#### Marketing to children in the digital era

### 1. INTRODUCTION

Advertising and marketing represent an important domain in which children's rights are reconfigured by internet use (Livingstone et al., 2015). It is shown that advertisers and marketers target children from the earliest stage of their lives, transforming children into child consumers. Hence, Gunter (2016) suggests that children from a very young age, even starting from the age of two years old, display certain level of brand consciousness.

Nowadays, children are tracked and monitored in their daily lives and are also targeted based on their location. Such targeting is a form of real-world behavioral targeting (Verdoodt, 2019). The purpose of this research is to investigate how marketing to children in the digital era works and what impact it might have on them.

# 1.1. Digital marketing

Verrdoodt (2019) in his research suggests that most of the modern marketing is rapidly turning mobile. Users switch from traditional media to smartphones every day. Following this change advertisers are shifting from investing in traditional towards digital forms of advertising. This change resulted in digital advertising outperforming traditional advertising in major markets.<sup>1</sup> This type of persuasive tactic being employed is what differs traditional from digital advertising. Traditional formats such as TV commercials, radio, print media and alike, primarily focus on spending propositional messages such as product quality and features (Moore and Rideout 2007).

Hereby, repetition of such messages and linking them to positive emotions and stimuli is one of the persuasive tactics that are used (Rozendal, Buijzen, et.al.2011). On the other hand, new formats of digital media such as sponsored content on social media, advergames, etc. apply more subtle tactics that function at the preconscious level and aim to create a better brand recall and attitude (De Pauw et al. 2017). Advertisers achieve this through constant exposure to brands or products and through implicit persuasion of amusing and captivating media content to brand or product it integrates (Nairn and Fine, 2008).

The specific tactics of new forms of digital advertising allow for more effective persuasive commercial messages. It might impact on the consumers' attitudes towards products or brands and have a real impact on their purchasing decision. Such tactics are: immersive, interactive, personalized and contain emotional

<sup>&</sup>lt;sup>1</sup> 14 Cf. PWC & Super Awesome, Kids digital media report

appeal that are particularly appealing to children (Nairn and Fine 2008; Buijzen et al. 2010; Daems and De Pelsmacker 2015; Zarouali et al. 2016).

The World Health Organization (WHO) defines digital marketing as "promotional activity, delivered through a digital medium that seeks to maximize impact through creative and/or analytical methods, including:

- creative methods to activate implicit emotional persuasions, such as building engagement in social networks; using immersive narratives or social-entertainment-and humour-based approaches; using "influencers" popular with children, such as YouTube "vloggers" (video bloggers); augmented reality and online games;
- or analysis of emotions, responses, preferences, behavior and location to target specific groups, individuals and moments of vulnerability or to maximize the impact of creative methods (2022)

# 1.2. Targeting children and collecting personal data

One of the pillars of digital economy is collecting and using online data to find out more about the individuals so that far more personalized, targeted, relevant and effective ads can be created. Such data collection enables marketers to find out which segments view which ads, for how long and what percentage of ad exposure is translated into a purchase (Nyst, ed., Children and Digital Marketing: Rights, risks and opportunities, 2018).

Marketing functions almost the same with any customers: collecting personal data online and then targeting customers with personalized ads. There is no difference in marketing that targets children. Profiles of children ought to be very valuable since the knowledge about their behavior and interests enables companies to send targeted advertising and offer personalized products and services (Verdoodt and Lievens, 2017b). Hereby, consumer relationships are built from a very young age. Nowadays, in the digital environment it can be seen through the presence of YouTube Kids, Facebook Messenger Kids, Amazon Echo Dot Kids, Google accounts for children and so on (van der Hof et al., 2020).

There are various ways for the collection of personal data from the promise to get access to free games to the possibility to earn virtual money. It usually contains some catchphrases such as "join now it's free", and "Don't have your account? Create one now!" With a click on one of these pop-up messages, businesses get access to children and their profiles. They get information regarding their age, hometown, gender, favorite cartoons, parents' occupations, etc., and thus profile them as consumers (Bartoli, 2009).

#### **1.3.** The risks of marketing to children

Children are exposed to lots of consumer risks when surfing online. While searching for content, many websites have embedded advertisements that have content adjusted mostly for some target group. Here comes in question targeting children and the types of advertisements they are faced with. Sometimes, due to their incredulity and inexperience, it results in overspending or online fraudulent transactions. (Hof et.al, 2020). In the same research (Ibid) they explain that transactions and exploitative practices have a significant impact on the well-being and rights of children - profiling and automated decision-making, commercialization of play, and digital child labor.

In this new reality, where most of the play, communication, education and information is online even the youngest ones are included and are considered to be early adopters of new technologies. Accordingly, certain measures against possible forms of economic exploitation of children in the digital world are required (Chaudron, 2015; Stoilova et al., 2019). As Simone van der Hof (2018) acknowledged, children's online behavior is continuously recorded, often sold, analyzed and acted upon. Therefore, children are exposed to a lot of risks online. Risks range from security issues such as data leaks and identity theft, the occurrence of errors such as false positives or false negatives, bias and discrimination and black box decisions (van der Hof et al., 2020).

There are various ways and practices that might have a significant impact on the well-being and rights of children. The children's data might be manipulated and transferred into algorithms that will be used in the creation of personalized ads that nudge children to buy something or try to win some prizes (van der Hof et al., 2020). Models that create value for companies by saving children's data in such a way are used later for personalized ads. The practice of unconscious manipulation of individuals with an intentional deceptive user interface is so-called "dark patterns" and has become more sophisticated and present in the digital environment (Deceptive Design - user interfaces crafted to trick you, 2022).

Another risk that children might face is the risk of being manipulated when it is not clear to them that certain information, content or entertainment is in a fact a persuasive commercial message. An example can be found in children's changing food choices – as Montgomery and Chester (2009) reveal: children who played advergames<sup>2</sup> that promoted less healthy foods were more likely to select less healthy food options than those who played advergames that promoted healthier food options. This is a rather long-term risk and concern that might lead to children's obesity.

<sup>&</sup>lt;sup>2</sup> Advergame is an online video game that promotes a particular brand, product, or marketing message by integrating it into the game (Definition of advergame | Dictionary.com, 2022).

Even though some of the representatives of the generation  $Z^3$  do have knowledge in the field of digital media literacy, most and especially younger kids are usually unaware of their rights in the digital environment (Krstić and Piper, 2020). Children's online collected personal data is increasing and creates a great challenge: how to protect children's privacy without interfering with their online opportunities. It is permissible for businesses to collect private data for targeting purposes, but they must be very careful when doing so with children. They must be aware of potential risks that were previously mentioned and the protection of children's data. In the US, Congress has legislated the Child Online Privacy Protection Act (so-called "COPPA"). The provisions of COPPA are brief and clear: the Act gives the FTC<sup>4</sup> rule-making powers – aimed at prohibiting unfair and deceptive acts and practices in connection with the collection, use and disclosure of personal information from and about children online. COPPA applies to commercial websites and online services targeting children aged under 13 and to general websites that have actual knowledge that they may collect data from children aged under 13. In a certain way, COPPA acts and promoted the role of parents in preventing abusive data collection (Bartoli, 2009).

## 2. ANALYSIS

## 2.1. Children's online behavior

The research *Children and parents: media use and attitudes report 2022*, conducted by the British company Ofcom brings us some powerful insights about children's online behavior in the past year. Nearly all children went online with a majority of 72% using their mobile phones. The most popular online activity among children aged 3-17 was using video-sharing platforms (VSPs) such as YouTube or TikTok. Children might watch TV as well, but it is more likely that they will watch paid-for-on-demand streaming services: 78% watched services like Netflix and Amazon Prime compared to 47% watching live TV. When it comes to playing games online, six in ten children aged 3-17 played games online in 2021 (Ofcom.org.uk., 2022).

According to the Wizcase statistics, these are the 10 most popular apps for children (All the Statistics You Need About How Kids Use the Internet in 2022, 2022):

- 1) YouTube
- 2) WhatsApp
- 3) TikTok
- 4) Brawl Stars

<sup>&</sup>lt;sup>3</sup> People born between 1997 and 2012 (Brunjes, 2022)

<sup>&</sup>lt;sup>4</sup> Federal Trade Commission

- 5) Roblox
- 6) Chrome
- 7) Instagram
- 8) Among us
- 9) Minecraft
- 10) Viber

When it comes to the websites, the ten most visited web places for children are (Top10 Most Popular Kid Websites - wikitechy, 2022):

- 1) Nick
- 2) CoolMath Games
- 3) PBSKids
- 4) Nick jr
- 5) GirlsGoGames
- 6) Cartoon Network
- 7) Stardoll
- 8) Club Penguin
- 9) Primary Games
- 10) Neopets

For the purpose of better understanding of how marketing to children in the digital era works, the listed applications and websites were visited repeatedly. The goal was to experience those web places as children do while searching for fun.

## 2.2. Ads' analysis

Since the most popular app among children is YouTube, it was the starting point of this analysis. As most children watch regular YouTube and not YouTube Kids, they are faced with many ads. While searching content for children on YouTube, before every video approximately two ads were displayed. Given ads were promoting either certain games (suitable both for children and adults) or other tech products like mobile phones and computers. Usually, the ads contained a call to action such as "buy" or "play online".

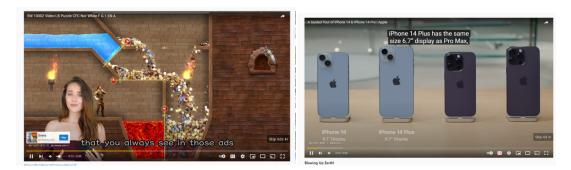


Figure 1: YouTube Ads (source: https://www.youtube.com)

On the most visited games website Coolmathgames.com, the most common ads are those promoting online shops such as eBay and Amazon. The latent message behind such ads is encouragement of money spending and increasing site visits.

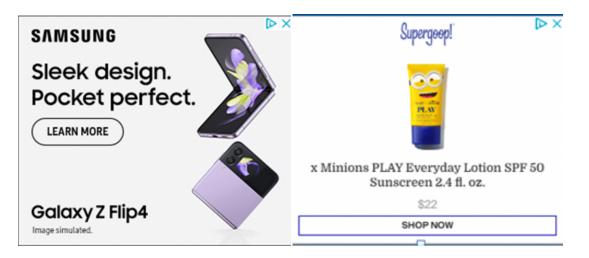


Figure 2: Coolmathgames Ad (Source: https://www.coolmathgames.com)

The platforms such as Primary games and Free games contained the greatest number of ads. They are mostly advertising other gaming platforms where, after clicking "play", they will show you and lead to other gaming platforms and so forth. The ads were adequate for children and their preferences.



Figure 3: Primary games ad (Source: <u>https://www.primarygames.com</u>)



#### Figure 4: Free games ad (Source: <u>https://ufreegames.com</u>)

Slogans such as "learn more" or "shop now" might lead children to online shopping madness for which they will need their parents' credit card information. However, the other popular websites and apps were visited as well, but not many ads were found – due to the used web browser recognizing the user as an adult. Platforms such as Facebook, TikTok and Instagram use different kinds of advertisements where ads are being shown based on past liked content and user's preferences.

The examples of ads shown in the previous part of the research, confirm the fact that children are an attractive target group for advertisers. Verdoodt (2019) argues that children do not only represent the primary market (they are able to purchase certain products with their pocket money), but also the secondary market (they can influence their parents' purchasing behavior). Respectively, children

represent the so-called future market – themselves as adults with full commercial decision-making capacities.

Promptly, children are no longer considered passive receivers of commercial messages. Rather, they are involved in the advertising process by creating or sharing content themselves or by networking with peers (Montgomery and Chester, 2009). Young consumers are stimulated by the advertisers to share and create content i.e., children are encouraged to create and share Tik-Tok videos of brands' songs with their friends (Daems and De Pelsmacker, 2015).

However, highly effective media content does not motivate children to process the content critically. Children do not have the capacity to critically evaluate the commercial message directed towards them (An and Stern 2011, Rozendaal, Lapierre, et al.2011; Waiguny et al.2014). The critical evaluation of advertisements requires possession of advertising literacy – which entails the skills, knowledge and abilities of children to deal with ads including their knowledge about advertising. Advertising literacy also includes their affective attitude towards advertising and their ability to develop an opinion regarding the appropriateness of specific advertising formats (Cauberghe et al., 2016).

### 3. CONCLUSION

Contemporary marketing does not separate children from other customers when speaking of advertising practices. This research paper has shown that marketers do target children regularly, based on the personal data previously collected. However, the challenge is how to protect the children's rights and well-being without violating their rights to online content and fun.

The United Nations Committee on the Rights of the Child have recommended legislation that would *prohibit all forms of advertising to children under 12 years of age, regardless of the medium, support or means used, with the possible extension of such prohibition to 16 years of age and to ban the practice of child brand ambassadors'* (UN Committee on the Rights of the Child, 2014). However, Fortin (2003) argues that if children are not given opportunities to practice their decision-making skills will be unable to make a successful transition to adulthood. Such a perspective suggests that banning all forms of advertising aimed at children would not be compatible with their right to development. Nonetheless, children need to be protected against possible harmful practices or aggressive or misleading advertising practices (European Parliament (Committee on Culture and Education), 2012).

To conclude, children need and have a right to be present in an online world, yet authorities and legal institutions have to work on children's rights and data protection. Withal, with nowadays popular apps having separate apps for children, children's online behavior is easier to track and regulate.

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