by an advertiser's offer to provide supplemental information elsewhere.

In their advertisers' statement, Skechers and Mark Ecko took issue with CARU's decision. "The advertisers disagree with CARU's characterizations of their commercial and, consequently, choose to appeal CARU's decision to the NARB," the companies said.

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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.