



# **Kids for Sale:** Online advertising & the manipulation of children

## Key messages:

1. Children are exposed to an extraordinary and unprecedented volume of advertising online. There is no limit to the amount of adverts children are exposed to online. This must be addressed.
2. Children are targeted in increasingly sophisticated ways with adverts tailored to them based on large amounts of sensitive personal information.
3. **Targeted “behavioural” advertising is a particularly manipulative form of advertising that exploits children’s desires and insecurities for commercial gain.**
4. Research shows that young children are unable to reliably discern when they are being sold to and are especially susceptible to manipulation.
5. The materialistic values expressed and reinforced in adverts are damaging to **children’s wellbeing and to the environment.**
6. The scale of change required to address the environmental crises we face is incompatible with our consumer culture. Curbing consumerism is not possible without addressing excessive advertising. Creating a new generation of hyper-consumers puts children at odds with what will increasingly be required of them in a climate constrained world.
7. Targeted advertising to under 13s is illegal but widespread. Action must be taken to end this practice.
8. Targeted advertising to children of all ages is manipulative and unethical and should stop. But this is not as easy as it sounds. There are legitimate concerns about identifying children online in order to protect them from targeted advertising, therefore there is a strong case for ending targeted advertising for everyone.
9. The explosion of unregulated, targeted online advertising and the urgent need to address it presents an opportunity to reflect on the ethics of advertising to children in general.

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# Introduction

**Targeted ‘behavioural’ advertising is central to the internet’s business model. It is also manipulative and invasive, relying upon and generating extraordinary amounts of data about internet users, including children, without meaningful consent.**

Targeting **young children with ads is, in theory, illegal: collecting and profiling under 13s’** data for advertising purposes is outlawed. But the practice is commonplace; there is chronic failure of compliance with and enforcement of existing laws.

Even if they were complied with, current laws would be insufficient to protect children and teenagers from the broad range of harms we outline in this paper. What is the moral justification for protecting a 12-year-old child from profiling, but leaving older children to fend for themselves?

Targeting a child with advertising exploits a gross imbalance of power. Ad tech companies hold, on average, 72 million data points on a child by the time they turn 13.<sup>1</sup> On the one hand vast data, harnessed by supercomputers and insights from behavioural psychology; on the other, a single, still-**developing child’s brain.**

And then there is quantity. There is no limit to the amount of advertising children can be bombarded with online. In this report we conservatively estimate that many 14-year-olds are seeing up to 1,260 adverts a day on social media alone – ten to twenty times the number of ads children saw on TV at the turn of the century.

Advertisers and regulators can and should act. But to begin addressing the twin concerns of kids being targeted and saturated with ads, we call in particular on web sites and apps popular with children to do three things:

1. Comply with existing laws prohibiting behavioural advertising to under 13s and demonstrate what additional measures they will take to do so
2. Switch off behavioural advertising to children under 18 by default
3. Cap ads to 10% of social media content for children under 18

Behavioural advertising is not an isolated problem. Its central role in the business model of **much of the web’s content links it to a myriad of well-**documented harms experienced online, including shortening attention spans, loss of privacy, election engineering, fake news, and increased polarisation.

As we argue in this paper, an unlimited volume of ads, and targeted advertising more broadly, are also strongly connected with negative environmental and wellbeing trends that urgently need reversing.

The changes proposed above would undoubtedly be disruptive to the online industries. But given the scale of the challenge, and what is at stake if that challenge is not met, they must be considered.

# Part I: The problem

## 1. Children and advertising: a match made in hell

### Exploiting developing minds

Young children do not have the cognitive capacity to understand the selling intent behind adverts, and so are uniquely susceptible to manipulation. Toddlers are unable to distinguish between an advert and programming,<sup>2</sup> and most children under the age of eight tend to think that the purpose of an advert is to provide information about the **product, rather than to try to “sell” them something.**<sup>3</sup>

Studies have found that many 10- and 11-year olds fail to understand the persuasive intent of adverts;<sup>4</sup> meaning they did not understand that techniques were used to make the product seem more appealing in order to make them want to buy the product.

Even when children are mature enough to understand the persuasive intent of an advert, this does not seem to stop them being influenced to want to buy the product being advertised.<sup>5</sup> Indeed, it is hard for any of us to comprehend the extent of the persuasive tactics used by marketers when manipulative psychological techniques are coupled with algorithms using vast amounts of data to calculate the perfect advert to show us next. There is simply an unprecedented degree of asymmetry between the persuasive tactics used and the ability of a child to comprehend and resist them. This makes children highly susceptible to sophisticated marketing techniques of companies whose primary goal is to profit from them.

### Pester power

Children are an attractive audience to sell to as they are at the start of their lives and so there is an opportunity to build brand loyalty that can be very lucrative across a lifetime. Marketers have also long understood that children not only have their own money to spend but also have significant influence over how their parents spend their money; in 2011 it was estimated that children in the US influenced over \$1 trillion of family spending.<sup>6</sup>

### A captive audience

The methods of marketing to children are becoming increasingly sophisticated. In his 2016 review of the harms of marketing to children, Professor Tim Kasser summarises some of the strategies currently used<sup>7</sup>:

- 360 degree strategy – surrounding kids with marketing on TV, mobile phones, tablets & computers, even on wearable technologies.
- Use characters from cartoons and TV shows to sell the clothes they wear and the food they eat.

- **On the Internet, companies invite children to “interact” with their brands** digitally for much longer than a traditional 30-second commercial; these interactions can range from branded social media activities to playing videogames embedded with advertising **to playing digital “advergames” that are built around a brand or product** (Chester & Montgomery, 2007)
- Company-sponsored contests on branded Web sites that encourage children to submit photographs or artwork as part of a brand promotion (Center for Digital Democracy, 2014)
- And in 2015, Google released a YouTube Kids product that allows children to **watch a collection of “channels” marketed as “safe” for children. An early review of the available content on YouTube Kids found many instances of advertising on these “channels” that violate the few existing regulations for marketing to children on television, as well as current FTC guidelines** (Georgetown Law Institute for Public Representation, 2015). For instance, when **YouTube Kids debuted, McDonald’s had its own channel that featured commercials for Happy Meals, as well as ads disguised as news programs (e.g., “What are Chicken McNuggets made of?”).**

As children spend more time online, where there are no limits to the volume of advertising that can be put in front of them on their screen, they are an increasingly easy audience to reach.

Marketing to children is therefore easy and lucrative, but inherently manipulative of an audience who do not have the full mental capacity to understand or resist the techniques used to sell to them. This manipulation is intensified when the marketing is based on large quantities of information already known about that individual child. Behavioural advertising is by its nature inherently more manipulative.

## 2. Targeted advertising to children

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*"We are learning how to write the music... and then we let the music make them dance."<sup>8</sup>*

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An infamous leaked Facebook memo revealed in 2017 how the tech giant shares psychological insights on young people with advertisers.<sup>8</sup> According to reports, Facebook showed advertisers:

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*"how it has the capacity to identify when teenagers feel "insecure", "worthless" and "need a confidence boost"", monitoring posts and photos in real time to "determine when young people feel "stressed", "defeated", "overwhelmed", "anxious", "nervous", "stupid", "silly", "useless" and a "failure""*

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Facebook made no apology for the memo or the practice in general, stating that the documents were based on "research done by Facebook and subsequently shared with an advertiser" and were "intended to help marketers understand how people express themselves".

This is a stark example of a powerful online actor using sensitive insights about children's moods and emotions to help advertisers manipulate children for commercial gain. But is this any surprise when their business model is overwhelmingly reliant on advertising income? There is no incentive for them *not* to do this, and they appear to be breaking no laws. We must find better ways of holding tech giants to account.

### The opaque world of online advertising

**We've all seen the clips of politicians coming unstuck when trying to scrutinise big tech.** Similarly, one of the biggest challenges in holding online advertising to account is its complexity and the dizzying speed with which new capabilities evolve. Below is, therefore, an attempt to summarise some of the key principles and methods of targeted online advertising. We make no claim that this is comprehensive, but it should help the lay person grasp the core facets of this murky world.

### What is targeted advertising?

In the pre-internet era, newspaper, billboard, or TV ads were the same for everyone, regardless of who was seeing them.

Web advertising was initially similar: advertisers bought spots on websites and whoever went to that website saw the same ad. This is called “contextual” advertising, because the ads usually relate to the context in which they’re placed, e.g. an ad for an Australian holiday may appear next to a news article about Australia.

Contextual advertising is still widespread, and often the best choice for big companies wanting to access a large audience. It is particularly effective where the contextual link between the content and the ad is strong, e.g. ads for baby clothes on specialised baby websites. It appears to be less effective where the link is weaker, e.g. ads on generic news sites.<sup>9</sup>

“Behavioural” advertising is different. Behavioural ads relate to the online behaviour of the person viewing them rather than the context in which they appear. The theory goes that this level of ‘personalisation’ leads to greater engagement and greater sales.

### Social Media targeting

Social media platforms (Facebook, Instagram, Snapchat, TikTok etc.) require users to create an account to use their services.<sup>10</sup> In doing so, every user consents for their data to be collected and made available to advertisers. As users’ activity on the platform increases, lots is learned about their preferences and habits. This is data of great value to advertisers looking to target groups of users with specific characteristics, e.g. users who like pictures of Australian landmarks, or who have authored posts mentioning Australia or a desire to go there.

It’s not just users’ own behaviour on social media that informs the ads they’re served. The volume of data generated by the billions of people using social media means patterns of behaviour are detectable and therefore to an extent predictable. Users are targeted because they are *likely* to exhibit certain behaviours, based on the behaviour of other users just like them; so-called ‘look-alike’ audiences.

So if people just like you (same age, gender, friends in similar jobs, similar music tastes, etc.) click ads for a certain brand of boots, then you are very likely to get served ads for those boots.

Social media companies mostly claim that user profiles are not shared with third parties directly, but revelations to the contrary continue to arise, accompanied by public outcry.<sup>11</sup>

### ‘Content web’ targeting

In the world of digital marketing, the internet beyond Social Media sites is known as the ‘content web’. Behavioural advertising on the content web is dominated by search data and browsing history. i.e. what you’ve Googled and where you’ve browsed informs ads that appear in search results and pop up on other, unrelated, websites.<sup>12</sup>

Though usually treated separately from an advertiser's perspective, there is overlap between social media advertising and content web advertising because the web's superpowers have feet in both camps.

Google, for instance, owns all the data generated in Youtube, Chrome, Gmail, Google Docs and others, as well as its search engine.

Though Google maintains it doesn't make this data available to advertisers, recent revelations suggest that it does.<sup>13</sup> Either way, advertising remains exceptionally profitable for Google and is the mainstay of its income.

## 'Ad tech'

The technology that supplies and places online adverts is known as "ad tech". Its job is to match individual users with specific adverts. Correctly identifying an individual user can be tricky, particularly where multiple people use a single device, e.g. several children of different ages using their parent's iPad.

However, this 'problem' is overcome by matching behavioural data to unique identifiers (a process known as 'Cross-Device Mapping') in order to identify and track individuals as they use different devices, platforms, sites and apps.

For instance, one site may know Child X as "12345" and another as "ABCDE", but both will share data about Child X with ad exchanges and data providers in the process of trying to best match ads to users. By analysing all this data and looking for similar behavioural patterns associated with different IDs, ad tech algorithms can establish that "12345" and "ABCDE" are in fact the same person – Child X – and join the IDs together.

Connected to all this is the process known as Real Time Bidding (RTB), where enormous quantities of information about each of us, gathered from all corners of the web, is sent to advertisers who are then invited to bid for the chance to show us an ad. This all takes place in the fraction of a second between clicking on a web link and that page loading in a browser. In 2018 it was conservatively estimated that 10 billion of these bid requests were sent out every day in the UK, each one seen by "hundreds if not thousands of advertisers".<sup>14</sup>

RTB, and ad tech more broadly, is notoriously vulnerable to fraud and security breaches. Almost inconceivable quantities of data about us are flying back and forth to advertising exchanges, creating huge vulnerability. Regulators have recently indicated that they suspect widespread illegality in ad tech because of the amount of personal data made available to third parties without our consent. They have expressed some desire to act, but it remains to be seen whether this will lead to any prosecutions or changes in industry practice.<sup>15</sup>

### 3. Volume: a tsunami of ads

**In 2016, children's time spent online overtook time spent watching TV on a TV set for the first time.**<sup>16</sup> 2019 data shows that 4-15-year-olds now only watch consolidated broadcast TV on a TV set for just under 8 hours a week – less than half the amount in 2005.<sup>17</sup> Instead, children now consume various Video on Demand (VoD) services, either via smartphones, tablets, or smart TVs, and of course spend large periods of time on social media itself.

While numerous studies have investigated whether there is anything inherently problematic with long periods of screentime,<sup>18</sup> and a growing body of work looks at the rise **of social media use and concurrent negative trends in young people's mental health**, there is little research into the implications of this profound switch in viewing habits regarding exposure to advertising itself and its effect on young minds.<sup>19</sup>

Even before online viewing took over from TV, children were exposed to an astonishing quantity of adverts. Estimates vary, but one figures estimate that a child in the UK, US and Australia saw on average 20,000-40,000 TV ads a year – 54 to 108 every day.<sup>20</sup>

But that figure now looks almost quaint by comparison with the eye-watering amount of online advertising funnelled towards children.

#### Unlimited online adverts

Rules have long existed limiting TV ads to seven minutes per hour on Public Service Broadcast channels or nine minutes per hour on other channels.<sup>21</sup>

There is no online equivalent.

Data analysis by the digital monitoring agency Sprout Social reveals that one in every three Instagram posts is an advert.<sup>22</sup> A Global Action Plan survey of teenagers revealed that on average teens see one ad every ten seconds while scrolling through their feeds, equivalent to 420 adverts per hour.<sup>23</sup> In 2015, a third of 14 year olds reported spending 3+ hours a day on social media.<sup>24</sup> That number is likely to be higher in 2020.

Much more **research is needed**, but assuming the **GAP survey of teens' Instagram** experience is broadly representative of users experience on other social media platforms, a third of 14 year olds could be exposed to 1,260 adverts a day – ten to twenty times as many adverts as children saw on TV alone. **And that's before taking into account** influencer posts and other less explicit forms of advertising on social media.

#### Persuasive design

'**Persuasive design**', the range of techniques used to maintain engagement with online content, keeps children online longer, increasing their exposure to ads.

The techniques, often adapted from slot machine design and other addictive technologies, **appeal to our sense of 'FOMO' (fear of missing out) and reward us with dopamine hits.** They include the removal of stopping cues,<sup>25</sup> changing choice architecture, eye-catching notifications, 'infinite scrolls' or pop-ups as you try to leave a site. The technique known as 'variable rewards' is perhaps the most pernicious, employed widely by Facebook and others to artificially suppress or promote certain posts in friends' feeds.<sup>26</sup>

The techniques are hugely effective at keeping us online, often against our better intentions. Who among us has not emerged from their Facebook feed or a YouTube rabbit hole to wonder where the last hour has gone?

Persuasive design is critical to the success of online advertising. If users can be kept on a **site longer, they can be exposed to more adverts, which means more revenue for the sites'** publishers and (in theory) more sales for the advertisers.

Not only will users see more adverts, they will generate more data, and that is the third key difference between the off and online era in terms of advertising: the evolution of targeted, "behavioural advertising".

## 4. Broader harms of advertising

**The materialistic values expressed and reinforced in adverts are damaging to children's wellbeing and to the environment.**

The promotion of certain products to children have obvious harms attached to them, for example, junk food, gambling, alcohol and tobacco-related products. It is also clear to see the link between body image and eating disorders and exposure to unrealistically idealistic images of both men and women so often used in advertising. Public debate focuses on these effects among teenagers, but even girls between the ages of 5 and 7 scored lower on body esteem tests when exposed to images of Barbie dolls compared to being exposed to dolls more representative of normal sized women.<sup>27</sup>

But the harms of marketing to children (and indeed all of us) are even broader when seen through lens of the development of more materialistic value orientations. Advertising requires us to buy into the idea that owning more possessions is an important goal to aspire to, and that spending money on more material things will improve our lives. Yet decades of research have demonstrated that the more we aspire towards materialistic goals, the more likely we are to have lower wellbeing, including higher rates of anxiety, depression, loneliness, lower self-esteem and higher levels of debt.<sup>28</sup>

The promotion of materialistic values and goals are also harmful to the planet – as we strive to acquire more to chase false promises of happiness, we are relying on the illusion of infinite resources that the planet simply cannot sustain. People who prioritise materialistic values and goals have been found to be more likely to consume more, have higher ecological footprints and take less care of the planet.<sup>29</sup>

Therefore, we do not advocate for the restriction of advertising to children of only certain obviously harmful products, but for the total reduction of the volume of advertising that children are exposed to. Some countries have gone so far as to ban all marketing aimed at children (Sweden, Norway, Brazil, Quebec in Canada) and we would welcome moves towards this in the UK.

### Rising mental ill-health in young people?

Mental ill health has been rising in young people (particularly for girls) in the years after (roughly) 2012, compared to the years before (roughly) 2009, in the US and in the UK, as well as in other English-speaking countries.<sup>30</sup>

The increases are thought to be real – that is, they cannot be accounted for by rising awareness or increased willingness of Gen Z to report distress – because the changes are seen in behavioural acts such as self-harm, suicide attempts, and suicide which increase at roughly the same time as self-reports of anxiety, depression, and suicidal ideation. Although there are many contributing factors to these rises, the timing is consistent with the widespread entrance of teens to social media platforms from 2009 and the rise of smartphone ownership with 50%+ of teens owning smartphones from 2012.

Although correlation of course does not infer causation, it is worth noting that the rise of smart phone use and access to social media, and hence increased exposure to targeted advertising, is coupled with increases in mental disorders in young people. This at least warrants further investigation and exploration of how to better protect young people online.

### The climate and ecological emergency

In October 2018 the Intergovernmental Panel on Climate Change (IPCC) set out the scale of action needed to limit global warming to 1.5 degrees, a level beyond which the consequences for all life on earth and for human civilisation will be devastating.<sup>31</sup>

The report made clear that global emissions, which in 2019 were at their highest ever level and rising, must halve by 2030. Achieving this will require profound shifts in the way power, food and resources are produced. But, the report made clear, changes in production will not be sufficient. Unprecedented changes in consumption patterns are also needed – in short, humanity will need to consume a lot less stuff.

The same conclusion was drawn in *The Living Planet Report*, with "spiralling human consumption" highlighted as a key driver of the shocking 60% decline in vertebrate populations since 1970.<sup>32</sup>

Overconsumption of resources is inextricably linked with consumerism itself, a social and economic order that encourages the acquisition of goods and services in ever-increasing amounts. Consumerism is, almost by definition, fundamentally inconsistent with addressing the climate and ecological emergencies.

So too are advertising and consumerism two sides of the same coin. Advertising is the act of **“contriving human wants in order to achieve on-going demand for things once basic needs have been adequately met”**.<sup>33</sup>

Although undoubtedly inefficient, the industry overall is incredibly effective, using well-known and well-honed **psychological techniques to create a sense of ‘psychological obsolescence’ regarding the things we already own, and to attach visions of success, personal attractiveness and wealth with consumer goods we never knew we needed.**

This inevitably increases consumption, much of it pointless. Some sections of the advertising industry may disagree, arguing that advertising is merely redistributing consumption between brands, rather than generating more consumption, but most evidence determines this to be untrue.<sup>34</sup>

## Part II: The solutions

Though there are a range of harms outlined above, and a range of possible solutions that could be pursued to address them, we focus below on targeted advertising, because it is the practice most manipulative of children and because it gives rise to so many other online concerns. We also consider solutions to the problem of the unlimited volume of online ads –targeted or otherwise – given the clear links with hyper-consumption.

Advertisers, websites and regulators can and should all act to mitigate these harms. Below we explore the options available to these groups, some of their pros and cons, and make recommendations.

Specifically, we recommend that:

- Advertisers consider ending the use of targeted ads altogether
- Websites switch off behavioural advertising to children under 18 by default and cap ads at 10% of social media content for under 18s
- Regulators draw on international precedence to hold websites to account regarding the illegal collection of under 13s data

### 1. Advertisers

In the Bailey Review of the Commercialisation and Sexualisation of childhood, commissioned by then Prime Minister David Cameron, Reg Bailey concluded that a healthy

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*“would not need to erect barriers between age groups to shield the young: it would, instead, uphold and reinforce healthy norms for adults and children alike, so that excess is recognised for what it is and there is transparency about its consequences”.<sup>1</sup>*

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society

This principle could equally be applied to targeted online advertising. While the impacts of targeted advertising on the young are most worrying, and the moral case for action to protect them is strongest, there is no reason why teens and adults should not also be protected from the invasive and manipulative practices of targeted advertising. Advertisers should consider all possible options available at their disposal to achieve this aim.

Even considering under 13s in isolation, the simplest and most effective way to end young **children’s exposure to targeted online advertising would be for** advertisers to stop the practice of serving targeted ads, full stop.

This would solve the knotty problem of how to accurately identify children online, for the purposes of shielding them from advertising or for any other purpose, without gathering yet more data about them and further infringing their privacy.<sup>35</sup>

But ending all targeted advertising may also, perhaps counter-intuitively, benefit advertisers commercially.

### Less targeted advertising, more advertising profit?

It is increasingly apparent that the wild claims made about the efficacy of targeted advertising may not be all they seem. Bots Hoover up 'views', ads are stacked under other ads or appear out of frame, and many are never seen simply because users don't read that far down the page.

Ad fraud – ads that “run on make-believe websites that have make-believe traffic and make-believe clicks” as one definition has it – is known to be rife, though estimates of its scale vary wildly.<sup>36</sup> That's marketing spend that, instead of ensuring ads are seen by a target audience, is often supporting organised crime and terrorism. Analysis by former ad agency CEO Bob Hoffman suggests that for every \$1 spent on display advertising, advertisers only get about 3c worth of actual ads seen by actual people.<sup>37</sup>

Digital advertising is very lucrative for the platforms, but may not perform anything like as well for the advertisers. According to one analysis:

1. less than .01% of banner ads get clicked — on average .001%
2. the most popular ad size — 468x60 (a typical sidebar ad) garners .04% clicks
3. 50% of mobile ads are clicked by accident
4. you're 475.29 times more likely to survive a plane crash than click a banner ad.<sup>38</sup>

### Shifting industry practice

Some of the world's biggest advertisers are beginning to row back from targeted advertising. In July 2016, Procter & Gamble announced it was ending its “precision targeted” ad program with Facebook. P&G had, according to industry executive Bob Hoffman, “moved over a third of its advertising spending online in the previous few years... and in a 12 month period its sales had dropped by 8%, or about six billion dollars.”<sup>39</sup> A year later P&G announced that it had eliminated about \$140 million of online display advertising from its most recent advertising effort “and saw no ill effect”.<sup>40</sup>

Ditching behavioural advertising would be popular with consumers, too. When asked, only 18% of those surveyed recently by Ofcom agreed with the statement “I don't mind if organisations use information about me to decide which adverts they show me”.<sup>41</sup>

So if targeted advertising is so un-liked, so unethical, so invasive, so vulnerable to fraud, and so apparently ineffectual, what have major advertisers got to lose by giving up on it?

Recommendations

To protect children online, advertisers should consider ending the practice of targeted advertising altogether.

## 2. Websites

Broadly speaking, there are three ways web platforms can achieve the desired outcome of ending targeted advertising to children:

no longer target any users

establish which users are children in order to target adults only

establish where children are likely to be so as not to target anyone in those spaces

Given the manipulative nature of any targeted advertising at children, and the legal obligation to ensure none under 13 are exposed to this practice, the onus should be overwhelmingly on tech companies to find workable solutions. There are, however, some obvious considerations for each of the three approaches set out above.

Ending targeted advertising for all users would undoubtedly achieve the desired outcome of ending targeted advertising for children. This would clearly represent a seismic shift in the entire economic model of the web, which would raise many new questions about how the web should be funded for the benefit of society (though it would arguably result in an uptick in contextual advertising spend). It would also raise legitimate concerns about revenue impacts on those content creators whose income currently relies on targeted ads and whose content is genuinely seldom or never watched by under 13s.

It is the solution of least concerns in terms of privacy and data leakage – there would be no legitimate need for the vast majority of data collection and tracking that currently takes place.

Establishing the age of users is fraught with problems. The recent debate regarding the **UK Government's proposed policy (now scrapped) of age-gating** adult sites is instructive, even though the context is very different. Ultimately if the only way to ascertain the true age of a child is to collect ever more data about them, this may create more problems than it solves.

Alternatively, platforms could pursue some form of as yet undiscovered age-gating system that is robust enough to secure accurate age data about users without massively increasing the harvesting of yet more sensitive data. This would be incredibly complex, and very possibly would prompt a number of unintended consequences, but is surely not **beyond the collective capability of the world's biggest and most profitable tech** corporations, and research in this direction should continue given the increasing need for autonomy and agency for web users as more and more decisions about our lives are taken in the context of our data.<sup>42</sup>

The third option – establishing where children are likely to be – is the approach taken by YouTube Kids, i.e. creating spaces likely only to be accessed by children and assuming that all users there are kids. This is effective to an extent, though when taken out of a very narrow context like YouTube kids the **decisions about what is and isn't "children's content"** become fraught with complexity.

Ultimately, it is for platforms to demonstrate how they will achieve the social good of ending manipulation of children through behavioural advertising, and certainly how they will comply with existing laws that prohibit targeted advertising to under 13s.

Regarding behavioural advertising for children 13 or over, we advocate – given the entirely arbitrary nature of this cliff edge – that behavioural advertising should be switched off for all children who self-identify as under 18.

### Volume of adverts

Existing TV rules allow approx. 11% of any given hour to be occupied by advertising. This principal should be adopted by social media platforms, who should limit advertising to no more than one advert for every ten posts.

Given that on Instagram one ad is seen for every three posts, this would equate to a reduction in the volume of ads by two thirds.

Clearly the pace with which users scroll through their feeds would affect the overall volume of ads they were exposed to, though faster users would see each ad for a shorter period of time.

The overall economic impact of such a change would likely be minimal for platforms – the reduction of supply would put up prices. This would increase costs for advertisers, **depending on the metric (e.g. costs per click (CPC) vs costs per 1000 impressions (CPM))** it's possible that this change would make advertising more effective given it would stand out more.

### Recommendations

Websites popular with children should:

1. Comply with existing laws prohibiting behavioural advertising to under 13s and demonstrate what additional measures they will take to do so
2. Switch off behavioural advertising to children under 18 by default
3. Cap ads to 10% of social media content for children under 18

## 3. Regulators and lawmakers

In theory, behavioural advertising to children under the age of 13 should no longer be happening, on social media or elsewhere, due to data protection rules introduced in 2018.

## GDPR and under 13s

The Data Protection Act (DPA) enacted in UK law the rules and principles set out in the EU's General Data Protection Act (GDPR), including the provision that websites must not capture data about users under the age of 13 without prior parental consent. This is, of course, the data on which behavioural advertising depends.

Social Media platforms set a minimum age requirement of 13 in order to create a user profile. However, children are heavy users of social media, regardless of these age-limits. As of 2019, 43% of 11-year-olds in the UK who go online say they have a social media profile.<sup>43</sup>

If platforms are working on the assumption, for compliance purposes, that all their users are 13 or over when in reality millions of them are not, then it follows that those millions of children will be having their data collected and profiled.

Such widespread violations of corporate policy should be a priority focus for social media platforms, but there is no meaningful enforcement of these age limits on the platforms.<sup>44</sup> **This is perhaps not surprising, given platforms' material interest in growing their user bases.**

Equally, there is surprisingly low awareness of these age-limits among parents: only 20% of parents know that the minimum age for Instagram is 13, for instance.<sup>45</sup>

The result is that nearly half of 11 yr olds are routinely exposed to the practice of tracking **and profiling on social media when the law determines that they shouldn't be.** It also means that huge quantities of information about them and their friends is used to target them with behavioural adverts.

Regulators in the UK should take urgent action to enforce DPA / GDPR rules and penalise non-compliance. And there is now international precedence.

## Successful Legal Action

In September 2019 the US Federal Trade Commission and YouTube settled a complaint in **which YouTube were alleged to be unlawfully collecting under 13s' data and making it available to advertisers.**<sup>46</sup> The settlement required YouTube to pay \$170m – an insignificant amount in the context of their overall revenue – and change some of their practices. These changes – in theory ensuring that content designed specifically for children is now devoid of behavioural advertising – are nowhere near commensurate with the scale of the problem, but demonstrate that platforms are capable of acting when forced.

However, the backlash against these changes appears highly orchestrated, with large **numbers of 'content creators' bemoaning the loss of revenue associated with behavioural advertising to under 13s,** and YouTube signalling that it wants regulators to bring forward a review of COPPA, the very legislation it was deemed in breach of.<sup>47</sup>

## Age Appropriate Design Code

Back in the UK, the recently finalised Age Appropriate Design Code (AADC) has been hailed as a landmark in protecting our data online.<sup>48</sup>

Provision 5 says that children's personal data shouldn't be used in ways that are detrimental to their wellbeing, and includes a section on 'marketing and behavioural advertising' that mentions:

- physical, mental or moral harm to children;
- **exploiting children's credulity and applying unfair pressure;**
- direct exhortation of children and undermining parental authority; and
- promotions.

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*"if you profile children (using their personal data) in order to suggest content to them, then you need suitable measures in place to make sure that children aren't served content which is detrimental to their physical or mental health or wellbeing, taking into account their age"*

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Provision 12 (profiling) also says:

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*"You should always provide a privacy setting for behavioural advertising which is used to fund a service, but is not part of the core service that the child wishes to access ... In most cases the funding model will be distinct from the core service and so should be subject to a privacy setting that is 'off by default'"*

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But perhaps most significantly, the section continues:

This means that when the code comes into force, any e.g. Instagram user self-declared as under 18 should, in theory, have behavioural advertising turned off by default. If enforced, **these measures would doubtless see a reduction in children's exposure to targeted advertising** in those spaces where children are self-identifying their age.

## Recommendations

Regulators must closely scrutinise **platforms' implementation of the code when it** comes into force and use their full powers to penalise those shown to be violating the code.

In addition, the ongoing DCMS review of the regulation of online advertising<sup>49</sup> should consider all possible levers available to Government that would have the effect of ending behavioural advertising to children without undermining – **children's or adult's** – privacy.

## Conclusion

Children spend far more time online than watching broadcast TV, where they are effectively unprotected from excessive or manipulative targeted advertising.

This new reality for children has emerged without societal consent or effective regulation; GDPR provides some restrictions on data collection but it so far remains unenforced.

Targeted, behavioural advertising to children under the age of 13, though deeply unethical and almost always illegal, is widespread. It must stop, either through immediate changes by advertisers & websites, or through a robust approach to enforcement by regulators.

The sheer volume of ads to which children are exposed on social media is also of great concern. While TV ads must not total more than seven minutes per hour, online advertising **is totally unrestricted. Social media platforms and regulators must act to cap children's** overall exposure to all adverts, targeted or otherwise, to no more than 10% of all content.

But we can go further.

The regulatory cut-off at 12 years of age is arbitrary – there is no good reason why a 13-year-old should be exposed to a barrage of targeted ads when a 12-year-old is not. At a minimum, platforms should switch off behavioural advertising by default for all users aged 18 or under.

This change could be easily implemented on services where users self-identify as under 18. But where popular services are accessed without needing to disclose age (on YouTube, for instance) platforms must demonstrate how they will achieve the desired outcome without unnecessarily collecting yet more data on children or making the service prohibitive for adults.

It may well be in these cases that the only robust way to ensure all young children are protected from invasive and manipulative behavioural advertising is to bring an end to the practice for all users. This change, though seismic, should not be ruled out.

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# Appendices

## Case study #1: what children say about social media advertising

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*"I think to people who are advertising, you need to realise that there are genuinely children out there, and you are targeting children who are still developing themselves as a person and don't really know who they are. And if you get their minds saying "Oh you need to wear brands to look cool, for people to like you" then you are really affecting their lives, for the future"*

*Zoe, aged 14.*

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*"I think that advertising has just become completely ubiquitous, just wherever you go, however subtly you're being flogged something, and that does take its toll on your mental health I think, and how you perceive everything really. It makes you almost become quite cynical and jaundiced, and you're trying to look for the catch wherever you go."*

*Will, Aged 15*

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*"I know the age for social media and stuff's like 13, but there's definitely younger girls that do have the accounts. So when they look at them and follow them, they're thinking: "In order to be perfect, I have to look like them, I have to do everything they say" you know what I mean? That's obviously going to have an effect on their mental health and make them insecure and make them think differently and have a different perspective on life. Anyway, and... It's not normal, because it's not fair on anybody, that we're supposed to be the ideology of 'perfect' – perfect's not real."*

*Mariam, aged 15.*

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*"The norm that people internally pressure themselves by, I feel like a lot of it comes from social media and advertising because even me, and I try to unlearn these things like I said, even I sometimes see them and I'm like, I acknowledge that they're there and I'm like, yeah okay that would be really cool to have whatever. And then I'm like, I realise that that's part of the whole trend system. But I do, I feel like the pressure that people put on themselves, it does come from seeing these things over and over again."*

*Lucy, Aged 14*

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## Case study #2: Instagram comments on GAP's #idontbuyit campaign

- “🙏🙏 this is amazing and everything I've been feeling for weeks. Advertising is making me more depressed than the 'likes' count ever did 😞😞”
- “Ads are dangerous! Before you know it you've got packages arriving left, right & centre and you can't even remember what you've ordered 🤯”
- “This is brilliant, captures the feeling of frantically thinking I want/need something 100 times a day 🤞🤞🤞”
- “I am literally scared at all the adverts I had within one minute!”
- “Saw this at @globalactionplan and decided to pay attention to the ads: YIKES LOL (i was supposed to do 10 min but i got tired after the 35th ad, so i only did 7.5 min which is one ad every 13 seconds of my observation)”
- “I agree regarding the pressure to consume, especially on designers/name brands. It is becoming extremely unhealthy and unfortunately the pressures are mainly on young people to “fit in” ....”
- “Holy 🤯! Until I did the 60 second ad scroll challenge by @globalactionplan I never realised how many ads there was 😞”

*This commenter seemed to change their mind:*

- “@bibibutten: Yeah, but then without ads Instagram either wouldn't exist or it would be a paid for platform so there's not really any getting away from it that i can see”  
“@bsmg14: It's the amount that's worrying tho, and especially advertising to children”  
“@bibibutten: yeah to be fair as time goes on i see more and more adverts and now im noticing it more im realising how overboard its gotten.”  
“@bsmg14: of course I agree if it's a free app they need to make their money somehow, but it's just so wasteful and unnecessary. Especially in recent years the ads are cRaZy!”

From GAP's parents-facing campaign:

- “Social media is awash with “get rich quick” adverts, scams, all of them! These ads would never get on main stream media where they would be regulated, as they are neither legal nor honest, (I'll give them a pass on decent!). The only people who get rich quick are the promoters of such schemes, for most, they are a way of becoming even poorer!”

- **“What ever your view on global warming is, its still down to every single one of us to play our part because every single one of us has had a part to play in this problem. I dont need some 16year old spouting that its my generation to blame for whats happening. We all want all the latest gadgets that are supposed to make life easier but in reality they are doing the opposite.”**
- **“Hmm it's not just teenagers! I have more footwear than I need. And just one pair of feet! The question is if you buy something ask yourself if you're really going to use it regularly? Otherwise it's just going to be clutter/waste.”**
- **“We should all be part of the solution. Instead of blaming each other. Let each and everyone of us say what we are doing, have done or intend to do help save the planet.”**
- **“Very true... You could say the same for delivery foods and household products... All done from ipads... Then there's the highstreet shops.... It's a big megga shopping spree”**
- **“Obsolescence is the killer... buy well, buy once.”**
- **“. I think as well as the damaging effect on our one and only planet, this campaign is talking about the psychological harm of living in a society where all we do is seek out the next purchase "fix".”**

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<sup>1</sup> <https://videoadnews.com/2017/12/14/ad-tech-collects-72-million-data-points-on-the-average-american-child-by-age-13/>

<sup>2</sup> Pearl, D., Bouthilet, L., & Lazar, J. (1982). Television advertising and socialization consumer roles. In D. Pearl (ed.), *Television and behavior: Ten years of scientific progress and implications for the eighties* (pp. 191–200). Rockland, MD: National Institute of Mental Health

<sup>3</sup> Wilcox, B., Kunkel, D., Cantor, J., Dowrick, P., Linn, S., & Palmer, E. (2004). Report of the APA task force on advertising and children: Psychological issues in the increasing commercialization of childhood. Washington, DC: American Psychological Association.

<sup>4</sup> Carter, O., Patterson, L., Donovan, R., Ewing, M., & Roberts, C. (2011) **Children’s understanding of the selling versus persuasive intent of junk food advertising: Implications for regulation.** *Social Science Medicine*, 72, 962–968.

<sup>5</sup> Christenson, P. (1982). **Children’s perception of TV commercials and products: The effects of PSAs.** *Communication Research*, 9, 491–524.

<sup>6</sup> Horovitz, B. (2011). Marketing to kids gets more savvy with new technologies. *USA Today*, B1.

<sup>7</sup> Kasser, T., & Linn, S. (2016). Growing Up under Corporate Capitalism: The Problem of Marketing to Children, with Suggestions for Policy Solutions. *Social Issues and Policy Review*, 10(1), 122–150.

<https://doi.org/10.1111/sipr.12020>

<sup>8</sup> <https://www.theguardian.com/technology/2017/may/01/facebook-advertising-data-insecure-teens>

<sup>9</sup> [https://dspace.mit.edu/bitstream/handle/1721.1/64920/Tucker\\_Privacy\\_Regulation.pdf](https://dspace.mit.edu/bitstream/handle/1721.1/64920/Tucker_Privacy_Regulation.pdf)

<sup>10</sup> YouTube is a bit of a grey area because an account is not required to use it, though many people have one or are logged in via their google account. YouTube has many of the characteristics of a social media platform.

<sup>11</sup> <https://www.bbc.co.uk/news/technology-46618582>

<sup>12</sup> **It’s cheaper for advertisers to follow you to a low-quality or niche website and serve you a behavioural ad there, rather than on e.g. a major news website.**

<sup>13</sup> <https://www.cityam.com/google-accused-of-sharing-personal-data-with-advertisers/>

<sup>14</sup> <https://neweconomics.org/2018/12/blocking-the-data-stalkers>

<sup>15</sup> <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2020/01/blog-adtech-the-reform-of-real-time-bidding-has-started/>

<sup>16</sup> <https://www.ofcom.org.uk/about-ofcom/latest/features-and-news/childrens-media-use>

<sup>17</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0023/190616/children-media-use-attitudes-2019-report.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0023/190616/children-media-use-attitudes-2019-report.pdf) (see p.9)

<sup>18</sup> <https://www.theguardian.com/science/2018/jun/21/screen-time-harm-to-children-is-unproven-say-experts>

<sup>19</sup> Haidt, J., & Twenge, J. (2019). Is there an increase in adolescent mood disorders, self-harm, and suicide since 2010 in the USA and UK? A review. Unpublished manuscript, New York University.

<sup>20</sup> Strasburger VC. Children and TV advertising: nowhere to run, nowhere to hide. *J Dev Behav Pediatr*. 2001;22:185–187.

More recently, the US Federal Trade Commission estimated 2-11 yr olds were exposed to 25,600 TV adverts per year. <https://www.ftc.gov/sites/default/files/documents/reports/childrens-exposure-television-advertising-1977-and-2004-information-obesity-debate-bureau-economics/cabecolor.pdf>

<sup>21</sup> The amount of advertising UK television broadcasters are allowed to show is determined by regulation at a European level through the AVMS Directive, **which is implemented in the UK by Ofcom’s Code on the Scheduling and Amount of Advertising (COSTA)**

[https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0014/32162/costa-april-2016.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0014/32162/costa-april-2016.pdf)

<sup>22</sup> <https://sproutsocial.com/insights/instagram-stats/>

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- <sup>23</sup> Global Action Plan survey of 102 teenagers using Instagram, X January 2020. Of 102 surveyed, they saw an average of 7.4 ads in one minute scrolling their Instagram feeds. 74% said they found advertising on social media either sometimes or very annoying.
- <sup>24</sup> Millennium cohort study, 2015, Demos analysis <https://demos.co.uk/wp-content/uploads/2019/08/Quality-Control-Digital-.pdf>
- <sup>25</sup> Literally a cue for us to stop doing something. The bottom of a glass is a cue for us to stop drinking its contents. In contrast, there is no bottom to our Instagram feed.
- <sup>26</sup> **5Rights ‘disrupted childhood’ report** <https://5rightsfoundation.com/static/5Rights-Disrupted-Childhood.pdf> (see p.20.)
- <sup>27</sup> Dittmar, H., Halliwell, E., & Ive, S. (2006). Does Barbie make girls want to be thin? The effect of experimental exposure to images of dolls on the body image of 5–8 year old girls. *Developmental Psychology*, 42, 283–292.
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- <sup>32</sup> WWF. 2018. Living Planet Report - 2018: Aiming Higher. Grooten, M. and Almond, R.E.A.(Eds). WWF, Gland, Switzerland.  
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- <sup>33</sup> **“An idea first articulated by J.K. Galbraith in *The Affluent Society*, and as summarised here in *Think of Me as Evil?*”** [http://publicinterest.org.uk/think\\_of\\_me\\_as\\_evil.pdf](http://publicinterest.org.uk/think_of_me_as_evil.pdf)
- <sup>34</sup> **See for instance C. Jung, & B.J. Seldon, ‘The macroeconomic relationship between advertising and consumption’, *Southern Economic Journal*, 61, 1995, pp. 577– 587.**
- <sup>35</sup> See debate re age-gating porn sites
- <sup>36</sup> Bob Hoffman, *Bad Men: How advertising went from a minor annoyance to a major menace*, Type A Group, 2017.
- <sup>37</sup> Bob Hoffman, *Bad Men: How advertising went from a minor annoyance to a major menace*, Type A Group, 2017.
- <sup>38</sup> <https://www.hausmanmarketingletter.com/4-business-models-to-replace-the-advertising-model/>
- <sup>39</sup> Bob Hoffman, *Badmen: How advertising went from a minor annoyance to a major menace*, 2017 (p.59)
- <sup>40</sup> Hoffman, p.72
- <sup>41</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0028/149068/online-harms-chart-pack.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0028/149068/online-harms-chart-pack.pdf) (see p.72)
- <sup>42</sup> See one proposal for such a system here <https://neweconomics.org/2019/03/digital-self-control>
- <sup>43</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0023/190616/children-media-use-attitudes-2019-report.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0023/190616/children-media-use-attitudes-2019-report.pdf) (see p.19.)
- <sup>44</sup> **Facebook’s policy is to delete the accounts of anyone reported to them as being under 13**  
<https://www.facebook.com/help/157793540954833/>
- <sup>45</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0023/190616/children-media-use-attitudes-2019-report.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0023/190616/children-media-use-attitudes-2019-report.pdf) (see p.19.)
- <sup>46</sup> <https://www.ftc.gov/news-events/press-releases/2019/09/google-youtube-will-pay-record-170-million-alleged-violations>
- <sup>47</sup> <https://commercialfreechildhood.org/what-the-youtube-changes-mean-for-kids-creators-and-the-rest-of-us/>
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- <sup>49</sup> <https://www.gov.uk/government/publications/online-advertising-call-for-evidence/online-advertising-call-for-evidence>



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