

;;;FTC
;;;10.19.22

>> GOOD MORNING.
WELCOME TO THE FTC PROTECTING
KIDS FROM SELF ADVERTISING IN
DIGITAL HEED YA GRAPH EVENT MY
NAME IS MIN HEE KIM.
ON BE HALF OF THE ENTIRE FTC
EVENT TEAM WE'RE DELIGHTED
YOU'RE JOINING US TODAY.
I HAVE A FEW ADMINISTRATIVE
DETAILS TO COVER.
FIRST A VIDEO RECORDING AND
TRANSCRIPT OF THE PROCEEDINGS
WILL BE AVAILABLE SHORTLY AFTER
THE GRAPH EVENT OUR INTENT TO
CREATE A LASTING RESOURCE FOR
ANYONE INTERESTED IN THIS
IMPORTANT TOPIC.
SECOND, AS WITH ANY VIRTUAL
EVENT WE MAY EXPERIENCE
TECHNICAL ISSUES.
IF THIS OCCURS WE ASK FOR YOUR
PATIENCE.
WE WILL LET YOU KNOW IF THERE
WILL BE SIGNIFICANT DELAYS.
THIRD, WE WILL ACCEPT AUDIENCE
QUESTIONS THROUGH OUT THE
DEDICATED E-MAIL ADDRESS
DUE TO TIME CON STRAIGHTS WE MAY
NOT GET TO ALL OF THE QUESTIONS,
BUT WE WILL REVIEW EVERY
QUESTION WE RECEIVE.
WE'RE SEEKING PUBLIC COMMENTS
UNTIL NOVEMBER 18th ON THE TO
YOU CAN DISCUSSED TODAY.
FINALLY PLEASE JOIN US ON
TWITTER.
OUR TWEUPBTER HANDLE IS@KIDSFTC.
NOW OUR FIRST SPEAKER THE CHAIR
OF THE FTC.
LINA KAHN.
SHE WAS A PROFESSOR OF LAW AT
COLUMBIA LAW SCHOOL.
HE WAS ON ANTITRUST, COMMERCIAL
AND ADMINISTRATIVE LAW.
LEGAL ADVISOR AND LEGAL DIRECTOR
AT THE OPEN MARKET INSTITUTE.
WELCOME, CHAIR KAHN.
>> THANK YOU, SO MUCH.
GOOD MORNING, EVERYBODY.
WELCOME TO TODAY EASY VENT.
WE HAVE A TERRIFIC LINEUP OF
EXPERTS TODAY TO SPEAK ON THIS
CRITICAL TOPIC.
I'M SO LOOKING FORWARD TO THE
DISCUSSION.
THANK YOU SO MUCH ALSO TO OUR

ENTIRE TEAM FOR PUTTING TOGETHER THIS EVENT.
I KNOW A TON OF BEHIND THE SCENES WORK GOES INTO THESE THINGS.
WE'RE THANKFUL FOR YOUR EFFORTS. ADVERTISING HAS CHANGED A LOT THE LAST FEW DECADES.
AS WE MOVE IT USE TO BE EVERY KID WATCHING A TV SHOW WOULD HE ZOO THE SAME COMMERCIAL.
IT WASN'T HARD TO KEEP AN EYE ON THE ADS OUR CHILDREN WERE SEEING.
THE RISE OF SOCIAL MEDIA AND TARGETING CHANGED EVERYTHING.
NOW EVERY CHILD IS A AUDIENCE OF ONE.
MOST PEOPLE TODAY ARE DIGITAL NATIVES.
THEY WERE NOT AROUND BEFORE DOUBLING TAL TECHNOLOGIES.
THEY INTERACT ALMOST INTUITIVELY.
IN SOME WAYS IT'S GREAT NEWS. KIDS HAVE THE NATURAL COMPETENCY TO TAKE ADVANTAGE OF DIGITAL TOOLS ONLY GROWN UPS CAN DREAM OF.
THERE ARE RISKS.
THEY'RE EXPOSED TO AN ARRAY OF MARKING PRACTICES THAT BLUR THE LINE BETWEEN ADVERTISING AND ENTERTAINMENTS.
THAT'S AN ESPECIALLY SERIOUS ISSUE WHEN WE TALK ABOUT YOUNG PEOPLE.
AS TODAY'S SPEAKERS AND PANELISTS WILL EXPLAIN DEVELOPING BRAINS ARE MORE DECEPTIVE TO HARMFUL PRACTICES. MEDIANE AND LONG TERM EFFECTS .RESEARCH INDICATES OLDER KIDS MAY SEE OVER A THOUSAND ADS PER DAY.
WHAT PARTICULARLY CONCERNS THE FTC IS THE FACT KIDS CAN NOT 0 TEN TELL THE DIFFERENCE BETWEEN ADS AND ORGANIC CONTENT.
SOME FORMS OF ADVERTISING ARE INTENTIONALLY DESIGNED TO EXPLOIT KIDS FOR COMMERCIAL GAIN.
THEY MAY PROVIDE PERSONAL INFORMATION WITHOUT UNDERSTANDING THE PRIVACY RISKS, AND WHEN STEALTH ADVERTISING COMBINED WITH CON ARE NOTING CONTENT LIKE GAMBLING AND E

CIGARETTES THE RISKS ARE
GREATER.
WE WILL EXAMINE THE CONCERNS AND
POSSIBLE PATHS FORWARD.
OUR PANELISTS WILL IMPACT THE
HARMS THAT CAN ARISE FROM
PREDATORY ADVERTISING DIRECTED
AT CHILDREN.
THEY WILL EXPLORE WHETHER
EXISTING REGULATORY REGIMES ARE
UP TO THE TASK OF PROTECTING
KIDS AND FAMILIES FROM THE
HARMS.
FIRST WE HAD HAVE A PRESENTATION
BY MAMIE.
SHE WILL DISCUSSION EX MANY P-LZ
OF ADS THAT KIDS NOT COUNTER
ON-LINE THAT BLEND INTO CONTENT.
HER PRESS EN TAUGS WILL BE
FOLLOWED BY A QUESTION AND
ANSWER QUESTION WITH AN
ASSISTANT DIRECTOR OF OUR
DIVISION OF ADVERTISING
PRACTICES.
THE ARE
BE FILLED WITH PANEL DISCUSSIONS
ON KIDS AND DIGITAL ADVERTISING.
THE FIRST PANEL INCLUDES EXPERTS
FROM A NUMBER OF DISCIPLINES
DISCUSSING COGNITIVE ABILITIES
ACROSS DIFFERENT AGES AND
DEVELOPMENTAL STAGES.
THEY WILL CONNECT THAT TO KEY
QUESTIONS HOW KIDS PROCESS AND
PERCEIVE ADVERTISING.
IN THE SECOND PANEL RESEARCHERS
AND PRACTITIONERS WILL DISCUSS
HOW KIDS CURRENTLY INTER ACT
WITH THE CURRENT LANDSCAPE AND
DISCUSS HARMS OF ADS AND BLURRED
ON TENT AND MITIGATING FACTORS.
THE FINAL PANEL IS MORE FORWARD
LOOKING.
WE WILL HEAR FROM A VARIETY OF
STAKE HOLDERS.
GIVEN THE COMPLEXITY OF THE
ISSUES THERE MAY NOT BE A SILVER
BULLET TO MITIGATE THE RISKS AND
HARMS POSED TO CHILDREN AND
TEENS.
WE WILL DEMONSTRATE WE WILL
LIKELY NEED A COMBINATION OF
INTERVENTIONS FOR OUT COMES.
THE FTC IS CURRENTLY EXPLORING
UPDATING THEIR RULE ON THE
CHILDREN PRIVACY ACT.
THE LAST TIME WE REVISED THE
RULE WAS 2013.
A LOT HAS CHANGED SINCE THEN.

WE ARE CURRENTLY SEW LITING
COMMENTS ON MAKING SURVEILLANCE
MORE BROADLY.

IN THE MEANTIME WE WILL LOOK TO
LAW ENFORCE MENT ACTIONS USING
EXITING LEGAL AUTHORITIES AND
SUPPORT CONGRESSIONAL ACTION
AIMING TO BOLSTER OUR EFFORTS.
WE LOOK FORWARD TO WORKING WITH
CONSUMER GROUPS AND OTHER KEY
STAKE HOLDERS TO UNDERSTAND THE
ISSUES AND DEEPEN OUR HE WAS TO
PROTECT CHILDREN, PARENTS AND
TEACHERS.

THANK YOU FOR COMING TO DAY.
THANKS TO OUR PANELISTS FOR
SHARING THEIR TIME WITH US.
I WILL HAND IT ORE TO MAMIE.

>> THANK YOU, CHAIR KAHN.

NOW I HAVE THE HONOR OF I TREE
DOUSING OUR NEXT SPEAKER MAMIE
KRESSES, VICE PRESIDENT OF THE
CHILDREN ADVERTISERS AND REVIEW
AOUPT OF BBB PROGRAMS.

SHE ON GOES SEEING EFFORTS THAT
THEIR DATA COLLECTION PRACTICES
WITH CHILDREN.

SHE WAS A SENIOR ATTORNEY AT THE
FTC IN THE DIVISION OF
ADVERTISING PRACTICES AND
RECIPIENT OF THE FTCs LIFETIME
ACHIEVEMENT AWARD.

PLEASE JOIN ME IN WELCOMING
MAMIE KRESSES.

I WILL TURN IT OVER TO YOU NOW.
EUFRRPGTS THANK YOU.

THANK YOU TO THE FTC FOR
INVITING ME TO PARTICIPATE IN
TODAY'S IMPORTANT GRAPH EVENT
THIS IS LABELED AS A SHOW &
TELL.

I WILL SHOW YOU THROUGH SIMPLE
DEPICTIONS THE DIFFERENT
ADVERTISING FORMATS THAT CHIRP
CHILDREN SEE TODAY AND TELL YOU
WHY ADVERTISERS MUTT TAKE
SPECIAL CARE TO MAKE IT CHEER TO
CHILDREN THEY'RE INVOLVED IN
ADVERTISING AND TECHNIQUES THAT
CAN MISLEAD CHILDREN.

NEXT SLIDE, PLEASE.

SO, TO SET THE STAGE I THINK
IT'S EYE OPENING TO SEE THAT
DIGITAL HAS BECOME A PREDOM FANT
ADVERTISING MEDIUM.

RECENT REPORTS ET MATE ADS ON
DIM TAL IN 2023 COULD GO OVER
\$300 BILLION.

AND AD SPENDING ON META VERSE

ALONG COULD BE NEAR

\$200 BILLION.

THAT'S SPENDING ON ALL
ADVERTISING AND CHILDREN AND
TEEN ADVERTISING IS ONLY A
FRACTION OF THAT.

IT'S EQUALLY STRIKING THE
LIGHTENING PACE THAT NEW DIGITAL
AD FORMATS ARE CREATED COMPARED
TO THE STAGE DAYS OF TV AND
RADIO.

NEXT SLIDE, PLEASE.

BEFORE WE GET INTO THE
ADVERTISING ITSELF THE FTC HAS
ASKED ME TO GIVE YOU A REFRESHER
ON WHO REGULATES THE SPACE.

SO, IF YOU'RE HERE YOU PROBABLY
FOE THAT THE FTC HAS BROAD
JURISDICTION UPPED SECTION 5 OF
THE FTC ACT AGAINST UNFAIR OR
DECEPTIVE PRACTICES.

THE FTCs EXTENSIVE CASE LAW
AND GUIDANCE ON UNFAIR
ADVERTISING PRACTICES HAS BEEN
FOCUSED CLOSE LEON DIGITAL
SPACES IN RECENT YEARS.

THE GUIDANCE ON THE SCREEN BELOW
ALL ADDRESS DIGITAL PRACTICES TO
A SIGNIFICANT EXTENT.

WE'RE HERE TODAY TO TALK ABOUT
DIGITAL PRACTICES TO CHILDREN
SPECIFICALLY.

BUT AS BACKGROUND THE FTCs
DECEPTION CASES INVOLVING
CHILDREN HAVE TRADITIONALLY
ADDRESSED DECEPTIVE TOY AND
PRODUCT PERFORMANCE CLAIMS.
WHICH IMPORTANTLY UNDER THE FTC
STANDARD THIS IS IS THROUGH THE
EYES OF ORDINARY CHILDREN.
TYPICALLY ADDRESSING UNSAFE OR
DANGEROUS PRODUCT REPRESENTATION
OR UNFAIR MONETARY CHARGES
INCURRED BY CHILDREN.

EACH OF THESE THAT COULDN'T BE
REASONABLY AVOIDED BY PARENTS
AND HAVE NO COMPETING VALUE TO
SOCIETY OR THE CONSUMERS.

AND OF COURSE THE FTC HAS A LONG
AND HARDY CASE LAW UNDER THE
COPPER RULE.

NEXT SIDE, PLEASE.

WHILE WE'RE HERE TODAY
RECOGNIZING THE FTCs MANY
TOOLS I THINK IT'S IMPORTANT TO
TAKE A MINUTE TO ALSO RECOGNIZE
THE NEED TO BE, YOU KNOW,
CAREFUL IN HOW WE ADDRESS
ADVERTISING PRACTICES TO

CHILDREN.

LOOKING BACK AT THE ILL FATED
1970s RULE MAKING IT'S
INSTRUCTIVE ABOUT BEING CAREFUL
TO CAUTIOUSLY AND OBJECTIVELY
CONSIDER YOU KNOW THE
JUSTIFICATIONS FOR ANY MEASURES
TAKEN TO PROTECT CHILDREN IN THE
ADVERTISING.

IN THAT RULE MAKING THE
COMMISSION SOUGHT TO BAN ALL
ADVERTISING TO CHILDREN BENEATH
A CERTAIN AGE AND BAN CERTAIN
TYPES OF ADVERTISING TO OLDER
CHILDREN.

THE DETERMINATION THERE WAS THAT
THE LIMITATIONS WOULDN'T ACHIEVE
THEIR PURPOSES NARROWLY OR
LEGALLY.

WOULD RESULT IN OVER BROAD AND
POTENTIALLY IN EFFECTIVE
OUTCOMES.

CONGRESS AT THAT TIME TOOK THE
ACTION OF AMENDING TO REVOKE THE
FTCs RULE MAKING AUTHORITY ON
UNFAIR ADVERTISING TO CHILDREN
THAT. RESTRICTION IS STILL IN
PLACE.

SO AS WE LOOK AT ADVERTISING TO
CHILDREN AND HOW TO IMPROVE THE
SPACES IT'S VERY IMPORTANT TO
LOOK AT, YOU KNOW, CAREFULLY
LOOKING AT OUR OBJECTIVES TO
MAKE SURE THEY ACCOMPLISH WHAT
WE WANT WHICH IS A TRUTHFUL
TRANSPARENT AND APPROPRIATE
SPACE FOR CHILDREN.

NEXT SLIDE, PLEASE.

THE FTC ALSO HAS JURISDICTION
OVER ADVERTISING OVER CHILDREN.
LIMITING THE NUMBER OF
ADVERTISER PERMIT THAT CHILDREN
CAN SEE PER HOUR, THAT CHILDREN
CAN SEE ON CHILDREN'S
PROGRAMMING.

RESTRICTS HOST SELLING.

WHICH IS THE PROCESS OF A
CHARACTER IN A SHOW CONDITION
PROMOTE PRODUCTS IN THAT SHOW OR
ADJACENT TO THAT SHOW.

THEN WHILE THE ACT DOES PERMIT
TOY BASED PROGRAMMING IT
PROHIBITS EXPLICIT ADS FOR THOSE
TOYS IN OR ADJACENT TO THE
PROGRAM.

IT'S IMPORTANT TO REMEMBER THAT
THE FTC AND THE TELEVISION ACT
ONLY COVER TV.

BROADCAST, CABLE, SATELLITE, AND

DIGITAL MULTI CAST.

THEY DON'T T DOESN'T COVER
ON-LINE CONTENT OR VIDEO GAMES,
FOR INSTANCE.

NEXT SLIDE, PLEASE.

SO, I DO ALSO THINK IT'S
IMPORTANT TO MENTION COPPA HERE.
ALTHOUGH TODAY'S PROGRAM IS
ABOUT ADVERTISING, COPPA IS VERY
RELEVANT HERE.

NOW THAT ADVERTISING IS LARGELY
DIGITAL AND THE CHAIR MENTIONED
THIS AS WELL, ADVERTISING AND
PRIVACY ISSUES ARE INCREASINGLY
INTERLINKED.

SECOND COPPA RIGHT NOW IS THE
ONLY FEDERAL LAW THAT DEFINES
WHAT CONTENT IS DIRECTED TO
CHILDREN AND THIS DEFINITION OF
DIRECTED TO CHILDREN PROVIDES
IMPORTANT GUIDE EPS FOR
ADVERTISERS TOO.

THIRD COPPA IS THE ONLY FEDERAL
LAW TACKLING THE ISSUE OF WHO
HAS RESPONSIBILITY AND WHEN FOR
COLLECTING CHILDRENS
INFORMATION.

NOW WE KNOW THAT COPPA.

EVEN WITH THE DEFINITIONS
DIRECTED TO CHILDREN, OPERATOR
AND OTHER DEFINITIONS IN COPPA
THAT THERE CAN BE GRAY AREAS FOR
BUSINESSES AND REGULATORS TOO IN
TERMING WHAT IS CHILD DIRECTED
AND WHO THE AUDIENCE IS.

ADVERTISERS CAN FACE SIMILAR
DIFFICULTIES IN DIGITAL SPACES.
NEXT SLIDE, PLEASE.

NOW, WE DON'T HAVE TIME TODAY TO
DISCUSS ALL OF THE PROPOSED
LEGISLATION OR ENACTED LAWS ON,
THAT FOCUS ON CHILDREN.

I DO PUT UP THIS SLIDE FOR THE
PURPOSE OF SAYING WE NEED TO
ACKNOWLEDGE THE CLIMATE WE'RE IN
THERE IS CURRENTLY INTENT STATE,
FEDERAL INTERESTS IN ADDRESSING
CONCERNS ABOUT DIGITAL SPACES
USED BY CHILDREN AND TEENS.

IT'S VERY IMPORTANT TO NOTE THAT
WHETHER YOU'RE TALKING ABOUT THE
CALIFORNIA AGE APPROPRIATE
DESIGN CODE OR ANY OF THE
NUMEROUS BILLS PROPOSED IN THE
U.S. CONGRESS THAT ALL GO BEYOND
PRIVACY TO RAISE SAFETY, DIGITAL
WELL BEING, ISSUES ABOUT
ALGORITHMS AND OTHER CONCERNS.
EACH OF THESE WOULD IMPLEMENT

SPECIFIC PROTECTIONS FOR TEENS.

NEXT SLIDE, PLEASE.

SO, WHERE DOES CARU, THE CHILDREN'S ADVERTISING REVIEW UNIT FIT IN FOR ADVERTISING FOR CHILDREN.

CARU WAS CREATED IN 1974 AT A TIME WHEN ADVOCATES AND OTHERS WERE RAISING CONCERNS THAT BRANDS WERE FAILING TO TAKE APPROPRIATE CARE IN ADVERTISING TO CHILDREN.

SO CARU WAS CREATED BY THE ADVERTISING INDUSTRY TO CLEAN UP IT'S ACT.

ALTHOUGH CREATED BY INDUSTRY IT'S IMPORTANT TO KNOW THAT CARU IS A INDEPENDENT SELF REGULATORY BODY MAINTAINING STRICT GUIDELINES FOR ADVERTISING TO CHILDREN.

RELIED ON NOT ONLY BY THE COMPANIES THAT JOIN CARU BUT WE MAKE SURE THEY'RE WIDELY DISSEMINATED TO INDUSTRY.

CARU MONITORS THE MARKETPLACE TO ENFORCE ADVERTISING GUIDELINES AGAINST ADS THAT ARE MISLEADING OR INAPPROPRIATE.

WE ALSO WORK DIRECTLY WITH SUPPORTERS RESPECTING LARGE MEETING COMPANIES THAT ARE COMMITTED TO TRUTHFUL TRANSPARENT ADVERTISING TO CHILDREN.

HELPING THEM TO INSURE THAT THEIR ADVERTISING, ESPECIALLY IN EVOLVING MEDIA FORMATS, MEETS CAR.

SOME US HIGH STANDARDS.

NEXT SLIDE, PLEASE.

SO THE CARU GUIDELINES COVER NATIONAL ADVERTISING DIRECTED TO CHILDREN UNDER 13.

IF ANY IMMEDIATE TKWRA.

THAT MEANS IN ALL MEDIA.

THE GUIDELINES WERE MOST UPDATED EFFECTIVE JANUARY OF THIS YEAR, ESPECIALLY TO MORE CLEARLY ADDRESS ON-LINE ADVERTISING PRACTICES.

DIGITAL, DIGITAL FORMATS.

AS YOU CAN SEE THE GUIDELINES COVER EXTENSIVELY COVER EVERY AREA WHERE ADVERTISERS NEED TO TAKE SPECIAL CARE TO BE TRUTHFUL, TRANSPARENT IN ADVERTISING TO KIDS.

I ALSO WANT TO MENTION, NEXT

SLIDE, PLEASE.

WHEN CARU REVISED GUIDELINES IN 1992 THEY INCORPORATED THE COPA STANDARD FOR ADVERTISING DIRECTED TO CHILDREN UNDER 13. THIS STANDARD NOW IN PLACE FOR OVER 20 YEARS PROVIDES BRANDS AND ADVERTISERS WITH A UNIFORM RELIABLE MEASURE THAT THEY CAN USE.

HOWEVER PERSONALLY ENFORCING COPA FOR MANY YEARS AT THE FTC AND IN MY ROLL AT CARU I THINK IT'S IMPORTANT TO DETERMINING CON AT ANY TIME THAT IS CHILD DIRECTED IS NOT ALWAYS BLACK AND WHITE.

AS FOR MARKETERS AND ADVERTISERS DETERMINING WHO THE AUDIENCE IS CAN BE CHALLENGING IN DIGITAL SPACES.

IN FACT SEVERAL COMPANIES WORKING WITH CARU STRIVE NOT TO RUN PARTICULAR CAMPAIGNS IN FRONT OF CHILDREN.

THERE ISN'T ALWAYS THE DEMOGRAPHIC DATA AND ON-LINE MEDIA TO GIVE THE CERTAINTY THAT MARKETERS WOULD LIKE TO HAVE.

NEXT SLIDE, PLEASE.

I MENTIONED THAT NEXT SLIDE PLEASE.

I'M SORRY.

YOU WERE ON THE RIGHT SLIDE.

I'M SORRY.

IT JUST DELAYED FOR ME.

I MENTIONED THAT CARU'S GUIDELINES WERE UPDATED TO MORE DIRECTLY ADDRESS DIGITAL MEDIA IN 2020, THE START OF 2022.

WHAT DOES NOT CHANGE ARE CARU'S OVERARCHING PRINCIPLES THAT SUPPORT OUR SPECIFIC GUIDANCE. MOST IMPORTANTLY TO BUILD ADVERTISING WITH CHILDREN LIMITED KNOWLEDGE, EXPERIENCE IN MIND.

TO BE TRAPS PARENT THAT ADVERTISING IS ADVERTISING. NOT TO MISLEAD CHILDREN EITHER THROUGH REPRESENTATIONS OR DESIGN.

NEXT SLIDE, PLEASE.

SO, WHY AM I TALKING SO MUCH ABOUT CARU.

WE ARE OUT THERE MONITORING THE CHILDREN'S ADVERTISING SPACE AND HAVE BEEN DOING SO FOR ALMOST 50 YEARS.

OF COURSE OUR FOCUS NOW BECAUSE
OF THE FACT THAT MOST
ADVERTISING TO CHILDREN IS
DIGITAL ADVERTISING OUR FOCUS IS
IN THAT AREA.

OUR MONITORING HAS SHOWN US SOME
OF THE AREAS THAT ARE OF
GREATEST CONCERN NOW IN THESE
DIGITAL SPACES.

ESPECIALLY THOSE HIGHLY
IMMERSIVE AND INTERACTIVE
SPACES.

THESE ARE THE AREAS THAT
ADVERTISERS NEED TO TAKE SPECIAL
CARE NOT TO MISLEAD OR CONFUSE
CHILDREN.

WE WILL UP TO ON THOSE, SOME OF
THOSE AREAS NOW.

NEXT SLIDE, PLEASE.

CHAIR KAHN MENTIONED THAT MUCH
OF TODAY WILL TACKLE THE ISSUE
OF BLURRING IN DIGITAL
ADVERTISING.

THE CARU GUIDELINES WERE UPDATED
IN 2022 TO MORE, GIVE MORE
SPECIFIC GUIDANCE TO BUSINESS ON
HOW TO AVOID BLURRING.

SO WHAT IS BLURRING?

BLURRING IS WHERE AN AD IS
DESIGNED TO PHURR THE FACT IT'S
ACTUALLY AN AD AND IT'S DESIGNED
TO LOOK MORE LIKE ORGANIC OR
ENTERTAINMENT CONTENT.

WHY IS THAT A PROBLEM?

IT'S PAWS WE POE THE MOST BASIC
TRUTH IN ADVERTISING PRINCIPLE
IS THAT ADVERTISING SHOULD BE
CLEAR THAT ADVERTISING IS
ADVERTISING.

THAT ADVERTISING SHOULD NOT BE
BLURRED WITH NON ADVERTISING
CONTENT.

SO, IF THE DIGITAL SPACE
OBVIOUSLY ADVERTISERS AND
MARKETERS WANT TO BE CREATIVE
AND ENGAGING.

BUT AT THE SAME TIME IT'S, YOU
KNOW NO ONE SAYS DON'T BE
CREATIVE AND ENGAGING.

AT THE SAME TIME IT'S VERY
IMPORTANT WHEN WE TALK ABOUT
CHIRP AND EVEN TEENS TO
RECOGNIZE THEIR ABILITY TO TAKE
SPECIAL CARE TO INSURE THAT
ADVERTISING IS CLEARLY DENOTED
AND THE FTCs BLURRING
GUIDELINES DO PROVIDE GUIDANCE
THERE.

WHICH IS TO PAY ATTENTION TO

WORDING AND DESIGN TECHNIQUES.
TO IN TEPGS ALLEY DISTINGUISH
ADVERTISING FROM NON ADVERTISING
CONTENT.

TO USE TOOLS LIKE TEXT, SIZE,
BOARDERS, COLOR, AND EVEN
DISCLOSURES.

WHY THAT'S IMPORTANT IS THAT AS
WE MOVE INTO ALL OF THE
DIFFERENT MEDIA WE NEED TO LOOK
AT THE NOT ENVIRONMENTS WHERE
THE ADS APPEAR.

BUSINESS NEEDS TO HAVE GUIDANCE
ON HOW TO ADVERTISE, HOW TO MAKE
ADS CLEAR AND HAVE FLEXIBILITY
TO BE ABLE TO LOOK AT THAT SPACE
AND SAY WHERE IN THIS SPACE CAN
I MAKE IT CLEAR AND UNAVOIDABLE
THAT WHAT SOMEONE IS SEEING IS
ADVERTISING.

WHETHER IT'S THE ENTIRE SPACE IS
ADVERTISING OR WHETHER THIS IS
ADVERTISING WITHIN A CONTENT
SPACE.

THIS IS A, YOU KNOW IT'S A
CENTRAL FOCUS OF CARUS
GUIDANCE TO BUSINESS.

NEXT SLIDE, PLEASE.

SO, I WILL PRESENT A FEW
EXAMPLES OF WHERE BLURRING CAN
OCCUR.

THAT LOSING THE LINE BETWEEN
ADVERTISING AND NON ADVERTISING
CONTENT.

HERE YOU CAN SEE THIS IS A
SIMPLE MOCK UP OF A BRIGHTLY
COLORED BRANDED CANDY THEMED
GAMING SITE.

THE SUBJECT MATTER, I HOPE YOU
WILL LOOK AT IT THROUGH THE EYES
OF A CHILD AND SAY THIS IS
ENTICING, IT'S FUN, IT'S
COLORFUL, IT'S EASY TO PLAY.
BUT NOTHING HERE OVERTLY SAYS
THIS IS ADVERTISING.

SO WHEN CARU OR THE FTC LOOK AT
THIS WE ASK, HOW WOULD A CHILD
INTERPRET THIS?

WOULD A CHILD UNDERSTAND IF THIS
IS ADVERTISING, WOULD THEY KNOW
THAT.

SO THIS EXAMPLE.

I'M NOT GOING -- WE WILL HAVE
PANELS ALL DAY TALKING ABOUT,
YOU KNOW, ISSUES AND REMEDIES.
I WON'T TRY TO TEACH YOU WHAT TO
DO HERE.

InH

OF A BRANDED SITE WHERE IT

WOULDN'T NECESSARILY BE CLEAR TO CHILDREN THAT IT IS ADVERTISING. NEXT SLIDE, PLEASE.

AT THE SAME TIME I DO WANT TO, YOU KNOW, MAKE CLEAR THAT CARU RECOGNIZES THAT NOT EVERY APPEARANCE OF I BRAND OR A PRODUCT IN CONTENT IS NECESSARILY AN ENDORSEMENT, RIGHT.

AN ENDORSEMENT OF THAT BRAND. I PUT UP THESE SIMPLE MOCK UPS HERE TO SAY HERE ARE TWO MOBILE WORLDS FOR CHILDREN ON THE SURFACE THEY'RE NOT THAT DIFFERENT FROM EACH OTHER THEY BOTH INVOLVE PICKING YOUR SPACE SHIP OR YOUR AIRPLANE, AND ENGAGING IN YOU KNOW FLIGHT NAVIGATION.

BUT WE HAVE TO LOOK AT THE SPECIFICS OF DIFFERENT ON-LINE CONTENT AND SAY, YOU KNOW, IS THIS ADVERTISING OR NOT? THAT WILL DEPEND ON HOW, WHETHER ENDORSEMENTS ARE MADE FOR PARTICULAR PRODUCTS, HOW THE PRODUCTS APPEAR.

IT'S IMPORTANT NOT TO, YOU KNOW, HAVE A REACTION THAT ANYTHING AND EVERYTHING BECAUSE IT'S ON-LINE IS NECESSARILY ADVERTISING.

THEN WE GO TO THIS EXAMPLE HERE. THIS VERY EXCITING WORLD THAT OUR MARKETING TEAM HERE AT BBB NATIONAL PROGRAMS CREATED. NEXT SLIDE, PLEASE.

SO, IF YOU CAN TAKE A FEW SECONDS TO LOOK AT THIS. THIS WORLD CREATED BY OUR TEAM. THERE IS A LOT GOING ON HERE. THE POINT HERE IS THAT THIS IS LIKE A, LIKE AN EXPERIENCE SPACE THAT CHILDREN CAN COME INTO, DEPENDING ON WHAT THE REAL FACTS ARE HERE.

THIS AS YOU CAN SEE THIS MIGHT BE A BRANDED SITE AND THE WHOLE SITE MAYBE ADVERTISING FOR THE BRAND, OR IT MIGHT BE AN ORGANIC GAME.

TO THE RIGHT OF THE SCREEN YOU HAVE LANGUAGE, A BIG SIGN THAT SAYS "GRAB YOUR GEAR HERE."

IF THESE ARE VIRTUAL ASSIMILATIONS OF REAL PRODUCTS THIS COULD LIKELY BE ADVERTISING FOR THOSE PRODUCTS.

THERE MIGHT BE COINS INVOLVED OR ACTUAL PURCHASES WITH REAL MONEY.

THESE SORTS OF WORDS POINT OUT THAT ADVERTISING NEED TO TAKE CARE TO DETERMINE WHETHER THE WHOLE EXPERIENCE IS AN ADD OR IF ADVERTISERS OR ADVERTISERS ARE ADVERTISING ON OTHER GAME AND PLATFORMS TO TAKE SURE WHERE THE ADVERTISING IS, IT IS CLEAR TO CHILDREN.

WE WILL TALK ABOUT OTHER GUIDE LINES, PROVISIONS THAT DEAL WITH THE ISSUE OF HOW TO MAKE IN THIS HIGHLY INTERACTIVE, EXCITING, COLORFUL, LOTS GOING ON SPACES. HOW TO MAKE SURE WHERE THEY ARE SEEING ADVERTISING.

NEXT SLIDE, PLEASE.

ANOTHER TOPIC THAT WE ADDRESS IN OUR CARU GUIDELINES AND WAS UPDATED SPECIFICALLY TO COVER DIGITAL ADVERTISING IS THE ISSUE OF MANIPULATIVE TACTICS.

WHAT CARU HAS SAID IS ON-LINE SPACES, PARTICULARLY IN GAMES WHERE THERE IS ADVERTISING YOU NEED TO, YOU NEED TO TAKE SPECIAL CARE TO MAKE SURE THAT YOU CLEARLY AND CONSPICUOUSLY DISCLOSE WHAT IS ADVERTISING WITHIN THE SPACES.

THE FLIP SIDE OF THAT IS DON'T MANIPULATOR DECEIVE CHILDREN INTO VIEWING ADS OR MAKING PURCHASES.

BY THAT WE MEAN DON'T MAKE YOUR ADS OR PURCHASES LOOK LIKE THEY'RE ACTUALLY PART OF GAMEPLAY.

RIGHT.

IT GOES BACK TO THE IDEA OF BLURRING.

BUT BLURRING TO THE POINT OF ACTUALLY MANIPULATING CHILDREN. SO LET'S LOOK AT SOME EXAMPLES THERE.

NEXT SLIDE, PLEASE.

SO IN THE PAST SEVERAL MONTHS DARU HAS ACTUALLY BROUGHT FOUR CASES AGAINST MOBILE APPS DESIGNED FOR CHILDREN.

IN THOSE CASES WE SAW BLURRING. IT WAS VERY DIFFICULT TO TELL WHERE THE, WHAT WAS ADVERTISING IN THE GAME.

IT WAS ALSO VERY DIFFICULT IN SOME OF THE GAMES TO TELL WHEN

YOU CLICKED ON A BUTTON HERE OR THERE YOU WOULD BE PAYING REAL MONEY FOR SOMETHING WITHIN THE GAME.

WE FOUND IN SOME OF THE CASE THAT'S THE PRACTICES REACHED THE LEVEL OF BEING MANIPULATIVE. THAT IS THAT THE BUTTONS FOR ADS WERE DESIGNED TO LOOK LIKE IT WAS THE NEXT STAGE OF GAMEPLAY. THE PURCHASES FOR MAKING ACTUAL PURCHASES WERE DESIGNED LIKE YOU WOULD GET A BOOST IN THE GAME OR SUPER CHARGE YOUR PLAY.

WE FOUND THESE TO MANIPULATE CHILDREN INTO BELIEVING THEY HAVE TO TAKE THESE STEPS IN ORDER TO ADVANCE IN THE GAMES. I WILL ALSO TELL YOU CARU HAS HAD CASES WHERE, CARU'S GUIDELINES ARE NOT ONLY ABOUT MANIPULATING THROUGH TECHNIQUE BUT ALSO MANIPULATING THROUGH SOCIAL OR EMOTIONAL CUES. WE HAVE HAD CASES WHERE WE SPECIFICALLY ADDRESSEE EMOTIONAL MANIPULATION.

SUCH AS TELLING KIDS THEY HAVE TO BUY FOOD FOR THEIR PETS IN A GAME OR THE PETS WILL DIE OR BE TAKEN AWAY.

OR GIVING KIDS THE SOCIAL IMPETUS THEY HAVE TO TAKE CERTAIN STEPS TO WATCH ADS, MAKE PURCHASES IN ORDER TO COMPETE WITH OTHERS IN THE GAME.

SO THESE ARE THINGS THAT WE WORK WITH BUSINESSES TO CHANGE.

SO THAT BRINGS US TO THE NEXT SLIDE.

WHICH IS ON MATERIAL DISCLOSURES. CAR.

SOME U UPDATED IT'S GUIDELINES IN 2022 TO ADDRESS LONG FORM CONTENT, SO WE SEE LOTS OF VIDEOS AND GAMES THAT LAST FOR SEVERAL MINUTES.

WHAT WE HAVE SAID IS DISCLOSURES NEED TO BE CLEAR AND CONSPICUOUS IN THE FOR MAT AND MEDIA THEY'RE IN, SOMETIMES YOU NEED MULTIPLE DISCLOSURES, REPEAT DEPENDING ON THE LENGTH.

SOMETIMES YOU NEED, DURING THE AUDIO/VIDEO CONTEMPT THE BEST THING IS TO HAVE AUDIO AND VIDEO DISCLOSURES TO INSURE THAT CHILDREN SEE THEM.

NEXT SLIDE, PLEASE.

SO, WE'RE BACK TO OUR WONDERFUL
PLAY WORLD HERE.

IF YOU WERE TO, YOU KNOW LOOK AT
THIS SLIDE AND THINK ABOUT WHERE -- WOULD DISCLOSURES BE
HELPFUL HERE FOR ADVERTISING.
WHERE WOULD THEY NEED TO BE SO
BE UNAVOIDABLE?

HOW OFTEN WOULD THEY NEED TO
APPEAR DEPENDING CHILDRENS
COMING IN AND OUT OF THE SPACES.
WHERE THEY.

GO THE COLORS, SHAPES, SIZES AND
WORDING NEEDS TO BE USED TO MAKE
CLEAR THAT IN FACT KIDS ARE
SEEING ADVERTISING WHEN THEY'RE
SEEING ADVERTISING.

NEXT SLIDE, PLEASE.

THAT BRINGS US TO INFLUENCERS
AND ENDORSERS.

INFLUENCERS IN THE CHILDREN
SPACE ARE CERTAINLY NOT NEW.
CARU TOOK THE FIRST ACTIONS
AGAINST TWO OF THE MAJOR CHILD
INFLUENCERS YEARS AGO TO
ENFORCE, TO REQUIRE THEM TO
DISCLOSE CLEARLY AND
CONSPICUOUSLY THEIR RELATIONSHIP
TO VARIOUS BRANDS.

WE UPDATED OUR GUIDELINES TO
MAKE IT CLEAR INFLUENCERS ARE
ADVERTISERS IN BOTH THE BRANDS
AND THE INFLUENCER RESPONSIBLE
FOR THE CLAIMS.

LET'S GO TO SOME EXAMPLES IN THE
DIM TAL SPACE HOW INFLUENCERS
WORK.

NEXT SLIDE, PLEASE.

SO AS I HAVE SAID CHILD DIRECTED
INFLUENCES ARE NOT NEW.

THIS IS SORT OF STEP ONE.

WE ARE ALL FAMILIAR WITH STATIC
POSTS WITH INFLUENCERS.

THOSE ARE PROBABLY THE SIMPLEST
SCENARIO TO MAKE IT CHEER AND
CONSPICUOUS THERE IS A
RELATIONSHIP HERE IN THIS AD.

WE KNOW THEY'RE INFLUENCERS THEY
HAVE DISCLOSURES ORAL AND
WRITTEN TELLING US THAT.

THIS IS AN EASY EXAMPLE.

LET'S GO TO THE NEXT SLIDE.

THE NEXT THING THAT YOU KNOW WE
HAVE ALL EXPERIENCED OVER THE
LAST FEW YEARS ARE LONG FORM
VIDEOS.

HERE YOU KNOW, HERE WE HAVE
THREE BOYS PLAYING WITH A
ROCKET.

SEE IT'S 7 MINUTES LONG.
RIGHT HERE WE DON'T KNOW IF THIS
IS, THESE KIDS ARE PAID
INFLUENCERS OR JUST PLAYING WITH
TOYS THEY LIKE.
THAT IS THE POINT AND WE KNOW
THAT EVEN FOR ADULTS WHERE IT'S
NOT CLEARLY AND CONSPICUOUSLY
DISCLOSED SOMEONE IS PAID IT CAN
BE CONFUSING FIGURING THAT OUT.
WHEN WE LOOK AT THE KIDS THE CAR
SP-FPLT U GUIDELINES MAKE IT
CLEAR THE DISCLOSURES NEED TO BE
FREQUENT ENOUGH IN THE RIGHT
FORMAT AND IN LEAVING AM, SIMPLE
LANGUAGE THAT CHILDREN CAN
UNDERSTAND.

NEXT SLIDE, PLEASE.
SO WHAT I WOULD LIKE TO DO HERE
IS LET'S WATCH THE VIDEO.
LET ME SAY FIRST THAT YOU KNOW I
HAVE TRIED HERE NOT TO DO,
MOSTLY MOCK UPS NOT INTENDING TO
CALL OUT ANY PARTICULAR
INFLUENCER OR BUSINESS.
WHERE WE NEEDED TO SHOW A REAL
VIDEO TO SHOW IT THAT IS WHAT WE
HAVE DONE.
THIS IS TAKEN FROM YOUTUBE.
IT'S A SMALL CLIP IN THE
INTEREST OF TIME.
IF HE WITH COULD PLAY THE VIDEO.
>> TAKING THIS BENEFIT --

🔊
(PLAYING MUSIC)
MY CONCEALER IS ALL BLENDED IN.
NOW I WILL USE THIS SHAPE POWDER
FROM.
>> SO, OKAY.
WHAT DO WE HAVE HERE?
JUST ATYPICAL MAKEUP VIDEO BY A
YOUNG TEEN.
WE SEE TWO PRODUCTS THAT SHE IS
SHOWING US ON THE SCREEN THAT
SHE LOVES WITHOUT DISCLOSURES WE
DO NOT KNOW IF THESE IN FACT ARE
PRODUCTS THAT SHE JUST LIKES OR
IN FACT SHE IS BEING PAID.
THIS POINTS OUT THE REAL ISSUE
OF HOW DO WE MAKE CLEAR TO
CHILDREN AND TEENS WHEN SOMEONE
THAT THEY LOOK UP TO OR SOMEONE
THEY FOLLOW OR SOMEONE THEY
THINK IS COOL WHEN ARE THEY
BEING PAID OR NOT.
AND YOU KNOW I KNOW FROM MY
YEARS AT THE FTC OFTEN, EVEN WE
AS ATTORNEYS COULD NOT DETERMINE
AND SOMETIMES WHEN WE THOUGHT

SOMETHING WAS PAID WE WOULD FIND
OUT THEY WERE NOT PAID.

IF WE CAN'T FIGURE IT OUT KHREUS
CLOSURES ARE SUPER IMPORTANT IN
THE CHILDREN SPACE TO HELP THEM
UNDERSTAND.

NEXT SLIDE, PLEASE.

SO, THE LAST THREE SLIDES, WE'RE
ALMOST YOU KNOW ANTIQUES BY
TODAY'S STANDARDS.

RIGHT.

WE KNOW WITH THE CHANGING
DIGITAL WORDS WE'RE IN.

LONG FORM EXPERIENCES WHERE
CHILDREN CAN IN FACT YOU KNOW
INTERACT WITH EACH OTHER,
INTERACT GAMEPLAY, THAT THERE
ARE LOTS AND LOTS OF WAYS FOR
INFLUENCERS TO GET US, YOU KNOW,
TO INFLUENCE IN THESE SPACES.
WHAT WE SEE IS THAT, YOU KNOW,
THERE CAN BE VIDEOS OF SOMEONE
PLAYING A GAME IN ANOTHER SPACE
THERE CAN BE AN INFLUENCER
PLAYING A GAME IN A SPACE.

REAL QUESTIONS ARISE ABOUT HOW
TO EFFECTIVELY MAKE CLEAR WHERE
AND WHEN A INFLUENCER'S
STATEMENTS ARE BECAUSE THEY HAVE
A RELATIONSHIP TO THE BUSINESS
AND THEY'RE BEING COMPENSATED.
QUESTION AS RISE HOW TO MAKE
THAT CLEAR WHEN INFLUENCERS
MAYBE WORKING IN MULTIPLE MEDIA.
HOW OFTEN, YOU KNOW, TO DO THAT
AND HOW TO DO IT CORRECTLY IN
EACH MEDIA OR IN EVERY MEDIA
WHERE IT'S NEEDED.

SO, YOU NO, IT'S CLEAR AND
UNDERSTANDABLE AND FRANKLY
UNAVOIDABLE.

NEXT SLIDE, PLEASE.

SO, AGAIN THIS IS ANOTHER SNIP
IT FROM A REAL VIDEO ON-LINE.
WE HAVE CUT IT FOR LENGTH
REASONS.

IF WE CAN GO AHEAD AND PLAY THAT
VIDEO.

>> HI, IT'S KATE.

>> JANET.

WE'RE PLAYING.

IN THIS GAME YOU COMPETE WITH
OTHER PEOPLE TO CREATE THE BEST
OUTFIT IN THE GIVEN TIME FRAME.
TODAY'S CHALLENGE IS.

TODAY I'M DOING FOUR ROUNDS.

SO THEME LOOKS LIKE IT'S MOON.

SO I'M GOING TO CHOOSE OVER
HERE, CLOTHES FIRST.

>> OKAY.

THANK YOU FOR THAT.

YOU KNOW THIS SIMPLE 30 SECONDS ILLUSTRATES THE QUESTIONS THAT WE AS ADULTS HAVE AND THAT CHILDREN MAY NOT KNOW TO ASK. WHICH IS, WHAT IS GOING ON HERE? ARE THESE GIRLS -- AGAIN I'M NOT THROWING THESE GIRLS UNDER THE BUSS.

I COULDN'T CREATE THIS MYSELF. ARE THESE GIRLS IN FACT, DO THEY HAVE A MATERIAL CONNECTION TO A BRAND IN THIS GAME?

DO THEY HAVE A MATERIAL CONNECTION TO THE GAME?

ARE THEY PAID TO PROMOTE THE GAME?

WE SEE IN THE BACKGROUND OF THEIR WHEN THEY'RE SITTING IN THE BACKGROUND WE SEE BRANDING ALL AROUND THEM.

YET WE DON'T SEE ANY OF THE BRANDING, THAT SAME BRANDING IN THIS GAME.

SO REAL QUESTIONS ARISE AS TO, YOU KNOW, ARE THEY PAID INFLUENCERS FOR ANYTHING THAT THEY ARE PROMOTING HERE? AGAIN THE CARU GUIDELINES MAKE VERY CLEAR THAT IF YOU DO HAVE A PAID RELATIONSHIP IT NEEDS TO BE CLEARLY AND CONSPICUOUSLY DISCLOSED AND LANGUAGE IN A MANNER THAT CHILDREN CAN UNDERSTAND.

SO NEXT SLIDE, PLEASE.

I NOTICE THE FTC IN THEIR PROPOSED AMENDMENT, CHANGES TO THE ENDORSER GUIDES HAVE INDICATED THAT CONSUMER GENERATED INFLUENCERS ARE CONSIDERED INFLUENCERS.

THAT IS, YOU KNOW, THAT IS A IMPORTANT STEP IN SOMETHING THAT WE NEED TO LOOK AT IN METAVERSE PROTO TYPICAL METAVERSE SPACES. HOW DO WE MAKE IT CLEAR TO CHILDREN THAT MAYBE A GAME AVITAR THEY'RE INTERACTING WITH ISN'T ANOTHER PLAYER BUT PUT THERE BY THE GAME OR INFLUENCER IN THAT SPACE.

HOW DO WE MAKE THIS CLEAR?

THE CHALLENGE IS WITH CGI ARE REALLY SIMILAR TO THE CHALLENGES WITH INFLUENCERS IN THEIR AVITAR STATUS OR INFLUENCERS WITH PERSONAL SPACE.

HOW TO MAKE CLEAR TO CHILDREN
WHEN SOMEONE IS PAID TO
INFLUENCE YOUR PLAY IN THE GAME
OR YOUR PURCHASE OF PRODUCTS OR
OTHERWISE.

THAT BRINGS ME TO REALLY MY LAST
SLIDE.

NEXT SLIDE, PLEASE.

THAT IS YOU WILL RECALL THAT I
MENTIONED CARU ADVERTISING
GUIDELINES APPLIED TO
ADVERTISING IN ALL MEDIA. WE
HAVE TAKEN THIS STEP RECENTLY TO
PUT OUT A COMPLIANCE WARNING TO
LET, YOU KNOW EVERYONE IN THESE
METAVERSE SPACES KNOW.

ADVERTISERS, DEVELOPERS,
ETCETERA THAT THE CARU
GUIDELINES APPLY TO METAVERSE,
AUGMENTED REALITY AND VIRTUAL
REALITY SPACES.

THESE SAME TOPICS WE DISCUSSED
HERE TODAY, BLURRING AND THE
POTENTIAL FOR MANIPULATION, THE
NEED FOR MATERIAL DISCLOSURES,
AND PHRAOUPBSER ISSUES.

THAT THESE ARE SOME OF THE CORE
ISSUES THAT WE WILL BE LOOKING
FOR AS WE MONITOR THE SPACES.

THESE ARE ALSO THE CORE ISSUES
WE'RE CURRENTLY WORKING WITH,
BUSINESSES ON NOW, WHO ARE
INTERESTED IN BEING SURE THEY
COMPLY WITH THE -- CARU
GUIDELINES AND THAT THEY MEET
THE FTCs EXPECTATIONS AND
OTHERS AS WE FIND CREATIVE AND
EFFECTIVE WAYS TO MAKE CLEAR
WHAT IS ADVERTISING IN THESE
SPACES.

SO, THAT IS THE END OF MY, MY
SLIDE SHOW.

I WILL TURN IT OVER TO TAWANA.

>> MAMIE, THANK YOU FOR THE OVER
VIEWET AND SETTING THE STAGE FOR
TODAY EASY VENT.

WE HAVE TIME FOR A VIEW
QUESTIONS.

BASED ON WHAT YOU HAVE SHOWN US
TODAY AND IN A EFFORT TO FRAME
TODAY'S DISCUSSION WHAT ARE THE
KEY CHARACTERISTICS OF A BLURRED
ADVERTISEMENT.

>> SO ESSENTIALLY WHEN WE TALK
ABOUT BLURRING ADVERTISING WE
ARE TALKING ABOUT PRESENTING
ADVERTISING IN A MANNER WHERE
IT'S NOT CLEAR TO THE INTENDED
AUDIENCE.

HERE WE'RE TALKING ABOUT KIDS.
IT'S NOT CLEAR THAT THE MESSAGE
IS ADVERTISING.

WHERE INSTEAD THE LOOK AND FEEL
OF THE MESSAGING CREATES A SENSE
IT'S NOT, IT'S NON-COMMERCIAL
CONTENT.

OF COURSE IT'S A CORE
ADVERTISING PRINCIPAL THAT
ADVERTISING SHOULD BE
RECOGNIZABLE AS ADVERTISING.

>> SO, DO YOU THINK YOUNGER KIDS
AND TEENS NEED THE SAME TYPES OF
PROTECTIONS?

>> WE KNOW THAT THE SAME GENERAL
PRINCIPLES APPLY WHETHER
ADVERTISING IS DIRECTED
PRIMARILY TO ADULTS, TEENS,
CHILDREN.

ADS HAVE TO BE TRUTHFUL, NOT
MISLEADING AND CLEARLY
IDENTIFIABLE AS ADVERTISING.
WE ALSO KNOW AS CHILDREN AGE
THEIR KNOWLEDGE AND EXPERIENCE,
SOPHISTICATION AND WITH THAT
THEIR ABILITY TO EVALUATE THE
CREDIBILITY OF INFORMATION
INCREASES.

CARU FOR THEIR PART, OUR
GUIDELINES INDICATE THAT WHEN
WE'RE LOOKING AT WHETHER AN AD
IS CLEAR WE LOOK AT IT THROUGH
THE LENS OF THE PARTICULAR AGE
OF CHILDREN IT'S DIRECTED TOO.
SO FOR THAT, IN THAT REGARD I
WOULD SAY THAT TEENS WOULD NOT
PER SE NEED THE SAME PROTECTIONS
AS YOUNGER CHILDREN.

BUT THAT SAID CURRENT
ADVERTISING TRENDS SUCH AS
INFLUENCER MARKETING WHEN NOT
DONE TRUTHFULLY AND
TRANSPARENTLY OFTEN MAKE IT
DIFFICULT FOR EVEN ADULTS TO
KNOW WHEN SOMETHING IS AN AD FOR
EXAMPLE OR TO TELL WHEN A
RECOMMENDATION IS SIMPLY
ORGANIC.

SO WITH REGARD TO TEENS IT,
BECAUSE THEY'RE SEEING SO MUCH
OF THIS TYPE OF ADVERTISING, IT
IS VERY IMPORTANT TO BE SURE
THAT INFLUENCERS TRUTHFULLY AND
TRANSPARENTLY IN LANGUAGE AND
FORMATING, THAT TEENS CAN SEE
AND RECOGNIZE AND UNDERSTAND,
MAKE CLEAR WHERE THERE IS A
RELATIONSHIP.
WHERE THEY'RE PAID.

THEN IT'S ALSO, THINK IMPORTANT TO DOUBLE DOWN ON THAT WHEN, ON THOSE CAUTIONS WHEN WE'RE DEALING WITH PRETEENS.

>> OKAY.

I KNOW YOU HAVE A LOT OF EXPERIENCE WITH COPPA WHEN COMPANIES APPLY KNOWLEDGE THEY'RE COLLECTED FROM PERSONAL INFORMATION FROM A CHILD OR PERSONAL INFORMATION WITH CHILDREN.

COPPA DRAWS A LINE AT 13.

IS IT REASONABLE FOR COMPANIES TO KNOW THE AGE OF THEIR AUDIENCE.

IS IT FEASIBLE TO HAVE DIFFERENT SOLUTIONS FOR AUDIENCES OF DIFFERENT AGE GROUPS?

>> THOSE ARE GOOD QUESTIONS BUT NOT SIMPLE QUESTIONS.

SO I DO WANT TO TAKE A MINUTE HERE.

YOU KNOW CARU ADVISED COMPANIES TO DESIGN ADVERTISING AND GAMES AND APP THAT'S INCLUDE ADVERTISING OR IN GAME PURCHASES WITH THE AGE OF INTENDED AUDIENCE IN MIND WHEN WE LOOK AT A GAME WE LOOK AT IT DIFFERENT THREE FOR A 6-8 AND A 12-YEAR-OLD.

AGE APPROPRIATE DESIGN IS A GOOD PRINCIPLE.

CAR.

SOME U IS HELPING COMPANIES WITH AGE APPROPRIATE DESIGN BEFORE THAT WAS A TERM FOR ALMOST 50 YEARS.

IT'S IMPORTANT TO KNOW THIS IS NOT AN EXACT SCIENCE.

WE DO NEED TO BE CAREFUL NOT TO CREATE HARD RULES AROUND ADVERTISING FOR CHILDREN OF DIFFERENT AGES.

RISK, YOU KNOW RESULTS THAT ARE EITHER UNINTEPGS ALLEY TOO BROAD OR TOO NARROW OR JUST MISS THE MARK.

WITH CURRENT ADVERTISING OR AS ADVERTISING EVOLVES.

YOU ASKED THE QUESTION IS IT REASONABLE TO EXPECT A BUSINESS MESS TO KNOW THE AGE OF THEIR AUDIENCE.

I THINK THAT'S A VERY GOOD QUESTION.

YOU KNOW TURPT AND EVOLVING DIGITAL SPACES.

THE REALITY IS THERE ISN'T
ALWAYS GOOD INFORMATION
AVAILABLE ON AUDIENCE
COMPOSITION.

AS I MENTIONED EARLIER SEVERAL
COMPANIES WORKING WITH CARU
STRIVE NOT TO ADVERTISE TO CHIRP
FOR A PARTICULAR PRODUCT OR
PARTICULAR AD CAMPAIGN.
THEY WORK REALLY HARD TO BE
CAREFUL AND TO LOOK FOR
DEMOGRAPHIC INFORMATION.

STUDY THE MARKETPLACES.
THERE ISN'T ALWAYS THE
DEMOGRAPHIC INFORMATION IN
ON-LINE MEDIA COMPARABLE TO WHAT
WE MAY, YOU KNOW REGULATORS AND
BUSINESS ARE ACCUSTOMED TO IN
THE TV SPHERE.

>> HOW DID CARU THURPG ABOUT
THE ISSUES AND ULTIMATELY CREATE
IT'S PRINCIPLES ON BLURRED
ADVERTISING?

>> SO, YOU KNOW CARU GUIDELINES
TRADITIONALLY HAVE COVERED THE
REQUIREMENT THAT YOU SHOULD NOT
BLUR ADVERTISING AND NON
ADVERTISING CONTENT.

AS WE LOOKED AT THE DIGITAL
SPACES WE FELT IT WAS IMPORTANT
TO SIGNAL THE WAYS IN WHICH ONE
COULD AVOID BLURRING TO
CHILDREN.

YOU HAVE TO BACK UP A SECOND AND
FIRST SAY WHAT IS THE OVERRIDING
PRINCIPLES OF CARUS GUIDELINES
AND WHAT WE'RE ALL HERE ABOUT
TODAY.

WE NEED, WE DO NEED TO DESIGN
WITH CHILDREN IN MIND.

SO WE NEED TO BE LOOKING AT THE
START ABOUT HOW THESE ADS WILL
BE PERCEIVED AND UNDERSTOOD BY
CHILDREN.

IN THE BLURRING SPACE WE ALSO
RECOGNIZE THAT THE WORLD THAT
WE'RE IN, ADVERTISING SHOULD BE
INTERESTING AND
FUN.

IT NEEDS TO BE CLEAR IT'S
ADVERTISING.

WE THOUGHT ABOUT THAT, HOW DO WE
DO THAT.

THAT IS A MATTER OF ALL SORTS OF
BOTH BEING TRUTHFUL BUT ALSO
USING THE CONTEXTUAL CLUES.

THE SIZE AND THE COLORING AND
THE WORDING TO INSURE THAT IT IS
CLEAR WHAT IS ADVERTISING AND IT

DOESN'T THE GO HIDDEN OR BURIED WITHIN THIS EXCITING CONTENT OR THAT IT'S NOT, YOU KNOW, OF COURSE INTENTIONALLY MASQUERADING AS SOMETHING OTHER.

>> DOES CARU TREAT TV DIFFERENT FROM DIGITAL ADVERTISING.

IF SO, WHY?

>> THE SHORT ANSWER IS YES.

WE TREAT, WE LOOK AT DIGITAL ADVERTISING DIFFERENTLY FROM TV ADVERTISING BECAUSE, YOU KNOW, THE BASIC PRINCIPLE HERE IS THAT YOU KNOW IDENTIFYING ADVERTISING AS ADVERTISING HAS TO BE CLEAR AND CONSPICUOUS IN THE MEDIUM IT APPEARS.

WHAT WORKS IN TRADITIONAL TV, VERY LIKELY WILL NOT BE ADEQUATE AND PARTICULAR DIGITAL CONTEXT.

IT WON'T BE CLEAR AND CONSPICUOUS OR UNAVOIDABLE.

WHICH IS WHY WE UPDATED OUR GUIDELINES TO MOVE FROM A TV CENTRIC FOCUS TO ALSO INCORPORATE GUIDANCE ON THE DIGITAL SPHERES.

>> OKAY.

ARE THERE OTHER SOLUTIONS OR REMEDY THAT'S CARU HAS CONSIDERED OR WOULD CONSIDER IN THIS SPACE?

WOULD THOSE, IF SO WOULD THE SOLUTIONS WORK AS ADVERTISING EXPANDS INTO THE WORD OF VIRTUAL WORDS?

>> IN UPDATING THE GUIDELINES THAT WAS A THOUGHTFUL PROCESS, CAREFUL PROCESS, WE DID CONSIDER HIGHLY IMMERSIVE AD FORMATS. IN OUR COMPLIANCE WARNING WE BELIEVE THE GUIDELINES PROVIDE GOOD GUIDANCE FOR BUSINESSES APPROACHING NEW MEDIA. WE INTEND TO ENFORCE THEM IN THESE SPACES. OF COURSE WE LOOK FORWARD TO TODAY'S PANEL DISCUSSIONS AND THE OPPORTUNITY TO LEARN WHERE ADDITIONAL GUIDANCE MIGHT BE WARRANTED.

>> OKAY.

SO EARLIER YOU MENTIONED CARU HAS BROUGHT ENFORCEMENT ACTIONS AGAINST COMPANIES VIOLATING CAR. SOME U'S PRINCIPLES ON BLURRED ADVERTISING.

CAN YOU TELL US MORE ABOUT THE CASES AND WHAT THE COMPANIES ULTIMATELY DID TO ADDRESS THE

ISSUES CARU RAISED?

>> SURE.

I THINK THE CASES I MENTIONED WE HAVE HAD SEVERAL MOBILE APP CASES RECENTLY.

WHAT WE WERE SEEING IS THAT ADVERTISING AND PURCHASE PROMPTS WERE GAMEFIED IN A WAY THAT CHILDREN WOULD NOT KNOW THEY WERE CLICKING ON SOMETHING THAT WOULD TAKE THEM TO AN AD. OFTEN WE WOULD SEE THESE ENDLESS LOOPS OF ADS AND PURCHASE PROCESSES.

WHERE THE NATURAL FLOW OF THE GAMES WAS TO TAKE KIDS THROUGH MULTIPLE ADS AND TO MAKE IT REALLY HARD TO JUST PLAY THE GAME.

THE WAY CARU WORKS WE DO MONITOR THE MARKETPLACE.

WHAT I HAVE FOUND IN MY EXPERIENCE, WHAT I THINK IS TRUE HISTORICALLY IS THAT IN THE OVERWHELMING NUMBER OF CASES BUSINESSES ARE WILLING TO WORK WITH CARU TO CHANGE THEIR PRACTICES IN THEIR RARE CASES WHERE THEY'RE NOT, YOU KNOW WE LOOK AT THESE, WHETHER WE SHOULD REFER THEM TO THE FTC.

SOME OF THE FTC BEST CASES WERE REFERRALS FROM CARU.

HERE WE WORKED WITH THE BRANDS, THE AD DEVELOPERS TO HAVE THEM MAKE CHANGES TO CLEARLY SAY WHEN SOMETHING WAS AN AD.

TO NOT MAKE THE APP THE BIGGEST BUTTON ON THE PAGE AND ACTUAL GAME PLAY SMALLER TO CLEARLY DISCLOSE WHAT IS A PURCHASE. ALSO VERY IMPORTANTLY MOST OF THE GAMES DID HAVE MEMES TO EXIT THE AD AND PURCHASE LOOPS BUT THEY WERE NOT CLEARLY MARKED, OBVIOUS OR EASY TO USE.

THE BUSINESSES WORKED WITH US TO MAKE CHANGES THERE.

YOU KNOW, I WILL SAY THAT IN MOST INSTANCES BY THAT IN MOST INSTANCES, BY THE END OF THE PROCESS, THE BUSINESSES ARE ACTUALLY, YOU KNOW, HAVE A MUCH BETTER UNDERSTANDING OF JUST BASIC ADVERTISING PRINCIPLES AND ARE WILLING TO MAKE THE CHANGES.

>> GREAT.

WELL, I THINK WE HAVE RUN OUT OF TIME.

MAMIE, THANK YOU FOR JOINING US TODAY.

AND NOW I WILL TURN THE PROGRAM OVER TO ELIZABETH NACH, AN ATTORNEY IN THE FTC'S DIVISION OF ADVERTISING PRACTICES WHO WILL MODERATE OUR FIRST PANEL.

>> GOOD MORNING, I'M ELIZABETH NACH, THANK YOU FOR JOINING US FOR PANEL ONE, CHILDREN'S COGNITIVE ABILITIES, WHAT DO THEY KNOW AND WHEN.

WE JUST HEARD FROM CARU MAMIE KRESSES ABOUT ADVERTISING THAT IS BLENDING TOO ENTERTAINMENT WHERE OTHER CONTENT, SOMETIMES CALLED BLURRED ADVERTISING OR STEALTH ADVERTISING OR CONTENT MARKETING.

ESSENTIALLY SOME FORM OF BLURRING THAT MAKES ADVERTISING CONTENT HARDER TO IDENTIFY AS ADVERTISING.

OUR PANEL WILL EXPAND ON THAT OVERVIEW AND DISCUSS CHILDREN'S COGNITIVE ABILITIES AT DIFFERENT AGES AND DEVELOPMENTAL STAGES TO RECOGNIZE AND UNDERSTAND ADVERTISING CONTENT THAT MAY NOT BE DISTINGUISHABLE FROM THE CONTENT IN WHICH IT'S METED.

OUR PANELISTS WILL DISCUSS RELEVANT RESEARCH AND BRIEFLY COVER ANY IMPACT OR POTENTIAL REMEDIES IN ADVANCE OF OUR AFTERNOON PANELS ON THOSE TOPICS.

OUR PANELISTS ARE IN ALPHABETICAL ORDER.

GRACE AHN, DIRECTOR OF THE GAMES AND VIRTUAL ENVIRONMENTS LAB AND ASSOCIATE PROFESSOR AT GRADY COLLEGE OF JOURNALISM AND MASS COMMUNICATION AT THE UNIVERSITY OF GEORGIA.

LISELOT H.U.D.ERS ASSOCIATE PROFESSOR IN THE DEPARTMENT OF COMMUNICATION SCIENCE AND DIRECTOR OF THE CENTER FOR PERSUASIVE COMMUNICATION AT GHENT UNIVERSITY, SONIA LIVINGSTONE, PROFESSOR OF SOCIAL PSYCHOLOGY AT THE LONDON DEPARTMENT-- AT THE LONDON SCHOOL OF ECONOMICS.

JENNY REDE SCIE DIVISION DIRECTOR-- REDESKY DIVISION OF DIRECTOR DEVELOPMENTAL BEHAVIORAL PEDIATRICS AT

UNIVERSITY OF MICHIGAN MEDICAL
SCHOOL AND EVA REIJMERSDAL,
ASSOCIATE PROFESSOR OF
PERSUASIVE COMMUNICATION AT THE
AMSTERDAM SCHOOL OF
COMMUNICATION RESEARCH AT THE
UNIVERSITY OF AM DER STAM.

-- AMSTERDAM.

BEFORE WE GET STARTED PROFESSOR
LIVINGSTONE IS A SPEAKER AT
ANOTHER CONFERENCE HAPPENING
RIGHT NOW IN COPENHAGEN AND MAY
HAVE TO LEAVE US EARLY.

ALSO THE VIEWS EXPRESSED TODAY
ARE OUR OWN AND DO NOT
NECESSARILY REFLECT THE VIEWS OF
THE COMMISSION OR ANY PARTICULAR
ORGANIZATION OR COMPANY.

AND FINALLY IF WE HAVE TIME WE
WILL TRY TO INCORPORATE
QUESTIONS WE RECEIVE FROM
VIEWERS SO PLEASE SUBMIT THOSE
QUESTIONS TO DIGITAL ADS 2
KIDS@FTC.GOV.

SO BEFORE WE LAUNCH INTO THES IN
AND OUTS OF BLURRED ADVERTISING,
IT MIGHT BE HELPFUL TO HEAR FROM
OUR PANELISTS Y IS IT IMPORTANT
FOR CHILDREN TO RECOGNIZE
ADVERTISING AS ADVERTISING.
SONIA, WOULD YOU LIKE TO KICK
THINGS OFF?

>> YES, DELIGHTED.

I THINK THERE ARE TWO PRIMARY
REASONS.

ONE IS AS WE HEARD IN THE
PREVIOUS SESSION ABOUT ITS
UNFAIR AND AGAINST CURRENT CODES
THAT CHILDREN SHOULD NOT BE ABLE
TO TELL WHAT IS ADVERTISING AND
WHAT IS NOT, AND SECONDLY, I
WOULD SAY, CRUCIALLY, ALL OUR
STRATEGIES, OUR SOCIETIAL
STRATEGIES TO PROTECT CHILDREN
FROM BEING ADVERSELY PERSUADED
REST ON BEING ABLE TO IDENTIFY
AN ADD ADVERT IN THE FIRST
PLACE, IN IT IS DIGITAL
STRATEGY, THESE ALL RELY ON
BEING ABLE TO IDENTIFY WHAT IS
AN ADVERTISEMENT.

>> THANK YOU.

>> JENNY.

>> MY RESPONSE CENTERS AROUND
CHILDREN'S AUTONOMY.

WE MAY THINK CHILDREN CAN'T HAVE
ULTIMATE AUTONOMY, RIGHT BECAUSE
WE DON'T WANT THEM RUNNING A
HOUSE SO IN DEVELOPMENTAL

SCIENCE WE THINK OF AUTONOMY
SUPPORT, THAT WE CREATE
ENVIRONMENTS, WE ACT AS
CAREGIVERS TO HELP THE CHILD
SELF-DETERMINE THEIR BEHAVIORS,
IT COULD BE PLAY, LEARNING,
CHORES.

AND THESE ARE ALL WITH THE END
GOAL OF SUPPORTING THE CHILD'S
SOCIAL, EMOTIONAL, INTELLECTUAL
GROWTH AS A HUMAN BEING.

SO THAT IS OPPOSITE TO THE USE
OF CHILDREN AS A MEANS TO AN
END.

WHEN AN END IS ABOUT PROFITS OR
REVENUE GENERATION.

SO YOU KNOW, I THINK IN ORDER
FOR CHILDREN TO HAVE AUTONOMY
WITHIN DIGITAL SPACES THEY NEED
TO HAVE IT BE INFORMED DECISION
MAKERS EVEN IF IT IS AT THE
DECISION MAKING LEVEL OF A FOUR
YEAR OLD IT STILL IS IMPORTANT
THAT THEY NOT BE DECEIVED OR
NUDGED IN A WAY THAT THEY DON'T
UNDERSTAND.

>> THANK YOU.

GRACE?

>> YEAH, AND THIS QUESTION OF
BEING ABLE TO DETERMINE WHAT IS
OR IS NOT ADVERTISING BECOMES
REALLY CRITICAL WHEN THEY'RE
FACING EMERGING TECHNOLOGIES
WHERE THEY ARE STILL TRYING TO
LEARN THE ROPES OF HOW THIS
SPACE WORKS AND THE DIFFERENT
FEATURES.

AND WHEN PARENTS REALLY DON'T
HAVE ACCESS TO THE KNOWLEDGE
THAT THEY CAN RELY ON TO GUIDE
CHILDREN.

AND SO WHEN THEY ARE STILL
TRYING TO FIGURE OUT EXACTLY
WHAT THIS IMMERSIVE SPACE IS,
THEIR COGNITIVE RESOURCES ARE
SPENT PRIMARILY ON TRYING TO
FIGURE OUT THE FEATURES.

AND THEY REALLY DON'T HAVE THE
RESOURCES TO TRY TO DETERMINE
WHAT IS OR IS NOT ADVERTISING.
AND SO THE LIKELIHOOD MUCH THEM
BEING DECEIVED OR BEING
MANIPULATED BECOMES A LITTLE BIT
GREATER BECAUSE OF THE
LIKELIHOOD OF THEM BEING
MANIPULATED AT A COGNITIVE STATE
WHERE THEY ARE NOT READY TO DEAL
WITH ADVERTISING CONTENT.
AND SO PARTICULARLY WITH THE

ONGOING DEVELOPMENT, THE DISCUSSIONS OF THE METAVERSE AND THESE OTHER IMMERSIVE VIRTUAL AND AUGMENTED SPACE, THE NOVELTY OF THAT ENVIRONMENT COMPOUNDS THE PROBLEMS THAT WE ALREADY HAVE EXISTING WITH ADVERTISING.
>> THANK YOU.

EVA.

>> YEAH, SO I THINK IT IS AN IMPORTANT FIRST STEP TO KNOW WHEN YOU'RE BEING ADVERTISED TO, ALSO FOR CHILDREN. BECAUSE ONLY IF YOU KNOW THAT THERE IS A PERSUASIVE ATTEMPT, YOU WILL BE ABLE TO RAISE YOUR DEFENSES AGAINST THAT ADVERTISEMENT.

SO IF YOU ARE NOT AWARE THAT THERE IS ANY ADVERTISEMENT, YOU CAN ALSO NOT BE CRITICAL EVEN IF YOU WANT TO.

SO I THINK WE WILL COME BACK TO THAT LATER, WHETHER CHILDREN ARE ABLE TO BE CRITICAL.

BUT I THINK THE FIRST STEP IS TO KNOW THAT SOMEONE WANTS TO PERSUADE YOU TO DO SOMETHING OR TO THINK IN A CERTAIN WAY TO BE ABLE TO DEFEND.

>> THANKS, YES.

AND WE'LL DEFINITELY COME BACK TO SOME OF THESE EXCELLENT POINTS AND EXAMINE THEM IN MORE DETAIL AND LISELOT, DID YOU HAVE ANYTHING TO ADD TO THAT, WHY IT IS IMPORTANT TO RECOGNIZE ADVERTISING AS ADVERTISING?

>> YEAH, I THINK IT'S IMPORTANT TO ALSO INFORM ABOUT HOW THE RELATIONSHIP IS BETWEEN THE ADVERTISER AND THE ONE WHO MAKES THE ADVERTISEMENT AS YOU CAN SEE WITH INFLUENCERS, THEY SOMETIMES RECEIVE A BRAND FOR FREE.

THEY ARE SOMETIMES PAID.

THEY ARE SOMETIMES A BRAND AMBASSADOR POSTING DIFFERENT CONTENTS OVER A LONGER PERIOD OF TIME.

AND KNOWING WHAT KIND OF RELATIONSHIP THERE IS AND HOW GENUINE AND AUTHENTIC THE ADVICES ARE IT IS VERY IMPORTANT.

SO I THINK THAT INFORMATION SHOULD ALSO BE GIVEN TO ADULTS BUT ESPECIALLY TO CHILDREN, TO HAVE A BETTER IDEA ABOUT THE AUTHENTICITY AND THE CREDIBILITY

OF THE STATEMENTS THAT ARE MADE
IN THE ADS.

>> AND LISELOT, GIVEN THE
IMPORTANCE OF AD RECOGNITION FOR
CONSUMERS, WHAT SKILLS ARE
NEEDED TO RECOGNIZE OR IDENTIFY
ADVERTISING AND UNDERSTAND THE
PERSUASIVE INTENT OF
ADVERTISING.

AND IF YOU COULD GIVE US A SENSE
TOO OF WHAT AGES CHILDREN
DEVELOP THESE SKILLS.

>> YEAH.

WELL, WE CAN LOOK AT CONSUMER
SOCIALIZATION THEORY AND IT
STATES THAT PEOPLE NEED CONSUMER
CONFIDENCES TO BE ABLE TO ACT AS
AN EMPOWERED CONSUMER BEING IN
CONTROL OVER THE CONSUMPTION
DECISIONS YOU MAKE AND MAKE
INFORMED DECISIONS.

AND THESE CONSUMER COMPETENCES
REFER TO ALL KNOWLEDGE AND
SKILLS YOU HAVE REGARDING
CONSUMPTION AND YOU CAN
DISTINGUISH FIVE KNOWLEDGE
DOMAINS.

THE FIRST ONE IS, THIS IS
ESPECIALLY RELEVANT FOR THE
PANEL S THE ADVERTISING AND THAT
IS THE ABILITY TO RECOGNIZE
ADVERTISING, UNDERSTAND THE
STRATEGIES USED, KNOW HOW TO
EVALUATE THE FAIRNESS,
APPROPRIATENESS OF THE ADS.

THE SECOND DOMAIN IS THE
TRANSACTION KNOWLEDGE AND THIS
REFERS TO ALL BRANDS AND
PRODUCTS AND RELATED KNOWLEDGE
BUT ALSO SHOPPING RELATED
KNOWLEDGE.

THEN YOU HAVE THE DECISION
MAKING SKILLS AND ABILITY, THAT
REFERS TO HOW YOU SEARCH
INFORMATION, WHERE DO YOU DO
THAT.

HOW DO YOU EVALUATE A PRODUCT,
WHICH ATTRIBUTES ARE YOU USING
IN YOUR EVALUATION STRATEGIES,
WHICH DECISION RULES DO YOU USE.

AND THE FOURTH IS PURCHASE
INFLUENCE, AND REG ABILITY, THE
INFLUENCE STRATEGY, THE
BARGAINING STRATEGIES, FOR
INSTANCE AS A CHILD WANTS TO
CONVINCE THE PARENTS TO BUY A
PRODUCT, HOW CAN THE CHILD DO
THAT, WHICH ARGUMENTS SHOULD BE
GIVEN.

AND FIFTH DOMAIN IS THE CONSUMPTION MOTIVES AND VALUES, SO THE MATERIALISM, SOCIAL MOTIVES TO CONSUME CERTAIN PRODUCTS.

AND THE THEORY ASSUMES THAT THESE COMPETENCES ARE ACQUIRED DURING CHILDHOOD, SO A CHILD IS EVOLVING TO A SIMPLE UNKNOWING TO KNOWLEDGEABLE BEING.

SO BASED ON COGNITIVE, SOCIAL AND EMOTIONAL DEVELOPMENT, THE THREE IMPORTANT STAGES ARE DISTINGUISHED. IT IS IMPORTANT TO NOTE THAT THIS RESEARCH IS MAYBE BASED ALSO, BUT IT CONCERNS TO ADVERTISING TO THE TRADITIONAL ADVERTISING FOR MATS SO WHEN ARE YOU LOOKING AT THE DEVELOPMENT OF CHILDREN, AN IMPORTANT FIRST STAGE IS THE PERCEPTUAL STAGE THAT IS DISTINGUISHED, THIS IS FOR CHILDREN WHO ARE AGE 3 TO 7 YEARS.

AND THEN CHILDREN ARE MAINLY FOCUSED ON THE PERCEPTION FEATURES IN THE MARKETPLACE. SO THEIR CONSUMER KNOWLEDGE IS OFTEN BASED ON WHAT THEY CAN SEE AND WHAT THEY CAN OBSERVE.

AND DECISIONS ARE MAINLY BASED ON LIMITED INFORMATION, OFTEN FOCUSING ON A SINGLE ATTRIBUTE THAT IS EASILY OBSERVABLE.

AND THEY HAVE SOME IDEA OF WHAT BRANDS ARE BUT THEY LACK INSIGHT INTO THE ABSTRACT CONCEPTS AND KNOWLEDGE STRUCTURES.

AND WE ALSO SEE THAT IN THIS AGE GROUP CHILDREN'S PERSPECTIVE TAKING SKILLS ARE DEVELOPING, MATURING.

THIS REFERS TO THE FACT THAT YOU ARE AWARE OF WHAT MOTIVES OTHERS MIGHT HAVE AND THAT THESE MOTIVES CAN BE DIFFERENT THAN YOUR OWN MOTIVES AND THIS IS AN IMPORTANT SKILL TO UNDERSTAND THAT ADVERTISERS ARE TRYING TO PERSUADE YOU.

AND OUR RESEARCH THAT WE HAVE DONE ON PRESCHOOL CHILDREN, FOR INSTANCE, SHOWS THAT THESE CHILDREN HAVE A SIMPLE UNDERSTANDING OF THE SELLING INTENT OF ADVERTISING BUT THEY HAVE DIFFICULTIES TO UNDERSTAND THE PERSUASIVE INTENT.

AND THEY ARE ABLE TO RECOGNIZE THE VISION ADVERTISING BECAUSE THEY ARE USING PER SEPTEMBER ALL FEATURES SUMP AS THE-- PERCEPTION FEATURES SUMP AS THE LIGHT, THE VOICE, THE PREROLLS ON YOUTUBE CAN HELP CHILDREN TO RECOGNIZE ADVERTISING BUT THEY HAVE DIFFICULTIES TO RECOGNIZE EMBEDDED ADVERTISING. FOR INSTANCE INFLUENCER MARKETING WAS REALLY DIFFICULT BECAUSE THESE FEATURES WERE ABSENT.

>> NOW CHILDREN IN THE ANALYTICAL STAGE WHICH IS THE SECOND STAGE ARE CHILDREN BETWEEN 8 AND 11 YEARS OLD AND THEY WERE BETTER ABLE TO UNDERSTAND DE SENGs IN ADVERTISING.

AND THIS PERIOD IS IMPORTANT IN CONSUMER COMPETENTES BECAUSE CHILDREN THEN DEVELOP A MORE NUANCED UNDERSTANDING OF THE MARKETPLACE, MORE COMPLEX KNOWLEDGE SET OF WHAT ADVERTISING IS.

AND THEN IN THE REFLECTIVE STAGE WHEN CHILDREN ARE BETWEEN 11 AND 16 YEARS OLD, THEIR KNOWLEDGE BECOMES EVEN MORE NUANCED.

THEY GET MORE INCITE INTO THE DIFFERENT PERSUASIVE TACTICS USED AND ARE BETTER ABLE TO CONTROL THEIR EMOTIONS, COGNITIONS AND BEHAVIORS.

AND THIS SKILL IS VERY IMPORTANT IN THE CONTEMPORARY ADVERTISING WORLD.

SO TWO IMPORTANT NUANCES SHOULD BE MADE NOW WHEN WE DISCUSS EMBEDDED ADVERTISING.

WE SEE THAT THERE ARE CONSTANTLY NEW TACTICS EVOLVING, NEW SOCIAL MEDIA PLATFORMS ARE COMING UP, AND THEN ADVERTISERS USE DIFFERENT STRATEGIES TO PERSUADE CHILDREN SO YOU CONSTANTLY NEED TO UPDATE YOUR KNOWLEDGE. EVEN ADULTS NEED TO ACQUIRE NEW COMPETENTES TO UNDERSTAND ALL THOSE NEW TACTICS.

SO IT IS A LIFELONG PROCESS AND IT IS NOT REALLY A LINEAR PROCESS BECAUSE YOU CAN ALSO EXPERIENCE DISEMPOWERING PROCESSES.

AND THE SECOND IMPORTANT THING IS THAT WE CANNOT REALLY ASSUME THAT CONSUMERS ARE ALWAYS RATIONAL.

THEY ARE OFTEN IRRATIONAL BECAUSE WE ARE GUIDED BY BIASES, BY OUR EMOTIONS, AND IT'S ESPECIALLY IMPORTANT TO HAVE SOME KIND OF SELF-CONTROL, TO CONTROL YOUR IMPULSES AND EMOTIONS.

AND THIS IS VERY DIFFICULT FOR ADULTS AND COGNITIVELY DEMANDING ENVIRONMENT, THINK WHEN YOU ARE GOING TO THE SUPERMARKET, AFTER YOUR WORK, IT'S VERY IMPORTANT TO RESIST ALL TEMPTATIONS AND FOR CHILDREN WHO ARE DEVELOPING THEIR EXECUTIVE FUNCTIONING, IT'S EVEN MORE DIFFICULT.

>> THANKS FOR WALKING US THROUGH THAT BACKGROUND.

AVA YOUR RESEARCH OF THE PERSUASIVE KNOWLEDGE MODEL, YOU CAN EXPLAIN THAT MODEL BRIEFLY AND HOW IT RELATES TO CHILDREN'S ABILITY TO RECOGNIZE, UNDERSTAND AND DEFEND AGAINST ADVERTISING?

>> YES, SO THAT'S A MOD THEAL WAS DEVELOPED FIRST TO EXPLAIN HOW PEOPLE ARE INFLUENCED BY PERSUASIVE ATTEMPTS, BY SALES PERSONS, BUT ALSO BY ADS.

AND WE TOOK THAT MODEL IS ONE OF THE MOST IMPORTANT THEORIES TO UNDERSTAND HOW CHILDREN WOULD ALSO ADULTS RESPOND TO BLURRED ADVERTISING.

SO WE DISCERNED DIFFERENT ASPECTS OF THE KNOWLEDGE AND WE SEE THAT IT IS CONCEPT ALL PERSUASIVE KNOWLEDGE AND THAT ENTAILS RECOGNITION OF ADVERTISING AND ESPECIALLY FOR THOSE BLURRED FORE MATS IT IS SOMETIMES VERY HARD TO RECOGNIZE WHETHER SOMETHING IS ADVERTISING OR NOT, EVEN FOR ADULTS OR EVEN FOR US SCIENTISTS.

SO THAT IS ONE PART.

ALSO UNDERSTANDING THAT THE ADVERTISING HAS A PERSUASIVE ATTEMPT.

AND INTERESTINGLY, WHAT WE SEE IS THAT, SO FOR ADULTS, YOU ASSUME THAT ONCE YOU KNOW THAT SOMETHING IS ADVERTISING, YOU IMMEDIATELY ACTIVATE THE KNOWLEDGE THAT THEN HAS A

PERSUASIVE INTENTS.

BUT FOR CHILDREN THAT'S NOT A NATURAL THING.

SO WHAT WE SAW IN OUR RESEARCH AMONG CHILDREN OF VARIOUS AGES, EVEN AS OLD AS 13 OR 14, WHAT IF THEY KNEW THAT SOMETHING WAS ADVERTISING, THAT IT DID NOT TRIGGER THEIR UNDERSTANDING OF A PERSUASIVE INTENTS.

THAT IT ALSO IS MEANT TO CHANGE YOUR PERCEPTIONS AND YOUR ATTITUDES.

SO THEY HAVE VERY BASIC, SOME CHILDREN, VERY BASIC UNDERSTANDING OF IT IS AN AD, IT MAY WANT TO SELL SOMETHING BUT IT-- THEY DO NOT RECOGNIZE THAT IT ALSO CHANGES TO CHANGE-- WANTS TO CHANGE THEIR MINDS ABOUT PRODUCTS OR SERVICES.

AND THEN ALSO PART OF THE CONCEPT ALL PERSUASIVE KNOWLEDGE IS THE UNDERSTANDING OF THE TACTICS THAT ARE BEING USED SO FOR BLURRED ADVERTISING, THAT IT IS MADE NOT TOO OBVIOUS, THAT THERE ARE NICE RELATABLE INFLUENCERS USED TO SELL THE PRODUCT OR TO SEND A MESSAGE INSTEAD OF THE ADVERTISER ITSELF.

AND THAT'S ALSO A SKILL THAT NEEDS TO BE DEVELOPED AND THAT NEEDS DEVELOPMENT ALL THE TIME. AND BESIDES THE CONCEPT ALL PERSUASIVE KNOWLEDGE WE ALSO SEE A MORE ATTITUDAL COMPONENT AND THERE WE LOOK AT MORE CRITICAL EVALUATIONS OF ADVERTISING.

SO ALSO ADVERTISING, LITERACY PROGRAMS, FOCUSED ON PER SEPTEMBERAL KNOWLEDGE, SO AS LONG AS CHILDREN UNDERSTAND SOMETHING IS ADVERTISING THEY WILL BE ABLE TO CRITICALLY REFLECT OR TO ACTIVATE THEIR EVALUATIONS OF THIS ADVERTISING. BUT IN OUR RESEARCH WE SEE THAT A SECOND STEP TO ACTIVATE OR TRIGGER ATTITUDAL PERSUASIVE KNOWLEDGE, AND THAT INFLUENCE, FOR EXAMPLE, THOUGHTS ABOUT HOW MISLEADING ADVERTISING IS OR WHETHER YOU SHOULD BE SCEPTICAL OR NOT, OR WHAT YOUR OVERALL EVALUATION OF THE AD IS. SO IT IS A MORE EFFECTIVE COMMON

EPT VERSUS A MORE COGNITIVE COMPONENT.

AND SO WHAT WE SEE IS THAT JUST FOCUSING ON ENHANCING THE COGNITIVE PERSUASIVE KNOWLEDGE IS NOT ENOUGH FOR CHILDREN TO ALSO START, TO START THINKING CRITICALLY.

BECAUSE THEY OFTENTIMES JUST STOP WHEN THEY KNOW THAT ADVERTISING, AND THEY JUST TAKE IT FOR GRANTED OR WHAT WE ALSO FOUND IN OUR RESEARCH IS THAT CHILDREN BETWEEN 10 AND 12, ONCE THEY KNOW SOMETHING IS ADVERTISING THEY FIND IT EVEN MORE ATTRACTIVE.

BECAUSE THEN THEY REALIZE THAT IT IS SOMETHING THAT THEY CAN BUY OR THAT THEY CAN PUT ON THEIR WISH LIST.

SO BY INCREASING THAT CONCEPT ALL ADVERTISING, IT MADE THEM EVEN MORE SUSCEPTIBLE TO THE ADVERTISING.

AND THAT WAS ALSO STRIKING, SO IT IS REALLY A SEPARATE THING TO ALSO LEARN CHILDREN TO BE CRITICAL, TO THINK ABOUT BIAS, TO THINK ABOUT THE TRUTH IN ADVERTISING.

AND THAT'S WHY WE USE THIS REFINEMENT PERSUASIVE KNOWLEDGE IN OUR STUDIES.

>> THANK YOU.

AND BASED ON WHAT WE HAVE BEEN HEARING, THAT MANY.

CONCEPTS AND RESEARCH WE TALKED ABOUT WERE SIMPLY DEVELOPED IN THE AGE OF TV ADVERTISING.

SO MY QUESTION IS CAN THIS RESEARCH BE EXTRAPOLATED TO DIGITAL ADVERTISING, PARTICULARLY GIVEN THE VARIETY OF WAYS IN WHICH DIGITAL ADVERTISING OCCURS AS WE SAW IN THE LAST PRESENTATION.

LISELOT, DID YOU HAVE THOUGHTS ON THAT.

>> I THINK THAT IN A DIGITAL ENVIRONMENT, IS ESPECIALLY BY A HIGH COGNITIVE LOAD, AND WHAT EVA SAID, THAT IT IS VERY IMPORTANT THAT CHILDREN ALSO APPLY THE KNOWLEDGE THEY HAVE. IT'S VERY DIFFICULT IN AN ENVIRONMENT WHERE THE COGNITIVE LOAD IS SO HIGH.

AND YOU WERE WATCHING

ENTERTAINING CONTENT AND WERE YOU NOT LOOKING AT OR SEARCHING FOR THE COMMERCIAL CONTENT, IT IS EMBEDDED, HIDDEN AND OFTEN NOT CLEAR THAT THERE IS COMMERCIAL CONTENT IN IT.

SO YOU HAVE JUST A GOAL TO WATCH THE ENTERTAINMENT CONSENT SO YOU WILL NOT BE MOTIVATED AND NOT HAVE THE CAPACITY TO ACTIVATE THE LITERACY AND CRITICALLY REFLECT ON THE COMMERCIAL CONTENT.

SO AND IT MAKES IT ALSO VERY DIFFICULT TO APPLY SIMPLE RESISTANCE STRATEGIES.

FOR INSTANCE, A TELEVISION COMMERCIAL, IS CLEARLY DISTINGUISHED FROM MEDIA CONSENT AND YOU CAN EASILY AVOID IT BY JUST GOING TO ANOTHER ROOM, BY CHANGING THE CHANNEL, BUT WHEN THE COMMERCIAL CONTENT IS EMBEDDED IN THE MEDIA CONTENTS, YOU CANNOT USE THOSE SIMPLE STRATEGIES BECAUSE IF YOU WOULD AVOID, WOULD TRY TO AVOID THE COMMERCIAL CONTENT, YOU WOULD MISS THE MEDIA CONTENT.

AND ALSO AS I SAID, THE ENVIRONMENT IS CONSTANTLY CHANGING.

NEW PLATFORM AS RISE, NEW TACTICS ARISE SO IT IS A CONTINUOUS LEARNING PROCESS TO IDENTIFY THE STRATEGIES AND UNDERSTAND THEM AND LEARN HOW TO CRITICALLY REFLECT ON THEM.

>> SO ONE OF THE MORE INTERESTING DEVELOPMENTS ON THE DIGITAL MEDIA FRONT, OF COURSE, IS IMMERSIVE ENVIRONMENTS, VIRTUAL REALITY, AUGMENTED REALITY, GRACE, WHAT THE MODEL SET OUT, LISELOT AND EVA DESCRIBED FOR US, THESE IMMERSIVE ENVIRONMENTS.

>> YEAH, MANY OF THEM DO. AND THERE ARE THINGS THAT WE CAN TAKE FROM WHAT WE ALREADY KNOW IN THE EXISTING LITERATURE. AND EXPAND IT UPON THE DIFFERENT FEATURES THAT ARE INTRODUCED IN THESE IMMERSIVE SPACES. ONE OF WHICH IS THE FACT THAT WE ARE NOW SHARING SPACES WITH OTHER PEOPLE, NOT JUST IN THE SENSE OF THIS ABSTRACT WE'RE USING THE SAME PLATFORM BUT

PHYSICALLY WE ARE EMBODIED IN THE SAME SPACE.
AND A LOT OF THE LITERATURE DEMONSTRATES THAT WHEN YOU ARE PHYSICALLY SHARING A SPACE, YOUR COGNITIVE PROCESSING CHANGES TO ACCOMMODATE THE FACT THAT YOU ARE IN THE SOCIAL ENVIRONMENT. AND WHAT WE FIND THROUGH A LOT OF OUR PRIOR REEVERYONE IS-- RESEARCH IS THAT CHILDREN HAVE DEVELOPED THESE SKILLS, SO THEY ARE STILL IN THE PROCESS OF TRYING TO UNDERSTAND WHAT IT MEANS TO HAVE A FRIEND. AND WHAT THAT FRIENDSHIP MEANS. WHAT YOU ARE TRYING TO GET FROM THAT FRIENDSHIP, WHAT ARE YOU GETTING BACK IN RESPONSE. THEIR CURRENT UNDERSTANDING, BECAUSE IT IS IN DEVELOPMENT IS MUCH MORE TRANSACTIONAL THAN WHAT ADULTS MIGHT EXPERIENCE IN A FRIENDSHIP.
AND SO FOR THEM, JUST A SIMPLE MATTER OF IF THAT VIRTUAL AGENT OR IF THAT VIRTUAL USER, VR USER GAVE ME SOMETHING, THEN POTENTIALLY THIS FRIEND IS GOOD. IF THAT CHARACTER LOOKS LIKE AN ANIMATED CARTOON NICE PERSON, A LOT OF THE DIGITAL TELEVISION OR EVEN LIKE THE TRADITIONAL TELEVISION RESEARCH WILL DEMONSTRATE THAT CHILDREN RESPOND VERY FAVORABLY TO SOMETHING THAT LOOKS NICE AND LOOKS FRIENDLY.
AND SO WITH AVATARS ARE YOU ABLE TO REALLY USE THIS AND LEVERAGE THIS FEATURE TO MAKE EVERYBODY LOOK VERY FRIENDLY.
AND SO YOU WILL SEE THAT TYPICALLY IN ROADBLOCKS, ALL OF THE CHARACTERS AND IN OTHER VIDEO GAMES AS WELL, MOST OF THE CHILDREN FACING VIDEO GAME PLATFORMS WILL HAVE AVATARS THAT LOOK VERY FRIENDLY.
IT IS A LITTLE BIT DIFFICULT FOR CHILDREN BECAUSE THEIR COGNITIVE SKILLS ARE STILL DEVELOPING, TO UNDERSTAND THAT WHAT PEOPLE ARE THINKING OR HAVE DIFFERENT UNDERLYING MOTIVES, BEHIND WHAT IS SHOWN ON THE SURFACE, AND BOTH LISELOT AND EVA MENTIONED THAT THESE DEVELOPING SKILLS BECAUSE THEY ARE IMMATURE STILL

TAKE TIME.

AND SO WHEN WE ARE TRYING TO GO FOR THINGS LIKE AUTONOMY SO WE ALWAYS CELEBRATE CHILDREN'S AUTONOMY, BUT WE FIND THAT AW MONDAY-- AUTONOMY DOESN'T SIMPLY MEAN LEAVING CHILDREN TO THEIR OWN DEVICES IT IS MORE OF A RELATIONAL CONCEPT WHERE THEY'RE GETTING THE SOCIAL SUPPORT TO HELP THEM MAKE THESE AUTONOMOUS CHOICES SO THEY NEED PARENTAL GUIDANCE, THEY NEED INTERFACES THAT PROVIDE INFORMATION.

A LOT OF THIS REQUIRES CLARITY SO THAT THEY CAN MAKE AN INFORMED CHOICE AND A LOT OF OUR ONGOING RESEARCH DEMONSTRATES THAT WHEN THEY ARE INTERACTING WITH BOTS OR VIRTUAL AGENTS, THEY ARE EASILY ABLE TO PERCEIVE FRIENDSHIP.

AND PARTICULARLY WHEN IT IS TRANSACTIONAL, LIKE WHEN THEY ARE GETTING POINTS, WHEN THEY ARE GETTING GIFT, WHEN THEY ARE GETTING POSITIVE ENCOURAGEMENT. THAT ARE VERY SIMPLE AND PREPROGRAMMED, CHILDREN STILL PERCEIVE FRIENDSHIP AND INTIMACY.

AND THIS CAN BE USED FOR GOOD. BUT WHEN YOU ARE USING THIS FOR, YOU KNOW, MALL ADAPTIVE OR NEGATIVE INTENTIONS, THEN THIS CAN EASILY BE TAKEN OUT OF CONTEXT OR USED FOR PERSUASIVE OR MANIPULATION.

AND SO I THINK THAT'S ONE THING THAT WE REALLY NOTICE FROM A LOT OF THESE SOCIAL AND VIRTUAL SPACES, YOU ARE THERE, IT IS SORT OF LIKE A DIGITAL PLAYGROUND.

ARE YOU ABLE TO PLAY WITH FRIENDS THERE BUT AT THE SAME TIME IT IS VERY DIFFICULT AND CHALLENGING FOR CHILDREN TO EVEN DISTINGUISH, IS THIS A REAL PERSON BEHIND THE AVATAR. WHEN THE AVATAR LOOKS NICE, WHAT ARE SOME OF THE UNDERLYING MOTIVES.

AND WHEN THE RELATIONSHIP BECOMES TRANSACTIONAL, IS HE STILL A FRIEND.

WHAT ARE SOME OF THE POSITIVE AND NEGATIVE THINGS CAN I GET FROM THESE RELATIONSHIPS.

THESE ARE VERY ABSTRACT AND COMPLICATED ISSUES WHEN WE HAVE RELATIONSHIPS EVEN OUT IN THE REAL WORLD.

BUT WHEN THEY LOSE THAT ABILITY TO TELL WHETHER THIS PERSON IS REAL OR NOT, ESPECIALLY IN THE VIRTUAL WORLD IT MAKES IT EVEN MORE CHALLENGING.

AND SO THESE ARE SOME OF THE ISSUES WE HAVE SEEN WITH OUR RECENT RESEARCH.

>> GREAT, THANK YOU.

>> NOW JENNY, DO THESE THEORIES AND CONCEPT AS PLIE TO ALL CHILDREN?

>> I'M A DEVELOPPAL BEHAVIORAL PEDIATRICIAN WHICH MEANS I FOLLOW LOTS OF KIDS WHO ARE WIRED DIFFERENTLY AND EXPERIENCE ITS WORLD DIFFERENTLY.

AND IT IS NOT JUST A SMALL SUB SET OF PEOPLE WITH QUOTE UNQUOTE DISABILITIES OR WHO ARE VERY DIFFERENT.

THIS IS 15 PERCENT OF U.S. CHILDREN.

127.2 MILLION KIDS WHO RECEIVE SPECIAL EDUCATION.

FOR SOME CONDITION THAT COULD BE A LEARNING DISABILITY, ADHD, EXECUTIVE FUNCTIONING DIFFICULTIES, AWISM SPECTRUM DISORDER.

SO WITH A NEUREAU DIVERSE PERSPECTIVE ON THIS, WE NEED TO UNDERSTAND THAT THESE KIDS ARE AVID USERS OF VIDEO PLATFORMS, SOCIAL GAMING PLATFORMS. THEY HOWEVER ARE NOT INCLUDED IN A LOT OF THE STUDIES ON HOW KIDS UNDERSTAND AND RESIST ADVERTISING.

THOSE USUALLY ARE HEALTHY, TYPICAL KIDS BUT I WANT TO SORT OF DEMIST FEE-- DEMIST FEE WHY NEURO-- NEURODI VERSE KIDS WILL HAVE LACKING SKILLS THAT DOES MAKE IT EASY FOR THEM BUT THERE HAVE RESIST SOME OF THE ADVERTISING ESPECIALLY IF IT IS BLURRED SO ALL THE THINGS THAT LISELOT TALKED ABOUT, PERSPECTIVE TAKING, UNDERSTANDING MOTIVES, SO MUCH HARDER FOR KIDS THAT HAVE LESS MENTAL FLEXIBILITY, HAVE HIGH FUNCTIONING AUTISM, HAVE ADHD. ABSTRACT THINK THINKING, I HAVE

PLENTY OF PATIENT, MIDDLE SCHOOL, HIGH SCHOOL, HAVE INCREDIBLE IQS BUT THEIR ABSTRACT, BIG PICTURE THINKING LAGS BEHIND.

THEY MAY BE MORE REWARD SENSITIVE SO THOSE LITTLE TRANSACTIONAL THINGS THAT DWRAIS WAS JUST TALKING ABOUT, MATTER SO MUCH MORE TO THEM.

AND THEY KIND OF CAN'T TAKE A STEP BACK AND SAY WAIT, IS THIS AN AUTHENTIC INTERACTION.

WHO IS THIS PERSON.

I ASK MY PATIENTS ALL THE TIME, ARE THOSE OTHER KIDS YOU ARE PLAYING WITH.

AND THEY ARE LIKE YEAH, I THINK SO.

THEY ARE STILL TRYING TO FIGURE OUT, FROM THE CUES THAT THEY ARE PROVIDED FROM THE INTERFACE AND OTHER PEOPLE, WHO THESE PEOPLE ARE AND WHAT THEIR MOTIVES ARE. AND SO I REALLY THINK THAT IN ADDITION TO THOSE DIFFICULTIES, THE FACT THAT WE HAVE DIGITAL ENVIRONMENTS THAT HAVE SO MANY VISUAL ELEMENTS, SO THEY ARE REALLY POTENTIALLY PER SEPTEMBER ALLLY OVERWHELMING TO LOTS OF KIDS.

IT JUST MAY MAKE IT HARDER FOR LOTS OF KIDS TO HAVE CLEAR SELF-DETERMINED DECISION MAKING. AND I LOVE USING THE CURB CUT ANALOGY THAT IF WE KINDING OF ACCOMMODATE TO KIDS WHO HAVE THESE LAGGING SKILLS WE DON'T HAVE TO BE SUPERPRECISE THAT IS THIS A TEP YEAR OLD USING THE GAME, A SIX YEAR OLD USING THE GAME.

YOU CAN AT LEAST PROVIDE MORE TRANSPARENT, MORE FAIR AND HONEST ADVERTISING TO A LARGER GROUP OF YOUTH WHO ARE GOING TO NEED A LITTLE EXTRA HELP BOTH FROM THE INTERFACE AND FROM THE SOCIAL WORLD AROUND THEM TO UNDERSTAND IT.

>> THANK YOU.

IS NOW SONIA I WILL COME TO YOU FOR THIS QUESTION.

IS IT POSSIBLE THAT KIDS AT CERTAIN AGES MIGHT RECOGNIZE THAT THEY ARE SEEING A COMMERCIAL MESSAGE BUT NOT QUITE RECOGNIZE IT TO BE AN

ADVERTISEMENT.

AND WHAT DOES THAT SAY ABOUT THEIR ABILITY TO UNDERSTAND THE AD'S PERSUASIVE INTENT?

>> YES, I THINK THERE'S LOTS OF WAYS THIS WHICH CHILDREN HAVE TO GET USED TO SEEING, BEING IN A COMMERCIAL ENVIRONMENT.

AND THEY WITH TIME THEY LEARN ABOUT ADVERTISING.

THEY LEARN ALSO ABOUT SPONSORSHIP, ABOUT PRODUCT PLACEMENT, ABOUT PURCHASING, THERE IS-- ABOUT MERCHANDISING, THERE SAY WHOLE SET THAT IS COMMERCIAL.

IT IS EVEN HARD FOR ADULTS TO SORT THESE THINGS OUT AND TO RECOGNIZE THEM AND NOTABLY FOR CHILDREN.

AND WHAT WE SEE IS A DIGITAL ENVIRONMENT IN WHICHEVER MORE KIND OF SOPHISTICATED AND COMPLEX STRATEGIES ARE BEING DEVELOPED AND BEING EMBEDDED AND THEY ARE DEVELOPED INEVITABLY IN ADVANCE OF CHILDREN'S CAPACITY TO UNDERSTAND, THIS IS AN ADVERTISEMENT OR THIS IS HERE TO PER SITUATE ME OF X, Y OR Z.

WHAT I SEE IN MY RESEARCH AND THAT OF OTHERS IS A KIND OF GENERAL DESIRE FROM CHILDREN TO BELIEVE THAT COMPANIES KIND OF HAVE THEIR BEST INTERESTS IN MIND, THEY ARE TBL SORTED OF TO BE HELPFUL AND THEY WANT TO SHOW A PRODUCT THAT THEY THINK THE CHILD WILL LIKE AND WILL BE A GOOD THING FOR THEM.

AND THIS IS, YOU KNOW, IT IS IMPORTANT, ISN'T IT, THAT CHILDREN DO GROW UP WITH A SENSE THAT OTHERS ARE THERE TO BROADLY SUPPORT THEM.

AND SO IT IS QUITE A-- I THINK IT IS QUITE A CHALLENGE FOR CHILDREN AND ALSO FOR THEIR PARENTS AND THEIR EDUCATORS TO SWITCH INTO THAT MINDSET, WE HAVE TO TEACH CHILDREN TO DISTRUST, TO BE SCEPTICAL OF SO MUCH INCREASINGLY OF ALMOST EVERYTHING, BECAUSE DID SO SO HARD TO TELL WHAT IS FOR THEIR BENEFIT AND WHAT IS NOT.

I THINK CHILDREN ARE, THEY DO COME TO LEARN SKEPTICISM.

I THINK IN OTHER AREAS WE CAN

WORRY ABOUT HOW SCEPTICAL, HOW
DISTRUSTFUL CHILDREN NEED TO
BECOME TO SURVIVE IN THIS KIND
OF HIGHLY DIGITAL WORLD.

BUT THERE IS A LOT TO BE SCEPTD
KAL ABOUT.

AND ONE THING I MIGHT POINT OUT
IS, YOU KNOW, IT TAKES A LOT OF
KNOWLEDGE OF BUSINESS AND OF
PLATFORMS AND OF MARKETING
PRACTICES TO GRASP HOW
ADVERTISING IS BECOMING
PERSONALIZED.

SO FIGURE OUT THAT YOU DON'T SEE
THE SAME MARKETING MESSAGES, THE
SAME ADVERTISING MESSAGES AS
YOUR FRIEND OR AS YOUR PARENTS
OR AS ONE ELSE.

BUT IT'S FOR WITH YOU.

-- FOR YOU.

THESE ARE SOPHISTICATED SKILLS.
AND FOR THE MOST PART CHILDREN,
YOU KNOW, THEY WANT TO THINK
WELL OF-- THEY WANT TO THINK
WELL OF COMPANIES.

THEY WANT TO THINK WELL OF THE
WORLD THAT THEY ARE GROWING UP
IN.

AND SO I THINK THERE IS A BIG
SLIPPAGE BETWEEN RECOGNIZING
PERSUASIVE, AND TAKING A WHOLLY
SCEPTICAL ATTITUDE TO THE WORLD
THAT YOU ARE GROWING UP IN.

AND IF THERE ARE MECHANISMS THAT
SUPPORT CHILDREN, TO PROTECT
THEM FROM BEING MANIPULATED OR
BEING DECEIVED, WE WILL FIND
OURSELVES ARGUING THAT CHILDREN
NEED TO BE DISTRUSTFUL AND
SCEPTICAL OF EVERYTHING.

WHICH I DON'T THINK IS IN THE
COMPANY'S INTEREST, AND
CERTAINLY NOT IN CHILDREN' BEST
INTERESTS.

>> AND I WOULD LOVE TO DIG IN
MORE AS FAR AS WE TALKED ABOUT
THE AD RECOGNITION PIECE BUT TO
FOCUS NOW MORE ON THE SCEPTISM,
YOU CALLED IT, THAT ASPECT OF
IT.

AND MORE GENERALLY I WILL REFER
TO THAT AS PROCESSING, HOW
CHILDREN EVALUATED AND DEFEND
AGAINST ADVERTISING.

SO BEFORE THE NEXT QUESTION
COULD WE BRING BACK THE SLIDES
PLEASE.

THANKS SO REGARDING PROCESSING,
LISELOT, WHAT ARE THE DIFFERENT

LEVELS OF PROCESSING AND WHEN ARE CHILDREN ABLE TO ENGAGE IN THESE DIFFERENT LEVELS OF PROCESSING IN ADVERTISING CONTEXT?

>> WELL, IT IS ONLY WHEN WE ARE HIGHLY MOTIVATED AND WE HAVE THE ABILITY AND CAPACITY TO PROCESS ADVERTISING THAT WE ENGAGE IN SYSTEMIC PROCESSING.

SO IT JUST IMPLIES THAT WE APPLY ALL THE KNOWLEDGE WE HAVE CONCERNING ADVERTISING AND USE THIS KNOWLEDGE TO CRITICALLY ASSESS-- ASSESS THE ARGUMENTS GIVEN IN THE AD AND CONSCIENTLY DECIDE WHETHER IT WOULD BE A GOOD OPTION FOR US OR NOT.

HOWEVER, IN MOST CASES, WE AS ADULTS AND ESPECIALLY CHILDREN ARE NOT REALLY MOTIVATED NOR HAVE THE FULL ABILITY OR CAPACITY TO SYSTEMICALLY PROCESS ADVERTISING.

SO WE THEN WHEN WE HAVE MODERATE LEVELS OF CAPACITIES, WE ENGAGE IN-- WE RELY ON CUES TO EVALUATE THE ADS AND USE SIMPLE STRATEGIES TO EVALUATE THE ADS AND THE BRANDS SHOWN IN THE ADS. FOR INSTANCE WE RELY ON VERBAL CUES SUCH AS THE PRODUCT ENDORSER.

WE BELIEVE IF THE PRODUCT ENDORSER THINKS THAT THE PRODUCT IS GOOD AND IS A NICE THING TO HAVE, THE PRODUCT MUST BE GOOD AND WE WILL ALSO LIKE IT.

OR THEY RELY ON THE NUMBER OF ARGUMENTS THAT IS GIVEN RATHER THAN THE CONTENT OF THE ARGUMENTS.

AND IF MORE ARGUMENTS ARE GIVEN THAN THE AD MUST BE MORE CREDIBLE AND THE PRODUCT MUST BE BETTER.

NOW WHEN WE ONLY HAVE A LIMITED ABILITY TO PROCESS ADVERTISING, WE RELY ON AUTOMATIC PROCESSING. AND THEN WE ARE AFFECTED THROUGH IMPLICIT AND EFFECT-BASED LEARNING MECHANISMS AND THEN ADVERTISING LITERACY IS NOT APPLIED AND WE ARE OFTEN NOT AWARE OF THE PERSUASIVE INTENTS.

AND CHILDREN MOSTLY RELY ON THOSE TWO LATTER STRATEGIES WHEN PROCESSING ADVERTISING, AND WHEN IT IS CONCERNED EMBEDDED ADVERTISING, AUTOMATIC

PROCESSING OF OFTEN OCCURS, SO EXPOSURE TO THE COMMERCIAL CONTENT BUILT AS SITUATIONS IN CHILDREN'S MINDS CONCERNING THE PRODUCTS AND THE BRANDS SO IT RAISES AWARENESS ON THE PRODUCT. IT BUILDS THEIR PRODUCT KNOWLEDGE.

AND THERE ARE ALSO EFFECTIVE-- EFFECTIVE MECHANISMS IN PLACE THAT BUILD BRAND PREFERENCES.

FOR INSTANCE A SIMPLE EXPOSURE EFFECT, THE FACT THEY SEE THE BRANDS IN DIFFERENT INFLUENCER VIDEOS, FOR INSTANCE, SO THE NEXT TIME THEY ENCOUNTER THE BRAND THEY FEEL POSITIVE BECAUSE IT FEELS FAMILIAR TO THEM.

>> GREAT.

AND JENNY, YOU HAVE SOME SPECIFIC FINDINGS TO SHARE FROM YOUR RESEARCH ON YOUTUBERS AND MOBILE GAMES.

>> YES, THANKS.

WE CAN MOVE TO THE NEXT SLIDE.

I REALLY WANTED TO SHOW SOME EXAMPLES OF HOW COGNITIVE LOAD MAY INCITE SOME

AUTOMATIC-- BASED FAST BRAIN DECISION MAKING WHEN ARE YOU IN A DIGITAL ENVIRONMENT THAT KIDS ARE SO COMMONLY VISITING.

SO WE'RE DOING A STUDY ON YOUTUBE LOOKING AT RECOMMENDATIONS FEEDS, BUT ONE OF THE THINGS WE FOUND DURING OUR CODING ARE THE THUMBNAILS THAT OCCUR ON THESE RECOMMENDATIONS FEEDS.

AS YOU CAN SEE THERE ARE FOUR SCREEN SHOTS HERE OF WHAT A CHILD MIGHT BE OFFERED AFTER WATCHING A VIDEO.

WE DID THESE AFTER DOING SEARCHES FOR TERMS THAT WE KNOW THAT SCHOOL AGE KIDS ARE OFTEN SEARCHING FOR, MINE CRAFT, ROADBLOCKS, FORT DISZ KNIGHT, THE TYPES OF VIDEO GAMERS THAT THEY LIKE TO WATCH.

AND I THINK WHAT THEY ARE FINDING IF YOU ARE A CONTENT CREATOR YOU ARE TRYING TO ENGAGE YOUR AUDIENCE QUICKLY WITHIN THE FIRST FEW SECONDS OR JUST AN IMPRESSION BASED ON A THUMBNAIL BECAUSE YOU ARE TRYING TO DPEET WITH THOUSANDS OF OTHER PEOPLE

TRYING TO DO THE SAME.
SO RIGHT NOW CHILDREN ARE REALLY
SEEING LOTS OF VISUAL DESIGN
THAT IS CHARACTERIZED BY WHAT WE
CALLED KIND OF CROWDED, LOUD
VISUAL PER SEPTEMBER ALL
FEATURES BUT ALSO AROUND
VIOLENCE, SEX, INTRIGUE, LUXURY
GOODS, HORROR CHARACTERS, THESE
ARE OFTEN COMBINED TO ENTICE
CLICK THRU ON A YOUTUBE
THUMBNAIL.

YOU MAY SAY THESE ARE NOT ACTUAL
ADS BUT WHEN YOU ARE ENGAGING
WITH A CONTENT CREATOR IT MEANS
YOU ARE NOT ONLY GENERATING AD
REVENUE FOR THEM BUT THEN WILL
ENGAGE WITH THEIR BRAND, WITH
THEIR MERCHANDISE, WITH THEIR
GAMING CODES THAT GENERATE A
COMMISSION.

THESE ARE ALL JUST THE
STRATEGIES USED RIGHT NOW THAT
REALLY ARE RELYING ON HEURISTICS.
AND THE NEXT SLIDE IS A PAPER WE
JUST PUBLISHED SHOWING THAT IN
MOBILE GAME THERE IS ALSO THIS
COMBINATION OF DIFFERENT TACTICS
RIGHT AT THE DECISION POINTS.

SO IF YOU ARE A CHILD TRYING TO
MAKE A SELF-DETERMINED DECISION
ABOUT WHETHER TO PURCHASE
SOMETHING, WHETHER TO KEEP
PLAYING, BUT YOU ARE FACED WITH
UX DESIGN FEATURES THAT MIGHT BE
NAVIGATION CONSTRAINTS, TONS OF
PARASOCIAL RELATIONSHIPS OF
CHARACTERS THAT YOU LOVE, FROM
DIFFERENT SHOWS OR FROM THAT
GAME, MULTIPLE CONFUSING FORMS
OF VIRTUAL CURRENCY, AND ARE YOU
ALSO KIND OF GIVEN ASYMMETRIC
CHOICES HERE WHERE CLEARLY THE
SUBSCRIBE NOW BUTTON IS REALLY
LARGE TO GET THIS FREE TRIAL AND
START PAYING \$8 A MONTH, THREE
DAYS LATER-- SORRY, \$8 A WEEK.

SO THIS IS JUST AN EXAMPLE OF
NOT ONLY WHAT CHILDREN
UNDERSTAND ABOUT ADVERTISING AND
CAN RESIST UNDER IDEAL LAB-BASED
CONDITIONS BUT ALSO WHAT THEY
WILL BE EXPERIENCING BASICALLY
IN THE WILD WHEN THEY ARE
ENCOUNTERING REALLY A BARRAGE OF
DIFFERENT FORMS OF PERSUASIVE.
SO THANK YOU, YOU CAN MINIMIZE
THE SLIDES NOW.

>> THANKS, .

>> JENNY.

NOW SONIA, CAN WE TALK MORE ABOUT PROCESSING ABILITY OF PRETEEN GROUPS AND TEENS THAT ARE MORE DEVELOPED, WHAT OTHER FACTORS ARE THERE TO CONSIDER.

>>.

>> SURE, I THINK WUNSCH THE CRUCIAL THINGS MANY PARENTS ASK, WHAT IS THE RIGHT AGE WHEN CHILDREN CAN UNDERSTAND THIS OR THAT, WHEN THEY CAN BE KIND OF EXPOSED TO SOME OF THESE COMPLEX ENVIRONMENTS THAT JENNY WAS JUST PRESENTING, BUT WHAT WE KNOW FROM RESEARCH AND LISELOT JUST KIND OF TOOK US THROUGH THAT VERY CAREFULLY, IS THESE ARE, THESE ARE COMPLEX PROCESSES OF COMING TO UNDERSTAND A REALLY COMPLEX WORLD, A COMPLEX BUSINESS WORLD, A COMPLEX TECHNOLOGICAL WORLD.

A COMPLEX KIND OF ENVIRONMENT TO ENGAGE WITH.

SO THERE IS NO MAGIC AGE.

THERE IS NO AT EIGHT THEY COMPLETELY UNDERSTAND THIS AND IT APPLIES TO ALL CHILDREN JUST THE SAME, AT 12 THEY UNDERSTAND THIS.

AND SOMETIMES I HEAR THOSE AGES KIND OF YES, YOU KNOW, RESEARCH SHOWS THAT THERE IS MOMENTSES THAT YOU CAN SEE THAT MANY CHILDREN HAVE MOVED ON.

BUT I THINK TWO POINTS TO EMPHASIZE, ONE IS WE HAVE TALKED ABOUT KIND OF EVOLVING UNDERSTANDING OR REVOLVING CAPACITY.

BECAUSE IT IS A GRADUAL PROCESS THAT MOVES AT DIFFERENT RATES FOR DIFFERENT CHILDREN.

THEN AS I THINK WE'VE TOUCHED ON ALREADY, CHILDREN ARE NOT ALL THE SAME.

THEY DEVELOP AT DIFFERENT RATES AND THERE ARE DIFFERENT PROCESSES.

THEY GO THROUGH.

AND THEN YOU KNOW, BECAUSE THE UNDERSTANDING THE COMMERCIAL DIGITAL ENVIRONMENT IS SO MULTIDIMENSIONAL, THEY MIGHT LEARN THESE THINGS AT DIFFERENT RATES.

THEY MIGHT GAIN AN UNDERSTANDING OF WHAT TO LOOK FOR TO TELL WHAT

IS AN ADVERT, AT LEAST IN TRADITIONAL TELEVISION THEY MIGHT LEARN THAT BEFORE THEY COME TO UNDERSTAND ABOUT HOW THAT MIGHT APPLY IN THE DIGITAL WORLD OR THE BUSINESS STRATEGY THAT FITS BEHIND THE CONTENT THAT THEY ARE SHOWN.

OR THE PERSONALIZATION OF THE ALGORITHMS THAT COMES IN AND MEANS THAT THEY GET THEIR OWN SPECIAL ADVERTISEK CONTENT.

SO ALL OF THESE DIFFERENT COMPETENCIES THEY ALSO DEVELOP AT DIFFERENT AGES AND IN DIFFERENT WAYS.

SO I THINK IT IS REALLY IMPORTANT THAT WE DON'T TREAT YOUR CHILDREN THE SAME.

AND WE DON'T LOOK FOR A MAGIC AGE.

WE KIND OF HAVE GOT TO RECOGNIZE THESE ARE COMPLEX EVOLVING PROCESSES.

AND SADLY FROM A CHILDREN'S PERSPECTIVE, THE INVASIONS IN THE DIGITAL AND COMMERCIAL LANDSCAPE PROBABLY ALWAYS ARE ONE STEP AHEAD.

>> AND MAYBE I CAN ADD TO THAT. ALSO IN OUR RESEARCH WHEN WE INTERVIEWED CHILDREN BETWEEN 11 AND 16 YEAR OLDS, WE SAW BIG DIFFERENCES.

OF FOR EXAMPLE KIDS AT 12, SOME OF THEM WERE TOTALLY AS WE WOULD CALL IT NAIVE THAT THEY WOULD SAY WELL, THIS INFLUENCER WOULD NEVER TELL ME SOMETHING THAT THEY DO NOT SINCERELY MEAN IF THEY DO NOT LIKE TO EAT THIS SWEETS, FOR EXAMPLE, THEY WOULD NEVER DO IT ON CAMERA.

THEY ONLY DO IT IF IT IS REAL. WHEREAS OTHER KIDS AT 12 YEARS OLD WERE ACTIVE YOUTUBERS THEMSELVES WHO WERE VERY MUCH AWARE OF THE ECONOMIC MODEL AND THE BUSINESS MODEL BEHIND BEING AN INFLUENCER.

THEY KNEW THAT YOU HAVE TO HAVE THE SPONSORS TO BE ABLE TO BUY A BETTER CAMERA AND TO PROVIDE BETTER CONTENT SOMPLET I TOTALLY AGREE WITH SONIA THAT THESE DIFFERENCES BETWEEN KIDS ARE VERY BIG AND ALSO DEPENDS ON A LOT OF THINGS BUT ALSO ON THEIR EXPERIENCE WITH THIS MEDIA.

WE SEE THAT TIME AND TIME AGAIN THAT THE MORE YOU SEE THESE FORMS OF ADVERTISEMENT OR THE MORE YOU ENCOUNTER THESE TYPES OF CONTENT, THE BETTER YOU BECOME IN RECOGNIZING THEM AND BEING CRITICAL.

AND SO EVEN IF YOU HAVE A SPECIAL INTEREST LIKE YOU WANT TO BE AN INFLUENCER YOURSELF, THEN THAT KNOWLEDGE IS REALLY VERY DIFFERENT THAN FROM JUST BEING A VIEWER OR PASSIVE CONSUMER OF THAT CONTENT.

>> BUT I THINK THAT CHILDREN'S OTHER FACTORS COME INTO EXPLAINING SOME OF OF THOSE DIFFERENCES AS WELL.

SO WE HAVE SOME RESEARCH THAT SHOWS THE SOCIOECONOMIC STATUS MATTERS.

AND THAT A CHILD IN ONE STUDY WE DID A CHILD OF 11 FROM A RELATIVELY PRIVILEGED HOME HAD THE KIND OF LEVEL OF UNDERSTANDING THAT IT TOOK A CHILD FROM A POOR HOME UNTIL THEY WERE 15 TO GET. THESE CAN BE QUITE BIG DIFFERENCES.

AND SO FAMILY BACKGROUND, WHAT PATIENTS, THEIR EDUCATION, WHAT THEY CAN AFFORD TO PROVIDE FOR THEIR CHILDREN, THESE THINGS ALL MATTER.

>> IEMG'S GLAD YOU MENTIONED SOCIOECONOMIC STATUS BECAUSE I KNOW JENNY, THAT IS SOMETHING HAVE LOOKED AT AS WELL IN YOUR RESEARCH.

DO YOU HAVE ANYTHING TO ADD ON THAT PARTICULAR POINT.

>> YOU KNOW, I THINK IT IS A MATTER OF A COUPLE OF ISSUES. ONE IS ON THE PARENT LEVEL IS A LOT OF THE FAMILIES DON'T FEEL AS CONFIDENT IN UNDERSTANDING WHAT ARE REALLY SONIA HAS SAID, SUCH COMPLEX SOCIOTECH NIK SYSTEMS, THEY JUST FEEL THIS I'M GOING TO GIVE UP, JUST LET THIS HAPPEN.

I HI THERE IS ALSO A BAND WIDTH QUESTION S THAT THEY ARE JUGGLING SO MUCH MORE THAT AT THE DON'T HAVE AS MUCH TIME AND THEY ARE NOT AS ANXIOUS AS SOME OF THE HIGHER EDUCATED FAMILIES THAT REALLY TRY TO CURATE EVERY

SINGLE THING KIDS ARE DOING
ONLINE.

I ALSO THINK THAT PARENTS ARE
BEING, LOWER INCOME FAMILIES IN
THE U.S. ARE BEING BAR AGED WITH
THEIR OWN INFLUENCERS AND ADS,
ESPECIALLY AROUND SPORTS BETTING
AND CASINO ADS.

THE KIND OF TARGETING THAT
THEY'RE RECEIVING, I THINK, I
DON'T KNOW THE RESEARCH ON
WHETHER THAT ACTUALLY CAN MAKE
THEM MORE SAVVY OR MAKE IT
HARDER FOR THEM TO BE MENTORS
FOR THEIR KIDS AROUND THIS AS
WELL.

YOU ABOUT I DO THINK THIS IS AN
IMPORTANT SOURCE OF MAKING SURE
WE'RE NOT ASSUMING THAT EVERY
CHILD HAS A PARENT SITTING THERE
WITH THEM WATCHING AND HELPING
EXPLAIN EVERYTHING A CHILD MIGHT
BE SEEING ON THE SCREEN.

>> THANKS.

I WANTED TO GO BACK TO A POINT
THAT LISELOT RAISED.

REGARDING SELF-CONTROL,
EMOTIONAL REGULATION.

HOW DOES THAT FACTOR INTO
PROCESSING ADVERTISING FOR
CHILDREN?

>> SO THE BLURRED ADS, CHILDREN
ARE NOT LOOKING OUT FOR
COMMERCIAL CONTENT THEVMENT ARE
JUST ENJOYING THE CONTENT
THEVMENT ARE JUST LOOKING AT THE
ENTERTAINMENT.

SO IT IS DIFFERENT THAN WHEN
THEY ARE WATCHING TELEVISION AND
THEY SEE THE SEPARATE TELEVISION
COMMERCIALS.

THEY HAVE MORE ABILITY TO RESIST
THE ADS BECAUSE THEY ARE HELPED
TO INHIBBITY THEIR RESPONSES.

NOW WHEN YOU SEE THE ADS THAT
ARE EMBEDDED IN THE COMMERCIAL
CONTENT, THE ADS THAT ARE
EMBEDDED IN THE MEDIA CONTENT,
IT'S VERY DIFFICULT TO INHIBBITY
YOUR RESPONSES BECAUSE YOU ARE
JUST ASSIGNING ALL YOUR
RESEARCH-- RESOURCES TO WATCHING
THE CONTENT.

AND IN ADDITION WHEN YOU LOOK AT
INFLUENCER CONTENT, YOU SPEND A A
LOT OF EFFORT IN TELLING THE
CHILDREN AND PEOPLE WHY THEY
REALLY LIKE THE PRODUCTS.
AND IT JUST MAKES THOSE ADS VERY

PERSUASIVE.

BECAUSE THEY RELATE TO THOSE INFLUENCERS AND THEY LIKE THE GAMES THE INFLUENCERS ALSO LIKE.

>> RIGHT.

NOW WE HEAR ABOUT DIGITAL-- A LOT.

WHAT DOES THIS AFFECT CHILDREN'S ABILITY TO RECOGNIZE THE DIGITAL PERSUASIVE AND ADVERTISING IN DIGITAL MEDIA.

SONIA, START WITH YOU.

>> SO I THINK THE PHRASE DIGITAL-- IS OVERUSED.

IN ITS RESEARCH COMMUNITY WE WISH IT HAD NEVER BEEN INVENTED BECAUSE IT SORT OF BECAME AWAY OF LEAVING THE KIDS ON THEIR OWN, JUST ASSUMING THAT THEY KNEW IT ALL ALREADY.

AND THEY WERE ALREADY AHEAD OF ALL THE ADULTS.

SO I THINK IT KIND OF UNNERVED PARENTS AND TEACHERS WHO WERE READY TO TRY TO KIND OF TEACH CHILDREN SOMETHING ABOUT THIS NEW AND COMPLEX DIGITAL WORLD. AND IT MEANT THAT POLICY MAKERS PERHAPS THEMSELVES WERE, BECAUSE THE KIDS, SO THE KIDS ALREADY ARE-- WITH IT IS VERY HARD TO COMPARE WHAT CHILDREN KNOW TODAY ABOUT ADVERTISING WITH WHAT THEY KNEW, YOU KNOW, TEN OR 20 OR 30 YEARS AGO BECAUSE IT IS DIFFERENT KIDS GROWING UP AT A DIFFERENT TIME IN A DIFFERENT COMMERCIAL ENVIRONMENT.

SO I THINK THAT THE CONSTANT IS THAT THE INDUSTRY IS PROBABLY ALWAYS AHEAD OF THE KIDS AND PERHAPS IT'S TRUE THAT MANY OF THE PARENTS AND TEACHERS ARE A LITTLE BEHIND.

BUT THERE'S WIDE VARIATION ON THAT.

AND WHAT PARENTS AND EDUCATORS DO STILL KNOW BETTER THAN MANY CHILDREN IS THE NATURE OF THE COMMERCIAL WORLD, THE PURPOSES OF ADVERTISING, THE NATURE OF, THE EFFORT TO PERSUADE PEOPLE ARE SOMETHING THAT MAYBE AGAINST THEIR INTERESTS, MAYBE HARMFUL FOR THEM.

SO I THINK THERE'S, YOU KNOW, LET'S LEAVE THAT PHRASE BEHIND AND LET'S REALLY FOCUS ON THE CHALLENGE IN FRONT OF CHISH

GIVEN THE CONTENT THAT THEY ARE SHOWING AND WHERE THE STEPS NEED TO BE TAKEN.

>> I THINK THAT IS A PERFECT.
-- PERFECT.

I WANTED TO RESPOND THAT THAT FRAMING OF DIGITAL NATIVES HAS US GIVE UP, THE SAME MINDSET HAVE HEARD FROM FAMILIES WHO DON'T HAVE SELF-ADVOCACY AROUND LOTS OF THE INSTITUTIONS IN THEIR LIFE INCLUDING THE DIGITAL INSTITUTIONS AND ENVIRONMENTS THAT THEY DON'T EXPECT TO HELP THEM GET THEIR KIDS OFF OF VIDEO GAMES FOR DINNER OR OTHER THINGS LIKE THAT.

SO I INTERPRETED THIS IDEA OF WHAT IS A DIGITAL NATIVE. IT IS JUST THAT A CHILD IS GROWING UP IN THIS NEW TECHNOLOGY.

ARE THEY JUST GOING TO ABSORB IT AND KNOW ABOUT IT JUST BY EXPERIENCING IT?

AND I THINK THAT'S A FLAWED CONCLUSION BECAUSE KIDS CREATE MENTAL MODELS OF THE WORLD AROUND THEM OR OBJECTS AROUND THEM BASED ON OBSERVATION.

WHAT ARE THE FORMAL FEATURES OF THAT OBJECT, TEACHING THEM ABOUT WHAT IT IS.

AND HOW ARE THEY SEEING IT USED BY THE HUMANS AROUND THEM.

SO IN THE CASE OF YOU KNOW WE DID A STUDY INTERVIEWING 6 TO 11 YEAR OLDS ABOUT WHAT THEY UNDERSTOOD ABOUT DIGITAL PRIVACY.

WE COULD SEE HOW MUCH THEY WERE PERFORMING MENTAL MODELS BASED ON THE SURFACE CUES OF THE PLATFORMS THEY WERE USING, WHERE IS MY DATA STORED.

IT MUST BE RIGHT UP HERE WHERE IT SAYS HISTORY ON YOUTUBE, RIGHT.

THERE IS NO SURFACE CUES TELLING KIDS ABOUT DATA FLOWS, BACK TO COMPANY SERVERS OR ANYTHING LIKE THAT.

SO WHY WOULD THEY CREATE A MENTAL MODEL ABOUT SOMETHING THAT IS INVISIBLE-- INVISIBLE. THE SAME THING HERE, WHY WOULD THEY CREATE A MENTAL MODEL ABOUT SOMETHING THAT IS NOT STATED, AND THAT IS ACTUALLY STATED

MAYBE A DIFFERENT WAY BY SOMEONE WHO THEY HAVE KOSM TO TRUST. SO I THINK THAT IS ONE DIFFERENCE IN OUR GENERATION IS THAT WHEN WE TALKED ABOUT PARASOCIAL RELATIONSHIPS, IN THE '80S AND '90S IT WAS WITH ELMO. AND HE WAS KIND OF TEACHING US THESE DIFFERENT EARLY LEARNING SOCIAL EMOTIONAL SKILLS. NOW KIDS HAVE THESE PARASOCIAL RELATIONSHIPS WITH A DISTRIBUTED SET OF INDIVIDUALS WHO MAY NOT HAVE ANY BACKGROUND IN CHILD DEVELOPMENT, THEY HAVE VERY DIFFERENT MOTIVES. SOME OF WHOM ARE AMAZING. SOME OF WHOM I WOULD, YOU KNOW, PREFER THAT KIDS NOT WATCH. BUT I THINK THAT THERE IS A WAY THAT KIDS ARE NOW CREATING THIS KIND OF WISHFUL IDENTIFICATION WITH THESE INFLUENCERS THAT SEEM AUTHENTIC. THEY SEEM JUST LIKE THEM IT IS MORE POWERFUL WHEN THAT INFLUENCE CERTIFICATE LIKE I'M GIVING YOU THE INSIDE SCOOP OF THIS REVIEW ON THIS PRODUCT. YOU CAN TRUST ME. BECAUSE I'M KEEPING YOU AWAY FROM THESE OTHER PRODUCTS AND I'M REALLY TELLING YOU WHICH MAGIC GATHERING CARDS TO BUY. THAT IS THE STORIES I HEAR FROM MY PATIENTS ABOUT WHICH YOUTUBERS THEY FEEL REPRESENT THEM, ARE PART OF THEIR PLAN THAT THEY WOULD BUY MERCHANDISE FROM FOR THIS SENSE OF EMOTIONAL BELONGING. AND IF THEY'RE NOT SHOWN THROUGH THE SURFACE FEATURES OR EVEN THROUGH THE YOUTUBER THEMSELVES, SHOWING SOME OUTTAKES, SHOWING THIS IS HOW I MADE THIS, I HAVE HEARD FROM KIDS IN OUR WORKSHOPS LOCALLY THAT WHEN THEY SEE, YOU KNOW, A YOUTUBER DOING SOME OUTTAKES OF OH, WE PRETENDED THAT WE BOUGHT THAT LAMBORGHINI BUT WE REALLY JUST BROUGHT IT BACK TO THE RENTAL STORE, THAT HELPS KIDS UNDERSTAND THE MOTIVE, THE BUSINESS MODEL, WHAT IS GOING ON BEHIND THE SCENES. SO I THINK THERE IS A SPACE FOR A LOT MORE OF THAT ON INFLUENCER MARKETING.

>> AND I GUESS ITS PERCEPTION OR THE CONCEPT ALL UNDERSTANDING OF DIGITAL NATIVES, I THINK ENCOURAGES ADULTS TO SORT OF LEAVE THE KIDS WITH THEIR PEERS AND THE PEER TO PEER INFORMATION HAS JUST SO MUCH THAT IS EITHER WRONG OR JUST INACCURATE.

AND WHEN THAT LEVEL OF INFORMATION IS SHARED ACROSS ALL OF THE SOCIAL USERS ON THESE PLATFORMS THEN I THINK THAT'S WHERE YOU ARE GETTING A LOT OF THE KNOWLEDGE THAT YOU SHOULDN'T HAVE FROM THE BEGINNING.

AND SO WHEN WE DO A LOT OF OUR RESEARCH ON HOW DO WE REALLY ENCOURAGE THE RIGHT KIND OF AUTONOMY, THE MORE RELATED, RELATIONSHIP-BASED TYPE OF AUTONOMY, WHEN WE ARE ABLE TO USE SENSORS ON LET'S SAY WEARABLES ON CHILDREN AND ALLOW THE PARENTS TO BE ALERTED IN REALTIME TO THE KIDS ACTIVITIES, WE SEE THAT THE PARENTS ARE INTERESTED BUT THEY DON'T REALLY KNOW EXACTLY HOW TO GUIDE THE KIDS.

AND SO WHEN THEY RECEIVE THESE GUIDELINES, THEN THE SUPPORT GOES UP.

AND SO THEY WANT TO SUPPORT BUT LIKE WE HAD DISCUSSED BEFORE, THE BAND WIDTH IS VERY LIMITED. SO THEY DON'T KNOW WHEN TO JUMP IN, WHAT THEIR KIDS ARE DOING EXACTLY.

SO A LOT OF IT IS YEAH, I GUESS THEY ARE PLAYING AND PLAYING IS GOOD AND THEY'RE PLAYING WITH FRIENDS.

BUT WHEN WE DO ALERT THEM OF WHAT IS EXACTLY HAPPENING, THEN THE PARENTS ARE MUCH MORE ACTIVE IN INTERVENING AT THE RIGHT TIME AND PROVIDING GUIDELINES BECAUSE THEY DO LIKE SONIA MENTIONED, THEY DO KNOW WHAT THE UNDERLYING MOTIVES ARE IN THIS LARGER CONTEXT AND THEY UNDERSTAND THE ABSTRACT IDEAS OF PERSUASIVE AND SO WE FEEL THAT WHEN YOU ARE TRYING TO GET, IF YOU GET THE SOCIAL SUPPORT FOR THESE KIDS THEN THEY CAN MAKE INFORMED CHOICES.

BUT NOT SO MUCH ON THEIR OWN.

>> THANK YOU.

WE'VE TALKED ABOUT THE DIFFERENT TYPES OF DIDDGES TAL MEDIA AND CHALLENGES AND TALKED ABOUT INFLUENCERS AS WELL.

MAYBE WE COULD MOVE ON TO JUST THOUGHTS ON IMPACT.

THIS IS THE FOCUS OF THE NEXT PANEL, AS FAR AS HARMS OR BENEFITS OF CHIRP'S ABILITY TO DISTINGUISH ADVERTISING FROM OTHER CONTENT.

BUT I WOULD LIKE TO GO AROUND AND HAVE EACH PANELIST TALK ABOUT WHAT IMPACTS DO YOU THINK ARE WORTH HIGHLIGHTING.

SO SONIA, MAYBE YOU CAN GO FIRST SINCE I KNOW WE HAVE YOU FOR A LITTLE BIT MORE TIME, A COUPLE MINUTES PTS.

>> YOU MEAN IMPACT IN TERMINGS OF WHAT COULD BE DONE, WHAT WOULD BE THE-- KIND OF CHANGES MIGHT BE MADE OR.

>> JUST DISCUSSION OF ANY HARMS OR BENEFITS THAT STEM FROM CHILDREN'S INABILITY TO DISTINGUISH ADVERTISING FROM OTHER CONTENT GIVEN THE CURRENT ADVERTISING LANDSCAPE.

>> RIGHT.

WELL, I THINK THAT THERE IS SO MUCH RESEARCH ON THIS. AND WE COULD DISTINGUISH SEVERAL KINDS OF HARMS.

I MEAN ONE IS HARMS FROM CHILDREN BEING EXPOSED TO AGE INAPPROPRIATE OR POTENTIALLY HARMFUL PRODUCT ADVERTISING-- SORRY, ADVERTISING FOR PRODUCTS THAT ARE THEMSELVES POTENTIALLY HARMFUL.

SO JUNK FOOD WOULD BE AN OBVIOUS EXAMPLE.

AND THERE IS A LOT OF RESEARCH THAT LINK THAT TO CHILDREN'S WEIGHT, THEIR HEALTH, THEIR-- AND WE COULD LINK A SECOND SET OF FACTORS WHICH IS NOT WHAT IS BEING ADVERTISED BUT THE CONTEXT OF THE ADVERTISING, WHAT IS KIND OF THE WAY ADVERTISING MESSAGES ARE CONSTRUCTED.

EVERYONE IS THIN, EVERYONE IS BEAUTIFUL, EVERYONE HAS PERFECT HAIR AND PERFECT TEETH AND SO FORTH.

THIS HAS BEEN LINKED TO BODY IMAGE ISSUES WHICH ARE WE ALSO

KNOW ARE RISING ESPECIALLY AMONG ADOLESCENT GIRLS.
AND THEN I THINK SPECIFICALLY IN RELATION TO INFLUENCERS, I THINK, AND WE DON'T HAVE SUCH GOOD RESEARCH YET BUT I THINK THERE IS THE POTENTIAL FOR QUITE A KIND-OF-CRISIS OF TRUST BECAUSE INFLUENCERS ARE AUTHENTIC, SUPPOSEDLY, AND GENUINE SUPPOSEDLY IN BUILDING A RELATIONSHIP WITH YOUNG PEOPLE OVER TIME.
WE HAVE EVIDENCE IN BRITAIN THAT ABOUT A THIRD OF BRITISH TEENS ARE FOLLOWING OVER 30 INFLUENCERS, THAT IS A LOT OF CONTENT THEY'RE SEEING FROM PEOPLE, YOU KNOW, CLAIMING AN AUTHENTIC RELATIONSHIP WITH A CHILD OR YOUNG PERSON. AND MUCH LESS REGULATED ATTENTION TO WHAT THEY ARE SAYING AND WHAT THEY PERSUADE OF.
SO I THINK BOTH IN THE KIND OF OVERT PRODUCT BUT ALSO IN THE WIDER CONTEXT, THERE ARE PLENTY OF GROUNDS FOR CONCERN ABOUT CHILDREN'S MENTAL HEALTH AND PHYSICAL HEALTH.
>> AVA WHAT ARE YOUR THOUGHTS ON POTENTIAL IMPACT?
>> YES, SO ONE OF THE STUDIES THAT WE HAVE ALSO DONE ON THE CONTENT ANALYSIS OF INFLUENCER VIDEOS.
AND WHAT WE SEE THERE ARE IN ALMOST 94 PERCENT OF THE VIDEOS THERE ARE MATERIALISTIC CUES, SO CUES THAT SIGNAL THAT HAVING PRODUCTS MAKES INSURANCE WE'RE BUILDING A RELATIONSHIP WITH YOUNG PEOPLE OVERTIME.
ABOUT A THIRD OF BRITISH TEENS ARE FOLLOWING OVER A THIRD OF INFLUENCES.
THAT'S A LOT OF CONTENT.
PEOPLE CLAIMING AN AUTHENTIC RELATIONSHIP WITH THE CHILD OR PERSON.
AND MUCH LESS REGULAR ATTENTION TO WHAT THEY'RE SAYING.
SO I THINK BOTH IN THE OVERT PRODUCT, BUT ALSO IN THE WIDER CONTEXT THERE ARE PLENTY OF GROUNDS FOR CONCERN ABOUT CHILDREN'S MENTAL HEALTH AND

PHYSICAL HEALTH.

>> EVA, WHAT ARE YOUR
THOUGHTS --

>> YEAH, SO ONE OF THE STUDIES
THAT WE'VE ALSO DONE IS ANALYSIS
OF INFLUENCE OF VIDEOS.

WHAT WE'VE SEEN, ALMOST 94% OF
THE VIDEOS THERE ARE

MATERIALISTIC CUES.

CUES THAT SIGNALS THAT HAVING
PRODUCTS MAKES YOU HAPPY, IT
WILL HELP YOU GET FRIENDS.

IF YOU WATCH A LOT OF THESE
VIDEOS, YOUR VIEW OF THE WORLD
WILL CHANGE.

WE KNOW FROM LIKE CULTIVATION
THEORIES, THAT IF YOU SEE A LOT
OF VIOLENCE ON TV, YOU BELIEVE
THAT THE WORLD IS A MORE VIOLENT
PLACE.

BUT FOR THESE CHILDREN, IF THEY
GET THIS IMPRESSION THAT
MATERIALISTIC VALUES ARE
IMPORTANT, IF YOU WATCH THIS A
LOT, IT CAN BE VERY PROBLEMATIC
AND ALSO BECAUSE WE KNOW THAT
MATERIALISM IS OFTEN CONNECTED
TO A LOWER EMPHASIS ON PERSONAL
RELATIONSHIP.

SO THE MATERIALISTIC VALUES
REPLACE PERSONAL VALUES OR
SOCIAL VALUES.

SO PRODUCT BECOMES MORE
IMPORTANT TO THE PEOPLE.

YET IF YOU'RE NOT AWARE OF WHY
THESE INFLUENCERS ARE TELLING
YOU ALL THIS, THEN IT'S A
REALLY -- A RISK OF BECOMING
VERY UNHAPPY.

ONLY WANTING TO HAVE MORE
INSTEAD OF INVESTING IN THE
RELATIONSHIPS WITH OTHERS.

THAT'S ONE OF THE HARMS THAT I
WOULD LIKE TO ADD TO WHAT IS
ALREADY MENTIONED.

>> MAYBE I CAN ANSWER THAT.

BECAUSE ADVERTISING ALSO BUILDS
PRODUCT PREFERENCES.

THESE WITH GROW INTO HABITS
LATER ON.

IT MIGHT LEAD TO PRINT CHILD
CONFLICTS.

ADVERTISERS OFTEN SHOW PRODUCTS
THAT ARE REALLY GREAT AND
CHILDREN REALLY WANT TO HAVE IT
EVEN THOUGH IT'S NOT ALWAYS
REALISTIC.

IT COSTS A LOT OF MONEY AND NOT
ALL PARENTS CAN BUY THOSE

PRODUCTS FOR CHILDREN.
IT CAN LEAD TO DIFFICULTIES.
CHILDREN SEE THEIR FRIENDS ARE
GETTING THE NEWEST AND COOLEST
THINGS THAT THEY SEE THROUGH
INFLUENCER VIDEOS, FOR INSTANCE,
IT CAN ALSO GIVE TROUBLE THERE.

>> GRACE, WHAT ARE YOUR
THOUGHTS?

>> I THINK WITH THE ADVANCING
TECHNOLOGIES THAT ARE CREATING
MORE IMMERSIVE SPACES, WHAT
WE'RE ABLE TO BETTER DISGUISE
THESE ADVERTISING AND PERSUASIVE
INTENTS.

WE'RE ABLE TO DIVIDE THINGS LIKE
WHAT DOES A PERSON LOOK LIKE
VERSUS WHO IS CONTROLLING THEM
WHAT THEY LOOK ON THE OUTSIDE.

A LOT OF THESE LAYERS OF
DECEPTION THAT WE'RE NOT ABLE TO
REALLY TAKE ADVANTAGE OF WITH
MORE CONVENTIONAL
ADVERTISEMENTS.

AND THEY'RE ABLE TO HIDE BEHIND
THAT NOVELTY.

IT'S GOING TO TAKE SOME TIME FOR
THE CONSUMERS TO FIGURE OUT
EXACTLY HOW TO DO WITH THESE
NEWER PERSUASIVE ATTEMPTS.

DURING THAT TIME, DISCLOSURE
WILL BE THE KEY THING.

SO IN THE USER INTERFACES, IF
THIS IS A BOT, YOU HAVE TO LET
THEM KNOW.

IF THIS IS A -- A PAID MESSAGE
FROM A SPONSOR, IT'S A SPONSOR
WITH A MESSAGE, YOU NEED TO LET
PEOPLE KNOW.

PARTICULARLY FOR CHILDREN, IN
THAT INTERFACE, THIS DISCLOSURE
CAN'T BE HIDDEN.

ADVERTISING IN AND OF ITSELF IS
FINE.

BUT YOU NEED TO LET PEOPLE KNOW
AND CHILDREN KNOW THAT THEY'RE
DEALING WITH ADVERTISING.

FOR IMMERSIVE SPACES, IT'S
EASIER FOR ADVERTISERS TO TRY TO
DISGUISE THIS.

WITH THIS ONGOING DEVELOPMENT OF
THE METAVERSE, WHAT IS THE KEY
THING THAT COULD BE A POTENTIAL
ISSUE IS THAT THE VIRTUAL AND
THE PHYSICAL WORLDS BECOME MUCH
MORE CONNECTED.

SO YOUR VIRTUAL EXPERIENCES COME
IN AND TRANSFER IN TO THE
PHYSICAL WORLD.

SO WHATEVER YOU EXPERIENCE WILL DOESN'T STOP WHEN YOU POWER OFF THE COMPUTER.

A LOT OF THE RESEARCH DEMONSTRATE THAT'S YOUR VIRTUAL EXPERIENCES CONTINUE IN TO THE PHYSICAL WORLD AND IMPACT YOUR ATTITUDES AND BEHAVIORS.

FOR CHILDREN, IT COULD LEAD TO YOU KNOW, ADVERTISERS, GIVING THEM EXPERIENCES THAT THEY WANT TO CARRY FORWARD IN TO THEIR PHYSICAL WORLD.

THAT MIGHT INFLUENCE THE WAY THAT THEY THINK ABOUT AND EVEN PERCEIVE THE WORLD AND VICE VERSA.

SO THAT CONNECTIVITY CAN BE GOOD, BUT IT CAN ALSO CREATE PROBLEMS THAT NEED CLOSE DISCLOSURE ON THE INTERFACES THEMSELVES.

>> YEAH, I'LL JUST ADD THAT, YOU KNOW, REALLY BUILDING UPON WHAT EVA SAID ABOUT MATERIALISM, WHEN I WORKED WITH SCHOOL-AGED KIDS LOCALLY IN YPSILANTI, ASKING THEM ABOUT YOUTUBE AND INFLUENCER CULTURE AND THINGS, YOU KNOW, SO MANY OF THEM SAID IT JUST MAKES ME FEEL LESS THAN. LIKE WATCHING EVERYONE ELSE PERFORM WITH THESE KIND OF UNREALISTIC STANDARDS OF WEALTH OR BEAUTY OR MASCULINITY OR FEMININITY OR WHATEVER IT IS, REALLY KIND OF ENGENDERS SOME DEGREE OF SOCIAL COMPARISON OR A PRETTY DISORGANIZED RELATIONSHIP WITH THAT PARASOCIAL CHARACTER OR INFLUENCER.

WHEN THEY TOLD STORIES LIKE, YOU KNOW, I THOUGHT HE WAS FAKING AND THEN I WAS LOOKING THROUGH THESE CLUES ABOUT WHAT -- HOW THEY WERE BEING DISHONEST.

I STILL LIKE IT AND WATCH IT A LOT OR, YOU KNOW, THEY WERE DECEPTIVE ABOUT WHAT THEY WERE GOING TO SHOW IN THEIR VIDEO E THEY SAID IT WOULD BE ONE THING AND I WATCHED THE VIDEO AND IT WASN'T.

AND THEN ALL OF THEM SAID THAT A CERTAIN GROUP OF INFLUENCERS WERE SAYING IF YOU DON'T SUBSCRIBE AND LIKE, YOU'LL WAKE UP WITH SPIDERS IN YOUR BED. THEY TRUST AND WANT TO PLEASE

THE INFLUENCERS BUT ARE GETTING THIS KIND OF MANIPULATIVE TRICKERY FROM INFLUENCERS TRYING TO COMPLETE AND BEING MORE CLICK BAIT.

THAT IS A LONGER-TERM ISSUE.

WE DON'T HAVE ANY RESEARCH ON WHAT PSYCHOLOGICAL IMPACT THAT HAS ON KIDS.

IT'S -- IN THE INDEPENDENT, IT'S TO THE DETRIMENT OF THE INFLUENCERS THAT IS USING THOSE TACTICS.

I THINK AND HOPE CHILDREN WILL JUST ENGAGE.

>> THANKS.

YEAH.

SO OUR LAST PANEL OF THE DAY, I WANTED TO TOUCH ON THAT BRIEFLY HERE.

MAYBE WE CAN GO RIGHT TO EVA AS FAR AS DISCUSSING THE TOPIC OF DISCLOSURES.

THAT'S RESEARCH IN THIS AREA POINTED TO CERTAIN DISCLOSURE MODALITIES LIKE AUDIO OR VISUAL BEING MORE EFFECTIVE AND ALSO JUST GIVEN THAT ANOTHER UNIQUE ASPECT REVEALING HERE WITH DIGITAL ADVERTISING AND PERHAPS A CHALLENGE IS THAT IT CROSSES BORDERS.

IS IT POSSIBLE TO HAVE A UNIVERSAL DISCLOSURE OR QR ICON?

>> THAT'S INDEED OUR IDEAL, SOMETHING THAT WE'RE WORKING ON.

SO YOU HAVE THESE ICONS FOR APPROPRIATE AGE, FOR EXAMPLE, FOR HARMFUL CONTENT.

HAVE A VERY SUCCESSFUL SYSTEM FOR THAT IN BELGIUM AND OTHER EUROPEAN COUNTRIES.

OUR IDEA WAS TO HAVE AN ICON THAT SIGNALS ADVERTISING TO CHILDREN ACROSS PLATFORMS.

SO WE CONDUCTED THIS SERIES OF STUDIES IN WHICH WE ALSO ASKED CHILDREN TO DEVELOP OR TO DESIGN SUCH ICONS THAT ARE COMPARABLE TO ICONS FOR VIOLENCE OR DRUGS OR ANYTHING, ANY HARMFUL CONTENT.

SO THE PROJECT -- OUR IDEA WOULD BE TO HAVE THIS ONE ICON THAT IS RECOGNIZABLE FOR EVERYONE, NOT ONLY FOR CHILDREN BUT ALSO FOR THEIR PARENTS SO THAT THEY ARE AWARE OF THE CONTENT BEING SPONSORED OR NOT BEING JUST

GENERAL OPINIONS BUT ACTUALLY HAVING A PERSUASIVE INTENT. SO WHAT YOU SEE NOW IS THAT IN MANY GUIDELINES OR REGULATIONS THERE ARE A LOT OF SUGGESTIONS ON HOW TO DISCLOSE SPONSORED CONTENT.

SO THEY GIVE SEVERAL OPTIONS. THERE'S FREEDOM FOR THE CONTENT CREATORS.

THEY CAN USE DIFFERENT HASHTAGS AND DIFFERENT POSITIONS.

WHAT WE SEE IN OUR RESEARCH, PEOPLE DO NOT LOOK AT THAT. THEY MISS IT OR THEY DON'T UNDERSTAND IT OR ESPECIALLY FOR CHILDREN, THE WORDING IS SO FAKE THAT IT DOESN'T HELP THEM UNDERSTAND WHAT IS GOING ON.

SO IF YOU SAY THIS IS BROUGHT TO YOU BY THIS OR THIS BRAND OR THIS IS IN COOPERATION WITH WE ASKED CHILDREN AND THEY HAVE NO IDEA WHAT THAT MEANS, EVEN SPONSORED, WHICH WE THOUGHT WOULD BE OBVIOUS, IT'S VERY HARD FOR CHILDREN TO UNDERSTAND BECAUSE THEY SAY SPONSORING IS A GOOD THING.

ALSO SAW SPONSORSHIP IN SCHOOL. PARENTS SPONSOR ME TO RAISE MONEY FOR THIS CHARITY.

SO SPONSORING -- IT'S HELPING MY FAVORITE INFLUENCER.

THEY WANT TO THINK POSITIVELY ABOUT COMPANIES AND BRANDS. SO AVOID ALL OF THESE FAKENESSES OF DISCLOSURES AND HAVING THEM IN DIFFERENT POSITIONS. DIFFERENT FORMS ON EACH PLATFORM.

OUR IDEA WOULD BE TO HAVE ONE ICON THAT IS ACROSS PLATFORMS, ACROSS TYPES CONTENT, ACROSS NATIONALITIES AND COUNTRIES THAT COULD RAISE A FLAG FOR CHILDREN AND ALSO FOR THEIR PARENTS TO BE AWARE OF THE TYPE OF CONTENT THAT THEY'RE WATCHING.

>> SO RIGHT.

VERY BRIEFLY, SINCE I SEE WE'RE DOWN TO FIVE MINUTES UNFORTUNATELY.

BUT COULD YOU JUST TELL US VERY BRIEFLY ABOUT ANY INTERNATIONAL EFFORTS AND THEIR INSIGHT ON WHAT IS HAPPENING IN THE NETHERLANDS ON THIS FRONT? AS FAR AS --

>> YEAH, YES.

WE ARE DOING THIS RESEARCH PROJECT TOGETHER WITH THE PEOPLE RESPONSIBLE FOR THE SIGNALLING OF HARMFUL CONTENT.

E.U. REGULATION.

AND WE ALSO HAD IN THE NETHERLANDS, WE ALSO HAVE AN INITIATIVE OF YOUTUBERS THEMSELVES WHO WANTED TO CONTRIBUTE TO MORE TRANSPARENCY. THAT WAS AN INITIATIVE WHERE THEY WANTED TO CREATE UNIVERSAL WAY OF DISCLOSING ADVERTISING IN THEIR VIDEOS.

ALWAYS HAVE IT ON THE SAME SPOT IN THE DESCRIPTION OF THE VIDEO AT THE SAME LANGUAGE ACROSS VIDEOS AND ACROSS SITUATIONS. WHAT ALSO IS INTERESTING THAT THEY WANTED IS TO -- WHAT YOU NEVER SEE IN THE REGULATION, THAT THEY WANTED TO TELL WHEN THE COMPANY IS NOT SPONSORED. BECAUSE OTHERWISE, IF THERE'S NOTHING THERE, YOU STILL HAVE TO GUESS DID THEY FORGET THE DISCLOSURE, DID THEY TRY TO HIDE SOMETHING.

YOU'RE NEVER SURE.

SO I THOUGHT IT WAS VERY NICE INITIATIVE OF THE INFLUENCERS THEMSELVES.

WE WANT TO BE TRANSPARENT.

ALSO WHEN WE'RE NOT TRANSPARENT. BECAUSE THEN YOU DO NOT HAVE TO LOOK FOR THE INFORMATION. HAVE TO GUESS ALL THE TIME. BECAUSE IT'S A PROBLEM THAT THERE'S NOT STRICT ADHERENCE TO THE GUIDELINES.

>> GREAT.

THANK YOU.

AND NOW JUST A FINAL QUESTION, WHICH I GUESS WE'LL MAKE INTO A SPEED ROUND.

WHAT ARE THE RESEARCH GAPS WITH RESPECT TO CHILDREN'S ABILITY TO DISTINGUISH ADVERTISING FROM OTHER CONTENT?

>> I'M INSPIRED BY EVA'S COMMENT ABOUT THE YOUTUBERS WANTING TO HAVE A STANDARDIZED APPROACH. IT WOULD BE MY -- MY DREAM EXPERIMENT WOULD HAVE YOUTUBERS WITH DIFFERENT TARGET AUDIENCES WORK WITH FAMILIES AND KIDS TO KIND OF CRAFT A FEW DIFFERENT APPROACHES AND DEPLOY THEM

EXPERIMENTALLY ON A LARGE SCALE.
WE COULD STUDY IN LABS AND IN
HOMES HOW KIDS ARE RESPONDING TO
IT AND WHAT THEY UNDERSTAND.
HAVE MEASURES, YOU KNOW, ABOUT
THINGS LIKE NOT JUST THEIR
PERSUASION KNOWLEDGE OR THE
COGNITIVE ASPECTS BUT SOMETHING
TO MEASURE THE ATTITUDAL ASPECTS
AND MORE IMPLICIT THING.

I LOVE GRACE'S IDEAS OF WEAR
ABLES AND OTHER THINGS THAT HELP
US LOOK AT AROUSAL OR LOOK AT
WAYS THAT KIDS ARE RESPONDING
BEHAVIORALLY THAT CAN SOMETIMES
BE SUPER EXCITING AND EMOTIONAL.
>> GREAT.

GRACE, WHAT WOULD BE ON YOUR
RESEARCH WISH LIST?

>> YEAH, FOR ME I THINK IT'S
STILL VERY UNCLEAR HOW CHILDREN
REACT TO THESE VERY IMMERSIVE
EXPERIENCES THAT BUILD DETAILED
MODELS.

YOU'RE SEEING, HEARING,
TOUCHING.

IT'S A LOT OF DETAILS INTEGRATED
INTO YOUR EXPERIENCES WITH
PRODUCTS WITHIN THESE VIRTUAL
WORLDS, WHICH WE KNOW BASED ON
CONVENTIONAL RESEARCH THAT YOU
START BUILDING FAVORABLE BRAND
PREFERENCES WHEN YOU'VE
EXPERIENCED AND OWNED
PSYCHOLOGICALLY THESE ARRAYS OF
PRODUCTS WITHIN THESE VIRTUAL
WORLDS.

SO WHEN THAT CARRIES OVER TO THE
PHYSICAL WORLD, HOW DOES THAT
IMPACT THE WAY THAT THEY TREAT
BRANDS OR ADVERTISEMENTS.

SO THE UNDERSTANDING AROUND THAT
ARENA IS VERY SPARSE.

SO I THINK THAT IS A BIG
RESEARCH GAP THAT WE NEED TO
WORK TOWARDS.

>> LISA?

>> I THINK IT'S VERY IMPORTANT
TO ALSO EXAMINE WHICH STRATEGIES
CHILDREN CAN USE AND TO MORE
EASILY RESIST ADVERTISING AND
COGNITIVELY DEMANDING
ENVIRONMENT, HOW CAN THEY AVOID
BEING SUBCONSCIOUSLY -- WHICH
STRATEGIES THEY CAN USE.

WE DON'T KNOW WHAT ADVERTISING
RECOGNITION DOES AND HOW IT
HELPS THEM.

IT CAN ALSO LEAD TO MORE

ATTENDANCE TO THE COMMERCIAL
CONTENT.

SO I THINK THAT'S A VERY
IMPORTANT PART.

AND A SECOND THING, THEN, MAYBE
MORE POSITIVE THING, ESPECIALLY
IF YOU LOOK TO THE KID
INFLUENCERS, THE VERY POPULAR
FAMOUS ONES ARE NOW OFTEN
POSTING EDUCATIONAL VIDEOS AND
ALSO TRY TO EDUCATE CHILDREN
ABOUT HEALTHY EATING AND HARMS
OF SUGAR, FOR INSTANCE.

IT CAN ALSO HELP TO BUILD THE
CONSUMER AS SOCIALIZATION
COMPETENCES.

IT WOULD BE INTERESTING TO SEE
HOW IT CAN POSITIVELY CONTRIBUTE
TO CHILDREN'S COMPETENCES AND
HOW IT CAN HELP THEM AND WHAT
CONTENT IS HELPFUL AND WHAT
CONTENT IS HARMFUL.

SO I THINK THAT CAN BE EXCITING
NEWS FOR FUTURE RESEARCH.

>> ABSOLUTELY.

AND FINALLY, EVA?

>> YES, I THINK THAT -- YEAH, I
AGREE WITH LISE.

I WOULD LIKE TO END ON A
POSITIVE NOTE OF HOW WE COULD
USE ALL OF THESE INFLUENCERS AND
THESE MEDIA -- THIS MEDIA
EXPOSURE.

THAT IS OUT THERE.

CHILDREN ARE EXPOSED TO ALL OF
THIS CONTENT.

HOW CAN WE USE IT FOR THE
BETTER.

HOW CAN WE USE IT FOR PRO SOCIAL
BEHAVIOR, PRO SOCIAL CHANGE FOR
HEALTHIER BEHAVIOR AND ALSO FROM
OUR RESEARCH, WE SEE THESE
INFLUENCERS CAN PLAY A BIG ROLE
FOR WHAT CHILDREN KNEW ABOUT
ADVERTISING AND VIDEOS CAME FROM
THAT -- SOME VIDEOS WHERE
INFLUENCERS EXPLAINED WHAT THEY
DID OR WHY THEY DID WHAT THEY
DID.

THAT HAS A LOT OF IMPACT ON
CHILDREN'S KNOWLEDGE.

SO LET'S USE IT FOR THE BETTER.

SO I THINK THAT WOULD BE REALLY
NICE TO STUDY MORE.

>> GREAT.

WELL, I SEE OUR TIME IS UP.

SO THANK YOU SO MUCH, PANELISTS
FOR A REALLY INTERESTING AND
ENLIGHTENING DISCUSSION.

NEXT UP WE'RE STARTING OUR
BREAK.

WE WILL BE BACK WITH PANEL 2 AT
12:30 P.M. EASTERN.

THANK YOU.

ANTONIN SCALIA LAW SCHOOL AT
GEORGE MASON UNIVERSITY.

HE'S ALSO AN FTC ALUM.

JOSH GOLIN WHO IS EXECUTIVE
DIRECTOR AT FAIRPLAY, A
NONPROFIT ORGANIZATION THAT
ADVOCATES FOR KIDS.

DR. JENNIFER HARRIS WHO IS A
SENIOR RESEARCH ADVISOR AT THE
UCONN RUDD CENTER FOR FOOD,
POLICY AND HEALTH, GIRARD KELLY
WHO IS SENIOR COUNSEL AND
DIRECTOR OF THE PRIVACY PROGRAM
AT COMMON SENSE MEDIA AND
FINALLY SHEILA MILLAR, PARTNER
AT KELLER AND HECKMAN WHERE SHE
FIEZS KMS THAT MAKE AND SELL KID
RELATED PRODUCTS ON ADVERTISING,
PRIVACY AND CONSUMER PRODUCT
SAFETY ISSUES.

BEFORE WE GET STARTED, JUST A
REMINDER THAT THE VIEWS
EXPRESSED TODAY ARE OUR OWN AND
DO NOT NECESSARILY REFLECT THE
VIEWS OF THE COMMISSION OR ANY
ONE PARTICULAR ORGANIZATION OR
COMPANY.

ALSO IF WE HAVE TIME WE WILL TRY
TO INCORPORATE A QUESTION OR TWO
THAT WE RECEIVE FROM VIEWERS,
PLEASE SUBMIT THOSE QUESTIONS TO
DIGITAL ADS TO KIDSATE
FK-- FTC.GOV.

>> LET'S TALK ABOUT THE
ADVERTISING LANDSCAPE.

WE HEARD TODAY FROM MAMIE
KRESSES THIS MORNING ABOUT THE
KINDS OF ADS KIDS MIGHT
ENCOUNTER IN DIGITAL MEDIA BUT
WHAT DOES IT REALLY MEAN TO BE A
KID IN TODAY'S WORLD.

UNDERSTANDING THE CONTEXT IN
WHICH WE ARE ENCOUNTERING THESE
ADS WILL HELP US UNDERSTAND THE
IMPACT INCLUDING ANY POTENTIAL
HARMS OR BENEFITS.

ALSO I SHOULD MENTION THAT TODAY
WHEN WE REFER TO KIDS WE'RE
REFERRING TO KIDS UP THROUGH THE
AGE OF 17.

I WILL ASK OUR PANELISTS TO TRY
TO REMEMBER TO KIND OF MENTION
DIFFERENT AGE GROUPS WHEN THEY
ARE REFERRING TO DIFFERENT AGE

GROUPS.

AND NOW I THINK WE CAN GET STARTED.

SO GIRARD, IN ORDER TO GET A FULL PICTURE, CAN YOU TELL US A BIT ABOUT A DAY IN THE LIFE OF A KID WHO IS EXPLORING DIGITAL MEDIA AND PERHAPS YOU COULD ALSO TALK ABOUT HOW MANY KIDS HAVE DEVICES OR HAVE ACCESS TO THEIR FAMILY'S DEVICES.

>> YEAH, THANKS, MICHELLE.

SO WHEN WE TALK ABOUT THE DAY IN THE LIFE OF A CHILD THERE ARE SEVERAL DIFFERENT TYPES OF BLURRED AD THEY WILL LIKELY SPERCHLS THE FIRST PANEL DID A GREAT JOB TALKING ABOUT INFLUENCER, SPONSORED MESSAGES, THESE ARE LIKE ONLINE VIDEOS AND SOCIAL MEDIA, YOUTUBE OR UNBOXING VIDEOS, TOYS.

THE FIRST PANEL TALKED ABOUT VIRTUAL PRODUCT PLACEMENT, THIS IS REALLY POST PRODUCTION PRODUCT PLACEMENT THAT CAN APPEAR IN MOVIES, TV SHOWS OR GAMES THAT HAVE A FAVORABLE BRAND ASSOCIATION.

BUT THERE ARE ALSO DIFFERENT TYPES OF BLURRED ADS THAT KIDS EXPERIENCE LIKE FUNNY MEMES, FOR EXAMPLE, RELATED TO BRANDS OR PRODUCTS THAT HELP FORM POSITIVE BRAND AWARENESS FOR KIDS, TO FEEL IN ON THE JOKE.

ALSO INSPIRATIONAL ARTICLES THAT MENTION POPULAR PRODUCTS OR BRANDS IN A POSITIVE LIGHT, HELPFUL ARTICLES ON SOCIAL MEDIA THAT ARE RELATED TO OTHER ADS AND SPONSORED CONTENT ON THE PAGE ITSELF THAT HELP SHAPE OPINIONS AND PREFERENCES FOR BRANDS OVER TIME.

AND THIS IS HOW INFLUENCERS THAT KIDS SEE THE WORLD.

THERE IS ALSO RECOMMENDATIONS OR NOTIFICATIONS ON MOBILE DEVICES TO ENGAGE WITH MORE ADS OR CONTENT WHICH PROVIDES MORE DATA FOR THOSE PERSONALIZED BLURRED ADVERTISEMENTS.

AS DISCUSSED ON THE PREVIOUS PANEL THERE ARE ALSO VIRTUAL, ANOTHER TYPE OF MEDIA WHERE KIDS CAN EXPERIENCE NUDGES, FOR BLURRED ADS THAT ARE INDISTINGUISHABLE, AUTHENTIC

CONTENT OR INTERACTIONS, THIS CAN HAPPEN THROUGH IN GAME CURRENCY OR IN-APP PLCHS BUT LASTLY THE DIGITAL WORLD AND REAL WORLD ARE CONNECTED IN A LOT OF WAYS AND FOLLOW KIDS INTO THE REAL WORLD, THAT WHAT THEY SEE IN BLURRED ADVERTISEMENTS IMPACT YOUR THOUGHTS AND BEHAVIORS IN PURCHASING DECISIONS IN THE REAL WORLD. MICHELLE, YOU TALKED ABOUT KIND OF LIKE THE DEVICES AND DIFFERENT AGE GROUPS.

SO I WILL START WITH SOME OF THE SURVEYS WE DO AT COMMON SENSE. WE SURVEY PARENTS AND EDUCATORS AS WELL AS CHILDREN AND TEENS TO REALLY BETTER UNDERSTAND THE TECHNOLOGY AND APPS THEY USE EVERY DAY.

IN THE LAST COUPLE OF YEARS WE FOUND THAT ABOUT 75% OF KIDS UNDER 13 OWN THEIR OWN TABLET AND MORE THAN ABOUT 50% OF KIDS AGES 10 TO 11 OWN THEIR OWN MOBILE DEVICE.

OF COURSE YOUNGER KID WAS THEIR OWN DEVICES ARE SIMPLY USING THEIR OWN PARENTS' DEVICES AT HOME.

BUT IN ADDITION OUR LATEST SURVEY TIGHTSED COMMON SENSE CENSUS, MEDIA USED BY BETWEENES AND TEENS FOUND HALF KIDS SURVEYED ENGAGED IN TELEVISION, ONLINE VIDEO, MOBILE GAMES, SOCIAL MEDIA EVERY DAY.

WE ALSO FOUND ON AVERAGE 8 TO 12 YEARS OLD USE ABOUT FIVE AND A HALF HOURS OF SCREEN MEDIA PER DAY WHILE 13 TO 18 USE ABOUT EIGHT AND A HALF HOURS OF SCREEN MEDIA PER DAY.

THAT IS A LOT OF SCREEN TIME.

BUT AS EXPECTED, YOUTUBE, SNAPCHAT, TIKTOK, INSTAGRAM, THESE ARE ALL THE MOST POPULAR APPS THAT TEENAGERS CAN NOT LIVE WITHOUT.

KIDS UNDER 8, THEY CONTINUE TO ENJOY EDUCATIONAL APPS, GAMES, STREAMING MEDIA AND OTHER ONLINE VIDEOS.

BUT WE ALSO HEAR FROM FAMILIES THAT THEY WANT BETTER PRIVACY, RIGHT, FOR THEIR KIDS AND THEMSELVES.

AND TO DO THAT WE NEED TO BETTER

UNDERSTAND WHAT IS THE ACTUAL ADVERTISING LANDSCAPE THAT INCLUDES BLURRED ADS. HOW OFTEN ARE CHILDREN EXPOSED TO THE ADS WITH THE APPS WE TALKED ABOUT THEY USE EVERY DAY, ADVERTISING IS EFFECTIVE IN INFLUENCING DECISIONS BUT HOW DOES BLURRED ADVERTISING INFLUENCE BEHIND THE SCENES THROUGH MAN I LAITLEO EXPLOITATION OF INFORMATION THAT WAS DISCUSSED IN THE FIRST PANEL, TO ANSWER THE QUESTIONS WE PUBLISHED A REPORT TITLED THE STATE OF KID'S PRIVACY.

IT ANALYZED THE PRIVACY POLICIES AND PRACTICES OF HUNDREDS OF THE MOST POPULAR APPS AND SERVICES USED BY KIDS AND TEENS. WE FOUND THAT CHILDREN ARE EXPOSED TO ADVERTISING AND TRACKING PRACTICES WITH THE APPS THEY USE EVERY DAY WHICH PROVIDES MORE DATA FOR PERSONALIZED AND BLURRED ADVERTISING.

FOR EXAMPLE ALMOST TWO THIRDS OF THE PRODUCTS ON MARKETPLACE TODAY USED BY KIDS HAVE UNCLEAR OR WORSE PRIVACY PRACTICES THAT SAY THEY CAN TRACK KIDS ON THE APP, AND ACROSS THE INTERNET OVER TIME FOR ADVERTISING PURPOSES.

IN ADDITION OVER HALF OF THE PRODUCTS IN MARKETPLACE HAVE EITHER UNCLEAR OR WORSE PRACTICES IN THE PRIVACY POLICY THAT ALLOW SENDING THIRD PARTY MARKETING SITUATIONS AND FIVE OUT OF TEN PRODUCTS HAVE THE POTENTIAL TO SERVE TARGETED ADS TO CHILDREN BASED ON THEIR PERSONAL INFORMATION.

>> THANK YOU, THAT IS REALLY HELPFUL.

AND WE HEARD ON PANEL ONE THAT KIDS AT CERTAIN AGES HAVEN'T YET DEVELOPED A COGNITIVE ABILITY TO DISTINGUISH BETWEEN AN AD AND CONTENT WHEN THE TWO ARE INTERTWINED.

BUT WHAT BLT IMPACT ON PROCESSION.

JOSH, I WAS HOPING YOU COULD TALK ABOUT WHETHER THERE ARE DIFFERENT FACTORS PRESENT WITHIN BLURRED ADVERTISING OR MARKETING

THAT MAKES IT HARDER FOR A CHILD TO PROCESS AN AD EVEN WHEN THEY MIGHT BE ABLE TO BELIEVE TO RECOGNIZE IT.

>> YEAH, THANKS, MICHELLE.

AND THAT'S A REALLY IMPORTANT DISTINCTION BETWEEN PROCESSING AND JUST RECOGNIZING ADVERTISING.

IN ORDER TO DEFEND THEMSELVES AGAINST ADVERTISING CHILDREN, RECOGNITION IS NOT ENOUGH. THE CURRENT ECOSYSTEM, THE CURRENT MARKETING ECOSYSTEM THAT CHILDREN ARE IMMERSSED IN AS YOU HEARD FROM GIRARD, THE REALLY STARTLING STATISTICS ABOUT HOW MUCH TIME THEY ARE SPENDING, IS DESIGNED TO MAKE IT HARDER FOR CONSUMERS TO COGNITIVELY PROCESS MARKETING.

AND FOR DEVELOPING CHILDREN WHO ARE ALREADY AT A DISADVANTAGE, IT IS EVEN MUCH HARDER FOR THEM. SO THERE ARE A NUMBER OF MARKETING TECHNIQUES THAT MAKE IT MUCH HARDER FOR YOUNG PEOPLE TO DEFEND THEMSELVES ONLINE, I WILL JUST MENTION A FEW.

THE USE OF PARASOCIAL RELATIONSHIPS.

THERE IS A LOT OF RESEARCH THAT SHOWS THAT THESE PARASOCIAL RELATIONSHIPS, THESE ONE-SIDED RELATIONSHIPS WHERE CHILDREN BELIEVE THEY'RE HAVING AN ACTUAL RELATIONSHIP EITHER WITH AN INFLUENCER OR REAL LIFE HUMAN BEING OR ANIMATED CHARACTER OR AVATAR, THAT WHEN THE MARKETING COMES THROUGH A PARASOCIAL RELATIONSHIP, THAT CHILDREN ARE LESS LIKELY TO UNDERSTAND WHAT IS GOING ON AND TO BE ABLE TO DEFEND THEMSELVES AGAINST IT IN FACT, EVEN ADULTS ARE UNLIKELY-- ARE LESS LIKELY TO DEFEND THEMSELVES AGAINST INFLUENCER MARKETING, THERE ARE STUDIES THAT SHOW THAT WHEN THERE IS A PARASOCIAL RELATIONSHIP.

AND DISCLOSURES DON'T HELP.

I THINK THAT IS ONE OF THE REALLY IMPORTANT THINGS HERE. THERE WAS ONE STUDY THAT SHOWED THAT THERE WAS A DISCLOSURE THAT A BAND-- A BRAND HAD PAID FOR A MUSIC INDIVIDUAL YOUTUBE AND

WHAT ENDED UP HAPPENING IS THAT THE TEENS THAT WERE WATCHING THAT AND SAW THIS DISCLOSURE HAD MORE POSITIVE FEELINGS ABOUT BOTH THE BAND AND THE BRAND THAT WAS RESPONSE ARISING THAT VIDEO. SO THE DISCLOSURE ISN'T HELPING IN THAT POINT.

BUT I THINK WE HEARD SO MUCH FROM THE OPENING PANEL ABOUT THE KIND OF COMPLEX COGNITIVE PROCESSES THAT GO INTO UNDERSTANDING AND DEFENDING YOURSELF AGAINST AN ADVERTISE ADVERTISEMENT AND THE ECOSYSTEM IS NOT DESIGNED TO ACTIVATE THOSE COMPLEX COGNITIVE PROCESS. SO JUST A COUPLE QUICK EXAMPLES. ONE WOULD BE LIKE WHEN KIDS ARE PLAYING A GAME AND THEY HAVE TO ENGAGE WITH AN AD IN ORDER TO ADVANCE TO THE NEXT LEVEL IN A GAME.

WHAT THEY WANT TO DO IS GET TO THE NEXT LEVEL IN THE GAME.

I DON'T THINK THAT THEY ARE-- WHY AM I SEEING THIS AD. WHAT ARE THE COMPLEX FINANCIAL RELATIONSHIPS UNDERLYING THIS AD WHAT IS THE PERSUASIVE INTENDED OF THE AD THAT IS NOT WHAT IS HAPPENING IN THAT MOMENT WHEN THEY WANT TO GET TO THE NEXT SPOT.

AND THE LAST THING IS THAT IT IS REALLY IMPORTANT TO UNDERSTAND THE CONTEXT IN WHICH THESE ADS ARE BEING DELIVERED.

SO MAIJ OF THE INFLUENCER ADS KIDS ARE SEEING ARE ON PLATFORMS LIKE YOUTUBE OR TIKTOK OR INSTAGRAM WHERE THEIR FEEDS ARE BEING ALGORITHMICALLY DRIVEN BASED ON THEIR INTERESTS.

SO IF KIDS ADDRESS AN INTEREST IN SOMETHING THEY START GETTING BAR AGED WITH CONTENT RELATED TO THAT TRVMENT AND THAT COULD BE CONTENT THAT IS PAID FOR BY A BRAND.

IT COULD BE CONTENT THAT IS PROBABLY NOT PAID FOR BY A BRAND.

IT COULD BE CONTENT THAT PEOPLE LIKE ME CAN'T EVEN FIGURE OUT IF IT IS PAID FOR BY A BRAND, LET ALONE A KID.

WITH ALL OF THAT COMING AT THEM, AND ALL THE, LIKE THE FRICTION

THAT HAS BEEN REMOVED TO GET THEM TO STAY ENGAGED ONLINE SO THAT ONE VIDEO OR ONE POST IS COMING RIGHT AFTER THE OTHER T IS COMPLETELY UNREALISTIC TO THINK THAT AT THAT MOMENT KIDS ARE GOING TO ACTIVATE THOSE COMPLEX COGNITIVE PROCESSES IN ORDER TO DEFEND THEMSELVES AGAINST THOSE ADS.

>> OKAY.

THAT'S REALLY HELPFUL.

AND SO GIRARD, GETTING BACK TO WHAT YOU HAD TALKED ABOUT A LITTLE BIT EARLIER AND WHAT JOSH IS TALKING ABOUT, YOU MENTIONED THE CONTEXT OF RECEIVING THESE ADS, THAT THEY ARE PERSONALIZED, THAT THEY ARE TARGETED-- BASED ON INFORMATION.

AND THAT THEY ARE BLURRED.

AND WE TALKED A LITTLE BIT ABOUT HOW MUCH TIME KIDS SPEND ONLINE AND THE TIMING AND FREQUENCY OF THE ADS.

IS THERE ANYTHING MORE ABOUT THE TIMING AND FREQUENCY THAT YOU THINK IS RELEVANT TO A KID'S ABILITY TO RECOGNIZE AND PROCESS THESE ADS?

>> YEAH, THE TIMING OR FREQUENCY IS REALLY IMPORTANT.

BECAUSE IT CAN BE MAN I LATIF, RIGHT.

IF KIDS AND TEENS ARE EXPOSED TO ADVERTISEMENTS ALL DAY LONG.

BUT TO BE EFFECTIVE BLURRED ADS REQUIRE ENGAGEMENT AT THE PRECISE MOMENT, RIGHT, WHEN THE CHILD OR MAYBE OTHER KIDS JUST LIKE THEM ARE MOST SUSCEPTIBLE TO SUGGESTION, RIGHT SO MAYBE WHEN THEY FIRST WAKE UP IN THE MORNING OR BEFORE THEY GO TO BED AT NIGHT, MAYBE FREE TIME ON THE WEEKEND.

MAYBE AFTER A BIRTHDAY PARTY OR BEFORE A BIRTHDAY WHEN THEY ARE THINKING ABOUT PURCHASING GIFTS, MAYBE AFTER A BREAKUP, MAYBE WHEN THEY ARE AT A SPECIFIC GPS LOCATION AT A RESTAURANT OR AT THE MALL OR WHILE USING OTHER APPS TO CHAT WITH FRIENDS OR ENGAGE WITH OTHER CONTENT.

OR MAYBE AFTER WATCHING A SCARY MOVIE, FOR EXAMPLE, RIGHT.

THESE ARE ALL MOMENTS WHEN THE TIMING AND FREQUENCY IS

IMPORTANT BECAUSE ADVERTISERS
NEED TO KNOW, RIGHT, WHEN TO
ENGAGE, YOU KNOW, WITH THESE
AUDIENCES WITH BLURRED
ADVERTISEMENTS AND TO PERSUADE
FOLKS TO MAKE A POSITIVE BRAND
ASSOCIATION OR MAKE A PURCHASING
DECISION LATER ON.

THIS ALL GOES TO A USER'S
EMOTIONAL STATE.

BUT MICHELLE, YOU ALSO TALKED
ABOUT THE KIND OF THE NATURE OF
THESE TYPE OF ADS.

I DON'T THINK WE HAVE GOTTEN TOO
MUCH INTO THAT YET.

BUT THE NATURE AND METHODS OF
BLURRED ADVERTISE CANNING VARY,
RIGHT.

DEPENDING ON THE AMOUNT OF
PERSONALIZED INFORMATION WE HAVE
ABOUT INTENDED USE OR AUDIENCE.
SO FOR EXAMPLE BLURRED ADS CAN
BE USED TO PERSUADE USERS TO
HAVE A FAVORABLE ASSOCIATION,
WITH BRAND OR PRODUCT.

BUT BLURRED ADS CAN ALSO EXPLOIT
USER'S PERSONAL INFORMATION,
COLLECTED OVER TIME FROM OTHER
APPS AND SERVICES, RIGHT TO MORE
PERSONALIZED BLURRED
ADVERTISING, TO BE MORE
SPECIFIC, TO INCREASE THE
LIKELIHOOD OF ENGAGEMENT OR
PURCHASE THAT BRAND OR OTHER
PRODUCTS BUT BLURRED ADS CAN
ALSO MANIPULATE USERS TO THINK
THAT THEY CAN THINK OR FEEL
CERTAIN WAY ABOUT ISSUE OR A
BRAND, MAYBE BY WATCHING A VIDEO
OR READING AN ARTICLE, TO
ENCOURAGE THEM YOU KNOW TO THINK
DIFFERENTLY ABOUT A PRODUCT, TO
MAYBE HAVE SOLVEED SHOOP
PRESENTED TO THAT AUDIENCE FOR
COMMERCIAL TRANSACTION.

>> OKAY, THAT'S HELPFUL.

SHEILA, WE'VE TALKED A LITTLE
BIT ABOUT TARGETING AND
PERSONALIZATION OF ADS.

AND I KNOW WE'RE GOING TO GET
INTO SOME MITIGATING FACTORS
LATER IN THE DISCUSSION.

BUT KIND OF BRIEFLY, CAN YOU
TELL US, DO YOU THINK KAPPA
HELPS AT ALL MITIGATING THE
TARGETING AND PERSONALIZATION
AND ADDING THAT TO THE CONCEPT
OF BLURRING?

>> CURE, THANKS, MICHELLE. I

GUESS I WANT TO START ONE STEP
BACK WHAT IS ADVERTISING.
I WANT TO GO BACK TO WHAT MAMIE
SAID THIS MORNING BECAUSE CARU
HAS DEFINED ADVERTISING TO
ESSENTIALLY EXCLUDE CONTENT
CONTENT-BASED, CHARACTER-BASED,
BRANDED-BASED ENTERTAINMENT.
IT IS NOT PER SE ADVERTISING.
SO I THINK THAT SAY PRED CAT
POINT TO REALLY REMEMBER.
WITH REGARD TO KAPPA, OF COURSE,
APPLIES TO A SEGMENT OF WHAT WE
ARE CALLING TODAY CHILDREN, BUT
I THINK WHAT WE HEARD THIS
MORNING FROM THE RESEARCHERS IS
THERE IS A VAST DIFFERENCE
BETWEEN THAT TOUCH POINT OF AGE
12 WHERE I THINK THERE IS A
GENERAL AGREEMENT THAT THE
ABILITY TO PERCEIVE AND DEFEND
AGAINST ADVERTISING DOES CHANGE
AND THAT IS CON TYES ENT WITH I
THINK THE RESEARCH I'M FAMILIAR
WITH.

WITH REGARD TO KAPPA, KAPPA
APPLIES TO WEBSITES AND ONLINE
SERVICES DROACTED TO CHILDREN,
CHILDREN UNDER 13, AND THAT
MEANS BRAND, BRANDED WEBSITE,
PLATFORMS, APPS, CONNECTED
PRODUCTS F THEY ARE TARGETED TO
THAT SEGMENT OF CHILDREN, IT'S
COVERED BY CAPA BUT IT DOESN'T
PER SE BAN ADVERTISING,
CONTEXTUAL ADVERTISING IS
PERMITTED AND IT DOESN'T PER SE
BAN PERSONALIZATION T SETS IS UP
A FRAMEWORK FOR WHEN, WHEN
PARENTAL CONSENT IS REQUIRED TO
COLLECT PERSONAL INFORMATION
FROM CHILDREN, INTI VERY BROADLY
DEFINED BY THE FTC AND WHEN IT
IS NOT.

AND SO THE FTC HAS ADOPTED A
RULE WHEN THE LAST ITERATION OF
CAPA THAT PERMITTED THE
COLLECTION OF VERY LIMITEDDED
INFORMATION OF PERSONAL
IDENTIFIERS FROM CHILDREN AND TO
USE IT TO SUPPORT INTERNAL
OPERATIONS OF THE BUSINESS.
AND THAT ALLOWS YOU TO DO
CERTAIN THINGS LIKE RECOGNIZE A
RETURNING VISITER THAT IS
CONVENIENT FOR THE VISITER OR
THE PARENT.
HE THEY DON'T HAVE TO SIGN THE
KID UP MULTIPLE TIMES.

REMEMBER WE ARE TALKING ABOUT UNDER 13. AND IT IS BECAUSE THE FTC DETERMINED THAT THINGS LIKE SUPPORTING CONTEXTUAL ADVERTISING OR PROTECTING INTELLECTUAL PROPERTY AND OTHER TYPES OF ACTIVITIES OF THE BUSINESS, WERE LEGIT MASS BUSINESS PURPOSES FOR WHICH THAT DATA COULD BE COLLECTED AND USED.

SO I THINK FROM THAT PERSPECTIVE, THE CUT THAT CAPA MAKES IS SHARING OF INFORMATION TO ANY ANY THIRD PARTY INCLUDING FOR ADVERTISING PURPOSES REQUIRES VERIFIABLE PARENTAL CONSENT, THAT IS EMBEDDED, AND I THINK IS JUST GENERALLY GOOD BUSINESS PRACTICE ANY HOW. BUT WE SHOULD BE AWARE THAT THERE ARE PERMITTED USES OF DATA THAT CAN ALLOW FOR VERY MINIMAL TYPES OF PERSONAL ENGAGEMENT WITH YOUR VISITORS THAT IS DEEMED HELPFUL TO THE USER AND IMPORTANT FOR THE BUSINESSING AS WE KNOW CAPA IS LIMITED BY AGE SO AS I MENTIONED AT THE TOP OF THE DISCUSSION, RIGHT, THERE ARE GOING TO BE LIMITATIONS, WE HAVE CAPA IS KIDS UNDER 13, HERE WE'RE TALKING ABOUT INDIVIDUALS ALL THE WAY UP THROUGH 17, SO I THINK THAT IS RELEVANT TO THE DISCUSSION AS WELL.

WE WILL TALK A LITTLE MORE ABOUT CAPA LATER WHEN WE TALK ABOUT SOME OF THE PRIVACY RELATED ISSUES.

BUT FOR NOW I WOULD LIKE TO TALK ABOUT THE IMPACT TO KIDS SOME REFERENCED HARMS TO KIDS OF BLURRED LINES FROM ADVERTISING AND CONTENT AND I WANT TO DRILL DOWN ON THE HARMS AND DISCUSS WHETHER THERE ARE BENEFITS BUT FIRST I WANT TO HAVE A DISCUSSION ABOUT THE LEGAL PARAMETERS.

I THINK WE NEED TO GROUND THIS DISCUSSION IN EXISTING LAW SO WE CAN FIGURE OUT WHERE THINGS STAND.

SO SHEILA, IF YOU COULD GIVE US A BRIEF OVERVIEW TO HELP US GUIDE OUR DISCUSSION ON SECTION 5, OBVIOUSLY SECTION 5 GIVES FTC

AUTHORITY TO POLICE DECEPTIVE OR UNFAIR PRACTICES.
YOU TALKED A LITTLE BIT ABOUT CAPA ALREADY AND PERHAPS YOU COULD GIVE A BRIEF OVERVIEW OF FIRST AMENDMENT.
>> I ALREADY MENTIONED CAPA SO WE WILL PUT THAT ASIDE.
YOU HAVE MENTIONED SECTION 5 WHICH GIVES THE FTC GENERAL AUTHORITY OVER UNFAIR AND DECEPTIVE ACTS AND PRACTICES OF COMMERCE.
MAMIE MENTIONED BRIEFLY THIS MORNING THE FTC IMPROVEMENTS ACT WHICH WAS ADOPTED IN 1980. THAT IMPOSES SOME SPECIFIC PRESCRIPTIONS ON THE ABILITY OF THE COMMISSION TO ENGAGE IN RULE-MAKING UNDER ITS UNFAIRNESS AUTHORITY, I THINK MAYBE FOR THE AUDIENCE WHO IS NOT REALLY FAMILIAR WITH THIS, READING WHAT IT SAY T SAYS RESTRICTION ON RULEMAKING AUTHORITY OF RESPECTING CHILDREN'S ADVERTISING PROCEDURES PENDING ON MAY 28th, 1980.
SO DECADES AGO, BASICALLY. THE COMMISSION SHALL NOT HAVE ANY AUTHORITY TO PROMULGATE ANY ROLE IN THE CHILDREN'S ADVERTISING PROCEEDING PENDING ON MAY 28th, 1980, OR IN ANY SUBSTANTIALLY SIMILAR PROCEEDING ON THE BASIS OF THE DETERMINATION BY THE COMMISSION THAT SUCH ADVERTISESES CONSTITUTES AN UNFAIR OR DECEPTIVE ACT OR PRACTICES, PRACTICE IN OR AFFECTING COMMERCE.
AND SO I THINK THAT IS AN IMPORTANT RESTRICTION ON THE COMMISSION'S ABILITY TO KIND OF CATEGORICALLY ADDRESS WHETHER ADVERTISING IS UNFAIR.
I DON'T THINK THE FACTS SUPPORT IT IN ANY EVENT.
BUT I DON'T THINK ANY TYPE OF RESTRICTION WOULD PASS FIRST AMENDMENT SCRUTINY.
I THINK THAT THE OTHER RELEVANT FACTOR THAT I KNOW SOME FOLKS HAVE ELUDED TO ARE THE CHILDREN'S TELEVISION ACT AND FEDERAL COMMUNICATIONS COMMISSION RULES.
BUT THOSE RULE AS PLIE TO OVER THE AIR BRUSHINGER.

THEY JUST DON'T APPLY TO THE INTERNET AND THERE IS A LOT OF SUPREME COURT AND OTHER PRECEDENT THAT ESTABLISHES THAT THE INTERNET IS A MORE PROTECTED FIRST AMENDMENT MEDIUM OF EXPRESSION FOR THE CONTENT PROVIDERS THEMSELVES.

THE RULES GOVERNING THE CONTENT OF ADVERTISING WHICH ALSO ENJOYS FIRST AMENDMENT PROTECTION, ARE REALLY SUBSUMED UNDER THE CENTRAL FACTORS THE SUPREME COURT PRECEDENT THAT REALLY DOESN'T CHANGE DEPENDING ON THE MEDIUM.

BUT I THINK JAMES WANTS TO ADDRESS THAT AS WELL.

I THINK ONE OF THE INTERESTING THINGS THIS MORNING WAS HOW CAN WE ADDRESS THE DEVELOPING AW TAWN ME OF-- AUTONOMY OF CHILDREN AND SUPPORT PARENTS KNOWLEDGE AND AWARENESS OF CHILDREN'S ENGAGEMENT IN DIGITAL MEDIA.

I THINK THAT IS A GOAL THAT ANY OF THE COMPANIES I WORK WITH WHO ARE IN THE CHILDREN'S SPACE WRIT LARGE CARE ABOUT DEEPLY. THEY WANT CHILDREN TO BE PROTECTED.

THEY WANT PARENTS TO TRUST THEM. AND SO THE KIND OF COMPANIES THAT SUPPORT AND ARE EARN GAGED IN CARU ARE MAYBE THE CREME DE LA CREME AS THEY SAY OF COMPANIES WHO CARE ABOUT DOING RIGHT BY CHILDREN.

AND I THINK THAT SOME OF THOSE QUESTIONS OR OPTIONS ABOUT DIGITAL MEDIA AND REALLY SUPPORTING PARENTS ARE WORTH MUCH MORE E PLANATION ALONG WITH HOW DO YOU ENGAGE THE INFLUENCER MARKETERS THEMSELVES IN COMING UP WITH WAYS TO ENHANCE TRANSPARENCY FOR THE CONSUMER.

>> OKAY.

SO THAT IS HELPFUL.

AND I DO WANT TO DIG A LITTLE BIT MORE THOUGH ON YOUR DISCUSSION OF FTC AUTHORITY UNDER SECTION 5.

SO GIRARD, AND JOSH, IF I COULD KIND OF TURN TO YOU ON THIS NEXT QUESTION.

DO YOU THINK THE FTC'S EXISTING AUTHORITY IS ENOUGH TO ADDRESS

SOME OF THE ISSUES THAT WE'RE TALKING ABOUT TODAY?
AND I WILL TURN IT TO JOSH FIRST.

>> SORRY, I UNMUTED FIRST SO I WIN.

>> YEAH, YOU WIN.

>> FIRST OF ALL I WOULD DISAGREE WITH SHEILA ABOUT THE FTC IMPROVEMENT ACT.

I THINK THE LANGUAGE YOU READ TALKS ABOUT PROCEEDINGS THAT ARE SUBSTANTIALLY SIMILAR IN 1980.

THE FTC WAS CONCERNED ABOUT TELEVISION ADVERTISING AND DENTAL CAVITIES AND THEY

SUGGESTED A BAN ON ALL

ADVERTISING TO CHILDREN UNDER 8

THAT IS NOT WHAT WE ARE TALKING

ABOUT HERE, WE'RE TALKING ABOUT

DOES THE FTC HAVE AUTHORITY TO

ISSUE RULES ABOUT SPECIFIC TYPES

OF MARKETING IN AN ECOSYSTEM 42

YEARS LATER THAT DOESN'T LOOK

ANYTHING LIKE, YOU KNOW, I JUST

DON'T THINK IT IS SUBSTANTIALLY

SIMILAR AND I THINK THAT IS A

CONVERSATION FOR ANOTHER DAY.

BUT IN TERMS OF THE FTC'S

EXISTING AUTHORITY, I THINK

CLEARLY MUCH OF THIS STEALTH

ADVERTISING THAT GOES ON TO

CHILDREN IS DE SIGHT.

IF YOU DON'T UNDERSTAND THAT ARE

YOU BEING ADVERTISED TO YOU

CAN'T EVEN RECOGNIZE THAT ARE

YOU BEING ADVERTISED TO, I THINK

THAT WOULD QUALIFY FOR DE SENSGS.

I ALSO THINK THE FTC'S THREE

PRONGD TEST ON UNFAIRNESS

APPLIES HERE.

THESE ADS ARE UNAVOIDABLE, THEY

CAUSE SUBSTANTIAL HARM AND THE

COUNTERVALUING BENEFITS DO NOT

COUNTERBALANCE THAT HARM.

AND I KNOW WE WILL TALK MORE

ABOUT WHAT SOME OF THOSE HARMS

ARE IN A MINUTE.

BUT THE LAST THING I WOULD SAY

IS THAT I KNOW THE FTC TENDS TO

ADDRESS THESE ISSUES IN SORT OF

LIKE DISCREET CHUNKS.

LIKE WE HAVE THE KAPPA RULE

REVIEW, THE WORKSHOP ON DARK

PATTERNS.

AND ULTIMATELY BOTH WHAT THE

KIDS ARE EXPERIENCING AND WHAT

THE BRANDS ARE TRYING TO DO AND

WHAT THE ADVERTISERS ARE TRYING

TO DO IS DO ALL OF THESE THINGS
IN CONCERT.

AND SO TO REALLY GET AT THE VERY
COMPLEX PECULIAR KETTING
ECOSYSTEM THAT CHILDREN ARE
GROWING UP IN, THAT INVOLVES
MASSIVE DATA COLLECTION AND
TARGETING PSYCHOLOGICAL
VULNERABILITIES IN REALTIME AND
NEUROMARKETING, AND ALL OF THAT
STUFF, YOU KNOW, I DON'T KNOW
THAT IT WORKS JUST GETTING AT
THAT THROUGH THESE DISTINCT
RULEMAKINGS AND WORK SHOPS, AND
STLA IS ONE OF THE REASONS WHY
WE ARE SUCH BIG SUPPORTERS OF
THE UPDATE CAPA PROCEEDED,
BECAUSE THAT WOULD FORM A
DIVISION OF YOUTH MARKETING AT
THE FTC WHICH IS ULTIMATELY WHAT
WE REALLY NEED TO TRY TO GET AT
THIS REALLY IMMENSE COMPLEX
SYSTEM.

>> OKAY, THANK YOU.

THAT'S HELPFUL.

GIRARD, DO YOU HAVE ANYTHING TO
AD ADD.

>> YEAH, I AGREE WITH A LOT OF
WHAT JOSH JUST SAID.

WHEN IT COMES TO DE
SEPTEMBER-- DE CEPTION, I THINK
AT COMMON SENSE WE WEIGH TOO
MANY PRIVACY POLICIES,
THOUSANDS, AND WE SEE TOO MANY
COMPANIES WITH APPS THAT ARE
DIRECTED AT KIDS THAT DO NOT
PROVIDE TRANSPARENT NOTICE IN
THEIR POLICIES, RIGHT, ABOUT
PERSONALIZED ADVERTISING TO
CHILDREN.

WHICH INCLUDES BLURRED
ADVERTISING.

SO PARENTS MAY FEEL MISLEAD
UNDERSTANDABLY THAT THEY GAVE
CONSENT, TO USE AN APP, THAT MAY
USE TRADITIONAL PROTECTIONAL ADS
BUT NOT TARGETED ADS OR BLURRED
ADS OR INTENTIONAL PRODUCT PLACE
AM.

WE ALSO SEE THIS WITH PRIVACY
PRACTICES WHERE FOR EXAMPLE MANY
MOBILE APPS AND APP STORES TELL
USERS IN PRODUCT RESTRICTIONS
THAT THE APPS RESPECT THEIR
PRIVACY, EVERYTHING IS SAFE,
THEY DON'T ENGAGE IN ANY TIEGZ
AM BUT THEIR PRIVACY POLICY SAYS
THE EXACT OPPOSITE.
THAT THE APP MAY STILL ENGAGE IN

DECEPTIVE ADVERTISING OR BLURRED ADVERTISING PRACTICES SO THAT IS MISLEADING PARENTS AND CONSUMERS TO DOWNLOAD APPS FOR THEMSELVES OR CHILDREN THAT THEY BELIEVE TO BE MORE PRIVACY PROTECTING THAN IS CONTRARY TO THE BUSINESSES OWN PRIVACY POLICY DISCLOSURES. I WILL ADD I AGREE WITH JOSH ON THE FAIRNESS ANALYSIS AS WELL. AND WHEN WE GO TO THIS ISSUE, CAN INJURY NOT BE REASONABLY AVOID AS WE DISCUSSED WITH THE STATE OF KID'S PRIVACY RESEARCH, OVER 75% OF THE APPS ACROSS THE INDUSTRY, RIGHT, DISCLOSE THEY ARE TRACKING USERS FOR COMMERCIAL PURPOSES. IF THE MAJORITY OF THE INDUSTRY IS MONETIZING FOR BLURRED ADS, I WOULD ARGUE THE PREVALENCE OF THESE ADS ARE NOT REASONABLY AVOIDABLE TO PARENT, KIDS, CONSUMERS, ALL DIFFERENT APPS AND CONTENTS THAT THEY WANT TO ENGAGE WITH.

>> OKAY.

THANKS, THAT IS HELPFUL.

I DO WANT TO GO BACK TO ONE THING THAT WE TALKED ABOUT EARLIER.

SHEILA, YOU MENTIONED THE PARAMETERS AND GUIDANCE AND LEGISLATION AROUND TELEVISION ADVERTISING.

AND I WANTED TO QUICKLY ASK JENNIFER, DO YOU SEE A DIFFERENCE IN THOSE PARAMETERS? DO YOU THINK THAT THE HARMS IN BLURRED DIGITAL ADVERTISING ARE SIMILAR OR DIFFERENT? DO THEY JUSTIFY SOME OF THE SAME TYPES OF PROTECTIONS.

>> WELL, AS MANY HAS EXPLAINED, HOME SELLING IS PROHIBITED ON CHILDREN'S TELEVISION WHICH MEANS THAT ADVERTISING MESSAGES CAN'T APPEAR IN THE CHILDREN'S TELEVISION PROGRAM.

AND THERE ARE ALSO LIMITS TO HOW MANY MINUTES OF COMMERCIALS CAN BE SHOWN DURING A 30 MINUTE CHILDREN'S TV PROGRAM.

AND THESE REGULATIONS WERE ESTABLISHED PRECISELY BECAUSE CHILDREN DON'T HAVE THE ABILITY TO ACT, RECOGNIZE AND ACT TO DEFEND AGAINST TV COMMERCIAL MESSAGES BUT NO SUCH REGULATIONS

EXIST IN THE DIGITAL SPACE WHERE WE HAVE HEARD COMMERCIAL CONTENT IS HIGHLY INTEGRATED IN ENTERTAINMENT CONTENT, WHERE COMMERCIAL MESSAGES CAN APPEAR THE ENTIRE TIME A CHILD SPENDS ONLINE, AND WHERE IT IS MUCH MORE DIFFICULT TO IDENTIFY THE COMMERCIAL CONTENT.

SO PROHIBITING THESE PRACTICES ARE EVEN MORE NECESSARY IN DIGITAL THAN ON TV.

AND SHOW CARU GUIDELINES IN THE DIGITAL ENVIRONMENT, AS LONG AS THEY CONTAIN DISCLOSURES THAT IDENTIFY THE COMMERCIAL MESSAGES ADVERTISING, THEY CAN APPEAR.

>> THAT'S HELPFUL.

THANK YOU.

SO JAMES, WE ARE ABOUT TO START THE DISCUSSION ON HARMS BUT I WANTED TO QUICKLY TURN TO YOU BECAUSE YOU THOUGHT A LOT ABOUT HARM AND INJURY.

CAN YOU TELL US HOW WE SHOULD BE THINKING ABOUT HARM AND INJURY IN THIS CONTEXT?

>> YEAH, AND THANKS, MICHELLE, THANKS TOW THE FTC FOR INVITING ME, GREAT TO BE ON THIS PANEL, TO KIND OF BE BACK HOME, VIRTUALLY AT LEAST.

WHAT I WOULD SAY, I MEAN I'M AN ECONOMIST, AND THAT IS SOME OF THE WORK THAT I DID, THE BURROW OF CONSUMER PROTECTION BEFORE WHEN I MOOS RECENTLY WAS BACK THERE.

SO WHEN I THINK ABOUT HARM, I THINK IT'S REALLY IMPORTANT TO DEVELOP A-- TO THINK WHAT WOULD KIDS BE DOING BUT FOR THIS BLURRED, WHAT WOULD KIDS BE DOING BUT FOR THIS BLURRED ADVERTISING.

YOU KNOW, SO ESSENTIALLY KIND OF LOOKING AT THE DELTA OR THE DIFFERENCE BETWEEN SOME SORT OF CONTROL GROUP, CHILDREN WHO ARE NOT EXPOSED TO THIS AND SAW SOME SORT OF DIFFERENT ADVERTISING. AND THEN THOSE THAT DID.

WHAT HAVE THEY DONE THAT IS DIFFERENT.

NOW WHEN YOU THINK ABOUT ADVERTISING, THE FIRST THING YOU THINK ABOUT IS YOU ARE TRICKING JUST-- LEAVING A SIDE THE BLURRED IF YOU THINK ABOUT DE

CEPTION.

YOU ARE THINKING ABOUT, TRICKING PEOPLE INTO BUYING SOMETHING THAT THEY ORDINARILY WOULDN'T HAVE AND THAT IS WHEN ARE YOU ESTIMATING THE HARM FROM THAT, YOU SORT OF LOOKED AT THE SHIFT IN THE DEMAND CURVE, WHAT HAPPENED BECAUSE OF THE LIE, HOW MANY PEOPLE WERE TRICKED INTO BUYING THIS.

AND THEN YOU CAN APPROXIMATE THAT WITH THE MONEY SPENT, THE REVENUES GENERATED FROM THIS DECEPTIVE PRODUCT.

SO THERE COULD BE COMPLICATIONS FROM AN ECONOMIC STANDPOINT BECAUSE THERE IS A PRODUCT EVEN THOUGH YOU WOULDN'T HAVE BOUGHT IT, BUT YOU GET IT AND IT'S VALUABLE.

SO FROM AN ECONOMIC STANDPOINT THAT MAY NOT BE A PERFECT MEASURE OF HARM BUT REVENUES IS TYPICALLY OR WAS USED IN THE SAYS BEFORE AMG, AT LEAST.

AND, SO, WHAT WE WANT TO SEE IS, YOU KNOW, IS WITH THE BUT FOR WORLD BE DIFFERENT -- AND THIS KIND OF GETS TO THIS NOTION LINKING IT BACK TO THE F.T.C. ACT IN THE ELEMENTS OF DECEPTION, WE WOULD WANT TO THINK ABOUT MATERIALITY.

TO WHAT EXTENT IS THE FACT THIS ADVERTISING IS A BLURRED ADVERTISING WHERE IT MAY BE DIFFICULT TO FIGURE OUT THE DIFFERENCE BETWEEN THE CONTENT AND THE MESSAGE OR MAYBE SPONSORSHIP ISN'T FULLY DISCLOSED, IS THAT GOING TO CHANGE SOMEONE'S ACTIONS? AND THERE, I THINK IN THIS CONTEXT, YOU HAVE TO THINK, WE'RE TALKING ABOUT KIDS, AND, AGAIN, THIS IS NOT MY AREA OF EXPERTISE, BUT LISTENING TO THIS PANEL AND OTHERS, YOU KNOW, AT SOME AGE, YOUNG AGE, KIDS MAY NOT EVEN KNOW THE DIFFERENCE BETWEEN -- YOU KNOW, THEY DON'T UNDERSTAND WHAT AN ADVERTISEMENT IS, LET ALONE BE ABLE TO DISTINGUISH THE DIFFERENCE BETWEEN A ADVERTISEMENT AND A BLURRED ADVERTISEMENT.

SO THERE THE FACT THE MARGINAL IMPACT OF IT BEING BLURRED IS

PROBABLY ZERO.

THERE'S NO IMPACT.

IT'S NOT GOING TO MAKE A
DIFFERENCE BECAUSE I'M TOO
YOUNG.

THEN YOU'VE GOT TO THINK OF
THERE ARE GATEKEEPERS.

THERE THE FACT KIDS AT A CERTAIN
AGE -- IT'S A LACK OF AGENCY,
THAT YOU MAY NOT HAVE THE MONEY
TO PURCHASE THIS, AND YOUR
PARENTS ARE THE GATEKEEPERS IN
THE SENSE THAT, YOU KNOW, SO IF
WE'RE TALKING ABOUT I SAW
THIS -- THIS UNBOXING VIDEO, I
WASN'T REALLY CLEAR LEGO WAS
ACTUALLY PAYING FOR THIS, THIS
LOOKS LIKE A REALLY COOL TOY, I
WANT TO BUY IT BUT, YOU KNOW, AT
A CERTAIN AGE YOU DON'T HAVE THE
AGENCY TO GO OUT AND DO THAT
YOURSELF.

SO I'D SAY THAT, JUST PUTTING MY
ECONOMIST HAT ON OR KEEPING IT
ON, IN THE AGGREGATE, YOU WANT
TO LOOK FOR GOOD CAUSAL
EVIDENCE, ALWAYSLE EVIDENCE THAT
COMPARED THE SUM CONTROL GROUP
THAT KIDS EXPOSED TO BLURRED
ADVERTISING SOMEHOW ENGAGE IN
DIFFERENT BEHAVIOR THAN THOSE
WHO DIDN'T, RIGHT.

THAT'S THE MEASURE OF HARM.

THAT'S SORT OF THE ECONOMIC
MEASURE OF HARM.

I CAN GET -- DRILL DOWN MORE ON
FAIRNESS BUT --

>> I KNOW, AND I THINK -- I WANT
TO QUICKLY TURN TO THE FIRST
AMENDMENT JURISPRUDENCE AND HOW
YOU GET A BRIEF OVERVIEW AND
WE'LL TALK MORE ABOUT IT LATER,
BUT CAN YOU BRIEFLY DESCRIBE THE
ROLE OF THE FIRST AMENDMENT AND
ITS JURISPRUDENCE HERE AND
WHETHER THAT'S SOMETHING THAT
NEEDS TO BE CONSIDERED AS WE
TALK ABOUT HARMS AND POTENTIAL
REMEDIES?

>> YEAH, WELL, I THINK SHEILA
ACTUALLY ALREADY DID A GREAT JOB
TALKING ABOUT IT.

THE ONLY THING I WOULD ADD TO
THE MIX, I MEAN, YOU KNOW, WE
ARE TALKING ABOUT COMMERCIAL
SPEECH.

SO, CLEARLY, IF THERE ARE ANY
RESTRICTIONS, YOU WOULD HAVE TO
DEAL WITH CENTRAL HUDSON AND ITS

PROGENY AND THE COMMERCIAL SPEECH DOCTOR AND PROBABLY THE CASE THAT MAY BE MOST ON POINT, WITH I IS NOT A COMMERCIAL SPEECH CASE WHICH IS A STRAIGHT UP FIRST AMENDMENT CASE HAS TO DO WITH THE BROWN CASE, MERCHANTS ENTERTAINMENT ABOUT CALIFORNIA LAW THAT RESTRICTED KIDS UNDER 18 FROM BUYING VIOLENT VIDEO GAMES.

THERE ARE SOME CARVEOUTS, BUT IT ESSENTIALLY MADE IT UP TO THE SUPREME COURT AND THE COURT SAID, YOU KNOW, THIS FAILED THIS STRICT SCRUTINY, THIS FAILS UNDER THE FIRST AMENDMENT BECAUSE THE LEGISLATURE CAN'T -- THERE'S A NARROWLY DEFINED GROUP TYPE OF CONTENT THAT DOESN'T GET FIRST AMENDMENT PROTECTION.

YOU KNOW, FIGHTING WORDS, INCITEMENT AND OBSCENITY, THAT IT'S OKAY TO REGULATE THAT. THE PROPONENTS OF THE BILL TRIED TO SHOEHORN THIS INTO THE OBSCENITY AND SAY IT WAS A LEGISLATIVE JUDGMENT TO KIND OF EXPAND OBSCENITY, AND THE COURT SAID, NO, THE LEGISLATURE, YOU KNOW, CANNOT EXPAND UNPROTECTED SPEECH.

THE FIRST AMENDMENT KIND OF LAYS THAT OUT THERE.

SO, YOU KNOW, AND THE COURT, THEN AGAIN -- YOU KNOW, THIS IS, I GUESS, TECHNICALLY, -- THE COURT WAS VERY EXPLICIT IN SAYING, YOU KNOW, KIDS HAVE THE SAME FIRST AMENDMENT RIGHTS THAT GROWNUPS DO, THAT LEGISLATURES CAN'T KIND OF -- I TRIED TO THINK THAT SPEECH THAT IS NEITHER OBSCENE AS TO USE NOR SUBJECT TO OTHER LEGITIMATE PRESCRIPTION CANNOT BE SUPPRESSED TO PROTECT THE YOUNG FROM IMAGES THAT THE LEGISLATIVE BODY THINKS IS UNSUITABLE FOR THEM.

THE POINT IS, IT WAS THIS IDEA THAT KIDS ARE ENTITLED TO STRONG FIRST AMENDMENT PROTECTIONS AS WELL WAS IN THE Facebook CASE AGAINST THE CHEERLEADER TWEETING, YOU KNOW, F CHEERLEADING, F THE SCHOOL, AND THERE AGAIN, THE SUPREME COURT SAID -- I MEAN IT WAS A SCHOOL

SUPPRESSION OF SPEECH CASE,
UNDER TINKER AND SOMETHING
DIFFERENT, BUT AGAIN KIND OF
PULLED OUT THE IDEA THAT KIDS
GET FIRST AMENDMENT PROTECTIONS.

>> LET ME ASK GIRARD, YOU KNOW,
JAMES IS TALKING ABOUT THE 2011
BROWN CASE.

IT'S BEEN ELEVEN YEARS.

DO YOU THINK THAT CASE MIGHT BE
DETERMINED DIFFERENTLY TODAY
BASED ON THE HARMS THAT YOU SEE
IN THE SPACE?

>> YEAH, I THINK JAMES COVERED
IT WELL, BUT I WOULD ADD THAT
HARM-BASED APPROACH REALLY
REDUCES THE SCOPE OF PRIVACY, I
THINK BECAUSE IT DENIES OUR
CULTURAL NORMS WE HAVE AROUND
KIDS AND PRIVACY, DENIES PRIVACY
AS A RIGHT, EXPECTATIONS ARE
CHANGING IN DEMANDING MORE
PRIVACY.

MORE BROADLY, ALL THIS
COLLECTION OF USE AND DATA
SHOULD BE IN THE BEST INTEREST
OF THE CHILD, AND WEDGE GET MORE
INTO THAT.

BUT I THINK TO JAMES' POINT
ABOUT THE CAUSAL CONNECTION AND
HOW DO WE MEASURE HARM, I THINK
BY VIEWING AND EXPERIENCING
BLURRED ADVERTISING IN APPS OR
GAMES OR STREAMED MEDIA, THIS
LEADS TO BRAND AWARENESS.

I THINK MARKETERS KNOW THE
BENEFITS OF BLURRED ADVERTISING
IN AN ECONOMIC SENSE, RIGHT,
BECAUSE AULD ANALYTICS THEY
COLLECT ON THE SALE OR BRAND
SURVEYS, I THINK IT WOULD BE A
LITTLE DIFFERENT TODAY.

>> OKAY, THANK YOU.

SO WE --

>> I'M JUST GOING TO SAY -- YOU
SAID THAT -- I JUST WANTED TO
SAY ONE THING, BUT IS THAT A
HARM, GIRARD, IF ADVERTISING
WORKS?

I MEAN, AND, SO, THIS GOES TO
SOMETHING I DID WANT TO SAY THAT
JOSH MENTIONED REALLY EARLY ON
AND BOTH JOSH AND JENNIFER HAVE
BEEN TALKING ABOUT KIDS HAVE TO
DEFEND THEMSELVES FROM
ADVERTISING.

YOU KNOW, ADVERTISING IS SPEECH
THAT IS PROTECTED BY THE FIRST
AMENDMENT FOR A REASON THAT IT

PROVIDES USEFUL INFORMATION TO ITS -- IT'S A LISTENER BASED RIGHTER NOT A SPEAKER BASED RIGHT.

IT'S THE IDEA KIDS ARE DEFENDING THEMSELVES, AND JUST TO USE THE EXAMPLE THAT JOSH SAID IS, ONCE YOU EVEN GOT THE DISCLOSURE, THEY WANT IT EVEN MORE.

SO IT ALMOST ASSUMES THE CONCLUSION THAT KIDS SHOULDN'T -- I MEAN I GUESS THE IDEA SOUNDS LIKE DEFENDING THEMSELVES, THEY'RE GETTING MESSAGES THAT ARE TRICKING THEM INTO BUYING THINGS THEY WOULDN'T ORDINARILY BUY, WHICH GOES BACK TO MY POINT OF YOU REALLY NEED TO HAVE GOOD CAUSAL EVIDENCE AND YOU CAN'T ASSUME EXPOSURE TO THESE ADS IN AND OF THEMSELVES ARE HARMS.

>> LET'S TALK ABOUT THE HARM BECAUSE THERE'S A LOT OF DISCUSSION ABOUT HARM AND WE HAVEN'T GOTTEN TO IT YET. SO I'M GOING TO JUMP IN AND ASK JENNIFER, IS AD RECOGNITION BINARY?

IS IT EITHER THAT A KID KNOWS THEY'RE LOOKING AT AN AD OR THEY DON'T THINK THEY'RE LOOKING AT AN AD OR IS THERE A SPECTRUM WHERE CHILDREN MIGHT HAVE A SENSE THAT THEY'RE SEEING A COMMERCIAL MESSAGE BUT NOT QUITE UNDERSTAND IT TO BE AN AD OR MARKETING IN THE WAY THAT THEY WOULD VIEW, FOR EXAMPLE, A TRADITIONAL TV AD?

AND WHAT DOES THAT MEAN IN TERMS OF HARM?

>> WELL, WE HEARD A LOT ABOUT THAT THIS MORNING, IN THAT, YOU KNOW, RECOGNIZING THAT AN AD IS AN AD IS THE FIRST STEP TO BE ABLE TO DEFEND AGAINST IT, BUT, IN A LOT OF CASES, EVEN IF YOU RECOGNIZE THAT SOMETHING IS AN AD, YOU'RE STILL QUITE INFLUENCED BY IT, AND, YOU KNOW, YOU HAVE TO ALSO CONSCIOUSLY REACT TO THE ADVERTISING AND MAKE CONSCIOUS COUNTERARGUMENTS ABOUT WHAT YOU'RE HEARING, AND, FINALLY, YOU NEED TO HAVE THE TIME AND THE MOTIVATION TO DO ALL OF THIS.

SO A KID WOULD HAVE TO DO ALL

THIS WORK IN THE MIDDLE OF
PLAYING A GAME ONLINE, WATCHING
A VIDEO BY A FAVORITE
INFLUENCER, OR ENJOYING A SOCIAL
MEDIA POST THAT THEIR FRIEND
SHARED WITH THEM.

AND I WOULD ARGUE THAT'S
DIFFICULT FOR EVERYONE, NOT JUST
CHILDREN.

AND I WOULD ALSO SAY THAT ONE
REASON BLURRED MARKETING CONTENT
IS SO EFFECTIVE IS THAT IT
DISTRACTS VIEWERS FROM THE
PERSUASIVE INTENT, AND IT
DEACTIVATES ANY SKEPTICAL
RESPONSES THAT THEY MIGHT HAVE
IF THEY THOUGHT OF IT AS A
MARKETING MESSAGE, AND THE
MARGARETERS KNOW THIS AND THAT'S
WHY THEY FOCUS SO MUCH ON THIS
KIND OF MARKETING IN THE DIGITAL
SPACE.

>> JENNIFER, WE'VE TALKED
ABOUT -- WE'VE HEARD ABOUT KIDS
AND PRE-TEENS AND TEENS
DEVELOPING THE REWARD CENTER IN
YOUR BRAIN.

DO YOU THINK THIS IS -- YOU
KNOW, IS THERE A DIFFERENT HARM
RELATING TO PRE-TEENS AND TEENS
THAT'S WORTH DISCUSSING?

>> YEAH, THERE IS.

AND, YOU KNOW, CHILD DEVELOPMENT
EXPERTS ARGUE THAT ADOLESCENTS
ARE HIGHLY SUSCEPTIBLE TO THESE
KINDS OF MARKETING MESSAGES
BECAUSE DIGITAL ADVERTISING
TAKES ADVANTAGE OF UNIQUE
DEVELOPMENTAL VULNERABILITIES AT
THAT AGE.

SO, AT THAT AGE, CHILDREN ARE IN
THE PROCESS OF ESTABLISHING
THEIR OWN IDENTITIES AND
SEPARATE FROM THEIR FAMILIES.
SO PIERCE AND CELEBRITIES ARE
EXTREMELY INFLUENTIAL IN THAT
PROCESS, AND THAT INCREASES THE
POWER OF MESSAGES FROM ONLINE
INFLUENCERS AS WELL AS VIRAL
MESSAGES SHARED TRUE SOCIAL
MEDIA NETWORKS.

AT THIS STAGE, TOO, BECAUSE OF
THEIR STAGE AND BRAIN
DEVELOPMENT, ADOLESCENTS ARE
LESS ABLE TO RESIST IMMEDIATE
GRATIFICATION AND MAKE LONG TERM
OUTCOMES WHEN THEY'RE MAKING
DECISIONS.

YOUNG CHILDREN ARE MORE

SUSCEPTIBLE TO ADVERTISING FOR HARMFUL PRODUCTS SUCH AS TOBACCO, ALCOHOL, TANNING BEDS AND JUNK FOOD.

AND I WOULD LIKE TO ADD THAT, IN MY MANY YEARS OF STUDYING AND MARKETING TO CHILDREN, I WOULD ARGUE MOST OF THE MARKETING THEY'RE EXPOSED TO IS FOR HARMFUL PRODUCTS.

>> OKAY, THANK YOU.

I'D LIKE TO MOVE ON TO PSYCHOLOGICAL HARMS.

JENNIFER, THIS IS SOMETHING YOU THOUGHT ABOUT.

CAN YOU TALK ABOUT WHETHER THERE ARE PSYCHOLOGICAL HARMS THAT ARISE SPECIFICALLY FROM BLURRED ADVERTISING?

>> SURE.

WELL, WE ALSO HEARD SOME ABOUT THIS THIS MORNING, HOW MARKETING AFFECTS US ON AN EMOTIONAL LEVEL.

AND I THINK, WHEN WE THINK ABOUT MARKETING, A LOT OF PEOPLE TEND TO THINK THAT WHEN WE SEE AN AD WE CONSIDER THE INFORMATION IT PRESENTS AND THEN WE MAKE THIS CONSCIOUS, RATIONALE PURCHASE DECISION, AND I THINK THAT'S WHAT THE FIRST AMENDMENT IS BASED ON.

BUT, IN FACT, MARKETERS KNOW THAT, IRONICALLY, IF YOU DISTRACT SOMEONE FROM THE PERSUASIVE INTENT OF AN AD, IT BECOMES A HIGHLY EFFECTIVE FORM OF PERSUASION.

AND IN ONE STUDY LOOKED AT OVER 800 AD CAMPAIGNS AND CONCLUDED THAT THE MORE EMOTIONS DOMINATE OVER RATIONALE MESSAGES, THE BIGGER THE BUSINESS EFFECTS. AND THAT'S BECAUSE EMOTIONAL ADVERTISING AFFECTS US ON A SUBCONSCIOUS LEVEL.

IT CREATES THESE POSITIVE ASSOCIATIONS IN OUR MIND BETWEEN THE BRAND AND THE ENJOYMENT WE FEEL WHILE EXPERIENCING THE AD. AND THAT'S THROUGH A CLASSICAL CONDITIONING KIND OF PROCESS.

AND, SO, ADVERTISING THAT'S EMBEDDED WITHIN ENTERTAINMENT CONTENT IS REALLY THE ULTIMATE TYPE OF EMOTIONAL ADVERTISING BECAUSE THE POSITIVE EMOTIONS SOMEONE FEELS WHILE PLAYING AN

ONLINE GAME OR LAUGHING AT A FUNNY SOCIAL MEDIA POST OR LEARNING HOW TO PUT ON MAKEUP FROM A TRUSTED INFLUENCER CREATES POSITIVE FEELINGS THAT RUB OFF ON THE ADVERTISED PRODUCTS.

AND, OVER TIME, THESE ASSOCIATIONS BECOME HARD WIRED IN THE BRAIN, AND ONE REASON CHILDREN AND TEENS ARE SUCH PRIME TARGETS FOR MARKETERS IS THAT THEY FOUND THE EARLIER THESE POSITIVE ASSOCIATIONS BECOME ESTABLISHED, THE MORE DIFFICULT THEY ARE TO UNDO.

JUST BRIEFLY, WHAT OTHER PSYCHOLOGICAL HARM IS THE NORMATIVE INFLUENCE OF ADVERTISING AND HOW IT AFFECTS ATTITUDES ABOUT CATEGORIES OF PRODUCTS.

SO WE DO A LOT OF FOCUS GROUP RESEARCH WITH PARENTS AND, VERY OFTEN, THEY TELL US THAT THEY HAD NO IDEA THAT A SUGAR RICEREAL OR FRUIT DRINK THEIR CHILD SAW ADVERTISED AND THEN ASKED THEM FOR WAS UNHEALTHY. THEY ASSUME THAT, BECAUSE IT WAS ADVERTISED TO THEIR CHILD OR THAT OTHER PARENTS REGULARLY GIVE IT TO THEIR CHILDREN BUT IT'S OKAY, AND THEN IN THIS WAY, ADVERTISING AFFECTS NORMATIVE BELIEFS ABOUT WHAT CHILDREN WILL EAT OR WHAT THEY SHOULD EAT, AND THAT SIGNIFICANTLY INFLUENCES WHAT PARENTS SERVE THEIR OWN CHILDREN.

>> NOW, IS THAT DIFFERENT IN BLURRED ADVERTISING?

RIGHT, WE CAN TALK ABOUT ADVERTISING BROADLY, BUT HERE WE'RE TALKING ABOUT THE ADVERTISING THAT'S EMBEDDED IN CONTENT.

DO YOU SEE THAT NORMATIVE INFLUENCE BEING PARTICULARLY SIGNIFICANT IN THIS SPACE?

>> WELL, I THINK IN ANY OF THESE INFLUENCES CAN ACTUALLY BE STRONGER WHEN YOU DON'T SEE THE ADVERTISING AS AN AD, SO IN THAT CASE, YES, IT WOULD BE MORE.

>> SHEILA, WHAT DO YOU THINK ABOUT ALL THAT?

DO YOU AGREE?

>> WELL, I WOULDN'T AGREE

BRANDING IS PER SE PERNICIOUS OR THE BRAND RECOGNITION IS HARMFUL.

IF WE THINK ABOUT CHARACTERS LIKE THE "SESAME STREET" CHARACTERS, THEY'RE BRANDS, RIGHT.

IS IT HARMFUL FOR CHILDREN TO RECOGNIZE ELMO AND COOKIE MONSTER?

AND, SO, I THINK WE WANT TO BE CAREFUL WITHIN OUR FIRST AMENDMENT FRAMEWORK OF CHOOSING THAT CERTAIN CHARACTERS OR BRANDS ARE FINE AND OTHERS ARE NOT OR UNHEALTHY.

I'M NOT AWARE, JENNIFER, OF RESEARCH THAT SHOWS THE ENORMOUS EXPOSURE OF CHILDREN AND TEENS TO ADS FOR CIGARETTES OR ALCOHOL OR OTHER PRODUCTS THAT AREN'T LEGAL FOR THEM TO USE.

THE DMEANTS I WORK WITH WOULD BE HORRIFIED.

I MEAN, I WORK A LOT WITH TRUE CHILDREN'S PRODUCT COMPANIES. SO THEIR PRODUCTS ARE FOR KIDS, MEANING THE UNDER 13s.

THEY WOULD NEVER WANT THEIR ADS TO BE PLACED ANYWHERE CLOSE TO ADS FOR e-CIGARETTES OR OTHER PRODUCTS THAT CAN'T BE LEGALLY SOLD TO KIDS, THEY DON'T WANT TO BE ASSOCIATED WITH THAT SO I'M HONESTLY NOT FAMILIAR WITH THAT. AND I THINK, TO THE EXTENT WE'RE TALKING ABOUT, YOU KNOW, WHAT ARE WE TRYING TO PROTECT AGAINST, I THINK THAT'S THE QUESTION, WHAT IS THE HARM. IT GOES BACK TO WHAT JAMES SAID, WHAT IS THE HARM THAT WE'RE TRYING TO CREATE REMEDIES FOR WITHIN THE EXISTING LEGAL FRAMEWORK?

AND I'LL JUST RESPECTFULLY DISAGREE WITH JOSH AND GIRARD, THEY DON'T THINK THE F.T.C.'S CURRENT LEGAL FRAMEWORK AUTHORIZES A DEEP DIVE UNDER ITS UNFAIRNESS JURISDICTION AND UNDER THE SUPREME COURT'S WEST VIRGINIAN E.P.A. CASE, I THINK IT'S A MAJOR QUESTION THAT REQUIRES SOME CONGRESSIONAL OVERSIGHT.

>> OKAY.

SO, JOSH, I WANT TO GIVE YOU A KOONS CHANCE TO RESPOND TO -- I

WANT TO GIVE YOU A CHANCE TO
RESPOND TO SHEILA.
HOPEFULLY HE'LL REJOIN.
SO WE'VE HEARD A LOT ABOUT
SOCIAL INFLUENCE AND THE CONCEPT
OF, YOU KNOW, COMPARE AND
DESPAIR IN DIGITAL MARKETING
BLARED BLURRED ARE ADVERTISERS
ARE BUILDING ADVERTISING INTO
CONTENT.

CAN YOU TALK ABOUT WHAT HARM
EXISTS.

>> I'M SORRY I'M HAVING
CONNECTION ISSUES.
IF I DISAPPEAR AGAIN, I
APOLOGIZE.

BUT I THINK, FIRST OF ALL, ONE
OF THE THINGS THAT DOESN'T
TALKED ABOUT SO MUCH IS THE PEER
INFLUENCE IN TERMS OF WHERE KIDS
NEED TO BE THESE DAYS.

SO WHEN WE'RE TALKING ABOUT WHAT
KIDS AND PARENTS CAN DO TO
PROTECT CHILDREN AGAINST
ADVERTISING INFLUENCES, IN THE
OLD DAYS WE SAY JUST TURN OFF
THE DAMN TV, RIGHT, AND MAYBE
THERE WAS A LITTLE HARM IN THAT
A KID MIGHT NOT BE LITERATE IN
THE PROGRAMMING THEIR PIERCE
WERE LITERATE AND MIGHT NOT BE
ABLE TO PARTICIPATE IN THOSE
CONVERSATIONS BUT IT'S DIFFERENT
TODAY.

KIDS' FRIENDS ARE LIVING IN
SPACES RIPE WITH STEALTH
ADVERTISING WHETHER ON SOCIAL
MEDIA OR GAMING OR, YOU KNOW,
INCREASINGLY IN VIRTUAL WORLDS.
SO TO SAY THAT, YOU KNOW, ONE OF
THE PRIMARY WAYS YOU CAN PROTECT
YOURSELF AGAINST ADVERTISING
REALLY NOW COMES WITH A SERIOUS
COUNTERVAILING HARM IF YOU TRY
AND DISCONNECT FROM THIS STUFF,
SOCIAL ISOLATION.

THAT'S ONE THING.

THE OTHER THING IS THAT AS THESE
RELATIONSHIPS ARE BEING FORMED
ONLINE, AS KIDS ARE SEEING
INFLUENCERS PROMOTING BEAUTY
PRODUCTS AND BODY STANDARDS, A
CERTAIN TYPE OF BODY STANDARD,
AND THAT'S OCCURRING WITHIN A
SYSTEM THAT IS BARRAGING KIDS
WITH THESE THINGS, WHAT IS
HAPPENING IS WE'RE SEEING -- YOU
KNOW, EATING DISORDERS RATES ARE
GOING UP.

WE'RE SEEING TEENS THEMSELVES SAYING IT WOULD BE A MONEY FOR NOTHING LIFESTYLE, THE YOU LOOK AT FRANCIS HAUGEN'S DOCUMENTS SHE RELEASED LAST YEAR, ONE TO HAVE THE MOST UNDERTALKED ABOUT IS TEENS ARE SAYING INFLUENCE CULTURE IS TOXIC B TO THEM, MAKES THEM DESIRE THINGS AND MAKES THEM FEEL BAD ABOUT THE THINGS THEY DON'T HAVE.

WE THINK THAT PLAYS A ROLE IN THE KIND OF MENTAL HEALTH CRISIS KIDS ARE HAVING TODAY.

IT'S IMPORTANT TO LOOK AT HOW THE SOCIAL INFLUENCES ARE HAPPENING.

IT'S NOT JUST KIDS ARE FORMING THE PARARELATIONSHIPS WITH INFLUENCERS SELLING THEM IDEAS AND VALUES AND PRODUCTS INCLUDING WHAT YOU'RE SUPPOSED TO LOOK LIKE, BUT ALSO ALL THEIR FRIENDS ARE THERE AND THAT'S A REINFORCING SYSTEM LEADING TO THESE MENTAL HEALTH HARMS.

>> THANK YOU.

SO I WANT TO MOVE ON TO PHYSICAL HARM.

JENNIFER, TO THE EXTENT WE'VE TALKED ABOUT THE PSYCHOLOGICAL HARMS, ARE THERE PHYSICAL HARMS THAT RESULT WHEN WE CONSIDER ALL OF THIS AND THEN WE CONSIDER THE FACT THAT THERE ARE ADS FOR -- YOU KNOW, SHEILA TALKED A LITTLE BIT ABOUT THIS BEFORE, THAT IT MAY BE LIMITED, BUT UNHEALTHY FOODS, ALCOHOL, GAMBLING, TANNING, TOBACCO, E-CIGARETTES, THOSE TYPES OF THINGS.

I THINK YOU'VE CONDUCTING A STUDY THAT HAD TO DO WITH FOOD BRAND OR GAMES THAT HAD ADVERTISING EMBEDDED IN THEM. CAN YOU TALK A LITTLE BIT ABOUT THAT?

>> SURE.

WHAT'S AN ADVER GAME?

AN ADVER GAME IS AN ONLINE VIDEO GAME THAT HAS ADVERTISING CONTENT WITHIN IT.

WE SAW A LOT OF EXAMPLES OF THAT THIS MORNING.

YOU KNOW, SOMETIMES THE HARM ISN'T AN OBVIOUS ONE.

SO IN OUR EXPERIENCE --

EXPERIMENT, WE HAD CHILDREN COME

IN AND PLAY GAMES ON THE
COMPUTER, AND THEY PLAYED EITHER
GAMES WITH FOOD BRANDS IN THEM,
ADVER GAMES OR SIMILAR GAMES
WITHOUT BRANDING.

AFTER THEY PLAYED, WE GAVE THEM
A SNACK OF DIFFERENT TYPES OF
FOOD TO EAT.

WHAT THEY DIDN'T KNOW IS WE WERE
MEASURING HOW MUCH THEY ATE.
KIDS THAT PLAYED ADVER GAMES
WITH UNHEALTHY FOOD BRANDS
CONSUMED 50% MORE CALORIES FROM
UNHEALTHY FOODS THAN THE OTHER
KIDS.

THAT'S AN EXAMPLE OF A PHYSICAL
HARM THAT MAY NOT BE OBVIOUS TO
MOST PEOPLE.

I WOULD ALSO LIKE TO ADD THAT --
YOU KNOW, THIS STUDY WAS WITH
CHILDREN.

WE FOUND SIMILAR EFFECTS WITH
ADULTS AND, YOU KNOW, ONCE
CHILDREN ARE OLD ENOUGH TO HAVE
THEIR OWN MONEY AND THEY CAN
MAKE PURCHASE DECISIONS ON THEIR
OWN, THEY CAN BECOME EVEN MORE
SUSCEPTIBLE TO THESE PHYSICAL
HARMS, AND I THINK NOT A
COINCIDENCE THAT ADOLESCENCE IS
WHEN CHI TEAR QUALITY DECLINES
SIGNIFICANTLY AND ALSO TOBACCO
AND ALCOHOL USE CAN BEGIN.

>> OKAY, THANKS.

LET'S MOVE TO HARMS TO PARENTS
OR HOUSEHOLDS.

WE TALKED A LITTLE BIT EARLIER
ABOUT THE CONCEPT OF THE PARENTS
AND THEIR INVOLVEMENT, BUT I'D
LIKE TO START WITH JAMES.

WELL, ACTUALLY, LET ME START
WITH SOMETHING JAMES ALREADY
SAID WHICH IS JAMES SAID THAT,
YOU KNOW, CERTAIN KIDS ARE TOO
YOUNG TO ACTUALLY GO OUT AND
MAKE PURCHASES.

OF COURSE, THAT DOESN'T
NECESSARILY APPLY TO EVERYONE,
TO ANY KID UP TO AGE 17, BUT HE
TALKED ABOUT THE FACT THAT THAT
MAY BE A LIMITING FACTOR FOR THE
YOUNGER KIDS.

SO, JOSH, WHAT DO YOU THINK?
DO YOU THINK THAT PARENTS ARE
ACTUALLY ABLE TO ACT AS
GATEKEEPERS?

DO YOU AGREE WITH WHAT JAMES
MENTIONED EARLIER?
OKAY.

I THINK WE HAVE LOST JOSH.
>> I THINK THAT MEANS HE AGREES.
'S HOW IT WORKS,
RIGHT?
JOSH, ARE YOU BACK?
DO YOU HEAR US?
OKAY.
WHY DON'T WE SKIP THIS ONE FOR A
MINUTE, AND I'M GOING TO COME
BACK TO JOSH, UNLESS YOU CAN
HEAR US NOW, JOSH.
CAN YOU HEAR US?
OKAY.
YOU CAN.
OKAY.
YOU'RE ON MUTE.
MY QUESTION FOR YOU, JOSH, IS
JAMES MENTIONED IS PARENT IS A
GATEKEEPER AND, AT LEAST FOR
YOUNGER KIDS, THE PARENT -- YOU
KNOW, THE PASSPORT CAN
ESSENTIALLY STOP THE KID FROM --
>> I CAN HEAR YOU.
I JUST WENT OFF CAMERA.
>> NO PROBLEM.
I GUESS THE QUESTION FOR YOU IS,
YOU KNOW, DO YOU AGREE ABOUT THE
PARENT BEING A GATEKEEPER AND,
YOU KNOW, DO YOU THINK THERE ARE
ANY, FOR EXAMPLE, FINANCIAL
HARMS?
BECAUSE, OBVIOUSLY, IT'S NOT
ALWAYS ABOUT A KID GOING INTO A
STORE AND MAKING A PURCHASE.
SOMETIMES THE PURCHASES CAN BE
MADE IN THE MIDDLE OF THEIR
DIGITAL EXPERIENCE.
COULD YOU TALK ABOUT ANY
FINANCIAL HARMS YOU THINK MIGHT
EXIST IN THE SPACE AND WHETHER
PARENTS AS GATEKEEPER ACTUALLY
DOES THE TRICK?
>> SURE.
I DON'T THINK THAT PARENT AS
GATEKEEPER DOES THE TRICK.
I THINK WE ARE LIVING IN A
COMPLETELY DIFFERENT ENVIRONMENT
WHEN WE ARE TALKING ABOUT ONE
BIG SCREEN IN THE LIVING ROOM
WHERE PARENTS COULD MONITOR THAT
AND HAVE A GOOD SENSE OF WHAT
THEIR CHILDREN WERE WATCHING AND
WHAT THEY'RE DOING.
WE'RE LIVING IN A SMALL SCREEN
ERA WHERE KIDS ARE WATCHING ON
PHONES OR TABLETS AND PLAYING ON
PHONES OR TABLETS AND PARENTS
HAVE NO IDEA WHAT KIDS ARE
ENGAGED WITH AND BASED ON WHAT

GIRARD SAID AT THE BEGINNING OF THIS, THE SHEER NUMBER OF HOURS, IF YOU WERE TO MONITOR YOUR CHILD AND KEEP CLOSE TABS ON WHAT THEY WERE DOING SIX TO EIGHT HOURS A DAY, I'M NOT SURE HOW YOU WOULD HAVE A JOB OR COOK DINNER FOR YOUR FAMILY OR DO ANYTHING ELSE, IT WOULD ESSENTIALLY BE A FULL TIME JOB. FINANCIAL HARMS, WE KNOW FROM PEOPLE WHO HAVE STUDIED THIS, THAT YOUNG KIDS ARE FREQUENTLY PLAYING ON THEIR PARENTS' TABLETS OR PHONES, THAT ALLOW THEM TO -- THAT THE SETTINGS DON'T HAVE CHILDREN'S SETTINGS BECAUSE THEY'RE PLAYING ON THEIR PARENTS' ACCOUNTS THAT ALLOW THEM TO MAKE PURCHASES DIRECTLY FROM THESE GAMES, AND WE ALSO KNOW THAT INFLUENCERS MARKETING SPURS IMPULSE PURCHASING. SO, FOR INSTANCE, THERE WAS A STUDY BY SUPER AWESOME THAT SHOWED 25% OF INFLUENCER MARKETING IN THE FAMILY -- OR 25% OF PURCHASES IN THE FAMILY AND CHILDREN CATEGORY THROUGH INFLUENCER PURCHASING HAPPENED THAT SAME DAY AND ANOTHER THIRD HAPPENED IN THE NEXT FEW DAYS. SO THIS IS DESIGNED TO BE, YOU KNOW, TO LEAD TO THOSE IMPULSIVE PURCHASES.

IT'S NEVER BEEN EASIER TO MAKE AN IMPULSIVE PURCHASE WHEN ALL YOU HAVE TO DO IS CLICK ON SOMETHING AND TO EXPECT PARENTS TO MONITOR WHAT'S GOING ON SIX TO EIGHT HOURS A DAY WHILE THEIR KID'S ONLINE I THINK IS COMPLETELY UNREALISTIC.

>> OKAY.

WHAT ABOUT HOUSEHOLD, FAMILIES OF LOWER SOCIOECONOMIC STATUS OR DIFFERENT ETHNIC GROUPS?

DO WE SEE ANY DIFFERENT HARMS THAT APPLY TO THOSE TYPES OF FAMILIES?

JENNIFER.

>> THERE ARE A NUMBER OF REASONS THE HARMS ARE GREATER FOR FAMILIES OF LOWER SOCIOECONOMIC STATUS AND ESPECIALLY IN COMMUNITIES OF COLOR.

LOW INCOME FAMILIES DON'T HAVE AS MUCH AS ACCESS TO HIGH-QUALITY DAYCARE,

AFTER-SCHOOL PROGRAMS OR SAFE PARKS AND STREET.

SO CHILDREN IN THOSE FAMILIES TEND TO SPEND MORE TIME WITH MEDIA.

THEY ARE ALSO EXPOSED TO MORE COMMERCIAL MESSAGES IN THEIR COMMUNITIES, ON BILLBOARDS, OUTSIDE RETAILERS AND SUCH, AND THERE'S ALSO EVIDENCE THAT WAS ALLUDED TO THIS MORNING THAT LOW-INCOME CHILDREN ARE MORE TRUSTING AND ENGAGE WITH COMMERCIAL MESSAGES.

FOR THEM, ADVERTISING REPRESENTS AN IDEAL WORLD THAT OFTEN DOESN'T LOOK LIKE THE WORLD THEY LIVE IN.

AND IN THE CASE OF JUNK FOOD, LOW-INCOME PARENTS MAY BE MORE LIKELY TO GRANT THEIR CHILDREN'S REQUESTS BECAUSE JUNK FOOD IS ONE LUXURY THEY CAN ACTUALLY AFFORD TO GIVE THEIR CHILD.

>> SO WE'RE GOING TO MOVE ON TO PRIVACY HARMS, AND WE STILL HAVE A LOT TO COVER, AND I KNOW, GIRARD, YOU'VE TALKED A LITTLE BIT ABOUT SOME OF THE PRIVACY HARMS, SO KIDS GIVING UP INFORMATION BECAUSE THEY DON'T KNOW THEY'RE REALLY ENGAGED IN A COMMERCIAL TRANSACTION OR ENGAGED WITH A MARKETER/ADVERTISER.

YOU'VE TALKED A LITTLE BIT, ALSO, ABOUT JUST THE FACT THAT THE TARGETING OF ADS MIGHT EXACERBATE THE BLURRING OF ADVERTISING BECAUSE CHILDREN DON'T REALIZE -- THAT THERE ARE MANIPULATIVE TACTICS ON DIFFERENT FRONTS IS THE POINT YOU MADE EARLIER.

IS THERE ANYTHING ELSE YOU WANT TO ADD ON THE PRIVACY HARMS?

>> YEAH, I'LL ADD WHEN WE LOOK AT THE INTERSECTION OF BLURRED ADVERTISING, THE NEGATIVE EFFECTS ARE SMALL -- FRUSTRATION, AGGRAVATION, ANXIETY, INCONVENIENCE, BUT FIRST AMONG MILLIONS OF KIDS, IN THE AGGREGATE THIS HARM CAN BE SUBSTANTIAL, BUT WE HAVEN'T TALKED ABOUT PROLONGED USE AS HARM, KEEPING KIDS ENGAGED, USING THIS CONTENT. THIS GOES TO SOMETHING JOSH WAS

TALKING ABOUT THE ADDICTIVE NATURE OF THIS TECHNOLOGY WHEN THESE INTERACTIVE GAMES PROMPT THEM TO COME BACK TO DIFFERENT POINTS, EXCLUSIVE ADS, CONTENT. BUT SHOULD TALK ABOUT IN AUTONOMY OF KIDS AND VISUAL SPACES.

SO WHERE PEOPLE ARE EITHER DIRECTLY DENIED THE FREEDOM TO DECIDE OR TRICKED INTO THINKING THEY ARE FREELY MAKING A CHOICE, THIS IS WHAT WE TALKED ABOUT WITH THE HARMS.

DANIEL'S ARTICLE IS INFORMATIVE, TALKING ABOUT HARMS AND COERCION, THE IMPAIRMENT OR PRESSURE ON PEOPLE'S FREEDOM TO ACT.

THIS IS A LIMITED TIME DEAL, IN THIS INFLUENCER BLURRED ADVERTISING, MANIPULATIONS WE TALKED ABOUT BEFORE, RIGHT, USING PERSONAL INFORMATION TO INFLUENCE PEOPLE'S MAYOR OF OR DECISION-MAKING, FAIRLY TO INFORM.

NOT LETTING FOLKS KNOW THIS ADVERTISING IS ADVERTISING OR DIFFERENT EXEC SAYINGSTATIONS THAT FOLKS ARE USING AN AD OR A GAME AND PAYING FOR THE PRODUCT AND DON'T EXPECT THEY ARE ALSO THE PRODUCT.

BUT ALSO LACK OF CONTROL, THE ABOUT TO MAKE MEANINGFUL CHOICES, NO OPT IN OR OUT OF PLACEMENT OR BLURRED ADVERTISING.

>> JAMES, TUNING THE PRIVACY HARMS ARE ONES WE NEED TO ADDRESS?

>> I GUESS I'LL BE BRIEF. NO.

I WOULD SAY THAT, IF WE HAVE TO -- I MEAN, I DON'T WANT TO BE FLIP ABOUT THIS.

WHAT I WOULD SAY IS, TO FROWNED THIS BACK INTO IS IT F.T.C. ACT, I THINK IF THERE'S DECEPTION GOING ON, IF AN APP DIRECTED TO THE A KID SAYS WE'RE NOT GOING TO DIRECT YOU, SO LET'S SAY WE'RE IN A NONCOPA WORLD BUT THERE'S A REPRESENTATION AND THAT -- THAT IS MATERIAL AND WE'LL ASSUME IT'S MATERIAL, TO EXPRESS -- AND, YEAH, LET'S REMEDY THAT.

AND IF WE'RE TALKING ABOUT UNFAIRNESS, THERE, I MEAN, THE STANDARD AGAIN, WE HAVEN'T REALLY GOTTEN INTO THAT.

WE'VE JUST SORT OF SAID THIS STUFF IS UNFAIR.

WHAT THE F.T.C. ACT CAN HANDLE UNDER UNFAIRNESS, SUBSTANTIAL CONSUMER INJURE, AND IT'S IN THE UNFAIRNESS STATEMENT, AND THEY TALK ABOUT IT, WE'RE NOT TALKING ABOUT SPECULATIVE HARM.

PHYSICAL HARM COMES IN.

SO IF WE COULD SHOW AGAIN, AGAIN THIS GOES BACK TO MY IDEA -- NOT MY IDEA BUT HOW GOOD POLICY SHOULD BE MADE WITH GOOD CAUSAL EVIDENCE, NOT ASSOCIATIONAL STUDIES.

IF THERE'S CAUSAL EVIDENCE THAT IN AN INSTANCE THAT THIS BLURRED ADVERTISING IS ACTUALLY CAUSING HARM AND TALK ABOUT THE PRIVACY, WHEN YOU TALK ABOUT BEING TRACKED ONLINE ALL THE TIME, ALL THESE SORT OF THINGS, THIS IS SOMETHING THAT THE F.T.C.'S UNFAIRNESS HAS NEVER GONE AFTER OR BEEN USED FOR BECAUSE IT IS NOT -- AND FOR THE REASON IT DOESN'T FIT IN.

NOW, THERE ARE LOTS OF BILLS ON CAPITOL HILL KICKING AROUND, PRIVACY BILLS.

IF WE WANT TO BRING SOME OF THESE HARMS THAT -- SOME OF THESE THINGS THAT JOSH IS CATEGORIZING AS A HARM UNDER THE -- SOMEHOW ADDRESS THEM, I DO NOT THINK ANY FIT UNDER THE F.T.C. ACT, UNFAIRNESS OR DECEPTION, AS CURRENTLY STATED, BUT I THINK IT'S MUCH MORE OF A JOB FOR CONGRESS.

>> OKAY.

ALL RIGHT.

I'D LIKE TO JUST FINISH UP THE HARMS DISCUSSION SO WE CAN MOVE TO THE NEXT PIECE OF OUR DISCUSSION.

SO, JENNIFER, WE'VE TALKED ABOUT ALL THE HARMS, THAT THERE ARE TWO LEFT THAT I WANT TO RAISE.

ONE IS EARLIER IN THE DISCUSSION, TODAY, WE HEARD ABOUT KIDS JUST BEING BOMB PARDONED WITH ADS.

I THINK THERE WAS ONE REPORT BY THE GLOBAL ACTION PLAN IN THEIR KIDS FOR SALE REPORT WHERE THEY

CALCULATED SOME OLDER KIDS MAY SEE AS MANY AS 1260 ADS PER DAY IN THE DIGITAL SPACE.

CAN YOU TALK ABOUT THAT AND DOES THAT CREATE ANY ADDITIONAL HARM IN KIDS' ABOUT TO RECOGNIZE AND PROCESS ADVERTISING?

>> WELL, IF YOU ASSUME THAT IT TAKES SOMEONE AS LITTLE AS FIVE SECONDS TO RECOGNIZE UNCONSCIOUSLY -- AND CONSCIOUSLY COUNTERARGUE ONE ADVERTISING MESSAGE, WHICH IS WHAT WOULD YOU NEED TO DO TO DEFEND AGAINST IT, ACTIVELY EVALUATING 1200 MESSAGES WOULD TAKE UP ALMOST TWO HOURS OF THEIR DAY AND I DOUBT IF EVEN THE MOST SKEPTICAL ADULT WOULD BE ABLE TO DO THAT.

>> THANK YOU.

THE LAST THING I WANT TO RAISE IS EPISTEMIC FRAGMENTATION WHICH IS A TONGUE TWISTER IF YOU SAY FIVE TIMES FAST.

THIS IS A TERM ERECENTLY HEARD AND THOUGHT WAS INTERESTING AND THE CHAIR ALLUDED TO THIS IN HER OPENING REMARKS, AND IT'S THE IDEA THAT WHEN YOU HAVE REALLY SMALL AUDIENCES, YOU DON'T HAVE A LARGE AUDIENCE LIKE YOU USED TO HAVE IN TV ADVERTISING WHERE MILLIONS OF PEOPLE WERE SEEING THE SAME AD.

NOW YOU HAVE DIFFERENT ADS OR MARKETING MESSAGES SMALL AUDIENCES ARE SEEING.

FOR EXAMPLE YOU HAVE A MICRO INFLUENCER ARE 1,000 FOLLOWERS AND ONLY PEOPLE -- THOSE PEOPLE ARE SEEING THAT COMMERCIAL MESSAGE.

THE ARGUMENT WE'VE HEARD IS IT MAKES IT HARDER TO KEEP THESE ADVERTISERS ACCOUNTABLE AND IT MAKES IT HARDER FOR REGULATORS AND SELF-REGULATORY BODIES TO ENFORCE WHEN THEY SEE PROBLEMATIC ADVERTISING.

SO, JOSH, DO YOU HAVE ANYTHING TO ADD TO THAT OR IS THIS A CONCERN?

>> I THINK IT'S DEFINITELY A CONCERN.

I MEAN, I THINK IT'S RELATED TO THE CONCERN I HAD ABOUT PARENTAL GATE KEEPING.

IT'S REALLY HARD FOR ANYBODY TO KEEP TABS ON WHAT'S GOING ON.

IT'S HARD FOR RESEARCHERS, IT'S HARD FOR REGULATORS, IT'S HARD FOR -- YOU KNOW, IT'S HARD FOR PARENTS AND KIDS.

THE SYSTEM IS SO IMMENSE AND SO MICROTARGETED AT THIS POINT THAT, YOU KNOW, KIDS -- YOU KNOW, AND WE KNOW THIS, WE KNOW KIDS ARE GETTING -- FROM GAMING INFLUENCERS, THEY'RE GETTING -- YOU KNOW, THIS IS THE WAY TO BEAT THE GAME IS TO BUY THIS CERTAIN THING, OR, YOU KNOW, AND SCAMS THAT GO ON THAT DON'T EVEN SURFACE OR CAN'T BE EXPOSED OR MISLEADING, CLAIMS CAN'T BE COUNTERED BECAUSE THEY'RE ONLY GOING TO A SMALL NUMBER OF PEOPLE.

OBVIOUSLY IF THEY'RE ONLY GOING TO A SMALL NUMBER OF PEOPLE MAYBE THE HARM IS SMALLER, BUT WHEN YOU MULTIPLY THAT THAT THAT'S HAPPENING AT SCALE A MILLION DIFFERENT TIMES, I THINK WHAT WE HAVE IS A SYSTEM THAT'S REALLY EVEN HARD TO UNDERSTAND WHAT'S GOING ON OR WHAT KIDS ARE BEING EXPOSED TO RIGHT NOW. SO, I THINK, YES, THAT IS A CONCERN.

IT'S MUCH DIFFERENT THAN WHEN WE WOULD ALL KNOW OUR KIDS SAW THE SAME TOY COMMERCIALS OR THE SAME SERIAL COMMERCIALS AND THEN AT LEAST WE COULD TALK TO THEM ABOUT THAT.

I THINK HARDLY ANYBODY HAS A HANDLE ON ALL WHAT KIDS ARE SEEING THESE DAYS.

>> OKAY, THANKS.

SO WE TALKED ABOUT THE HARMS.

I WANT TO TALK A LITTLE BIT ABOUT MITIGATING FACTORS.

I THINK MOST OF THEM -- A LOT OF THEM HAVE BEEN RAISED EARLIER IN THE PANEL.

SO, SHEILA, YOU TALKED ABOUT COPPA AND OTHER EXISTING LAWS AND PARAMETERS ON CERTAIN KINDS OF ADVERTISING TO KIDS UNDER 13. JAMES TALKED ABOUT PARENTS AS GATEKEEPERS.

SHEILA, IS THERE ANY OTHER MITIGATING FACTOR YOU THINK WE NEED TO THINK ABOUT WHEN WE TALK ABOUT HARRELL HERE?

>> WELL, SURE.

THERE WAS TALKING ABOUT KARU,

THE CHILDREN'S BEVERAGE
ADVERTISING INITIATIVE THAT MANY
FOOD COMPANIES JOINED TO ADDRESS
THE FOOD ADVERTISING ISSUE
SPECIFICALLY, AND I THINK WE
ALSO HEARD REALLY FASCINATING
DISCUSSION THIS MORNING FROM THE
PANEL ABOUT THE NEED TO SUPPORT
DEVELOPING CHILDREN'S AUTONOMY
SO THAT THEY BECOME FULLY
DEVELOPED HUMAN BEINGS.
SO I THINK IN THE AREA WE
HAVEN'T ACTIVELY EXPLORED OR
MAYBE THEY'LL EXPLORE IT IN THE
NEXT PANEL IS THIS NOTION OF
MEDIA LITERACY FOR CHILDREN,
MEDIA LITERACY FOR PARENTS, HOW
DO WE SUPPORT SCAFFOLDING UP
THAT KNOWLEDGE BASE AND
AWARENESS AND USE THE EXISTING
TOOLS, AS JAMES MENTIONED?
I MEAN, THERE ARE TOOLS
AVAILABLE IF THINGS ARE
DECEPTIVE, THERE ARE TOOLS FOR
THAT.

KARU EXPLAINED HOW THEY ARE
WORKING ON SOME OF THESE ISSUES.
SO I I THINK THIS IS AN
OPPORTUNITY, GIVEN WHAT I
BELIEVE ARE THE LIMITS OF THE
CURRENT LEGAL ENVIRONMENT, TO
ADDRESS THIS, BUT I DON'T
THINK -- I THINK WHAT I'M
HEARING FROM SOME OF MY FELLOW
PANELISTS IS THIS CONCERN THAT
ADVERTISING ITSELF IS BAD, AND
THAT'S NOT THE WORLD IN WHICH WE
LIVE IN, AND I DON'T KNOW THAT'S
SOMETHING WE CAN LEGALLY
ADDRESS, BUT I THINK GIVING
PARENTS AND CHILDREN TOOLS TO
DEAL WITH THAT ENVIRONMENT IS
SOMETHING WORTH EXPLORING.

>> ALL RIGHT.

SO, JAMES, SHEILA IS SAYING NOT
ALL ADVERTISING IS BAD.

ARE THERE BENEFITS TO THIS TYPE
OF ADVERTISING?

AND IF WE RESTRICT IT IN A
CERTAIN WAY, COULD THAT LEAD TO
ITS OWN HARM?

>> SO I THINK THERE ARE TWO
TYPES OF BENEFITS.

ONE, I THINK WE HAVE ALLUDED TO
AND THE REASON IT'S PROTECTED
UNDER THE FIRST AMENDMENT AND
THERE ARE COUNTLESS EMPIRICAL
ARTICLES AT LEAST IN ECONOMICS,
MANY DONE BY TOP ECONOMISTS OF

THE F.T.C. THAT SHOW THE BENEFITS FROM ADVERTISING, AND, SO, IT GIVES -- AND I WOULD CONCUR WITH WHAT SHEILA, THE OBSERVATION SHEILA MADE, SEEMS THERE'S THIS UNDERLYING ASSUMPTION THAT ADVERTISING IS BAD.

THERE'S OFTEN THIS IDEA TO HAVE TO DEFEND AGAINST ADVERTISING. I MEAN, JUST BECAUSE YOU'RE A KID AND GET ADVERTISING, IT DOESN'T MEAN EVERYTHING YOU'RE SEEING IS TRYING TO TRICK YOU INTO BUYING SOMETHING YOU DON'T WANT.

I THINK OF AN EXAMPLE OF MY YOUTH WHEN I SAW AN ADVERTISEMENT FOR COOKIE CRISP CEREAL.

I HAD NO IDEA IT EXISTED AND IT CHANGED MY WORLD.

IF MY PARENTS SAW THE AD, I SINCERELY THINK THEY WOULD HAVE BOUGHT IT FOR ME, BUT I ASKED THEM TO AND I LOVE COOKIE CRISP.

THAT'S A BENEFIT FROM ADVERTISING.

THAT'S SOMETHING THAT WE CAN'T ASSUME.

THIS IS WHAT I SAY, IT'S VERY IMPORTANT TO HAVE A COUNTERFACTUAL WORLD -- WHAT HAS CHANGED, WHAT'S THE CHANGE IN ADVERTISING.

THE OTHER CHANGE THAT COMES FROM THIS BECAUSE WE'RE IN A DIGITAL ENVIRONMENT IS, YOU KNOW, YOU WANT TO BE ABLE TO MONETIZE AND SUPPORT FREE CONTENT.

SO WHEN THERE'S GOOD EMPIRICAL WORK THAT SUGGESTS THAT WHEN YOU SHUT DOWN -- I MEAN NOT IN THIS CONTEXT OF BLURRED ADVERTISING, BUT THERE'S A PAPER FROM RAND JOURNAL OF ECONOMICS A FEW YEARS BACK AT AD BLOCKING REDUCES REVENUE AND REDUCES THE QUALITY AND ACTUALLY INCREASES THE ADS YOU SEE BECAUSE FOR THE REST OF THE PEOPLE THAT DON'T AD BLOCK, WE HAVE TO SEE MORE ADS IN ORDER TO MONETIZE THAT CONTENT, THINGS GO BEHIND PAY WALLS.

I ACTUALLY HAVE SOME WORK IN PROGRESS WITH OTHER CO-AUTHORS ON THE IMPACT OF THE F.T.C.'S SUIT AGAINST YouTube, THE COPPA SUIT, WHICH TURNED OFF

BEHAVIORAL ADVERTISING FOR ALL KIDS' CHANNELS, AND YOU SEE AN EXIT FROM -- A LARGE EXIT EMPIRICALLY -- YOU KNOW, THIS IS NOT ANECDOTAL, I THINK WHAT ARE GOOD IMPERRICS, REDUCTION TO VIDEOS, REDUCTION OF CHANNELS, CHANNELS MOVING TO A MORE MIXED OR A PLUS-13 AUDIENCE BECAUSE THEY CAN'T MAKE MONEY IN THE -- YOU KNOW, SO THERE'S OTHER EVIDENCE THAT WHEN YOU TURN OFF THE SPIGOT OF ADVERTISING THAT YOU REDUCE CONTENT.

AT THAT POINT, THE FACT THAT PEOPLE ARE VIEWING THIS CONTENT, WE AS GROWNUPS HERE AND WE CAN SIT BACK AND SAY, GOSH, THIS IS HORRIBLE, WHO CARES IF IT GOES AWAY.

BUT IT'S VALUABLE TO SOMEBODY. SOMEBODY IS WATCHING IT. DEMAND CURVE SLOPES DOWN. AND, SO, IF YOU RAISE THE PRICE, YOU'RE GOING TO GET -- IF YOU GET LESS OF IT YOU REDUCE VALUE. THAT'S ECONOMICS 101.

SO YOU HAVE TO TAKE THAT INTO CONSIDERATION AS WELL.

SO THERE ARE TWO BENEFITS FROM THIS ADVERTISING, ONE, THE MESSAGES THAT KIDS GET.

YOU KNOW, THEY ARE NOT ALL HARMFUL.

THEY ARE -- UNLESS THEY ARE DECEPTIVE, YOU KNOW, THEN THEY'RE NOT HARMFUL AND THEY HELP PROMOTE FREE CONTENT SO THAT PEOPLE CAN ACTUALLY AFFORD TO ENJOY CONTENT FOR FREE ONLINE.

>> OKAY, SO, SHEILA.

JAMES IS SAYING THIS TYPE OF ADVERTISING IS NOT HARMFUL, AND I'D LIKE TO BRING US BACK TO OUR UNFAIRNESS DISCUSSION THAT WE STARTED EARLIER IN OUR CONVERSATION.

SO -- AND I THINK THE AUDIENCE, MANY PEOPLE KNOW THIS, BUT FOR THOSE IN THE AUDIENCE WHO DON'T, AN ACT OR PRACTICE IS UNFAIR IF IT CAUSES OR IS LIKELY TO CAUSE SUBSTANTIAL INJURY TO CONSUMERS THAT IS NOT REASONABLY AVOIDABLE BY THEM AND NOT OUTWEIGHED BY COUNTERVAILING BENEFITS TO CONSUMERS OR COMPETITION. DO YOU THINK THE HARMS WE

DISCUSSED TODAY MEET THE UNFAIRNESS TEST.

>> NO, I DON'T THINK THERE'S ENOUGH EVIDENCE, PARTICULARLY GIVEN WHAT JAMES JUST DESCRIBED AS THE BENEFITS OF ADVERTISING AND THE ROLE OF FREE CONTENT FOR OUR ECONOMY.

I THINK THE OTHER ISSUE BECOMES, AS WE TRY TO ENLARGE THE UNIVERSE OF CONSUMERS THAT WE'RE CONCERNED ABOUT TO INCLUDE TEENS, WE POTENTIALLY USE SIGHT OF THE FACT THAT TEENS HAVE THEIR OWN DEVELOPING SPHERE OF PRIVACY, THAT'S WHAT CONGRESS TERMED WHEN IT ENACTED COPPA AND DECIDED AGE 13 WAS THE BENCHMARK AND, I THINK AT THE TIME, THERE WERE ADVOCATES THAT SAID DON'T CHANGE THAT AGE AND OPPOSED AGE 16 WHICH WAS IN THE ORIGINAL DRAFT LEGISLATION FOR THAT REASON.

SO I THINK TO THE EXTEND WE IDENTIFY SPECIFIC ISSUES WHERE THERE COULD BE POTENTIAL HARMS THAT WE SHOULD ADDRESS UNDER THE EXISTING AUTHORITY, I THINK YOU HAVE TOOLS TODAY TO DO THAT, AND I DO THINK AS I SAID EARLIER THAT THERE IS AN UNEXPLORED AREA OF RICH OPPORTUNITY FOR EDUCATIONAL OPPORTUNITIES AS WELL.

I THINK THE IDEA THAT -- I THINK AS EVA EXPLAINED THIS MORNING ABOUT THE ICONOGRAPHY WORK THAT THEY'RE DOING IN THE NETHERLANDS IS A GREAT OPPORTUNITY, IT COULD BE BENEFICIAL TO ANY CONSUMER, SO I THINK WE SHOULD BE EXPLORING WHAT WE REALISTICALLY CAN TACKLE UNDER THE LEGAL FRAMEWORK BASED ON THE DATA WE HAVE AND AVOID CHARACTERIZING ALL ADVERTISING AS PERNICIOUS OR HARMFUL AND REMAIN COGNIZANT OF THE MANY BENEFITS THAT WE ENJOY THROUGH THAT SUPPORT OF FREE CONTENT.

>> OKAY.

WE ONLY HAVE A FEW MINUTES LEFT, SO I'M ACTUALLY GOING TO ASK FOR A LIGHTNING ROUND RESPONSE HERE. WHO GREECE WITH SHEILA WITH WHAT SHE SAID ON UNFAIRNESS AND HARM? JAMES I ASSUME YOU DO. YOU'RE ON MUTE BUT JAMES RAISED

HIS HAND.

>> YES, I RAISED MY HAND,
LIGHTNING ROUND.

>> JENNIFER.

NO, I DON'T AGREE.

GIRARD, WHAT ABOUT YOU.

NO.

JOSH.

BIG SURPRISE, NO.

ALL RIGHT.

SHOCKING LIGHTNING ROUND
THERE, MICHELE.

>> I KNOW, NOT SURPRISING.

NOT SURPRISING.

SO WE'VE ONLY A FEW MINUTES
LEFT.

I WANT TO QUICKLY JUMP TO -- YOU
KNOW, WE'RE GOING TO TALK ABOUT
SOLUTIONS ON THE NEXT PANEL,
AND, SO, I THINK WE CAN LET THAT
PANEL KIND OF COVER WHAT THE
POTENTIAL REMEDIES ARE AND WHAT
THE POTENTIAL SOLUTIONS ARE TO
SOME OF THE HARMS THAT HAVE BEEN
RAISED, BUT I GUESS THE QUESTION
I WANT TO HEAR FROM ALL OF YOU
IS, IN OUR LAST TWO MINUTES, IF
YOU EACH HAD 20 SECONDS, COULD
YOU TELL ME WHAT IS THE BIGGEST
CONCERN THAT YOU WANT OUR
AUDIENCE TO TAKE AWAY FROM WHEN
WE TALK ABOUT THIS TYPE OF PLURD
ADVERTISING AND MARKETING?
SO 20 SECONDS AND I'M GOING TO
START WITH JENNIFER.

>> ALL RIGHT.

WELL, I'M CONCERNED ABOUT THE
IMPLIED ASSUMPTION THAT WE DON'T
FEED TO PROHIBIT COMPANIES FROM
MARKETING UNHELPFUL PRODUCTS TO
KIDS ONLINE AS LONG AS THEY TELL
THEM IT'S ADVERTISING.

I CAN'T THINK OF ANOTHER CONTEXT
WHERE WE PROPOSE EXPOSING
CHILDREN TO DANGEROUS SITUATIONS
AND THEN TELLING PARENTS WHAT
THEIR CHILDREN NEED TO LEARN TO
PROTECT THEMSELVES FROM HARM.

>> OKAY.

SHEILA.

>> I THINK THE OVERRIDING LEGAL
FRAMEWORK AND THE FIRST
AMENDMENT ARE THE MOST IMPORTANT
CONSIDERATIONS, FROM MY
PERSPECTIVE AS A PRACTICING
LAWYER.

>> GIRARD.

I WOULD ADD TO THE UNFAIRNESS
DISCUSSION BLURRED ADVERTISING

ARE UNFAIR BECAUSE IT

GOOD AFTERNOON.
LOOKING FORWARD AND CONSIDERS
SOLUTIONS BY BRIEFLY INTRODUCING
THE PANELISTS IN ALPHABETICAL
OWNER.

JOSH BLUMENFELD SAY MEMBER OF
YOUTUBE GOVERNMENT AFFAIRS AT
GOOGLE WHERE HE WORKS TO ADVANCE
A FREE AND OPEN INTERNET, NELLIE
GREGORIAN IS FOUNDER AND
PRESIDENT OF FLUENT RESEARCH,
AND HAS CONDUCTED NUMEROUS
STUDIES EVALUATING IMPACT OF
DIGITAL TECHNOLOGY ON TEENS AND
OTHER CHILDREN, GENEVIEVE
LACKIER IS A LAW PROFESSOR AT
THE UNIVERSITY OF CHICAGO WHERE
SHE TEACHES AND WRITES ABOUT THE
FIRST AMENDMENT.

BONNIE PATTEN IS A FOUNDER AND
EXECUTIVE DIRECTOR OF TRUTH IN
ADVERTISING.

ALSO KNOWN AT TINA, AN
ORGANIZATION FOCUSED ON
PROTECTING CONSUMERS FROM FALSE
AND DECEPTIVE MARKETING.

SNEHA RAFAN UR IS FOUNDER AND
PRESIDENT OF ENCODE JUSTICE, AN
INTERNATIONAL YOUTH ORGANIZATION
FOCUSED ON YOUTH TECHNOLOGY AND
LAST BUT NOT LEAST LARTEASE
TIFFITH IS EXECUTIVE VICE
PRESIDENT FOR PUBLIC POLICY AT
THE INTERACTIVE ADVERTISING
BURROW KNOWN AS IAB WHERE HE
ADVOCATES ON BEHALF OF IAB'S
MEMBER COMPANIES.

BEFORE WE GET STARTED, THE VIEWS
EXPRESSED TODAY ARE OUR OWN, AND
DO NOT NECESSARILY REFLECT THE
VIEWS OF THE COMMISSION OR ANY
ONE ORGANIZATION OR COMPANY.

IF WE HAVE TIME, WE WILL TRY TO
INCORPORATE QUESTIONS WE RECEIVE
FROM VIEWERS, PLEASE SUBMIT
THOSE QUESTIONS TO DIGITAL ADS2
KIDS@FTC.GOV, SO FAR TODAY WE
HAVE DISCUSSED WHETHER KIDS OF
DIFFERENT AGES AND DEVELOPMENTAL
STAGES CAN RECOGNIZE ADVERTISING
WHEN IF IS BLENDED WITH
ENTERTAINMENT OR OTHER CONTENT,
AND DISCUSSED THE HARMS THAT MAY
BE ASSOCIATED WITH SUCH
ADVERTISING OF CHILDREN.

THIS PANEL WILL DISCUSS THE
POTENTIAL SOLUTIONS AND AS WE GO

THROUGH EACH OF THEM, IT WILL BE HELPFUL TO THINK ABOUT THE AUDIENCE FOR THE SOLUTION, FOR EXAMPLE THE SOLUTION WORK FOR ALL AGE GROUPS OR ONLY SOME AND WHO WOULD BE RESPONSIBLE FOR THE SOLUTION.

IN PREPARING FOR THIS EVENT WE HAVE HAD STAKEHOLDERS RAISE A NUMBER OF REMEDIES I WOULD LIKE TO DISCUSS INCLUDING THE FORMATTING EMBEDDED ADVERTISING, DISCLOSURES, PARENTAL INVOLVEMENT OR CONTROLS, CONSUMER EDUCATION DIRECTED AT KIDS OR PARENTS, LAW ENFORCEMENT ACTIONS FOR DECEPTIVE PRACTICES, AND EVEN A POTENTIAL BAN ON SOME ADVERTISING.

WE HEARD JAMES COOPER AND SHEILA MELAR RAISE LIMITATIONS PROPOSED BY THE FIRST AMENDMENT.

BEFORE WE TALK ABOUT SPECIFIC SOLUTIONS I'M HOPING OUR PANEL'S RESIDENT FIRST AMENDMENT EXPERT CAN ADDRESS WHAT REMEDIES HAVE BEEN HISTORICALLY ACCEPTED BY THE COURTS, WHEN THE GOVERNMENT ADDRESSES COMMERCIAL SPEECH. AND WHETHER THERE ARE ANY CASES ADDRESSING THE BLUR OF CONTENT IN ADVERTISING.

>> GENEVIEVE?

>> THANK YOU VERY MUCH FOR HAVING ME ON THIS PANEL.

SO SPEAKING VERY GENERALLY, HISTORICALLY THE PRIMARY FOCUS OF LAWS REGULATING ADVERTISING AND SOME WHAT BROADER CATEGORY OF WHAT WE CALL COMMERCIAL SPEECH HAS BEEN A TO ENSURE THAT CONSUMERS HAVE ADEQUATE INFORMATION TO MAKE GOOD CHOICES WHEN PURCHASING GOODS OR PARTICIPATING IN COMMERCIAL TRANSACTIONS.

AND OBVIOUSLY THIS INCLUDES CHILDREN AS WELL AS ADULTS. AND B PROTECTING CONSUMERS FROM FALSE AND DECEPTIVE ADVERTISING CLAIMS.

SO REGULATORS SCORE OVER 150 YEARS HAVE ADOPTED A VARIETY OF MECHANISMS TO ACHIEVE THESE ENDS.

THE OLDEST BEING THE MECHANISM OF DISCLOSURE INCLUDING WHAT I THINK OF AS THE OLDIE BUT GOODIE, THIS IS PAID CONTENT,

THE DISCLOSURE THAT THE SPEECH ITSELF IS IN ADVERTISEMENT. BUT ALSO MANY OTHER KINDS OF DISCLOSURES THAT SPEAK TO BOTH CURE OF CONSUMER DECEPTION AND ALSO MORE GENERALLY INFORM CONSUMERS ABOUT WHAT IT IS THEY ARE PURCHASING, BOTH THE CONTENT OF THE GOOD AND TERMS AND CONDITIONS UNDER WHICH IT IS BEING OFFERED.

REGULATORS CAN USE TIME, PLACE AND MANNER REQUIREMENTS ABOUT WHERE COMMERCIAL SPEECH OR ADVERTISING CAN OCCUR AND THIS CAN INCLUDE BOTH FORMATTING REQUIREMENTS AND REQUIREMENTS ABOUT DURATION, HOW MANY ADS, WHERE AND WHEN THEY MAY OCCUR AND THIS INCLUDES, I SHOULD SAY, TIME, PLACE AND MANNER REQUIREMENTS DESIGNED SPECIFICALLY FOR CHILDREN INCLUDING MOST NOTABLY IN FEDERAL LEGISLATION LIKE THE CHILDREN'S TELEVISION ACT. AND THEN ALSO THE BAN ON DECEPTIVE ADVERTISING THAT THE FTC ENFORCES.

HOWEVER FOR THE PAST 50 YEARS TOTAL BANS ON ADVERTISING HAVE BEEN STRONGLY DISFAVORED IF NOT ENTIRELY PROHIBITED BY THE COURTS IN THEIR FIRST AMENDMENT CASES ALTHOUGH I KNOW OF NO CASES DEALING SPECIFICALLY WITH THE QUESTION OF A BAN ON CHILDREN'S ADVERTISING, ADVERTISING DESIGNED ONLY FOR CHILDREN.

EXCEPT WHEN IT COMES TO ADS OR COMMERCIAL SPEECH THAT ADVERTISERS OR PROMOTES ILLEGAL GOODS AND SERVICES.

ALTHOUGH AS SUGGESTION, THERE IS LIMITS ON HOW LONG REGULATORS CAN REGULATE ADVERTISING THERE IS NO DOUBT THE FIRST AMENDMENT PERMITS REGULATORS TO REGULATE ADVERTISING MUCH MORE AGGRESSIVELY THAN THEY CAN REGULATE WHAT IS POLITICAL SPEECH OR NONCOMMERCIAL SPEECH WHAT IS SOMETIMES CALLED HIGH VALUE SPEECH.

SO TO ANSWER YOUR QUESTION, THERE HAS BEEN IN FACT A CONSIDERABLE AMOUNT OF LITIGATION AROUND WHAT COUNTS AS

AN AD, AND THE RULES ARE NOT ENTIRELY CLEAR BUT FOR PURPOSES OF THIS PANEL I THOUGHT IT WAS IMPORTANT TO NOTE THAT SPEECH CAN COUNT AS ADVERTISING, CAN COUNT AS THE LOW VALUE FIRST AMENDMENT CATEGORY OF COMMERCIAL SPEECH EVEN IF IT DOESN'T TAKE THE FORM OF A TRADITIONAL AD. FOR IT TO RECOGNIZE PAMPHLET, LETTERS TO EDITOR, OTHER PURPORTEDLY INFORMATIONAL AND POLITICAL SPEECH CAN COUNT AS COMMERCIAL SPEECH FOR FIRST AMENDMENT PURPOSES WHEN IT IS MOTIVATED BY A DESIRE TO SELL A PARTICULAR PRODUCT AND ALSO AS PART OF ITS SUBJECT MATTER REFERS TO, HIGHLIGHTS, PRIORITIZES THAT PRODUCT. BUT THE COURTS HAS ALSO MADE CLEAR THAT NOT EVERYTHING CREATED WITH COMMERCIAL END IN MIND OR WITH THE PROPER MOTIVE CAN BE ARE CONSIDERED ADVERTISING OR COMMERCIAL SPEECH, THE PURPOSE OF THE SPEECH ACT MUST NORTHBOUND SOME WAY TO SELL A PRODUCT OR TO NEGOTIATE A COMMERCIAL RELATIONSHIP.

AND SO OKAY, I WILL STOP THERE.

>> THANK YOU SO MUCH THIS MORNING THE COGNITION PANEL TALKED ABOUT THE CHILDREN'S ABILITY TO RECOGNIZE CONTENT IN ADS AND BASED ON PREVIOUS DISCUSSION THERE MAY BE TYPES OF DESIGNS OR FORMATTING THAT ALERT VIEWERS TO THE COMMERCIAL COMMENT.

THERE MIGHT BE SEPARATORS BETWEEN COMMERCIAL AND NONVIDEO CONTENT OR DIFFERENT BACKGROUND CONTENT.

THIS APPROACH HAS BEEN UTILIZED IN THE TELEVISION SPACE WITH ADVERTISING DIRECTED AT CHILDREN, FOR EXAMPLE, AND NOW WE WILL HAVE A COMMERCIAL MESSAGE.

HOW WELL DID IT WORK IN THAT SPACE, NELLIE?

>> .

>> NELLIE, YOU'RE MUTED.

>> THANKS, MICHAEL.

YOU DIDN'T MISS MUCH, I JUST SAID THANK YOU FOR HAVING ME ON THIS PANEL.

IN THE TRADITIONAL LINEAR TV, OF COURSE FAMILIES ARE VERY USED TO SEEING COMMERCIALS AND COMMERCIALS ADVERTISING ON TV TYPICALLY IS VERY CLEARLY DELINEATED FROM THE TELEVISION SHOW, FOR EXAMPLE, THAT THE CHILD IS WATCHING.

YOU GAVE AN EXAMPLE OF TRANSITIONING VERBALLY FROM THE CONTENT TO COMMERCIAL, NOW TO THE COMMERCIAL MESSAGE OR WE WILL BE RIGHT BACK AFTER THIS ADVERTISING MESSAGES, THERE WERE SOME FORMAT DEMARCATIONS EITHER WITH THE GRAPHICS OR DIFFERENT VISUALS OR DISCLOSURES THAT ARE EITHER IN WRITTEN OR VERBAL FORM.

OFTENTIMES SOME NETWORKS ALSO HAD INTERSTITIALS THAT WOULD SIGNAL TO KIDS THAT NOW WE ARE TRANSITIONING FROM THE TELEVISION SHOW YOU ARE WATCHING TO A COMMERCIAL MESSAGE.

IN OUR RESEARCH KIDS AS YOUNG AS FOUR AND FIVE YEAR OLDS ARE ABLE TO DIFFERENTIATE BETWEEN ADS, COMMERCIALS ON TV AND THE TELEVISION SHOWS THAT THEY ARE WATCHING.

AND IN FACT, YOU KNOW, ANOTHER ASPECT OF TELEVISION COMMERCIALS THAT IS ALSO VERY IMPORTANT TO NOTE HERE IS PREDICT ABILITY.

PREDICT ABILITY OF WHEN COMMERCIALS OCCUR, WHETHER AT CERTAIN INTERVALS DURING THEIR SHOW OR AT THE END OF THE SHOW. AND IN FACT, MANY PARENTS DO NOT MIND COMMERCIAL BREAKS BECAUSE IT GIVES THEM THE OPPORTUNITY OF TRANSITIONING THEIR KIDS FROM WATCHING A SHOW TO TAKING A BREAK, TRANSITIONING TO DIFFERENT ACTIVITY OR TURNING OFF THE TV ALL TOGETHER WITHOUT MAJOR MELTDOWNS.

>> THANK YOU.

IS ANYONE AWARE OF SUCH TOOLS BEING USED OUTSIDE TRADITIONAL TELEVISION ADVERTISING.

S?

LARTEASE.

>> YEAH SO IN THE DIGITAL WORLD SIMILAR TO TELEVISION THERE ARE ALSO SIGNALS TO LET PEOPLE KNOW WHEN THEY ARE SEEING AN AD. THERE IS USING A BANNER AT THE

BOTTOM SAYING SPONSORED CONTENT,
PROMOTION, PAID PROMOTION,
THINGS LIKE THAT.

THERE IS ALSO WILL BE IN
ADDITION TO THAT, SOME OTHER
SHAPING THAT SHOWS THAT YOU MOVE
FROM THE CONTENT ITSELF LIKE THE
CARTOON AND NOW YOU ARE GOING
INTO AN AD.

IN ADDITION TO THAT, THERE IS
ALSO FEATURES THAT ALLOW KIDS
AND PARENTS TO SKIP THE AD SO
THERE IS A SIGNAL THAT SAYS SKIP
AD.

SO THERE ARE MULTIPLE SIGNALS
THAT LET PEOPLE KNOW THAT THERE
ARE ADVERTISING.

AND I ACTUALLY THINK THAT THERE
ARE ACTUALLY MORE SIGNALS THAN
THERE ARE TELEVISION BECAUSE
THERE ARE THINGS THAT ARE
CLEARLY, AND TELEVISION USUALLY
AT THE VERY END YOU HEAR THAT
MESSAGE, THIS WAS A MESSAGE
BROUGHT TO YOU BY, RIGHT?

SO YOU HAVE ALREADY LISTENED TO
29 SECONDS OF THE AD WHERE YOU
FIND OUT THAT IT WAS AN AD.

VERSUS DIGITAL THERE IS A CLEAR
NOTE SAYING THAT THERE IS AN
ADVERTISEMENT BEING PROJECTED.

SO I WILL STOP THERE AND LET
OTHERS-- THAT IS WHAT WE HAVE
SEEN.

>> NELLIE, DID YOU HAVE ANYTHING
TO ADD TO THAT?

>> YES, SIMILARLY TO WHAT
LARTEASE IS SAYING THERE ARE
DEFINITELY SOME SAMPLES,
STREAMING VIDEO, FOR EXAMPLE,
THAT ARE ADOPTING SIMILAR
ELEMENTS.

FOR EXAMPLE THE COUNTDOWN TO A
COMMERCIAL BREAK OR A BUTTON
THAT SAYS KEEP ADD IN CERTAIN
MINUTES SO IN THOSE TYPE OF
ENVIRONMENT STS EASIER FOR KIDS
TO RECOGNIZE THAT THEY ARE NOW
BEING EXPOSED TO EITHER A BANNER
AD OR SOME KIND OF VIDEO AD.

WHERE IT IS MUCH HARDER TO DO IT
IN AN IMMERSIVE ENVIRONMENT OR
EVEN IN A GAMING KIND OF, ON A
GAMING PLATFORM.

>> BONNIE, DO YOU HAVE A VIEW AS
TO HOW SUCH TOOLS COULD BE USED
IN DIGITAL MEDIA?

>> WELL, I THINK YOU KNOW, THEY
RECEIPTICALLY YES, YOU COULD

TAKE THE STEALTH OUT OF THE MARKETING, RIGHT. AND WITH THESE PER SEPTEMBER ALL CUES THAT WE JUST HEARD ABOUT WITH STREAMING SERVICES, IT COULD BE POSSIBLE TO SEPARATE THE MARKETING FROM THE ORGANIC CONTENT.

WHETHER THAT WOULD WORK WITH A LOT OF THE SORT OF STEALTH MARKETING WE SEE, THAT IS UP FOR DEBATE BUT I THINK IT WOULD BE THEY RECEIPTICALLY POSSIBLE.

>> ALL RIGHT S IT FEASIBLE TO USE SEPARATORS FOR A SOCIAL MEDIA POST OR INBOXING VIDEO?

>> THANKS, MICHAEL, THANKS FOR HAVING US.

IT IS FEASIBLE.

I THINK THE MORE NUANCED QUESTION IS WHAT CONSTITUTES PAID PRODUCT PLACEMENT OR A BLURRED ADVERTISING AND WHAT IS THAT FINANCIAL CONTRACTUAL RELATIONSHIP.

SO YOU HAVE TO ASSUME A VERY SPECIFIC RELATIONSHIP BETWEEN CREATOR AND THE PRODUCT AND A VERY SPECIFIC MOMENT IN CONTENT WHERE THERE IS THAT CLEAR INDICATION.

AND THAT IS PART OF THE NUANCE, AND COMPLEXITY.

>> LAR DS TEASE, DO YOU HAVE ANYTHING TO ADD TO THAT?

>> YEAH, IN THE CASE OF THE UNBOXING I THINK THE ONUS IS ON THE CONTENT CREATOR TO BE ABLE TO DEMONSTRATE THAT THEY, TO THEIR AUDIENCE, THAT THEY ARE RECEIVING SOME KIND OF SPONSORSHIP OR SOME PAID PROMOTION.

BECAUSE YOU KNOW, THAT'S REALLY, A LOT OF THAT INFORMATION IS HELD BY THEM.

AND SO IT, I THINK IT IS AS THE FTC HAS RECOGNIZED BY GOING THROUGH THE PROCESS OF UPDATING ITS ENDORSED.

, THAT THIS IS WHERE THE ENFORCEMENT SHALL LIE, GIVING INFORMATION AND GUIDANCE TO CREATORS ABOUT THEIR OBLIGATION TO DISCLOSE THEIR RECEIVING SOME KIND OF COMPENSATION, THIS IS NOT REALLY SOMETHING THAT THEY ARE DOING WITHOUT THAT COMPENSATION OR CONSIDERATION.

AND SO I THINK THERE ARE, THE ONUS REALLY LIES WITH THE CONTENT CREATORS ON THIS.

>> DO YOU THINK THAT THIS APPROACH COULD WORK FOR THE YOUNGEST KIDS?

>> IN TERMS OF, IF THE CONTENT CREATOR WAS OBLIGATED TO SAY THAT THEY RECEIVED, MAKE IT VERY CLEAR, THAT THEY HAVE RECEIVED SOME KIND OF COMPENSATION, I THINK IT COULD BE HELPFUL. BUT AGAIN I THINK THAT'S AGAIN SOMETHING THAT THE FTC IS ALREADY ENGAGING IN THE ENDORSEMENT GUIDE.

I WONDER THOUGH IF SOMEONE IS THREE, FOUR, FIVE YEARS OLD, WHETHER THEY REALLY UNDERSTAND THE IDEA THAT SOMEONE IS GETTING PAID FOR SOMETHING.

BUT WE CAN TALK ABOUT THAT ANOTHER TIME.

SO I THINK THEY WOULD RECOGNIZE IN HERE THE SIGNAL.

I DON'T KNOW IF THEY WOULD UNDERSTAND WHAT THAT ACTUALLY MEANS.

>> BONNIE, DO YOU HAVE ANY REACTION TO OR CONCERNS ABOUT, NOT NECESSARILY WITH RESPECT TO THE YOUNGEST KIDS BUT GENERALLY WITH RESPECT TO THE USE OF BUMPERS OR OTHER SEPARATORS AS AN APPROACH TO DEALING WITH BLURRED ADVERTISING?

>> YES, I MEAN AS WE HEARD IN THE FIRST TWO PANELS, WHILE CHILDREN MAY BE ABLE TO IDENTIFY SOMETHING AS AN AD, THAT DOESN'T MEAN THAT THEIR COGNITIVELY CAPABLE OF UNDERSTANDING THE SELLING INTENT OR THE MOTIVE OR BIAS OR INTEREST OF THE ADVERTISER OR THE MARKETING AT PLAY.

SO I WOULD HAVE CONCERNS THAT MORE IS NEEDED THAN JUST BLG ABLE-- BEING ABLE TO IDENTIFY IT AS AN AD FOR THESE OLDER KIDS.

>> JOSH, SHOULD THE FTC GIVE GUIDANCE ABOUT SUCH FORMATTING AND IF SO, WHAT SHOULD WE SAY.

>> THANK YOU FOR THAT QUESTION. I DO THINK IN GENERAL PLATFORMS ARE BEST POSITIONED TO CREATE A DESIGN WHAT IS MOST EFFECTIVE FOR THEIR USERS GIVEN THEIR EXPERTISE AND THEIR PARTICULAR

PLATFORMS.

BUT AT THE SAME TIME GUIDANCE FROM THE FTC ON THE POLICY OBJECTIVES ON CERTAIN BEST PRACTICES, I THINK, WOULD BE USEFUL TO US.

>> I WOULD LIKE TO NOW DISCUSS DISCLOSURES TO BE USED IN ADDITION TO OR INSTEAD OF FORMATTING AND WHETHER SOME KINDS OF DISCLOSURES CAN HELP CHILDREN TO DISTING TWISH-- DISTINGUISH BETWEEN CONTENT AND ADS. CAN YOU BRING BACK THE SLIDES PLEASE.

>> JOSH, YOUTUBE DID RESEARCH ON THIS ISSUE.

WHAT KIND OF DISCLOSURES WORKED AND AMONG WHICH AGE GROUPS.

>> GREAT, THANK YOU MICHAEL.

I WILL TRY TO BE BRIEF AND SUMMARIZE A BUNCH OF RESEARCH AND IF WE COULD SHOW THE FIRST SLIDE, SO JUST AT THE STAGE TO DEMYSTIFY A LITTLE BIT OF WHAT WAS DISCUSSED EARLIER, THERE ARE NO PERSONALIZED ADS ON YOUTUBE FOR ACCOUNT HOLD-- ACCOUNT HOLDERS FOR UNDER 18, THAT IS NOT ALLOWED.

BUT WE HAVE A SPECIAL PRODUCT CALLED YOUTUBE KIDS AND ON THAT PRODUCT THERE ARE NO PERSONALIZED ADS AND THERE ARE NO PAID PRODUCT PLACEMENT ON YOUTUBE KIDS.

ON YOUTUBE MAIN, ON CONTENT DESIGNATED AS MADE FOR KIDS, FOR EXAMPLE, A POPULAR CHANNEL ON YOUTUBE T IS MADE FOR KIDS CONTENT, WE DO ALLOWED WHRUR BLURRED ADVERTISING BUT WITH A DISCLOSURE.

AND WE REALLY WANTED TO GET THIS RIGHT.

SO I WILL WALK YOU THROUGH BRIEFLY HOW WE APPROACHED THIS. SO WE DID THREE ROUNDS OF USER EXPERIENCE RESEARCH.

WE DID IT WITH PARENTS, WE DID IT WITH KIDS BETWEEN 5 AND 12 YEARS OLD.

WE ALSO WORKED WITH A GROUP OF OUTSIDE EXPERTS WHO HAVE EXTENSIVE EXPERIENCE IN CHILD DEVELOPMENT, LEARNING-RELATED CONTENT, MENTAL AND PHYSICAL HEALTH, ET CETERA.

AND THE FIRST ROUND OF RESEARCH WAS QUALITATIVE AND FOCUSED AND HOW WELL DO KIDS UNDERSTAND ADVERTISEMENT, HOW EFFECTIVE ARE OUR CURRENT EXPERIENCES FOR KIDS AND WHAT ICONOGRAPHY IS USEFUL. AND THE FINDINGS FROM THE FIRST SET OF RESEARCH WAS PRETTY INTERESTING TO US.

WE FOUND THAT ONLY ONE OUT OF TEN KIDS UNDERSTOOD THE PHRASE, INCLUDES A PROMOTION.

THE YOUNGER AUDIENCES STRUGGLED WITH THE TEXT.

THE OLDER AUDIENCES THAT COULD READ IT STRUGGLE TO UNDERSTAND WHAT IT MEANT.

MOST KIDS HAD A VAGUE UNDERSTANDING OF WHAT A TRADITIONAL AD WAS AND REFERENCED TV AS THEIR MAIN FOKAL POINT, THAT IT WAS TRYING TO GET TO YOU BUY SOMETHING, TO PAINT A PRODUCT IN A POSITIVE LIGHT AND THAT ADS ARE SHORT. AND SO WE THEN REDESIGNED OUR SKEWSEER EXPERIENCE AND OUR INTERFACE HERE AND WHAT WE FOUND IS THAT A MULTINODAL SOLUTION WORKED THE BEST AND IT WORKED THE BEST FOR LOTS OF REASONS BUT ESPECIALLY BECAUSE IT ACCOUNTS FOR KIDS WITH DIFFERING DEVELOPMENTAL MILESTONES WHO MAY BE WATCHING CONTENT ON THE PLATFORM.

SO THOSE THREE ELEMENTS ARE DISTINCTIVE ICON, EASY TO READ TEXT AND A VIDEO WHICH I WILL SHOW YOU LATER.

WHAT WE ARE LOOKING AT NOW IS THE BEGINNING OF ONE OF HARTFORD KID CLUB VIDEOS ON YOUTUBE MAIN IT HAS AN ICON AT THE TOP THERE A LITTLE TEXT, THE TEXT IS IN PLAIN ENGLISH IT SAYS THIS CHANNEL GOT MONEY OR FREE THINGS TO MAKE THIS VIDEO AND WHEN YOU CLICK ON IT IT WILL SHOW A 30 SECOND AD WHICH I WILL SHOW LATER ON.

SO WE FOUND THAT ONCE WE IMPLEMENTED THIS, WE WENT BACK TO ALL OF OUR TEST SUBJECTS AND FOUND THAT THE MAJORITY OF KIDS WERE ABLE TO IDENTIFY THE DISCLOSURE.

NINE OUT OF TEN KIDS READ ALL THE WORDS ON THE UPDATED DIS

CLOSURE UP THERE AND THEY WERE ABLE TO IDENTIFY THREE KEY CONCEPT.

THE DISCLOSURE MEANS A CREATOR RECEIVED MONEY OR FREE THINGS AS YOU CAN SEE BY OUR CLAIMS, LIKE WE OFFER TEXT THERE BUT DESIGNED FOR KID'S COMPREHENSION.

THAT A COMPANY PROVIDED THE CREATOR WITH THE THING, AND THAT THE COMPANY GAVE THE FREE THING TO THE CREATOR BECAUSE THEY WOULD LIKE TO GET KIDS OR YOU TO BUY SOMETHING.

AND THE FINAL POINT I WILL MAKE ABOUT THIS IS THAT NINE OUT OF TEN PARENTS AGREED THAT THE MATERIALS IMPROVED THEIR KID' UNDERSTANDING TO BETTER HELP THEM AND THEIR KIDS IN THE FUTURE.

SO APPRECIATE THE TIME, SORRY TO BE LONG.

>> THANK YOU, IF WE CAN SWITCH BACK TO THE SPEAKER VIEW, THAT WOULD BE GREAT.

THANK YOU.

SNEHA, WHAT SHOULD DISCLOSURES ACTUALLY SAY IN ORDER TO WORK BEST IN YOUR OPINION?

>> YEAH, DISCLOSURES SHOULD COMMUNICATE CLEARLY WHO IS PAYING FORB AN AD AND SHOULD GENERALLY INCLUDE ANY INFORMATION THAT COULD AFFECT A CONSUMARY-- CONSUMER'S DECISION TO BUY A PRODUCT, SHOULD BE ACCESSIBLE IN ITS SYNTAX, AN LANGUAGE SHOULD BE EASY TO UNDERSTAND.

USERS SHOULD BE ABLE TO SEE THAT INFORMATION PLAIN AND CLEAR. THEY SHOULDN'T HAVE TO SCROLL AND THAT INFORMATION SHOULDN'T STRICTLY APPEAR AFTER THEY ADDED A PRODUCT TO THEIR SHOPPING CART OR TAKEN STEPS TO PURCHASE IT. IT IS CRITICAL THE DISCLOSURE IS CLOSE TO THE-- IN QUESTION AND IS PRESENTED IN THE SAME FORMAT AS THE CLAIM IN QUESTION. AGAIN TO ENSURE ACCESS ABILITY AND CONSUMER COMPREHENSION.

>> NELLIE, DO YOU HAVE ANYTHING TO ADD TO THAT?

>> I LIKE HOW IN THE NEXT THAT JOSH SHARED IN THE DISCLOSURE, THE WORDS WERE REALLY LIKE KID FRIENDLY.

THERE WERE NO TOO ADULT FOCUS,
NO LANGUAGE LIKE ADVERTISER
CONTENT THAT USUALLY KIDS JUST
DON'T GET IT WAS LIKE PEOPLE GET
PAID FOR SHARING WITH YOU THIS
PARTICULAR PROGRAM OR THIS TYPE
OF PROMOTION, SO THAT WORKS
REALLY WELL.

IN GENERAL, THE COMBINATION OF
DIFFERING MODES, VERBAL, FOR
EXAMPLE, A LOT OF INFLUENCER WAS
VERBALLY ANNOUNCE THAT THEY ARE
GETTING SPONSORS OR GETTING, YOU
KNOW, GETTING SOME KIND OF
RELATIONSHIPS WITH THE BRANDS BY
PROMOTING THEIR PRODUCTS.

SO SOME KIND OF COMBINATION OF
THOSE VERBAL AND ICONOGRAPHY
WOULD GO A LONG WAYS.

>> GREAT, THANK YOU.

DOES ANYBODY WANT TO ADD
ANYTHING ON THE FORMATTING THAT
SHOULD BE USED TO MAKE IT MOST
LIKELY THAT KIDS WILL NOTICE
DISCLOSURES, AND WHETHER THAT
VARIES FROM PLATFORM TO
PLATFORM, JOSH?

>> THANKS, MICHAEL.

I MEAN WE DO THINK THAT PART OF
THE ELEGANCE OF THAT SHORT
SYNTAX AND REALLY TO UNDERSTAND
WHAT IS SYNTAX AND THAT APPEARS
FROM THE BEGINNING OF THE AD IS
CRUCIAL BUT IN COMBINATION WITH
A SHORT VIDEO THAT WAS PRODUCED
THAT HAS CARTOONS, THAT REALLY
WALKS KIDS THROUGH WHAT A PAID
PRODUCT PLACEMENT IS IS IDEAL.
THE IDEAL OF COURSE IS NOT THAT
YOU HAVE TO WATCH THAT VIDEO
EVERY TIME YOU SEE T THE PRODUCT
PLACEMENT, THE FIRST COUPLE OF
TIMES YOU SAW IT, YOU WOULD
CLICK ON IT, WATCH THAT VIDEO,
NOW YOU HAVE AN UNDERSTANDING.
SO IDEALLY AS YOU ARE WATCHING
WITH YOUR FAMILY IN THE LIVING
ROOM, AND THE CONTENT COMES UP
ON THE SCREEN, YOU AS A KID
WOULD UNDERSTAND WHAT THAT
MEANS, SO INVESTING IN CREATING
THAT VIDEO WITH CAR STOON
CHARACTERS IS EASY TO UNDERSTAND
KID FRIENDLY SIN TAX.

>> NELLIE, DO YOU HAVE ANYTHING
TO ADD OR DIFFERENT PERSPECTIVES
ON FORMATTING DISCLOSURES TO
WORK?

>> I THINK JOSH HAS COVERED IT.

>> OKAY.

BONNIE, CAN DISCLOSURES WORK IN CONTEXT LIKE SOCIAL MEDIA, GAMES OR THE METAVERSE?

>> WELL, I THINK YOU KNOW IF WE LOOK AT THE METAVERSE OR IN GAMES WE CAN'T PREDICT WHERE THE CHILDREN ARE GOING OR WHAT THEY'RE LOOKING AT.

SO THAT IS MUCH MORE OF A CHALLENGE IN DISCLOSING THAT SOMETHING IS MARKETING.

AND IN THAT INSTANCE, THE BRAND OR THE INFLUENCER OR THE ADVERT GAME REALLY NEEDS TO ENSURE THAT DISCLOSURES BOTH AUDIBLE AND VISUAL ARE IN THOSE VIRTUAL WORLDS IN A MULTITUDE OF PLACES SO THAT THEY BECOME NOT-- MULTITUDE OF PLACES SO THAT THEY BECOME NOT ONLY UNAVOIDABLE BUT ALSO UNDERSTANDABLE.

>> AND WOULD YOU RECOMMEND AUDIO AND VISUAL FOR OTHERS.

>> OBVIOUSLY IT WILL DEPEND ON THE AGE OF THE AUDIENCE, IF EVERYBODY CAN READ, PERHAPS YOU DON'T NEED THE AUDIO.

BUT I THINK YOU KNOW, OBVIOUSLY FOR YOUNGER KIDS WHO CANNOT READ, IT IS A MUST. AND FOR OLDER KIDS, IT IS PROBABLY BEST PRACTICES.

>> ARE THERE, WELL, ACTUALLY WHAT ABOUT ICONS FOR YOUNGER KIDS WHO CAN'T READ?

>> IF A CHILD DOESN'T UNDERSTAND AN EYE COPY IT IS OF LITTLE OR NO VALUE, SO YOU KNOW, IF ALL CHILDREN CAN UNDERSTAND IT, THEN IT WOULD WORK, BUT AGAIN, YOU KNOW, WE HAVE TO LOOK AT THE COGNITIVE CAPABILITY. AUDIENCE AND WHAT THEY KNOW AND DON'T KNOW.

>> OKAY.

NELLIE, ARE THERE DISCLOSURE PRACTICES THAT SHOULD BE AVOIDED?

>> YES, STATEMENTS, ADULT KIND OF ORIENTED LANGUAGE.

WE'VE TESTED SOME MESSAGES WHERE, FOR EXAMPLE, PEOPLE USED WORDS LIKE ADVERTISER CONTENT, ABSOLUTELY DOESN'T WORK EVEN FOR BETWEEN AND FOR PRETEENS. SO USING SIMPLE WORDS AND SINGLE ICONS THAT ARE YOU KNOW, EASILY

INTERPRETED AND UNDERSTOOD, KIDS ARE VERY ATTUNED TO THE WORD ADD, THEY KNOW WHAT AD MEANS, EVEN IF THEY CANNOT REALLY COMPREHEND THE CONCEPT BEHIND THE WORDS BUT THEY ENDS STAND AD.

SO NOW SOMEBODY IS GOING TO SHOW YOU SOMETHING DIFFERENT FROM CONTENT, AT LEAST THAT IS A START.

AND YEAH, SO USING SIMPLE LANGUAGE.

IN TERMS OF ICONS, I'M A STRONG PROPONENT OF USING UNIVERSE ICONS.

YOU WOULDN'T BELIEVE HOW QUICKLY KIDS LEARNED.

WE EXPOSED KIDS IN OUR RESEARCH TO SOME YSD.

AND WITHIN A COUPLE OF TRIES, WITH A COMPLETELY NEW VISUAL OR WITH COMPLETELY NEW GRAPHICS OR ICONS, THEY CATCH ON THEY IMMEDIATELY LEARN AND CAN RECOGNIZE THE SAME ICONS AND SAME VISUALS IN THE NEXT ITERATION OF THE TEST.

SO IF THERE IS SOME KIND OF AN EDUCATIONAL CAMPAIGN WHERE THERE WAS WILDLY ACCEPTED ICONOGRAPHY AROUND PAID CONTENT, I THINK IT WOULD REALLY BE VERY EFFECTIVE.

>> THANKS, DO YOU THINK THAT DISCLOSURES CAN BE EFFECTIVE FOR CHILDREN UNDER AIDE OR UNDER FIVE?

I THINK AGAIN ANY TIME OF COURSE THERE IS AN AGE-RELATED QUESTION WE NEED TO RECOGNIZE THAT CHILDREN ARE A DIFFERENT LEVELS SO DIFFERENT STAGES OF DEVELOPMENTAL, IF THERE ARE DEVELOPMENTAL TRAJECTORIES SO IT IS NOT LIKE THERE IS A CLEAR CUT OFF RATE FOR KIDS TO UNDERSTAND OR NOT TO UNDERSTAND ANYTHING WHICH IS WHY YOU KNOW, I AGREE WITH BONNIE IN TERMS OF UTILIZING A VARIETY OF DIFFERENT MODES OF COMMUNICATING DISCLOSURES.

I THINK EARLY EMERGENT LEADERS COULD UNDERSTAND SIMPLE WORDS SUCH AS AD, THEY UNDERSTAND, YOU KNOW, SIMPLE ICONS, FOR EXAMPLE, KID WAS CONSISTENTLY TELL US I'M EXITING OUT OF AN AD, THEY ARE FAMILIAR WITH AN X NEXT TO

BANNER ADS OR OTHER TYPES OF ADS
IN GAMING.

SO KIDS CAN ADEPT-- ADAPT
BETWEEN THE AGES OF FIVE AND
EIGHT T IS PROBABLY DOABLE TO
COME UP WITH SOME, YOU KNOW,
WIDELY ACCEPTED ICONS OR
WORDINGS AROUND THOSE BLURRED,
ESPECIALLY, ADVERTISING
MESSAGES.

FOR YOUNGER KIDS FROM UNDER FIVE
T OF COURSE BECOMES AN ISSUE AND
MORE RESEARCH IS NEEDED.

BECAUSE THEY'RE, OF COURSE, IT
IS AN ISSUE OF GOING BACK TO
BONNIE'S POINT, WHETHER THEY
UNDERSTAND EVEN THE CONCEPT OF
ADVERTISING.

>> OKAY.

THANK YOU.

SO BOTH NELLIE AND JOSH
MENTIONED EDUCATIONAL CAMPAIGNS.
LARTEASE, DO YOU HAVE ANYTHING
TO ADD ON WHETHER AND IT-- WOULD
BENEFIT FROM A CAMPAIGN FOR KIDS
TO UNDERSTAND OR DO YOU THINK IT
IS ADEQUATELY ADDRESSED.

>> I THINK IT WOULD BE
BENEFICIAL, BUT ALSO I WANT TO
NOTE THAT OUR ORGANIZATION ALONG
WITH OUR PEER ORGANIZATIONS HAVE
BEEN WORKING ON SIMILAR ICONS.
WE HAVE AD CHOICE, ADCON, A
UNIVERSAL SYMBOL DEPLOYED WITHIN
OR NEAR BEHAVIORAL
ADVERTISEMENTS AND WEBSITES AND.
SO WE ALREADY AAD CHOICE IS SORT
OF ONE EXAMPLE.

I WOULD ALSO JUST KIND OF
ITERATE AGAIN THAT THAT IS NOT,
A ONE SIZE FITS ALL ISN'T GOING
TO WORK FOR EVERY MEDIUM SO
LET'S MAKE SURE THERE IS A
FLEXIBILITY TO BE ABLE TO DO
THINGS BASED ON THE MEDIUMS AND
HOW THEY CHANGE.

BUT I THINK AN EDUCATIONAL
PROGRAM WOULD BE HELPFUL.
AND OBVIOUSLY WOULD LOVE TO SEE
THE-- ENGAGE IN SOME OF THAT.
WE AS AN INDUSTRY ARE ALREADY
SORT OF DOING THAT.
SO WE CAN ADD THAT.

>> THANK YOU.

HAVE I A QUESTION THAT WE
ACTUALLY GOT FROM THE AUDIENCE
ON THE LAST PANEL.
ON THE PRIOR PANEL JOSH
SUGGESTED THAT DISCLOSURES DON'T

WORK IF YOU STILL HAVE A FAVORABLE IMPRESSION OF OUR BRAND.

I WANTED TO SEE WHETHER EVERYBODY ON THE PANEL AGREES OR DISAGREES WITH THAT.

DOES SOMEBODY WANT TO TAKE THAT QUESTION?

>> BONNIE?

>> WELL, THE GOAL IS A DISIS CLOSURE AND WHAT WE ARE TALK BEING IS THAT THE MARKETING IS NOT DECEPTIVE.

AND IF THE DISCLOSURE ALLOWS THE MARKETING TO BE WELL UNDERSTOOD BY THE AUDIENCE IT'S DIRECTED TO, THEN IT IS UP TO EACH CONSUMER HOW THEY PERCEIVE THAT MARKETING AND WHAT CHOICES THEY WANT TO MAKE AROUND THAT.

OBVIOUSLY WITH CHILDREN, IT IS MORE BASED ON COGNITIVE DEVELOPMENT AND YOU KNOW THERE IS ISSUES WITH THAT.

BUT I THINK THAT THEY'RE SEPARATE ISSUES.

>> THANK YOU.

SHOULD THERE BE A DIFFERENCE IN HOW DISCLOSURES ARE MADE TO CHILDREN VERSUS ADOLESCENCE, JOSH?

>> SO WE HAVE FOUND THAT IF YOU TAKE A MULTINODDAL APPROACH, IF YOU HAVE A VIDEO THAT EDUCATES, YOU USE PLAIN LANGUAGE THAT THE DISCLOSURES CAN BE EFFECTIVE FOR A WIDE AGE GROUP BUT ALSO TO NELLIE'S POINT EARLIER, FOR KIDS OF DIFFERENT DEVELOPMENTAL, AND THAT DOESN'T LEASELY TRACK TRECTLY-- DIRECTLY WITH AGE SO AS YOU ARE TARGETING GROUPS OF KIDS ON PLATFORMS, WE THINK THAT MAKING SOMETHING THAT IS EFFECTIVE ACROSS THAT SPECTRUM IS THE BEST WAY TO GO.

>> RIGHT.

BONNIE, DO YOU HAVE ANYTHING TO ADD TO THAT?

>> I WOULD JUST ADD THAT YOU KNOW, I THINK THAT THE RESEARCH IS THERE, THAT CHILDREN AT A CERTAIN AGE DON'T KNOW WHAT AN AD IS.

AND THERE ARE CHILDREN OF CERTAIN AGE RANGES THAT DO NOT UNDERSTAND THE PERSUASIVE INTEPT OF THAT.

AND THAT THAT IS JUST WHERE THEY

ARE IN THEIR COGNITIVE
DEVELOPMENT.

AND SO DISCLOSURES IN THAT CASE
ARE NOT GOING TO WORK TO INFORM
THEM SHOULD THE FTC GIVE
GUIDANCE ABOUT BEST PRACTICES
DISCLOSURE.

-- IS IS HE HAVING A SETS OF
STANDS THAT THEY CAN USE
ENFORCING SOME OF THOSE RULES
WOULD BE INCREDIBLY USEFUL.

>> WE HEARD THAT YOUTUBERS WOULD
LIKE A STANDARD APPROACH TO
DISCLOSURES, WHAT SHOULD BE THE
ROLE OF PLATFORMS IN
FACILITATING OR PURCHASING
DISCLOSURES, JOSH?

>> YEAH, THANKS, WE ACTUALLY
HAVE A PRETTY ROBUST DISCLOSURE
REQUIREMENT FOR OUR CREATORS.
WHEN THEY ARE UPLOADING CONTENT
TO IDENTIFY AND SPEAK TO
CONTENT, ONCE THEY IDENTIFY
THAT, ANOTHER BOX IS RAISED, AND
THEN THEY HAVE TO CLICK THROUGH
AND DESIGNATE A BUNCH OF
DIFFERENT CATEGORIES ABOUT THEIR
VIDEO TO DISCLOSE TO US THAT
THERE IS A PRODUCT PLACEMENT,
AND THIS UNDERLIES A POINT THAT
LARTEASE MADE EARLIER, SWI THAT
PLATFORMS ARE IN A VERY
DIFFICULT MOTION BECAUSE WE
DON'T ACTUALLY HAVE DIRECT
INCITE OR EVEN ANY DIRECT INCITE
INTO THE COMMERCIAL RELATIONSHIP
BETWEEN USER GENERATED CONTENT,
CON TENT CREATOR AND THE
ADVERTISEMENT.

AND IN FACT THAT RELATIONSHIP
CAN BE REALLY COMPLEX.
AND TAKE MULTIVARIATED KIND OF
APPROACH.

IT COULD BE A TOY, A BOXING
SCENARIO, IT COULD BE A SPEECH,
RIGHT T CAN TAKE A LOT OF
DIFFERENT FORMS.

AND SO WE REALLY DO THINK THE
ONUS IS ON THE GENERATOR OF THE
CONTENT TO DISCLOSE TO US WHAT
THEIR COMMERCIAL RELATIONSHIP
IS.

AND IF WE WERE TO HAVE AND
OBLIGATION, WE THINK IT SHOULD
BE CONSISTENT THAT WE SHOULD
DISCLOSE, WHICH WE DO NOW RIGHT,
WE WANT OUR USERS TO KNOW THAT
THEY ARE WATCHING, THE CONTENTS
THAT THEY ARE WATCHING HAS A

PAID PRODUCT PLACEMENT.
BUT THE ISSUE HERE IS THAT TO
SOME DEGREE IT HAS TO BE GENERIC
OTHERWISE WE WOULD THEN BE
MISCHARACTERIZING THE NATURE OF
THAT COMMERCIAL RELATIONSHIP.
AND IF YOU THINK AGAIN ABOUT THE
COMPLEXITY OF THE RELATIONSHIP T
IS NEARLY IMPOSSIBLE FOR US ON
EVERY VIDEO TO ACCURATELY
DISCLOSE THAT.

SO WE DO THINK THE ONUS IS
THERE, WE DO DISCLOSE THIS, WE
WANT TO DISCLOSE IT, WE WANT OUR
USERS TO UNDERSTAND IT BUT THE
NATURE THAT THIS, THE PRECISE
NATURES OF THE RELATIONSHIP
BETWEEN THE CREATOR AND THE
ADVERTISEMENT IS REALLY
DRAMATIC.

WE HAVE NO INCITE INTO THAT
OTHER THAN WHAT IS DISCLOSED TO
US.

>> OKAY.

BONNIE, DO YOU HAVE ANY VIEWS ON
THE ROLE OF PLATFORMS, DOESN'T
HAVE TO NECESSARILY BE YOUTUBE,
COULD BE OTHER PLATFORMS TOO.

>> RIGHT, I THINK WE HAVE SEEN
OTHER PLATFORMS ATTEMPT TO
PROVIDE DISCLOSURES FOR
INFLUENCERS.

AND I THINK TO DATE THEY HAVE
DONE A PRETTY BAD JOB OF IT.
THEY'RE GENERALLY QUITE
AVOIDABLE.

AND THEY'RE GENERALLY NOT CLEAR
AND CONSPICUOUS.

SO I TI TO THE EXTENT THAT
PLATFORMS ARE GOING TO TRY AND
HELP CONSUMERS, THEY NEED TO DO
A MUCH BETTER JOB OF IT.

>> THANK YOU.

SOME OF THE HARMS MENTIONED IN
THE LAST PANEL INCLUDES THE
CUMULATIVE EFFECT OF BIG DATA,
AN INCREASING OF AD BY KIDS,
MANIPULATION OF CHILDREN AND
MICK IT HARDER FOR THEM TO
DEFEND AGAINST ADS, WOULD DIGS
CLOSURES BE ENOUGH TO COMBAT
SUCH POTENTIAL HARMS OR SOME
OTHER KIND OF TRANSPARENCY OR
SOLUTION NEEDED, SNEHA.

>> YEAH, AS EVERYONE HAS SAID,
BEING ABLE TO DETECT AN AD ALONE
IS NOT ENOUGH BECAUSE KIDS MAY
NOT ALWAYS HAVE THE COGNITIVE
CAPACITY TO UNDERSTAND WHAT IT

MEANS TO PAY FOR AN AD OR
PROCESS HOW THE AD IN QUESTION
MIGHT HAVE BP PLACED
SPECIFICALLY TO MANIPULATE THEIR
PURCHASING DECISION.

AND SO AS HAS BEEN SAID BEFORE,
AS WELL, DISCLOSURES MAY NOT
WORK FOR ALL AGE GROUPS AND WHAT
THAT MEANS IS DISCLOSURES ARE
ONE SOLUTION BUT THEY CANNOT
STAND ALONE AS THE ONLY SLEUKS,
WE NEED A ROBUST PUBLIC
AWARENESS TO ENSURE THAT YOUTH
UNDERSTAND HOW TO OPERATE AS
RESPONSIBLE CONSUMERS WHO MIGHT
BLS NEED TECHNOLOGICAL CONTROLS
TO ACTUALLY SIFT THROUGH
ADVERTISING MATERIAL AND EMPOWER
PARENTS AND CHILDREN TO AVOID
HARMFUL CONTENT.

>> THAT SAY GREAT TRANSITION TO
THE NEXT TOPIC WHICH IS PARENTAL
CONTROLS.

LET'S SWITCH GEARS.

>> ON THE LAST PANEL WE HEARD
THAT PARENTAL INVOLVEMENT IS A
MITIGATING FACTOR.

AND I WOULD LIKE TO ASK ARE THE
PARENTAL CONTROLS IN EXISTENCE
THAT COULD HELP PROTECT YOUTH
FROM BLURRED ADVERTISING?

JOSH?

>> YEAH, THERE ARE.

AND LET ME JUST TAKE A QUICK
MOMENT TO EXPLAIN HOW WE
APPROACH THIS ON YOUTUBE.

WITH THE CAV YET THAT WE DON'T
HAVE OUR PRODUCT FEATURES FLOW
AT WE HAVE OUR PRODUCT FEATURES
FLOW WITH THE TYPE OF CONTENTS.
SO THE FIRST PRODUCT THAT WE
HAVE IS YOUTUBE KID.

ALL USERS UNDER 13 SHOULD BE ON
YOUTUBE KID, WITHIN YOUTUBE KIDS
WE HAVE DISABLED PERSONAL AADED
ADS, DISABLED PERSONAL CONTENT,
AUTO PLAY, WE HAVE A VERY HIGH
STANDARD FOR CONTENT.

FOR COMMERCIAL CONTENT AND SO WE
REALLY WANT TO TRY TO REDUCE ITS
OVERLY COMMERCIALIZED CONTENT
THAT KIDS ARE VIEWING, AND
INSTEAD RAISE, REALLY HIGH
QUALITY COMMERCIAL CONTENT.

WE ALSO HAVE A THREE SECOND BUMP
TORE HELP KIDS DISTINGUISH
BETWEEN PAID ADVERTISEMENT.
AND THE ORGANIC CONTENT THEN WE
HAVE A PRODUCT THAT IS NEW

CALLER SUPER SUPERVISED EXPERIENCES, FOR PARENTS WHO THINK BETWEEN OR BETWEEN ARE READY FOR SOMETHING BIGGER, BUT SUPERVISED CLOSELY.

WE ARE DISCUSSING, THERE IS A TON OF RESTRICTIONS ON THE KINDS OF CONTENT THAT CAN BE ALLOWED AND FINALLY ON YOUTUBE MAIN THERE ARE SOME MID FOR KID CONTENT LIKE ADVERTISEMENT, LIKE THE CONTENT WE SHOWED EARLIER. THAT WILL BE VIEWED IN A FAMILY CONTEXT, FOR EXAMPLE IN THE LIVING ROOM, AND IN THAT CATEGORY, PPPS ARE ALLOWED BUT THEY ARE REALLY HIGHLY RESTRICTED SO FOR EXAMPLE NO ALCOHOL PRODUCT, NO BEAUTY OR COSMETIC, NO FOOD AND BEVERAGE AND I WOULD NOTE NO FOOD AND BEVERAGE REGARDLESS OF THE NUTRITIONAL CONTENT.

WE DON'T ALLOW THAT AT ALL. SO THERE ARE A WHOLE SEERGS OF FEATURES THAT ARE BAKED IN BASED ON THE AGE GROUP AND THE PLATFORM, SUBPLATFORM YOU ARE ON.

>> BONNIE, DO YOU HAVE ANYTHING TO ADD TO THAT.

>> I MEAN I THINK THAT TECHNOLOGY IS THERE FOR MANY SOCIAL MEDIA PLATFORMS TO HAVE PARCHLTAL CONTROLS.

I THINK SOME OF THE ISSUES ARE THAT YOU SHOULDN'T HAVE TO READ 45 PAGES IN YOUR TERMS AND CONDITIONS AS A PARENT TO FIGURE OUT HOW TO USE IT OR THAT IT EVEN EXISTS.

AND THEN I THINK WITH A LOT OF THESE PARENTAL CONTROLS THEY ARE NOT FOCUSING ON STEALT MARKETING OR ADVERT GAIN GAMES OR THINGS LIKE THAT, SO WHILE YOU MAY BE ABLE TO HAVE AGE LIMB GAITION-- LIMB DAITION TAITIONS, THERE ISN'T A FOCUS ON PERHAPS THIS SORT OF HARD TO IDENTIFY DECEPTIVE MARKETING.

>> PRACTICALLY SPEAKING, WOULD TECHNOLOGY IDENTIFY AN EMBEDDED AD IN CONTENT WHEN HUMANS ARE UNABLE TO DO SO SOMETIMES? SNEHA?

>> YEAH, I DEFINITELY DO BELIEVE SO. THEY TALK ABOUT HOW AI OFTEN

ACTEDS AS A DOUBLE EDGED SWORD T
OBVIOUSLY HAS POTTED WE ARE
TO-- IT CAN ALSO BE USED AS A
TOOL WHERE HUMANS TEND TO FAIL T
IS HARD FOR US TO DETECTED WORD
ADVERTISING SPHWAWFS ENTHE WHOLE
POINT, AND THE TECHNIQUES HAVE
OFTEN GOTTEN SO SOPHISTICATED
THAT IT IS HARD TO BE VISIBLE TO
THE UNTRAINED HUMAN EYE.

WE CAN HARNESS POT WE ARE
OF-- TO TRAIN ALGORITHM TO SIFT
THROUGH ADS, NONADS AND TEACH IT
TO MAKE GENERALIZATIONS AND
RECOGNIZE PATTERNS IN THE DATA
THAT HUMANS MIGHT NOT BE ABLE TO
SPOT AND POTENTIALLY ARMOR
OURSELVES WITH A POWERFUL TOOL
TO BE USED TO SUPPORT PARENTS,
CHILDREN AND MORE.

I THINK THAT TECHNOLOGY CAN BE
AN ALLY IN THE FIGHT AGAINST
WORD ADVERTISING AND ARTIFICIAL
INTELLIGENCE PLAYS A ROLE IN
HELPING US IDENTIFY EMBEDDED
ADVERTISEMENTS THAT MIGHT NOT
OTHERWISE BE VISES VISIBLE TO
HUMANS.

>> THANKS, DO YOU AGREE OR DO
YOU THINK CONTENT PROVIDER WOULD
NEED TO SELF-IDENTIFY.

>> FROM OUR POINT OF VIEW THE
CREATOR WOULD ALWAYS NEED TO
IDENTIFY AND DISCLOSE TO US,
THAT IS THE FIRST PRINCIPLE
SECONDLY IT IS A TECHNOLOGY
COMPANY WHERE HUGE BELIEVERS OF
DEPLOYERS OF, AND SHOULD DO IT
IN A VARIETY CONTEXT.

WE DO IT IN RECOMMENDATIONS
BASED ON ALL KINDS OF SIGNALS TO
GIVE USERS THE CONTENT WE THINK
THAT THEY MIGHT WANT TO SEE.
AND WE USE IT IN OUR CONTENT
MODERATION.

NOW IT IS REALLY GOOD AT CERTAIN
KINDS OF CONTENT MODERATION LIKE
PORNOGRAPHY IT IS MUCH LESS GOOD
AT MUCH MORE-- HIGHLY
CON-- CONTEXTUALIZED TYPES OF
CONTENTED LIKE BLURRED
ADVERTISEMENT OR EXTREMIST
SPEECH, IS HIGHLY DEPENDENT ON
CUES, ON VARIOUS TURNS OF
PHRASE, ON CONTEXT, ET CETERA.
AND SO IN THAT CATEGORY, IN
CONTENT MODERATION WE HAVE
THOUSANDS AND THOUSANDS OF HUMAN
REVIEWERS BECAUSE MACHINE

LEARNING JUST SIMPLY ISN'T UP TO PAR.

SO THERE IS A PLACE FOR MACHINE LEARNING BUT OVERALL NOT THERE YET.

>> DO YOU HAVE A SENSE OF HOW COMPLIANT CONTENT CREATORS ARE WITH THE REQUIREMENT THAT THEY IDENTIFY THEIR CONTENT AS ADVERTISING?

>> JOSH?

>> YEAH, THAT SAY GREAT QUESTION.

I DON'T HAVE THAT DATA IN FRONT OF ME, I MEAN IT IS A REQUIREMENT OF ALL CONTENT, OF ALL-- THOUGHTS TO DISCLOSE TO US THAT MADE FOR QUID CONTENT AND THEN WHAT THE DISCLOSURE REQUIREMENTS ARE RELATIVE TO PAID PRODUCT PLACEMENTS.

>> BONNIE, DO YOU THINK THAT THERE COULD BE STRONGER INCENTIVES FOR SELF-IDENTIFYING AND IF SO WHAT COULD THOSE BE?

>> ABSOLUTELY.

I THINK RIGHT NOW IT IS ECONOMICICALLY ADVANTAGEOUS FOR INFLUENCERS AND BRANDS TO USE STEALT MARKETING.

I MEAN SORT OF PIGGY BACKING ON WHAT JOSH SAID, YOU KNOW, IN TINA.ORG'S EXPERIENCE, INFLUENCERS AND VLOGGERS ARE NOT FOLLOWING THE RULES ON ANY SOCIAL MEDIA PLATFORMS.

THEY ARE NOT IDENTIFYING WHEN THERE IS COMMERCIAL SPEECH GOING ON IN THEIR CONTENT.

AND THEY ARE BLURRING THE LINES. AND SO I THINK IT WOULD BE REALLY HELPFUL IF THESE PLATFORMS AT LEAST MADE INFLUENCERS AND CONTENT CREATORS FOLLOW THE TERMS AND CONDITIONS THAT ARE THERE IN THESE PLATFORMS.

I MEAN THESE ARE VOLUNTARY RULES AND THE PLATFORMS SHOULD DO SOMETHING ABOUT IT WHEN THEY FIND VIOLATERS.

YOU KNOW, I ALSO THINK THE FTC COULD HAVE A ROLL HERE THEY SENT OUT OVER-- TO NATIONAL ADVERTISERS, TALKING ABOUT ENDORSEMENTS AND TESTIMONY YALS AND I THINK THAT USING THAT TOOL COULD BE VERY HELPFUL TO ENCOURAGE MORE PEOPLE TO

DISCLOSE INSTEAD OF USING
STEALTH MARKETING.

>> ASSUMING THE TECHNOLOGY COULD
IDENTIFY EMBEDDED ADS OR
CONTENT, OR WHETHER THROUGH
ARTIFICIAL INTELLIGENCE OR
SELF-IDENTIFICATION, COULD A
SOLUTION WITH RESPECT TO THE
YOUNGEST CHILDREN BE GIVING
PARENTS AT BLOCKING TOOLS FOR
PROVIDING PARENTS WITH
DISCLOSURES BEFORE KIDS VIEWED
THE CONTENT, SNEHA?

>> AS I MENTIONED BEFORE I THINK
PARENT AS LOAN CAN'T ALWAYS ACT
AS AN EFFECTIVE INTERMEDIARY AND
THERE NEEDS TO BE AN ADDITIONAL
LAYER TO EMPOWER THEM TO
HELP SIFT THROUGH THAT HARMFUL
CONTENT SO I DO AGREE THAT THERE
ARE SOME LIMITATIONS TO USING
MACHINE LEARNING IN THIS
CONTEXT, MACHINE LEARNING MIGHT
NOT QUITE BE THERE YET IT MIGHT
NOT QUITE BE UP TO SPEED
BUT I THINK WE SHOULD
THOUGHTFULLY DEPLOY AT BLOCKING
TOOLS AND EQUIP PARENTS WITH
THOSE TOOLS TO PROPEL IDENTIFIED
EMBEDDED ADS AND SIFT THROUGH
THAT.

>> ARE BOTH ALTERNATIVES I
MENTIONED EITHER OF PARENTS
BEFORE THE KIDS VIEW CONTENT OR
AD BLOCKING OR BOTH OF THOSE
ALTERNATIVES ACCEPTABLE OR IS
ONE PREFERRABLE?

BONNIE AND THEN LARTEASE.

>> WELL, I THINK WE HEARD ON
OTHER PLATFORMS THAT CHILDREN ARE
SEEING UP TO A THOUSAND ADS A
DAY, YOU KNOW.

AND IF YOU HAVE MORE THAN ONE
CHILD, THAT WOULD BE A LOT OF
ADS FOR ANY PARENT OR GUARDIAN
TO HAVE TO SIFT THROUGH
DISCLOSURES.

SO I THINK THAT THAT WOULD BE
ABSOLUTELY IMPRACTICAL.

I THINK THAT AD BLOCKERS COULD
BE HELPFUL AS ONE, YOU KNOW,
ARROW IN THE QUIVER.

BUT THEY'RE NOT GOING TO FIX THE
PROBLEM AS IT CURRENTLY STANDS.

>> LARTEASE.

>> YEAH, I THINK THERE'S A
PREFERENCE FOR DISCLOSURE OVER
AD BLOCKING TOOLS AND I WILL
TELL YOU WHY.

I THINK ONE, WHICH I HAVE NOT HAD AN OPPORTUNITY TO SCWUS BEFORE IS HOW IMPORTANT DIGITAL ADVERTISING IS ACTUALLY TO OUR ECONOMY, TO THE CONTENT THAT PROVIDE-- THAT KIDS GET TO USE. ALL OF THAT IS SUBSIDIZED BY THE FACT THAT YOU CAN USE DIGITAL ADVERTISING TO SORT OF-- THE COST OF DEVELOPMENT OF THE CONTENT AND PRODUCING IT AND THINGS LIKE THAT.

THAT WOULDN'T EXIST BUT FOR THE ABILITY TO USE ADVERTISING FSM WE DID AWAY WITH ADVERTISING BY BLOCKING ADS, THAT BASICALLY DOES AWAY WITH THE CONTENT, IT VALUES IT AND A MENTIONED THE CONTENT MAY GO AWAY.

OR YOU MAY SEE COMPANIES START PUTTING CONTENT BEHIND K WALL WHERE ONLY THOSE WHO CAN AFFORD TO PAY WILL GET IT.

SO THAT MEANS THEY HAVE, INSTEAD OF RIGHT NOW WHERE THEY GET KIDS GET A LOT OF CONTENT FOR FREE, BASICALLY, ENORMOUS AMOUNT OF CONTENT, ALL OF THAT WOULD GO AWAY AND ONLY THOSE WHO COULD AFFORD TO PAY WOULD BE ABLE TO USE IT.

SO I THINK IT IS IMPORTANT TO REALIZE THE VALUE THAT ADVERTISING PLAYS IN OUR ECONOMY, AS WELL AS THE DEVELOPMENT OF THE CONTENT AND PRODUCTS AND SERVICES THAT WE ALL LOVE AND ENJOY.

SO I WANT TO MAKE SURE WE TALK ABOUT THAT FOR JUST A SECOND.

I MEAN I THINK THAT THE PREFERENCE HERE WOULD BE DISCLOSURE WHICH IS WHAT THE FTC HISTORICALLY HAS BEEN DOING. WE TALKED EARLIER ABOUT THE ENDORSEMENT GUIDE.

THERE ARE OTHER DISCLOSURES AS WELL THAT THE FTC HAS IMPLEMENTED.

I THINK THOSE THINGS ARE THINGS THAT ARE PREFERRABLE THAN TRYING TO DEVELOP, OR THE FTC SORT OF FORCE THE AD BLOCKING.

>> NELLIE I DON'T HAVE AN OUTLINE BUT I SEEM TO RECALL YOU MENTIONED SOMETHING ABOUT THE EXPERIENCE OF AD BLOCKING WITH ROADBLOCKSES, IS MY RECOLLECTION CORRECT?

>> I DON'T THINK I WAS THE ONE MENTIONING ROADBLOCKS IN PARTICULAR.

>> IT WAS YOU?

>> YES, WHEN TINA.ORG DID AN INVESTIGATION OF ROADBLOCKS, IF PARENTS WERE TO SET THE PARENTAL CONTROLS AT THAT TIME, TO RESTRICT THE VIEWING OF CHILDREN TO ALL AGES, IT BASICALLY MEANT THAT THEY SAW NOTHING.

I THINK ROADBLOCKS HAS SINCE CHANGED AFTER OUR COMPLAINT TO THE FTC.

BUT AT THE TIME, THIS SORT OF EXCEPTION TO ENSURE THE SAFETY OF THE CHILD BASICALLY MEANT THAT THE CHILD WOULD SEE ALMOST NOTHING AND DEFINITELY NOT THE POPULAR GAINS.

>> I THINK I KNOW THE ANSWER TO THIS QUESTION BUT I'M GOING TO ASK IT.

SHOULD THE FTC ENCOURAGE THE DEVELOPMENT OR USE OF AD BLOCKING TOOLS?

>> YEAH, I THINK IT IS MENTIONED BEFORE THAT THERE OBVIOUSLY ARE SOME LIMITATIONS THAT THESE AD BLOCKING TOOLS HAVE, AND SOME GENERAL DISCLOSURES MIGHT BE THE BEST SOLUTION BUT I STILL THINK THAT THERE IS, IT DOES MERIT SOME EXPLANATION OF WHAT THESE TOOLS CAN DELIVER AND I THINK THAT IT IS ALSO IMPORTANT FOR US TO UTILIZE AI, AND SO I THINK THAT WE DEFINITELY SUGGEST FURTHER EXPLORATION OF THESE TOOLS BUT I DON'T THINK WE CAN MOVE FORWARD FORCEFUL ENDORSEMENT OR FORCEFUL ENFORCEMENT OF THESE TOOLS QUITE YET.

>> THANK YOU.

ON THE FIRST TWO PANELS TODAY, BOTH PANELS, THE THERE WERE MENTIONS OF FAMILIES OF LOWER SOCIOECONOMIC STATUS HAVING A NUMBER OF CHALLENGES AS A GATEKEEPER.

ARE THERE POPULATIONS FOR TERMS THE GATE KEEPER JUST ISN'T VIABLE, NELLIE?

>> WELL YES, ABSOLUTELY IN OUR RESEARCH THOUGH I DON'T HAVE QUAWBT FATIVE NUMBERS BUT CONDUCTING QUALITATIVE RESEARCH, LOWERING LOW INCOME FAMILIES

AND RESCINDING GRANTS, YOUNGER PARENTS, OTHER ECONOMICALLY STRESSED HOUSEHOLDS, OBVIOUSLY ARE MORE, HAVE LESS RESOURCES FOR EXAMPLE FOR AD-FREE CONTENT OR SUBSCRIPTION SERVICES, OR HAVE THE TIME TO NAVIGATE THE DIGITAL PARENTAL CONTROL TOOLS THAT MIGHT BE AVAILABLE TO THEM BUT FRANKLY WE KNOW ARE NOT BEING WIDELY USED.

BUT I POINT I WANT TO MAKE IS IT IS NOT LIMITED TO LOWERING. THAT CHALLENGE THAT PARENTS FACE IS NOT LIMITED TO LOWER INCOME FAMILIES OR FAMILIES WITH-- OR PARENTS WITH, YOU KNOW, LESS EDUCATIONAL LEVELS AND STUFF LIKE THAT.

IN OUR EXPERIENCE FAMILIES ACROSS THE ECONOMIC, SOCIOECONOMIC STRAT UP ARE STRUGGLING TO NAVIGATE THE EVER REVOLVING VIDEO-- STRUGGLING TO FIGURE OUT WHAT PARENTAL CONTROLS ARE AVAILABLE TO THEM OR COULD BE PUT IN PLACE TO MONITOR THEIR CHILDREN.

AND FRANKLY, THEY DON'T HAVE THE DIGITAL LITERACY THEMSELVES TO REALLY BEING ABLE THEMSELVES VERY OFTEN TO A DIFFERENT SHADE BETWEEN CON TNT THAT MIGHT BE, YOU KNOW, PROMOTIONAL VERSUS CONTENT THAT IS FREE, THE QUALITY OF CONTENT, ITS WHOLE SPECTRUM OF ISSUES THAT WE DEAL WITH, YOU KNOW, SPEAKING TO PARENTSES ABOUT DIGITAL MEDIA. SO ANY KIND OF ANTICIPATION THAT PARENTSES WOULD BE EFFECTIVE GATEKEEPERS AS FAR AS ADVERTISING TO THEIR CHILDREN IS JUST NOT REALISTIC IN MY VIEW.

>> I THINK THAT WE NEED TO REALIZE THAT PARENTSES, I'M A PARENT, HAVE I A FIVE YEAR OLD DAUGHTER, PATIENTS STILL HAVE THE RESPONSIBILITY TO LOOK AFTER THEIR KIDS. AND THAT EXISTS IN A DIGITAL WORLD AND A PHYSICAL WORLD.

RIGHT NOW PARENTS ARE WHEN THEY GO TO SHOPPING MALLS OR THEY ARE AT AMUSEMENT PARKS, THEIR KIDS ARE INUNDATED WITH MARKETING AND ADVERTISING TO GET THEM TO BUY PRODUCTS AND SERVICES. BUT PARENTS AT THE END OF THE

DAY ARE THE GATE KEEPER DECIDE
WHETHER THEY WILL PURCHASE
SOMETHING FOR THEIR KID OR NOT.
I DON'T THINK THAT THERE IS A
REAL DISTINCTION BETWEEN THE
PHYSICAL AND DIGITAL WORLD
STVMENT SAME THING.

AT THE END OF THE DAY IF THE
PARENT DOESN'T WANT TO BUY THE
CHILD A PRODUCT, THAT THEY SEE
ON A TABLET, THEY ARE NOT GOING
TO DO IT JUST LIKE THEY WOULDN'T
DO IT IF THEY WERE IN STORE.

SO I THINK WE NEED TO NOT FORGET
THAT PARENTS DO HAVE THEIR OWN
DUTY AND RESPONSIBILITY.

AND THEY ALSO WANT THEIR OWN
CHOICES, RIGHT.

THAT AS PARENT, SO I THINK WE
NEED TO BE CAREFUL ABOUT TRYING
TO IMPOSE ONE VIEW OF PARENTING
ON ALL PARENTS.

BECAUSE EVERYONE IS DIFFERENT,
AND THEY SHOULD BE ALLOWED TO
DECIDE FOR THEMSELVES AND THEIR
CHILD WHAT THEY WANT TO DO.

>> THANK YOU, LET'S MOVE ON TO
THE NEXT TOPIC.

EARLIER WE DISCUSSED EDUCATION.
AND I WOULD LIKE TO ASK TO WHAT
EXTENT IS EDUCATION HELP
ENVELOPE PROTECTING YOUTH FROM
BLUR ADVERTISING.

>> YES, -- RUN FOR JUSTICE HAS A
ETHIC PROGRAM, REACHED 10,000
VIEWS WORLDWIDE WE HAVE BEEN
ACTUALLY ABLE TO START
CONVERSATIONS ABOUT THE SOCIAL,
PLITD KAL, ETHICAL AND
ENVIRONMENTAL DIMENSIONS OF
TECHNOLOGY.

SO I HAVE SEEN FIRST HAND HOW
POWERFUL THE AWARENESS EFFORTS
CAN BE IN DRIVING CHANGE IN
CONVERSATION, I'VE SEEN-- THEM
TAKING ACTION IN THEIR
COMMUNITIES BY CONTACTING
LAWMAKERS RAISING TOPICS WITH
PARENTS AT THE DINNER TABLE OR
ENCOURAGING FRIENDS TO GET
INVOLVED.

I'M OPTIMISTIC IF WE MADE A
SIMILAR PUSH TO GET THE WORD OUT
ABOUT HOW HARMFUL BLUR
ADVERTISING CAN BE AND OUTLINED
SPECIFIC ACTION STEPS AND
MEASURES PEOPLE CAN TAKE TO
BECOME MORE SENSITIVE TO SUCH
ADVERTISING PRACTICES AND

PROTECT THEIR FRIENDS AND FAMILIES, MY PEERS AND I WOULD BE RECEPTIVE.

WE OBVIOUSLY STILL NEED MORE AGGRESSIVE ACTION, DISCLOSURES, EVERYTHING WE HAVE MEXED PREVIOUSLY BUT THE POINT IS RERAMP UP ITS EDUCATIONAL WORK WE ARE DOING TO ENSURE THAT NOT ONLY ARE WE DETECTING AND ADVERTISING ADS, WE ARE ALSO TEACHING THAT EMPOWERING YOU TO UNDERSTAND HOW PAID PRODUCT PLACEMENT, THEIR RELATIONSHIP WITH THE INTERNET AND THEIR RELATIONSHIP WITH ADVERTISING, THAT THEY ACTUALLY UNDERSTAND HOW THAT IMPACTS THEIR PURCHASING DECISIONS.

>> BONNIE?

>> I WOULD OBJECT VEESLY AGREE WITH ALL OF THAT. I THINK EDUCATION IS INCREDIBLY IMPORTANT.

NO ONE IS GOING TO BE ABLE TO HELP CHILDREN MORE THAN BEING EDUCATED WITH THAT CRITICAL CONCEPTS IS OF WHAT MARKETING IS.

BECAUSE SOMEONE IS NOT GOING TO ALWAYS BE LOOKING OVER THEIR SHOWMED TORE SEE WHAT IS GOING ON.

SO AS THEIR COGNITIVE AGE ALLOWS LEARNING ABOUT MEDIA LITERACY AND MARKETING LEARNING TO BE SCEPTICAL OF MARKETING BUT ALSO LEARNING ABOUT THESE DECEPTIVE TACTICS OF STEALT MARKETING I THINK WILL GO A LONG WAY TO PEOPLE WE ARING CHILDREN AS THEY CRON LOGICALLY AGE TO PROTECT THEMSELVES BETTER.

>> THANK YOU.

NELLIE, WOULD AN INCREASE IN ADVOCACY ALLOW KIDS TO EVALUATE THE ADS THEY SEE AND THAT THE PRODUCTS ARE BEING INTRODUCED TO THEM BY PAID ADVERTISEMENTS.

>> THE MEDIA LITERACY EFFORTS, AND CURRICULUM IN SCHOOLS, WE HAVE SEEN OVER THE PAST I WOULD SAY FIVE YEARS, WE HAVE SEEN GREAT PROGRESS IN KID'S ABILITY TO RECOGNIZE ONLINE BULLYING OR BEING MORE AWARE OF DIGITAL CITIZENRY TYPES OF BEHAVIORS, ABOUT SPOBLG BEHAVIORS ON SOCIAL MEDIA.

OF COURSE THERE ARE A LONG WAYS TO GO IN FULLY PROTECTING TEENS AND PRETEENS FROM ALL THE POSSIBLE INFLUENCES THAT THEY ARE EXPOSED TO.

BUT HUGE PROGRESS HAS BEEN MADE.

SO THAT MAKES ME VERY, VERY HOPEFUL THAT A REALLY CONCERTED EFFORT IN INTRODUCING MEDIA LITERACY CURRIC LA, TOPICS ABOUT ADVERTISING, ABOUT STEALTH ADVERTISING AND ESPECIALLY NEW FORMS OF ADVERTISING AND IMMERSIVE ENVIRONMENTS, COULD BE POTENTIALLY VERY, VERY POWER WE AREFUL AND MEDIA LITERACY GEN, MEDIA LITERACY CURRICULUM IS NOW BEING ADOPTED IN MANY PUBLIC SCHOOLS, MIDDLE SCHOOLS AND EVEN UPPER ELEMENTARY GRADES SO THIS IS SOMETHING

UNFORTUNATELY VERY OFTEN THERE ARE JUST FOCUS TOO MUCH ON HOW TO CREATE A BEAUTIFUL POWER POINT INSTEAD OF REALLY TALKING AND TEACHING KIDS AND STUDENTSES ABOUT CRITICAL THINKING SKILLS AND HOW TO CRITICALLY EVALUATE THE INTENT OF MESS ARNLINGSES, BUT IT IS A START.

AND IT COULD BE A GREAT PLATFORM TO INTEGRATE MORE EDUCATION ON STEALTH ADVERTISING.

>> THANK YOU.

>> COULD WE BRING BACK THE SLIDES?

JOSH WHAT DOES A.

>> IF HE F WE COULD GO TO THE NEXT SLIDE, WHAT WE WILL DO FOR SU PLAY THE VIDEO, THAT WOULD PLAY FOR A USER WHO HAD CLICKED ON THAT LITTLE DISCLOSURE UP TOP, SO WE CAN GO AHEAD.

>> WHEN YOU SEE THIS BUTTON ON A VIDEO, IT MEANS THE PERSON WHO MADE THE VIDEO MIGHT GET MONEY OR FREE THINGS FROM A COMPANY TO MAKE IT.

WE CALL THIS A PAID PROMOTION. FOR EXAMPLE, IF A VIDEO HAS A TOY IN IT, THE PERSON WHO MADE THE VIDEO MIGHT GET MONEY TO SHOW THE TOY TO YOU.

THAT IS BECAUSE THE COMPANY WHO MADE THE TOY WANTS YOU TO BUY IT.

SO AGAIN, THAT IS WHAT THIS BUTTON MEANS WHEN YOU SEE IT.

>> SO AS YOU CAN SEE, THE VIDEO

IS QUITE SHORT, AND IT EXPLAINS THE FUNDAMENTAL PREMISE AND IF THIS WORKS WE THINK FOR US, ONCE THE USER HAS, ONCE THE CREATOR HAS DISCLOSED TO US THAT THERE IS SOME SORT OF PRODUCT PLACEMENT THAN WE CAN EDUCATE KIDS AND WE FOUND IN OUR RESEARCH THAT THE VIDEO ALONG THIS, APPEARS ON VIDEOS, IS ACTUALLY REALLY EFFECTIVE. SO IT IS NOT THE KIND OF THING TO GO BACK AND KIDS HAVE TO WATCH MULTIPLE TIMES IN ORDER TO UNDERSTAND WHAT THEY ARE SEEING. SO GEN, OUR OBJECTIVE IS TO MAKE SURE THEY CAN REALLY UNDERSTAND WHAT A PRODUCT PLACEMENT IS WITH ALL ITS COMPLEXITY. SO AFTER A HUGE AMOUNT OF RESEARCH WE BOILED IT DOWN TO THIS PRODUCT.

>> GREAT, THANK YOU.

NELLIE, DO YOU HAVE ANYTHING FURTHER, CAN WE PUT AWAY THE SLIDES PLEASE.

>> NELLIE, DO YOU HAVE, I KNOW YOU TALKED EXTENSIVELY JUST NOW ABOUT EDUCATION, DO YOU HAVE ANY THOUGHTS ON WHAT YOU SAID ABOUT RESPECT REE SCHOOL AND MIDDLE SCHOOL EDUCATION ON WHAT AN EDUCATIONAL CAMPAIGN COULD OR SHOULD LOOK LIKE?

>> WELL, I LIKE WHAT YOUTUBE WAS DOING, THIS IS THE FIRST THAT I SEE JOSH, THANK YOU FOR SHARING WITH US, I THINK THIS IS GREAT IF IT WAS CONSISTENTLY ADOPTED ACROSS DIFFERENT PLATFORMS OR SOMETHING SIMILAR, ESPECIALLY WITH SIMILAR LANGUAGE OR SIMILAR ICONOGRAPHY WOULD BE INCREDIBLY POWERFUL.

THERE IS ALSO OF COURSE DEFINITELY A ROLE OF PARENTS, PARENTS HAVE BEEN INCREDIBLY SUCCESSFUL IN TEACHING THEIR KIDS ABOUT STRANGER DANGER.

AS FAR AS SOCIAL MEDIA IS CONCERNED.

BUT THEY ARE LESS AWARE OF ADVERTISING, THEY JUST DON'T HAVE THE TOOLS, THE KNOWLEDGE, TO REALLY AND FRARPTIONLY, OR THE ABILITY EVEN TO KNOW WHAT KIND OF ADVERTISING THEIR KIDS ARE EXPOSED TO.

RIGHT NOW THEY ARE APPLYING IN

OUR EXPERIENCE IN OUR RESEARCH PARENTS ARE APPLYING THE SAME STRATEGY THEY APPLIED WITH TELEVISION COMMERCIALS, BASICALLY.

THEY ARE BEING WITHIN AN EARSHOT OF A VIDEO THAT THEIR KIDS IS USING, OR DIMMING TAL GAMES BUT THAT OF COURSE DOESN'T MEAN THAT THEY ACTUALLY SEE WHAT THEY, OR HEAR WHAT THEIR KID IS LISTENING TO.

SO SOME KIND OF ALSO I HAD KAITIONAL, I DON'T WANT TO SAY CAMPAIGN, SOME KIND OF EDUCATIONAL INITIATIVE FOR PARENT WAS ALSO BE VERY, VERY USEFUL.

>> GREAT.

BONNIE S IT POSSIBLE TO EDUCATE CHILDREN UNDER FIVE ON HOW TO EVALUATE ADVERTISING THAT IS BLENDED CONTENT?

>> I THINK THAT THE ANSWER GIVEN WHAT WE HAVE HEARD IS NO.

>> OKAY, LAR DS TEASE.

>> I DISAGREE, I THINK JOSH JUST GAVE A PER SPECT-- PERFECT EXAMPLE OF AN EDUCATIONAL WAY WHICH BASICALLY A VIDEO, I THINK IT IS VERY SIM POLICE PARTICULAR THAT ACTUALLY TEACHES A KID ABOUT ADVERTISING.

I WOULD JUST KIND OF SAY THAT NOT EVERY THING IS GOING TO FIT THE SAME MEDIUM SO I THINK PODCASTS AND OTHER THINGS WHERE WE WOULD WANT TO HAVE A DIFFERENT KIND OF EDUCATIONAL BUT I THINK MORE EDUCATION IS BETTER.

I THINK FOR KIDS, I THINK FOR ADULTS AS WELL, FOR THE PARENTS, SO YEAH, I SUPPORT THAT.

I.

>> JOSH, IF YOU TEST YOUR CAMPAIGN FOR KIDS UNDER FIVE.

>> NO, OUR CAMPAIGN WAS TESTED KIDS 5 TO 12 AND THEIR PARENTS.

>> THANK YOU.

WHO SHOULD BE EDUCATED, KIDS, PARENTS, TEENS OR ALL OF THE ABOVE.

>> ALL OF THE ABOVE.

WE ARE HUGE LEADERS IN EDUCATION.

WE WANT ALL OF OUR USERS TO BE EDUCATED.

WE DO THIS ACROSS VARIOUS

SPACES.

WE HAVE A CAMPAIGN ABOUT
MISINFORMATION.

SO THE MORE INFORMATION PEOPLE
HAVE, THE MORE EDUCATION THEY
HAVE, THE BETTER AND MORE
DISCERNED VIEWERS AND EXPERIENCE.
THAT'S BETTER FOR THE ENTIRE
ECOSYSTEM, CERTAINLY WITHIN
YouTube.

>> NELLIE.

I AGREE WITH JOSH.

OKAY.

WHAT'S THE BEST FORUM FOR
EDUCATION AND WHO SHOULD BE
RESPONSIBLE FOR PROVIDING THIS
EDUCATION?

JOSH?

>> YEAH, I MEAN, THIS IS A WHOLE
OF COMMUNITY EFFORT.

AT YouTube WE TAKE
RESPONSIBILITY AS OUR ABSOLUTE
TOP PRIORITY, SO WE TAKE THIS
INCREDIBLY SERIOUSLY.
THAT'S WHY WE'VE GONE TO SUCH
EFFORTS TO MAKE SURE WE HAVE THE
DISCLOSURES AND THE VIDEO THAT
WORK TOGETHER, AND IN OUR
CUSTOM, THEY USUALLY WORK FOR
OUR USERS, BUT IT'S A
RESPONSIBILITY FOR ALL OF US.
IT'S A RESPONSIBILITY FOR
PARENTS, IT'S A RESPONSIBILITY
FOR OUR COMMUNITY LEADER, OUR
GOVERNMENT REGULATORS AND
PARTNERS TO HELP US.
SO THIS IS A SOCIETAL-WIDE
EFFORT, AND WE'RE PROUD TO PLAY
A LEADING ROLE IN IT.

>> BONNIE.

I HAVE NOTHING TO ADD.

BONNIE, DO YOU THINK THE
F.T.C. SHOULD ASSIST WITH SUCH
EDUCATION.

>> ABSOLUTELY, YES.

OKAY.

CHANGING TOPICS, WE TALKED
EARLIER ABOUT DISCLOSURES, AND
NOW I'D LIKE TO TALK ABOUT
WHETHER THE FAILURE TO
ADEQUATELY DISCLOSE THE
COMMERCIAL NATURE OF ADVERTISING
IS A DECEPTIVE PRACTICE.
FOR CHILDREN AND TEENS WHO ARE
ABLE TO UNDERSTAND WHAT
ADVERTISING IS, IS IT SOMETIMES
OR ALWAYS IMMATERIALLY DECEPTIVE
PRACTICE NOT TO DISCLOSE THE
NATURE OF SPONSORED CONTENT AND

WHY OR WHY NOT?

LET'S START WITH BONNIE.

>> I WOULD SAY, GIVEN THAT ASSUMPTION THAT THEY UNDERSTAND NOT ONLY THAT IT'S AN AD, BUT THE INTENT BEHIND THE AD, THE ANSWER WOULD BE SOMETIMES.

IF, YOU KNOW, WE TAKE AN EXAMPLE, AND KIDS, TEENAGERS ARE FOLLOWING KYLIE JENNER, THE VAST MAJORITY OF HER FOLLOWERS WILL KNOW THAT KYLIE COSMETICS IS HER COMPANY AND, IN THAT CASE, A DISCLOSURE WOULD NOT BE NEEDED.

OR IF KYLIE WAS PROMOTING KEEP UP WITH THE KARDASHIANS, AGAIN, THE VAST MAJORITY OF HER FOLLOWERS ARE GOING TO KNOW THAT SHE'S GOT A MATERIAL CONNECTION TO THAT TV SHOW.

SO IN THE TYPE OF INSTANCES, IF EVERYONE KNOWS IT'S ALREADY AN AD, IT WOULD NOT NEED TO BE DISCLOSED.

>> LARTEASE, DO YOU HAVE ANYTHING YOU WOULD LIKE TO SAY ON THIS QUESTION?

>> I THINK IT DEPENDS ON THE SPECIFIC INSTANCE.

I DON'T THINK THERE'S, IN ITSELF, WHAT YOU SAY YOU WOULD NEED TO BELIEVE IT'S DECEPTIVE. ALREADY THE F.T.C. HAS PUT OUT THE ENDORSEMENT GUIDES.

TO THE EXTENT ANYONE ISN'T DISCLOSING, THERE'S AN OPPORTUNITY THAT THE F.T.C.

WOULD COME AFTER THEM FOR ENFORCEMENT ACTION AND SEE WHAT HAPPENS IN COURT.

BUT I'M NOT SURE JUST ON ITS OWN WHETHER THERE MEETS THE CRITERIA FOR MATERIALLY DECEPTIVE.

SO...

>> GENEVIEVE, WOULD REQUIRING THE DISCLOSURE OF COMMERCIAL CONTENT BE CONSISTENT WITH THE FIRST AMENDMENT?

>> PROBABLY.

THIS IS THIS KIND OF REGULATION OF SPEECH.

SO LONG WHAT IS REGULATED IS ADVERTISING ON COMMERCIAL SPEECH.

SO IF WE ARE TALKING ABOUT VIDEOS THAT ARE BEING PAID FOR BY THE MANUFACTURER, OF COURSE, WOULD LIKELY CONSIDER THAT AS COMMERCIAL SPEECH, SO A

DISCLOSURE IS FINE, AS LONG AS IT IS NOT SO BURDENSOME THAT IT PREVENTS THE SPEAKER FROM COMMUNICATING THE MESSAGE EFFECTIVELY.

AND, SO, YOU WOULD HAVE TO THINK ABOUT THE TAILORING.

>> LARTEASE, WOULD CLEAR AND CONSPICUOUS DISCLOSURES PERHAPS COMBINED WITH OTHER REMEDIES WE'VE DISCUSSED BE SUFFICIENT TO UNDERSTAND ADVERTISING.

>> YES.

I THINK MOST ADVERTISERS ARE DOING THE RIGHT DISCLOSURES. I THINK A FEW WERE NOT AND I THINK THAT WE CAN, YOU KNOW, GO AFTER THOSE BAD ACTORS.

BUT I THINK THAT, OVERALL, PEOPLE ARE DISCLOSING, AND I THINK THAT THAT IS, YOU KNOW, THINGS ARE GENERALLY WORKING OKAY.

SO WITH MORE DISCLOSURE, WE'RE HAPPY WITH THAT, BUT I THINK IT'S A GOOD REMEDY.

>> THANK YOU.

LET'S CHANGE TOPICS TO WHEN CHILDREN ARE TOO YOUNG TO UNDERSTAND ADVERTISING.

I BELIEVE THAT SOME PEOPLE HAVE SUGGESTED -- SOME OF THE STAKEHOLDERS AND PROBABLY SOME OF THE PEOPLE IN EARLIER PANELS, I BELIEVE, HAVE SUGGESTED THAT THERE MIGHT BE A BAN, THAT BAN MIGHT BE APPROPRIATE FOR CHILDREN WHO CAN'T UNDERSTAND DISCLOSURES OR FOR WHOM OTHER REMEDIES WOULD NOT ADDRESS THE HARM.

FOR CHILDREN TOO YOUNG TO RECOGNIZE AND PROCESS BLURRED ADVERTISING, I WOULD LIKE TO DISCUSS WHETHER IT WOULD BE APPROPRIATE.

FIRST, I WOULD LIKE TO EXPLORE WHETHER THIS WOULD BE AN PRACTICE THAT WOULD SUPPORT REGULATION.

AN ACTOR PRACTICE IS UNFAIR, AS DISCUSSED, IF IT IS LIKELY TO CAUSE POTENTIAL INJURY TO CONSUMERS WHICH IS NOT REASONABLY AVOIDABLE BY CONSUMERS THEMSELVES AND NOT OUTWEIGHED BY COUNTERVAILING BENEFITS OF CONSUMERS TO COMPETITION.

FIRST QUESTION, DOES BLURRED ADVERTISING TO YOUNG CHILDREN CAUSE A TYPE OF SUBSTANTIAL INJURE NECESSARY FOR FINDING OF UNFAIRNESS?

LET ME START WITH LARTEASE AND GIVE BONNIE A CHANCE TO GIVE HER VIEWS.

LARTEASE.

>> I WOULD SAY NO, IT DOES NOT. I MEAN, I THINK THAT IF YOU LOOK AT THE UNFAIRNESS, THE THREE-FACTOR TEST, WHETHER THE PRACTICE INJURIES CONSUMERS VIOLATES ESTABLISHED PUBLIC POLICY AS WELL AS I THINK EARLIER YOU MENTIONED COUNTERVAILING BENEFITS --

>> I'M JUST TALKING ABOUT ARE THE TYPE OF HARMS THAT WOULD CAUSE SUBSTANTIAL INJURE. I'M NOT TALKING ABOUT THE COUNTERVAILING BENEFITS OR THE AVAILABILITY.

>> I DON'T NECESSARILY BELIEVE THAT THEY ARE, BUT, YOU KNOW, I THINK THAT, AS I SAID EARLIER, IF YOU GO BACK TO -- IF THE HARM IS BEFORING SOMETHING THAT YOU OTHERWISE WOULDN'T -- IS PURCHASING SOMETHING YOU WOULDN'T OTHERWISE PURCHASE, THE PARENTS ARE THE GATEKEEPERS ULTIMATELY SO THEY'RE STILL THE ONES MAKING THE DECISION WHETHER TO PURCHASE OR NOT. THE CHILDREN AND TEENS AND KIDS AREN'T GENERALLY THE ONES MAKING THAT CHOICE.

SO...

>> BONNIE.

I THINK THIS IS A REALLY INTERESTING QUESTION, ESPECIALLY IF WE APPLY IT TO CLOSE PLATFORM METAVERSES AND WHETHER WE'RE LOOKING AT VIRTUAL CURRENCIES OR LOOP BOXES, THIS IS AN AREA THAT THE F.T.C. HAS SAID, WHEN IT'S SORT OF UNAVOIDABLE FINANCIAL LOSS THAT COULD BE AN AREA OF UNFAIRNESS, I THINK THAT -- COULD DEFINITELY BE MADE WITH UNFAIRNESS IN THIS AREA.

I THINK, OBVIOUSLY, MORE RESEARCH NEEDS TO BE DONE.

TINA.org HAS ALSO --

TEEN.org HAS SEEN MANY DECEPTIVE MARKETING CAMPAIGNS ON SOCIAL MEDIA PLATFORMS ON TOYS

OR GAMES WITH UNSAFE CONDITIONS,
PLAYING WITH FIREWORKS OR
CHALLENGES TO SLEEP IN A POOL
ALL NIGHT.

SO I THINK THERE IS CONTENT OUT
THERE THAT IS EVEN WITHIN THE
F.T.C.'S NARROW DEFINITION OF
UNFAIRNESS, SO I THINK IT'S
POSSIBLE THAT AN ARGUMENT MIGHT
BE ABLE TO BE MADE ALONG THIS
CONTEXT.

>> TUNING THAT WOULD APPLY TO
SOME OF THE OTHER HARMS THAT WE
HEARD DISCUSSED IN A PRIOR PANEL
SUCH AS AN INCREASE IN
MATERIALISM?

>> WELL, I THINK, YOU KNOW, TO
DATE THE F.T.C. IS REALLY
FOCUSED ON PHYSICAL HARM, BUT I
THINK WHAT WE SEE, YOU KNOW,
EVEN WITH THE "WALL STREET
JOURNAL"'S DISCLOSURE OF THE
Facebook MATERIALS IS THAT
WE'RE IN A NEW REALM NOW.
WE'RE LOOKING AT NOT ONLY THE
PHYSICAL HARMS THAT MIGHT BE
PRESENTED BY STEALTH MARKETING,
BUT ALSO PSYCHOLOGICAL HARMS,
AND I THINK THAT ARGUMENTS CAN
BE MADE THAT THAT COULD PRESENT
AN UNFAIRNESS POSITION.

>> AND ARE THE HARMS TO YOUNG
CHILDREN REASONABLY AVOIDABLE BY
CHILDREN OR THEIR PARENTS, BONN?

>> ABSOLUTELY NOT.

I THINK IT'S ABSOLUTELY
DISINGENUOUS THAT PARENTS WHO
NEED TO WORK AND COOK AND DO THE
LAUNDRY AND HOPEFULLY BRUSH
THEIR TEETH AT SOME POINT CAN
WATCH EVERYTHING THAT THEIR
CHILDREN ARE LOOKING AT ON A
SCREEN.

MOREOVER, EVEN THOSE PARENTS
THAT ARE REALLY TRYING THEIR
BEST, THEY'RE NOT GOING TO BE
ABLE TO DO IT.

YOU LOOK AT ROAD BLOCKS.

YOU KNOW, A PARENT READS ITS
TERMS AND CONDITIONS.

THEY SAY THAT THE BRAND OR THE
CONTENT CREATED SHOULDN'T BE
MARKETING TO CHILDREN UNDER 13.
THEY'RE DOING IT ANYWAY.

SO EVEN IF YOU'RE A RESPONSIBLE
PARENT AND YOU BELIEVE THAT YOUR
KID CAN GO ON ROAD BLOCKS AND
NOT SEE ADVER GAMES THAT AREN'T
DISCLOSED, YOU'RE JUST WRONG,

YOU CAN'T RELY ON IT.

>> I DISAGREE.

PARENTS CAN TOTALLY AVOID IT.
THEY CAN DECIDE TO HAVE A DID
NOT PLAY WITH THAT DEVICE, THEY
CAN GIVE HIM A BOOK INSTEAD.
THEY CAN DO OTHER THINGS.
IF THEY DON'T FEEL AS THOUGH
THEY CAN TRUST WHAT THE CHILD IS
SEEING, THE PARENTS CAN, YOU
KNOW, CHOOSE TO GIVE THEM
SOMETHING ELSE.

SO I THINK THERE ARE -- IF THERE
IS A HARM, AND I DISAGREE IT IS,
IT IS AVOIDABLE BY THE PARENTS
BECAUSE THE PARENTS CAN CHOOSE
TO USE SOMETHING ELSE INSTEAD OF
HAVING THE KIDS THERE.

IT GOES TO YOUR POINT ABOUT
MONITORING YOUR CHILD, WHICH
MOST PARENTS ARE DOING AND ABLE
TO DO COMPETENTLY.

>> JOSH, WHAT ARE THE BENEFITS
OF HAVING ADS ASSOCIATED WITH
CONTENT?

>> YEAH, I REALLY APPRECIATE
THAT QUESTION AND I KNOW WE
TALKED ABOUT IT A LITTLE AT THE
FRONT END, BUT, LOOK,
RESPONSIBLE ADS SUPPORT
HIGH-QUALITY ACCESSIBLE CONTENT
ON YouTube.

WITHOUT ADS TO MONETIZE CONTENT,
PUBLISHERS, CREATORS,
PARTICULARLY THOSE FOCUSED ON
KIDS' CONTENT SIMPLY WOULD
EITHER BE OUT OF BUSINESS OR
THEY WOULD HAVE TO HAVE A PAID
FIRE WALL.

YOU KNOW, ONE OF THE FUNDAMENTAL
PRIPS PALS OF YouTube IS TO
GIVE EVERYBODY A VOICE AND SHOW
THEM THE WORLD, AND NO MATTER
WHERE YOU SIT IN THE WORLD, YOU
CAN ACCESS ALL THE VIDEOS --
WELL, IF YOUR GOVERNMENT ALLOWS
YOU TO -- IN MOST COUNTRIES, YOU
CAN ACCESS ALL THE CONTENT ON
YouTube FOR FREE AND THE BAR
FOR ME FOR KIDS' CONTENT IS VERY
VERY HIGH.

IT'S NOT JUST THE DISCLOSURES WE
TALKED ABOUT, DISCLOSING THE
COMMERCIAL RELATIONSHIP YOU MAY
HAVE IF THERE'S A P. E.L.T.
PEMENT, BUT THERE ARE ALL KINDS
OF ELEMENTS THAT MAKE
HIGH-QUALITY CONTENT REALLY
EXECUTIVE AND VERY CHALLENGING

TO PRODUCE AND OUR INTEREST IN
YouTube IS TO HAVE MORE HI
QUAWLGT CONTENT THAT USERS ENJOY
AND BENEFIT FROM.

NOT LESS OF IT.

THAT'S IN ADVERTISING INTERESTS
AS WELL.

SO I THINK STYLES WE STIPULATE
THAT AND WE FORGET THAT THE
FIRST PRINCIPLE HERE IS A
RESPONSIBLE ARIZONA ENABLED
INTERNET, IN THIS CASE VIDEO
CONTENT, MAKES IT FREE AND THAT
IS A HUGE VALUE TO TENS OF
MILLIONS OF OUR VIEWERS.

>> SNEHA OR NELLIE, DO YOU HAVE
ANYTHING TO ADD TO THAT?

>> THERE'S NO QUESTION THAT
PARENTS APPRECIATE HAVING THEIR
KIDS HAVE ACCESS TO FREE
CONTENT, FREE HIGH-QUALITY
CONTENT THAT'S AD SUPPORTED.
IN OUR RESEARCH CONSISTENTLY,
EVEN WHEN PARENTS HAVE A CHOICE
WHEN SUBSCRIBING TO A CHANNEL,
ADD AGREE CHANNEL OR PURCHASING
A GAME THAT IS AD FREE, YOU
KNOW, EVEN IF IT IS A COUPLE OF
DOLLARS, IT'S REALLY CHEAP, THEY
OPT FOR AD-SUPPORTED CONTENT
JUST BECAUSE, YOU KNOW, IT'S
EXPENSIVE.

IT ACCUMULATES, ON AVERAGE, THE
AMERICAN FAMILY NOW SPENDS, YOU
KNOW, ABOUT \$50 PER MONTH ON
SUBSCRIPTION SERVICES ONLY.
SO THERE'S NO QUESTION THAT
PARENTS UNDERSTAND AND
APPRECIATE THE NEED FOR AD
CONTENT.

I THINK THAT THEY ALSO
UNDERSTAND AND ANTICIPATE THAT
THERE IS SOME KIND OF QUALITY
CONTROL THAT THOSE DIGITAL
PLATFORMS EXERCISE IN TERMS OF
PROTECTING THEIR CHILDREN FROM
HARMFUL CONTENT, WHETHER IT'S
ADVERTISING OR CONTENT RELATED
FROM SEXUALIZED CONTENT OR
VIOLENCE, PROTECTING THEM OR AT
LEAST ALERTING THEM TO SOCIAL
MEDIA COMPONENT AND GAMES, FOR
EXAMPLE.

THEY WANT TO KNOW IN ADVANCE
WHETHER THERE'S AN OPPORTUNITY
FOR THEIR CHILDREN TO
COMMUNICATE WITH OTHERS, AND
UNINTENDED PURCHASES, WHICH IS,
YOU KNOW, A MAINLY ISSUE FOR

PARENTS.

SO, SO FAR, PARENTS ARE BEING VERY, VERY EFFECTIVE IN OUR CONVERSATIONS WITH KIDS IN WARNING THEM AGAINST THOSE UNINTENDED PURCHASES, BUT THAT'S BASICALLY THE LIMIT OF THEIR SAFEGUARDING.

THE REST IS BASICALLY LEFT TO THEIR CHILDREN'S DEVICES.

SO AGAIN, I WOULD ARGUE THAT DIGITAL PLATFORMS MEDIA, CONTENT CREATORS AND ADVERTISERS HAVE A HUGE RESPONSIBILITY IN DOING THEIR BEST IN AT LEAST ENSURING THAT THE ADVERTISING THEY'RE EXPOSING THEIR KIDS TO ARE DIRECTED AT LEAST AT THEIR CHILDREN, ARE AGE-APPROPRIATE AND DOESN'T HAVE ANY HARMFUL CONTENT OR ANY VEHICLE FOR INFLECTING THOSE ECONOMIC HARMS, LIKE UNINTENDED PURCHASES.

>> THANK YOU VERY MUCH, NELLIE. IF I MAY SAY SOMETHING ON THIS QUESTION, MICHAEL, I JUST WANT TO EMPHASIZE AGAIN THE VALUE OF ADVERTISING AND THE ABOUT TO HAVE CONTENT THAT WOULD NOT OTHERWISE EXIST WITHOUT ADVERTISING, AND THAT IS VERY IMPORTANT.

AND NOT ONLY THAT, BUT WE ACTUALLY DID A STUDY ACROSS FROM HARVARD BUSINESS SCHOOL THAT FOUND THAT AMERICANS VALUE THE AD-SUPPORTED PRODUCTS AND SERVICES THAT THEY GET THAT ARE EITHER FREE OR SUBSIDIZED AT \$32,000 PER YEAR, RIGHT.

THAT IS A LOT OF VAL CREW FOR A FAMILY, AND THAT'S TRILLIONS OF DOLLARS FOR OUR ECONOMY THAT PEOPLE DON'T HAVE TO PAY FOR. IF WE GET RID OF ADVERTISING, WHAT WE'RE GOING TO DO IS HAVE A SUBSCRIPTION-BASED MODEL, AND THAT MEANS THAT, FOR A LOT OF POOR FAMILIES OR FAMILIES WHO DON'T HAVE A LOT OF MEANS, THEY'RE GOING TO BE LEFT OUT OF REALLY GREAT CONTENT THAT IS NOW AVAILABLE FOR THEM FOR FREE.

SO IT IS A TRADEOFF AND, TRUST ME, YOU KNOW, WE REALIZE THIS, BUT IT IS PROVIDING, OVERALL, SO MUCH VALUE, SO MUCH BENEFIT TO KIDS, TO THEIR PARENTS, TO OUR ECONOMY, AND, SO, WE SHOULD

DEFINITELY RECOGNIZE THE VALUE
OF THAT ADVERTISING BRINGS TO
THE -- TO OUR COUNTRY.

>> OKAY.

PUTTING TOGETHER THE THREE
ELEMENTS OF THE UNFAIRNESS TEST
WOULD BE -- THE QUESTION WOULD
BE WOULD THE UNFAIRNESS DOCTRINE
SUPPORT THE F.T.C. CHALLENGE
PERMITTING BLURRED ADVERTISING
TO THE YOUNGEST CHILDREN.

AND I THINK BOTH OF YOU HAVE
KIND OF ANSWERED THIS QUESTION,
BUT, BONNIE, PUTTING THOSE THREE
ELEMENTS TOGETHER, DO YOU HAVE
ANYTHING TO ADD TO WHAT YOUR
PARTY SAID?

>> NO, I THINK THE F.T.C. COULD
BRING, YOU KNOW, ON A
DAYS-BY-DAYS BASIS, OBVIOUSLY,
CASES -- ON A CASE-BY-CASE BASIS
CASES UNDER THE UNFAIRNESS
DOCTRINE TO THESE CHILDREN.

>> LARTEASE.

NO, I WOULD NOT.

AGAIN, IT GOES BACK TO THE TEST,
AND I DON'T THINK IT WOULD MEET
THE STANDARD.

I THINK OVERALL THE F.T.C. IS
FOCUSING ON ENFORCEMENT WHERE
THERE ARE A FEW BAD ACTORS AND I
THINK IT SHOULD GO AFTER THE BAD
ACTORS RATHER THAN TRYING TO
COMPLETELY BAN ANY SOMMER OF
ADVERTISING -- ANY FORM OF
ADVERTISING AT THIS POINT.

>> WE HAVE BEEN TALKING ABOUT
CHILDREN TOO YOUNG TO UNDERSTAND
ADVERTISING, AT LEAST THAT'S HOW
I FRAMED THE LAST QUESTION.

THE F.T.C. RECEIVED A COMUPT
THAT SUGGESTED BANNING
INFLUENCING OR OTHER BLURRED
ADVERTISING TO OLDER KIDS WOULD
BE APPROPRIATE, EVEN TEENS.
WITH RESPECT TO A BAN AGAINST
BLURRED ADVERTISING TO OLDER
KIDS, WOULD YOUR ANALYSIS
CHANGE, BONNIE?

>> WELL, I THINK, FROM A LEGAL
PERSPECTIVE, YOU'RE STILL
LOOKING AT THAT UNVOIBL
SUBSTANTIAL INJURE, SO FROM A
LEGAL ANALYSIS, I DON'T THINK IT
WOULD CHANGE.

>> LARTEASE.

YES, IT WOULD CHANGE,
OBVIOUSLY, FOR OLDER KIDS.
I THINK AS OTHERS HAVE SAID IN

THE PREVIOUS PANELS THAT KIDS, BY AGE, HAVE A LITTLE BIT MORE AUTONOMY, AND, YOU KNOW, WE HAVE TO LOOK OUT FOR WHAT AGE GROUP WE'RE TALKING ABOUT FOR OLDER KIDS, THEY WOULD NOT HAVE THE ABOUT TO DO THAT, WOULD BE MORE TROUBLE EVEN FOR YOUNGER KIDS.

IT GOES TO WHAT BONNIE SAID EARLIER, DEPENDS ON THE CASE THAT WE'RE TALKING ABOUT.

SO I THINK THAT, IN GENERAL, WE'LL HAVE TO SEE.

BUT GENERALLY, NO, I THINK AS THE KIDS GET OLDER IT'S MORE HARD AND COMPLICATED.

>> ANOTHER QUESTION FOR YOU, LARTEASE: IN APPLYING AN UNFAIRNESS ANALYSIS CAN ONE DISTINGUISHED BETWEEN HARMS FROM BLURRED ADVERTISING AND OTHER ADVERTISING SHOWN TO KIDS, LIKE IN TELEVISION?

>> I DON'T THINK SO BECAUSE I THINK THAT, YOU KNOW, A LOT OF THE MARKETING ADVERTISING THAT'S HAPPENING ON TELEVISION, THAT'S HAPPENING IN THE PHYSICAL WORLD WHEN PEOPLE WALK AROUND AMUSEMENT PARKS AND OTHER PLACES, THEY'RE ADVERTISEMENTS, THEY'RE MARKETING.

THAT'S WHAT HAPPENED.

AT THE END OF THE DAY, YOU CAN'T SAY ONE IS WORSE THAN THE OTHER. IF YOU SAY ADS ARE BAD, YOU CAN'T SAY SOME ADS ARE GOOD IF THEY'RE IN A STORE OR A MALIBU BAD IF THEY'RE ON YOUR TABLET. I THINK, YOU KNOW -- OR A MALIBU THEY'RE BAD IF ON YOUR TABLET.

>> WOULD THERE BE --

THE RULES ARE DIFFERENT FOR CHILDREN, AND, SO, WE KNOW THAT AT LEAST WHEN IT COMES TO PROFANITY, FOR EXAMPLE, THE F.T.C. CAN BAN PROFANITY NOW FOR CHILDREN WITHOUT VIOLATING THE FIRST AMENDMENT, AND THAT SUGGESTS THAT WHERE THE GOVERNMENT GETS A LOT MORE LEEWAY WHEN IT COMES TO THINKING ABOUT CHILDREN'S HARMS.

THE DIFFICULTY IS TWOFOLD, ONE FIGURING OUT WHETHER THE AUDIENCE TO THE VIDEOS OR THE SELF-ADVERTISING IS PURELY MADE UP OF CHILDREN OF THAT AGE GROUP BECAUSE THERE'S JUST NO WAY YOU

COULD JUSTIFY A BAN ON ADS TO ADULTS OF THIS KIND, AND YOU WILL HAVE TO MAKE SURE THERE'S ENOUGH AUDIENCE SEGMENTATION. SECOND, THE COURTS TYPICALLY REQUIRE, EVEN WHEN THEY ALLOW SOME KIND OF REGULATION TO PROCEED, THERE HAS TO BE GOOD EVIDENCE BETWEEN THE RESTRICTION AND THE HARM IT'S TRYING TO AVOID, AND THAT YOU WOULD HAVE TO SUBSTANTIATE.

>> I HAVE ONE MORE THING REAL QUICK AND THAT IS BASICALLY, GOING BACK TO THE 1978 AND 1980, REMEMBER CONGRESS ACTUALLY PUT IN PLACE A PROVISION THAT SAID -- AND I KNOW THERE WAS A DEBATE IN A PREVIOUS PANEL ABOUT WHETHER IN SUBSTANTIALLY SIMILAR, BUT THERE'S SOMETHING IN THERE THAT SAID F.T.C. CANNOT DO RULE-MAKING AROUND CHILDREN'S ADVERTISING IN TERMS OF BANNING. THERE'S A REASON, THE F.T.C. TRIED THIS SAME KIND OF ACTION BEFORE AND IT DID NOT TURN OUT WELL FOR THE AGENCY, AND I THINK THAT'S A REASON WHY CONGRESS DID WHAT IT DID.

SO WE CAN CONTINUE TO DEBATE THAT, BUT I THINK IT WOULD BE IN ADDITION TO -- AROUND A FIRST AMENDMENT ISSUE BUT IN GENERAL IT DOES NOT HAVE THE AUTHORITY TO DO THIS SO I THINK IT WOULD BE A REALLY BAD SITUATION FOR THE AGENCY TO TRY TO DO IT.

>> GENEVIEVE, DO YOU LISTEN TO THE DISCUSSION OF POTENTIAL HARMS ON THE PRIOR PANEL?

>> A LITTLE BIT, YEAH.

DO YOU HAVE A SENSE OF WHETHER THOSE TYPES OF HARMS THAT WERE MENTIONED WERE THE TYPES THAT WOULD BE SUFFICIENT TO SURVIVE FIRST AMENDMENT.

>> I DON'T THINK SOMETHING LIKE INCREASING MATERIALISM IS GOING TO BE THE KIND OF HARM THE COURTS ARE SYMPATHETIC TO BUT THE TRADITIONAL HARMS, THE REGULATION OF ADVERTISING HAS TRIED TO PREVENT ARE CONSUMER CONFUSION AND CONSUMER IGNORANCE.

TO THE EXTENT THAT STEALTH ADVERTISING IS HIDING THE FACT IT IS ADVERTISING AND CHILDREN

OF A CERTAIN AGE ARE UNABLE TO PERCEIVE IT AS ADVERTISING, THAT IS THE CORE PROBLEM THE ADVERTISING AGENCY SEEKS TO AVOID.

SO I DON'T THINK YOU NEED TO GO INTO AN ELABORATE JUSTIFICATION OF HARMS AS PERTAINS TO CHILDREN.

IT'S CLASSIC HARM THE GOVERNMENT CAN PREVENT.

THE DIFFICULTY WOULD BE SHOWING THIS KIND OF RESTRICTION IS NECESSARY TO AVOID A BAN RATHER THAN A DISCLOSURE, FOR EXAMPLE, I THINK THAT'S WHERE ALL THE FIGHTING WOULD BE.

>> AND IS THERE A WAY TO NARROWLY TAILOR ANY SORT OF REQUIREMENT TO SATISFY REQUIREMENTS OF FIRST AMENDMENT.

>> ARE WE STILL IN THE SAME LANDSCAPE IN 1996 WHEN THE COURT HANDED DOWN THE RENO CASE WHICH SAID YOU CANNOT REGULATE REGARDING HARMS TO CHILDREN OR ARE WE IN A SOCIAL MEDIA ENVIRONMENT WHERE THERE'S A VARIED ENOUGH LANDSCAPE SO WE CAN BE CONFIDENT A VIDEO ADDRESSED TO KIDS IS NOT GOING TO BE ADDRESSED TO ADULTS, WHERE WE ARE HAVING DIFFERENT KIND OF SEGMENTATION AND IN THAT CONTEXT THE RULES LOOK VERY DIFFERENT.

SO I GUESS THE OPEN QUESTION FOR ME IS, YOU KNOW, HOW DO WE IDENTIFY WHO THE AUDIENCE TO THESE ADS WILL BE AND WHETHER THE COURTS ARE SENSITIVE TO THE CHANGING OF SOCIAL MEDIA ITSELF.

>> A GREAT SEGUE TO MY NEXT QUESTION WHICH I'LL ADDRESS TO LAR DEESE.

LARTEASE, AS A PRACTICAL MATTER, HOW DIFFICULT IS IT TO SEGMENT AN AUDIENCE BY AGE AND IF THERE'S A BAN OR RESTRICTION ON OLDER CHILDREN WOULD THAT IMPACT OLDER ONES, OR WOULD A BROADER BAN IMPACT ADULTS AND HOW DOES THAT FIT INTO THE ANALYSIS?

>> YEAH, I MEAN, THIS IS WHERE THE -- IT WOULD BE A BIG CHALLENGE BECAUSE IT WOULD REQUIRE FIGURING OUT -- GATHERING MORE INFORMATION ABOUT THE USER.

AND FOR A LOT OF BUSINESSES,

THEY CAN AFFORD TO KIND OF
DEVELOP OPERATIONAL --
ADDITIONAL OPERATIONAL FUNCTION
TO BE ABLE TO FIGURE OUT WHETHER
THEY'RE DEALING WITH SOMEONE
WHO'S FIVE, EIGHT OR TEN.

AND, SO, WHAT WOULD HAPPEN IS
BASICALLY SOME BUSINESSES OR
COMPANIES WOULD DECIDE, YOU KNOW
WHAT, I'M NOT GOING TO PROVIDE
THE CONTENT AT ALL.

SO THAT MEANS IF YOU'RE AN OLDER
TEEN, YOU WOULD NOT GET TO SOME
OF THE THINGS YOU WOULD
ORDINARILY GET OR SHOWN SOME
THINGS YOU WOULD ORDINARILY BE
SEEING.

FOR ADULTS IT WOULD REQUIRE
OPERATIONAL INFRASTRUCTURE TO
CREATE SOMETHING AND WOULDN'T BE
EFFECTIVE BECAUSE PEOPLE MOVE
TABLETS AND DEVICES, BECAUSE ONE
MOMENT AN ADULT COULD BE HOLDING
IT AND THE NEXT MOMENT A KID
COULD BE HOLDING IT.

SO THERE ARE A LOT OF
DIFFICULTIES.

I THINK IT GOES BACK TO WHETHER
THE FAIRNESS DOCTRINE WILL BE
ESTABLISHED, AND I THINK IT
WOULDN'T BE ENOUGH TO JUSTIFY
THE F.T.C. BEING ABLE TO ENGAGE
IN THIS.

SO --

>> THANK YOU.

AS THE REVIEW AND THE SECOND
PANEL AND LARTEASE RAISED,
EARLIER IN THIS PANEL THE F.T.C.
EMBARKED ON RULE-MAKING TO
RESTRICT TELEVISION PROMOTION OF
HIGHLY SUGARED CEREAL TO FOODS
AND KIDS BACK IN 1978, AND THERE
WAS A BACKLASH.

HAVE THE FACTS LEGAL AND
EVIDENCE LANDSCAPE CHANGED SINCE
THEN, BONNIE?

>> WELL, I DEFINITELY THINK THE
LANDSCAPE FOR FACTS AND EVIDENCE
HAVE CHANGED.

WE WEREN'T TALKING ABOUT THE
INTERNET THEN OR CLOSED PLATFORM
ME AT THAT VERSES OR --
METAVERSES OR GAMING OR SOCIAL
MEDIA PLATFORMS.

AS WE SAW WITH THE TRANSITION OF
ADVERTISING DOLLARS OVER TO THE
INTERNET, A LOT HAS CHANGED
FACTUALLY.

I THINK WHAT HASN'T CHANGED IS

THE POLICY OR THE LELANDSCAPE.
I WOULD KNOW THAT IN THAT KID
VID ERA, THE F.T.C. STAFF
CONCLUDED THAT KIDS UNDER SEVEN
LACK THE COGNITIVE ABOUT TO
UNDERSTAND OR EVALUATE THE
PERSUASIVE MESSAGING OF
ADVERTISING, AND I DON'T THINK
THAT'S CHANGED EITHER.

BUT NO DOUBT WE HAVE GOT A
DIVERGENCE BETWEEN THE LAW AND
WHERE WE ARE NOW WITH STEALTH
MARKETING ON DIGITAL PLATFORMS.

>> THANK YOU.

LARTEASE.

>> YES.

NO, NOTHING HAS CHANGED SINCE
THEN.

BASICALLY, IT'S, AGAIN, A
SITUATION WHERE THE F.T.C.
POTENTIALLY WOULD BE WANTING TO
BASICALLY BE THE NANNY AND
PARENT FOR EVERYBODY IN AMERICA.
THIS GOT IT IN TROUBLE IN 1978,
AND I THINK THAT, AGAIN, PARENTS
HAVE THE RESPONSIBILITY AND
CHOICE TO DECIDE FOR THEIR
CHILDREN HOW THEY WANT TO ENGAGE -- LIKE WHETHER THEY WANT
TO HAVE ADVERTISING OR MARKETING
AND, SO, I DON'T THINK THE
F.T.C. SHOULD BE LEFT TO IT.
I THINK IT WOULD BE VERY UNWISE
FOR IT TO GO BACK DOWN THIS
PATH.

I THINK IT WAS A VERY DIFFICULT
ONE BACK THEN.

SO, NO, I THINK IT WOULD BE
VERY, VERY CHALLENGING AND FACTS
HAVEN'T CHANGED, SO I THINK WE
SHOULD NOT ENGAGE IN THAT.
INSTEAD I THINK THE F.T.C.
SHOULD FOCUS ON ENFORCEMENT OF
DISCLOSURES, COUPLING WITH THAT
AND FIGURING OUT AND GOING AFTER
BAD ACTORS.

BECAUSE, AGAIN, AS A WHOLE, THE
INDUSTRY IS DOING A LOT OF THE
THINGS WE'VE ALREADY DISCUSSED.
WE'VE ALREADY TALKED ABOUT WE
ALREADY HAVE ICONS, DISCLOSURES,
WE'RE DOING A LOT OF THAT.
YOU'VE HEARD EARLIER ABOUT
EDUCATIONAL VIDEOS.

THE INDUSTRY IS DOING A LOT OF
WORK.

WHAT WE'RE TALKING ABOUT IS A IF
FEW BAD ACTORS AND I THINK THE
F.T.C. SHOULD FOCUS ON GOING
AFTER THEM RATHER THAN CHANGING

THE ENTIRE INDUSTRY AND ALSO
DAMAGING OUR ECONOMY BY REMOVING
ADVERTISING FROM THE MARKETPLACE
AND LOT OF PRODUCTS AND SERVICES
THAT DEPEND ON ADVERTISING.

>> I PRESUME YOU MEANT THE
F.T.C. NOT THE F.C.C.

>> F.T.C., SORRY.

OKAY.

LARTEASE RAISED THIS EARLIER.
IT WAS DISCUSSED ON THE SECOND
PANEL ABOUT THE LANGUAGE IN THE
F.T.C. ACT PROHIBITING THE
F.T.C. FROM ENGAGING IN A
SUBSTANTIALLY SIMILAR
RULE-MAKING, AND SHEILA RAISED
THAT AND JOSH FROM FAIRPLAY SAID
A RULE FOCUSED ON BLURRED
ADVERTISING WOULD NOT BE
SUBSTANTIALLY SIMILAR, AND I
BELIEVE THAT WAS -- LARTEASE,
YOU RAISED THIS EARLIER OBSERVE ON THE
PANEL.

DOES ANYBODY HAVE ANY ADDITIONAL
THOUGHTS ON WHETHER A RULE
ADDRESSING BLURRED ADVERTISING
WOULD BE SIMILAR OR NOT
SUBSTANTIALLY SIMILAR TO WHAT
CONGRESS HAD IN MIND?
GOING ONCE, GOING TWICE, MOVING
ON.

IN WEST VIRGINIA V. E.P.A. THE
SUPREME COURT INVOKED THE MAJOR
QUESTIONS DOCTRINE THAT IS IN
EXTRAORDINARY CASES OF POLITICAL
AND ECONOMIC SIGNIFICANCE WHERE
AN AGENCY MAKES UNHERALD USE OF
ITS AUTHORITY, THE AGENCY MUST
BE ABLE TO POINT TO A CLEAR
STATEMENT FROM CONGRESS
AUTHORIZING ITS ACTION.

I BELIEVE THAT SHEILA ACTUALLY
ALLUDED TO THIS EARLIER, AND I
WANTED TO ASK, WOULD THAT POSE A
HURDLE TO BANNING CERTAIN
CATEGORIES OF ADVERTISING TO
CHILDREN BY THE F.T.C.?

GENEVIEVE.

>> I SHOULD SAY WE DON'T KNOW
THAT MUCH ABOUT HOW MUCH OF A
HURDLE IT WOULD BE BECAUSE THE
COURT HAS NOT BEEN ENTIRELY
CLEAR.

IT'S EMERGING NEW DOCTRINE.
BUT THE STANDARD SUGGESTED IN
WEST VIRGINIA IS IT GOING TO
FUNDAMENTALLY TRANSFORM AN
ENTIRE SEGMENT OF THE ECONOMY
AND SO THE QUESTION IS HOW BROAD

WOULD THE RULE-MAKING BE.
THERE'S NO WAY A DISCLOSURE RULE
OR ANYTHING OF THAT KIND COMES
TO YOU UNDER MAJOR QUESTION OF A
STANDARD.

WOULD A BAN ON -- YOU KNOW,
MAYBE A BAN ON ALL ADVERTISING
TO CHILDREN COULD RISE TO THAT
LEVEL, BUT THE COURT WAS CLEAR
THAT EXTRAORDINARY EXERCISES TO
REGULATORY AUTHORITY, THAT THIS
IS GOING TO BE USED ONLY IN
LIMIT CASES, SO AS LONG AS IT'S
A RELATIVELY NARROWLY CRAFTED
RULE, I'M SKEPTICAL IT WOULD BE
COUNTED AS A MAJOR QUESTION.

>> OKAY.

SHOULD IT BE UP TO CONGRESS
WHETHER TO PROHIBIT ADVERTISING
TO CHILDREN?

BONNIE.

>> WELL, I DEFINITELY THINK
CONGRESS HAS A MAJOR ROLE TO
PLAY HERE AND, YOU KNOW, THERE
HAVE BEEN A VARIETY OF BILLS
INTRODUCED, THOUGH, YOU KNOW.
NOTHING HAS GOTTEN THROUGH TO
THIS POINT.

BUT I ALSO THINK THAT, YOU KNOW,
THE F.T.C. DOES HAVE A ROLE TO
PLAY.

AT TINA.org, STEALTH MARKETING
IS SOMETHING WE SEE ALL DAY
EVERY DAY.

IT'S A HUGE PROBLEM, ESPECIALLY
FOR CHILDREN, AND, SO, I THINK
THAT THE F.T.C. AND ALSO
SELF-REG NEED TO DO MORE IN THIS
AREA.

>> OKAY, LARTEASE.

YOU'RE MUTED.

>> YEAH, THANK YOU.

YEAH, SO, CONGRESS WOULD HAVE
THE ABOUT TO -- MORE SO THAN THE
FTC ACT TO DO SOMETHING HERE,
ALTHOUGH I WOULD ARGUE IT
SHOULDN'T, AGAIN, FOR THE
REASONS I MENTIONED ABOUT HOW
IMPORTANT ADVERTISING IS, BUT
THEY WOULD BE ON BETTER FOOTING
THAN HAVING THE AGENCY DO IT.
ALTHOUGH I'LL LET GENEVIEVE TALK
ABOUT THE FIRST AMENDMENT
RESTRAINT STILL ON CONGRESS,
EVEN IF IT WAS TO ACT ON THIS.

>> GENEVIEVE, COULD THERE STILL
BE FIRST AMENDMENT CONCERNS WITH
CONGRESS PROHIBITING ADVERTISING
TO CHILDREN?

>> YEAH, THAT WOULD BE ROUGHLY THE SAME.

THE COURTS ARE SOMEWHAT MORE DIFFERENTIAL TO CONGRESS AND CONGRESSIONAL FACT FINDING AND MAYBE SOMEWHAT.

YOU DON'T GET A BIG BONUS BY -- THE F.T.C., IF CONGRESS ACTS, WILL BE SIMILAR KIND OF FIRST AMENDMENT SENTENCES.

>> THANK YOU.

BONNIE MENTIONED

SELF-REGULATION, AND WE STARTED BY NAMING AN AGENCY.

I'D LAKE TO DISCUSS SELF-REGULAR GAGES AND WHAT SOLUTION SHOULD SELF-REGULATORY BODIES FOCUS?

>> BONNIE.

I THINK THERE IS A RULE FOR SELF-REG HERE AND THEY CAN ACT QUICKLY, THEY HAVE MORE FLEXIBILITY THAN AN AGENCY LIKE THE F.T.C., BUT WHEN WE'RE TALKING ABOUT KARU, THERE ARE INCREDIBLE LIMITATIONS.

ONE, IT'S LOOKING AT ADVERTISING FOR CHILDREN 12 AND UNDER.

THEY'RE NOT PROTECTING TEENAGERS.

TWO, IT'S A SMALL STAFF WITH SMALL RESOURCES, AND THERE'S NO WAY THEY CAN POLICE THE ENTIRE ADVERTISING MARKET.

OBVIOUSLY, THEY DO, YOU KNOW, A VERY GOOD JOB OF EDUCATING BRANDS AND INFLUENCERS WITH REGARD TO THESE STEALTH MARKETING ISSUES, BUT THERE'S NO WAY THAT THEY ARE THE END-ALL SOLUTION TO THIS HUGE PROBLEM.

>> THANK YOU.

LARTEASE.

>> WELL, I DISAGREE WITH BONNIE AGAIN.

I THINK THEY DO A GREAT JOB.

I THINK SELF-REGULATION IS THE WAY TO DO, AND I'LL TELL YOU WHY -- ONE REASON IS TECHNOLOGY IS CONSTANTLY EVOLVING, AND INDUSTRY AND THOSE WHO ARE MORE FLEXIBLE AND ABLE TO ADAPT MORE QUICKLY ARE BETTER SUITED TO FIGURE OUT WHAT THE NEW RULES SHOULD BE WHEN TECHNOLOGY EVOLVES.

WHEN THE F.T.C. GETS INVOLVED, IT HAS TO GO THROUGH A VERY LENGTHY RULE-MAKING PROCESS.

THAT TAKES TIME.

BY THE TIME SOMETHING COMES OUT

FROM HERE, THE TECHNOLOGY WOULD ALREADY HAVE CHANGED. SO I DO THINK IT IS A BETTER MECHANISM FOR US TO SORT OF GET AHEAD OF WHAT'S HAPPENING WITH TECHNOLOGY, BY HAVING SELF-REGULATORY BODIES LIKE KARU, BUT NOT THE ONLY ONE. MY ORGANIZATION AND OTHERS LIKE IT HAVE OTHER REGULATIONS WE REQUIRE OUR MEMBERS TO ABIDE BY. THAT'S, I THINK, THE FIRST POINT, AND I WOULD LOVE TO SEE THE F.T.C. SUPPORT THAT RATHER THAN TRYING TO USURP IT AND DO SOMETHING DIFFERENT THAN THAT. I THINK SELF-REGULATION IS A GREAT WAY TO GO.

>> BONNIE, I DON'T KNOW IF THERE'S ANYTHING FOR YOU TO ADD ON THIS NEXT QUESTION BUT DO YOU THINK THERE IS NEG SELF-REGULATORS COULD DO DIFFERENTLY OR BETTER THAT YOU HAVEN'T ALREADY FLAGGED?
>> YES.

I MEAN, YOU KNOW, AS FAR AS CHANGING TECHNOLOGY GOES, THE LAW HAS REMAINED THE SAME. WE ARE APPLYING THE SAME STANDARDS OF LAW TO DECEPTIVE MARKETING WHETHER THE NEWSPAPER OR THE ME AT THAT VERSE. THAT HASN'T CHANGED AND I THINK KARU MADE IT QUITE CLEAR IN THE LATEST GUIDELINES REGARDING THE THE METAVERSE.

WITH THE NEW GUIDELINES, I WAS QUITE DISAPPOINTED TO SEE KARU HAS NOT TAKEN HEAD ON THE ISSUE OF MARKETING TO TODDLERS, AND I THINK THIS IS AN AREA WHERE SELF-REGULATION REALLY COULD MAKE A DIFFERENCE, THAT WE'VE SEEN KARU GO BEYOND THE LAW WITH ETHICAL ISSUES OF STEREO TYPING AND TRYING TO KEEP BRANDS FROM DOING THAT.

I THINK THEY NEED TO TACKLE THE QUESTION OF WHETHER IT WOULD BE DECEPTIVE OR UNFAIR TO MARKET TO TODDLERS BECAUSE THEY'VE GOT MORE FLEXIBILITY THAN THE F.T.C.
>> THANK YOU.

WERE THERE ANY HARMS DISCUSSED ON THE SECOND PANEL TODAY THAT SHOULD BE ADDRESSED BUT CAN'T BE ADDRESSED BY ANY OF THE REMEDIES THAT WE'VE DISCUSSED TODAY?

DOES ANYBODY HAVE ANY THOUGHTS ON THAT THAT THERE ARE ANY HARMS RAISED THAT CAN'T BE ADDRESSED BY ANY OF THE REMEDIES WE'VE DISCUSSED?

OKAY.

DOES ANYONE HAVE ANY CLOSING THOUGHTS THAT THEY WOULD LIKE TO SHARE?

WE DIDN'T GET ANY QUESTIONS FROM THE AUDIENCE.

IF WE HAD, WE WOULD HAVE TAKEN THEM.

SO DOES ANYBODY HAVE ANY CLOSING THOUGHTS?

LET ME GO THROUGH THE LINE.

GENEVIEVE, 20, 30 SECONDS.

>> WELL, AGAIN, I JUST WANT TO EMPHASIZE THAT ENSURING THAT CHILDREN UNDERSTAND THAT WHAT THEY'RE SEEING IS AN AD IS A CORE INTEREST THAT THE F.T.C. CAN AND SHOULD PURSUE, AND, SO, I THINK THE CONSENSUS RIARE RAISED BY HOW --

>> THANK YOU.

EXPWRRVETLE JOSH.

>> THANK YOU, MICHAEL.

THANK YOU AND YOUR COLLEAGUES AT THE F.T.C. FOR INCLUDING US.

IT'S REALLY IMPORTANT FROM OUR POINT OF VIEW FOR INDUSTRY TO HAVE A VOICE IN THE DEBATE, A SEAT AT THE TABLE WITH ADVOCATES WITH ALL DIFFERENT KINDS OF VIEWS, SO WE WELCOME THIS DISCUSSION AND MORE DISCUSSIONS ON THIS SUBJECT AND GRATEFUL TO BE INCLUDED.

>> THANK YOU.

SNEHA.

>> YEAH, SO GRATEFUL TO HAVE BEEN INCLUDED, OBVIOUSLY REPRESENTING A YOUTH-LED ORGANIZATION, IT'S MEANINGFUL THAT YOUTH PERSPECTIVES ARE BEING INTERJECTED THIS THESE CONVERSATION.

MY LASTING MESSAGE IS OBVIOUSLY JUST HARPING ON THE IMPORTANCE OF EDUCATION AND PUBLIC AWARENESS WORK WHILE ALSO ENSURING THAT WE ARE TAKING AGGRESSIVE ACTION TO SUPPLEMENT THAT.

>> BONNIE.

YES, I WOULD SAY THANK YOU TO THE F.T.C.

I HOPE THIS IS THE START OF MORE

DISCUSSION AND THAT IT DOESN'T
END HERE, AND I ALSO REALLY WANT
TO THANK INDUSTRY FOR THEIR
INVOLVEMENT TODAY, AND I HOPE THAT
THAT DISCUSSION THAT WE'RE
HAVING HERE CAN ALSO CONTINUE IN
MORE PRIVATE FORMS.

>> LARTEASE.

YEAH, I ALSO WANT TO THANK
THE F.T.C. FOR HAVING MY
ORGANIZATION HERE TODAY.
I THINK IT'S IMPORTANT TO BE A
PART OF THIS CONVERSATION WITH
THE ADVOCATES AND OTHERS IN THE
COMMUNITY.

SO THANK YOU FOR THAT.

I WOULD JUST LEAVE WITH A FEW
THOUGHTS REAL QUICK.

ONE IS ADVERTISING IS IMPORTANT
TO OUR ECONOMY, TO THE CONTENT
THAT WE ALL ENJOY AND THAT
WITHOUT IT WE WOULD NOT HAVE A
LOT OF FREE CONTENT THAT WE HAD
OR THINGS THAT ARE SUBSIDIZED.
I WOULD ALSO SAY THAT, FOR THOSE
WHO CAN'T AFFORD TO DO THE
SUBSCRIBER MODEL, IT IS THE BEST
THING THAT COULD ALLOW THEM TO
HAVE THE SAME ACCESS TO THE SAME
GREAT CONTENT AS BEING ABLE TO
HAVE ADVERTISING.

SO I WANT TO EMPHASIZE THAT.

I ALSO WANT TO SAY WE ARE
DEVELOPING A LOT OF TOOLS.
WE TALKED EARLIER ABOUT SOME
THINGS IN MARKETING PUT ON
SPONSORED CONTENT AND OTHER
ADVERTISEMENT.

SO THE INDUSTRY IS ALREADY
OPERATING AND DOING A LOT OF THE
THINGS TO MAKE SURE THAT PEOPLE
ARE AWARE WHEN THERE IS
ADVERTISEMENT AND WHEN THERE'S
NOT.

THE LAST THING, THERE IS NO
SUBSTITUTE FOR PARENTAL
INVOLVEMENT.

PARENTS ARE PARENTS ALL THE
TIME, AND I THINK THAT THAT
APPLIES IN THE PHYSICAL WORLD,
DIGITAL WORLD, THE SAME.
SO I'LL END THERE.

>> THANKS.

NELLIE.

>> THANK YOU TO THE F.T.C.,
MICHAEL TO YOU FOR MODERATING
THIS VERY INVIGORATING
DISCUSSION.
IT'S VERY HEARTENING TO HEAR

THAT, YOU KNOW, PEOPLE ARE BROUGHT TO THE TABLE AND WE HAVE THIS OPPORTUNITY TO DISCUSS, EVEN THOUGH WE MAY DISAGREE WITH EACH OTHER AT SOME POINT, BUT IT'S ALSO VERY HEARTENING TO HEAR STEPS ARE BEING TAKEN VERY PROACTIVELY BY THE INDUSTRY, BY, YOU KNOW, RESEARCHERS AND SCHOLARS WHO ARE CONTINUING TO CONDUCT RESEARCH BY, OBVIOUSLY, SOME OTHER GROUPS.

WHAT I WANTED TO MENTION AT THE END IS, AGAIN, MY VERY STRONG BELIEF THAT ANY KIND OF MEDIA LITERACY EDUCATION IS ABSOLUTELY ESSENTIAL FOR SOCIETY IN GENERAL, NOT JUST FOR KIDS AND PARENTS, AND NOTWITHSTANDING EVERYTHING THAT EVERYBODY AND LARTEASE SAID ABOUT THE ROLE OF PARENTS, IT ALSO BEHOOVES SAYS MEMBERS OF THE INDUSTRY, DIFFERENT INDUSTRIES, TO DO OUR BEST, AND THE LAST THING I WANTED TO SAY THAT EVERYBODY, WE HAVE HAD THE PRIVILEGE OF WORKING WITH EVERYBODY ON THIS PANEL, HAS THE KIDS AND FAMILIES' BEST INTERESTS AT HEART AND THAT'S THE BEST TAKEAWAY WE COULD ALL TAKE FROM THIS PANEL.

>> THANKS NELLIE AND AGAIN TO EVERYONE.

THANKS EVERYONE FOR A GREAT PANEL AND EVENT TODAY.

NOW I WOULD LIKE TO INTRODUCE SERENA VISWANATHAN, ASSOCIATE DIRECTOR, DIVISION OF ADVERTISING PRACTICES, FEDERAL TRADE COMMISSION, WHO WILL BE GIVING THE CLOSING REMARKS.

>> THANK YOU, MICHAEL.

GOOD AFTERNOON, EVERYONE.

I'M SERENA VISWANATHAN, ASSOCIATE DIRECTOR, DIVISION OF ADVERTISING PRACTICES, FEDERAL TRADE COMMISSION.

I HOPE EVERYONE FOUND THE DISCUSSION TODAY AS INTERESTING AS I DID.

I WOULD LIKE TO THANK THE CHAIR FOR HER THOUGHTFUL REMARKS THIS MORNING.

I WOULD ALSO LIKE TO THANK THE STAFF FROM THE DIVISION OF ADVERTISING PRACTICES AND OFFICE OF TECHNOLOGY RESEARCH AND

INVESTIGATION FOR ALL THEIR HARD WORK PUTTING THIS TOGETHER. ALSO, I'M VERY GRATEFUL TO ALL OF THE PANELISTS FOR SHARING THEIR TIME, INSIGHTS AND EXPERTISE WITH US TODAY.

IN CLOSING, I WANTED TO NOTE POINTS THAT STOOD OUT TO ME AND AN OVERVIEW OF SOME OF WHAT WE HEARD TODAY AND, OF COURSE, MY VIEWS ARE MY OWN AND DON'T NECESSARILY REFLECT THE VIEWS OF THE COMMISSION.

FIRST, IT'S REALLY IMPORTANT TO UNDERSTAND THE MARKETPLACE, EXISTING REGULATIONS AND REGULATORY GAPS.

WE HEARD TODAY ABOUT HOW THE DISTINCTION BETWEEN ADVERTISING AND CONTENT WITH KIDS HAVE BEEN HANDLED IN TRADITIONAL MEDIA, BUT MEDIA AND ADVERTISING IS EVOLVING MORE QUICKLY THAN EVER, AND NOW MOST ADVERTISING TO CHILDREN IS DIGITAL, WHICH DOES NOT FALL WITHIN THOSE REGULATORY SCHEMES.

AND WE SAW SOME OF THE TECHNIQUES MEDIA AND CHILDREN ENCOUNTER ONLINE.

THIS IS A CHALLENGE FOR US AS REGULATORS, FOR ADVOCATES, ADVERTISERS, CONSUMERS TO ANTICIPATE AS WELL AS REACT TO CHANGES IN THE MARKETPLACE TO PROTECT KIDS.

SECOND, AS WE DO ANTICIPATE AND REACT, IT'S EQUALLY IMPORTANT TO UNDERSTAND THE EVIDENCE.

LISTENING TO THE EXPERTS IS CRITICAL, AND WE HEARD FROM SOME OF THESE EXPERTS ABOUT THEIR RESEARCH, WHICH I FOUND ABSOLUTELY FASCINATING.

I THINK WE ALL AGREE THAT IT IS IMPORTANT TO BE ABLE TO RECOGNIZE AS ADS, THAT'S A LONGSTANDING PRINCIPLE UNDER F.T.C. LAW.

AND THE PANELISTS TALKED ABOUT THE DEVELOPMENT OF CHILDREN'S PERCEPTIONS ABOUT AD RECOGNITION, AND THAT IT'S NOT A LINEAR PROCESS.

THE KIDS MAY UNDERSTAND THEY'RE SEEING AN AD BUT NOT UNDERSTAND ITS PERSUASIVE INTENT, AND THAT'S EVEN MORE DIFFICULT WITH ENTERTAINING AND IMMERSIVE

DIGITAL CONTENT.

WE ALSO HEARD ABOUT SOME OF THE IMPACTS AND POTENTIAL HARMS TO KIDS FROM BLURRED ADVERTISING, LIKE FINANCIAL OR PRIVACY HARM, EXPOSURE TO UNHEALTHY PRODUCTS OR MENTAL HEALTH EFFECTS.

BUT WE ALSO HEARD THAT SOME OF THESE RELATIONSHIPS THAT KIDS MIGHT HAVE WITH POPULAR INFLUENCERS CAN BE DIRECTED TOWARDS POSITIVE OUTCOMES FOR KIDS.

SO THAT RELATES TO MY THIRD POINT WHICH IS THAT ANY ANALYSIS NEEDS TO TAKE INTO ACCOUNT THE COMPLEXITIES OF DEALING WITH DIFFERENT AGE GROUPS AND DIFFERENTLY SITUATED KIDS.

5-YEAR-OLDS, 12-YEAR-OLDS, 17-YEAR-OLDS WILL ALL VARY IN COMPETENCIES AND VULNERABILITIES.

WE HEARD THAT SOME KIDS WHO ARE INTERACTING WITH THIS CONTENT ARE NEURODIVERSE OR HAVE LOWER INCOME, HAVE LACKED CERTAIN SOCIAL SUPPORTS, AND WE HEARD TODAY THAT DETERMINING WHAT IS CHILD DIRECTED IS COMPLEX, BUT WE'VE ALSO HEARD ADS ARE INCREASINGLY NARROWLY TARGETED. SO WE NEED TO CONSIDER ALL THESE FACTORS WHEN WE'RE TRYING TO CREATE EFFECTIVE AND ENFORCEABLE REGULATORY OR STATUTORY SCHEMES. FINALLY AS CHAIR KHAN NOTED THIS MORNING AND IN OUR LAST PANEL, THERE ARE A VARIETY OF POTENTIAL SOLUTIONS.

ALL OF THEM MAY PLAY A ROLE.

WE'VE HEARD MEDIA LITERACY PROGRAMS MAY HELP IF THEY FOCUS ON CRITICAL THINKING.

DISCLOSURES OR OTHER SEPARATORS HAVE BEEN TRADITIONALLY USED AND SOME PLATFORMS HAVE DISCLOSURE REQUIREMENTS, BUT WE WANT TO MAKE SURE THOSE WORK FOR KIDS AND FOR THE PARTICULAR AGES WE'RE TALKING ABOUT.

IT'S INSTRUCTIVE TO HEAR ABOUT HOW OTHER COUNTRIES HAVE DEALT WITH THIS, FOR EXAMPLE TESTING STANDARDIZED DISCLOSURES OR ICONS.

SIMILARLY, PARENTAL CONTROLS OR AUTOMATED TOOLS MAY HELP BUT THEY HAVE THEIR OWN LIMITATIONS.

AND FINALLY WE TALKED ABOUT LEGAL REMEDIES INCLUDING WHETHER A BAN ON BLURRED ADS WOULD BE APPROPRIATE FOR YOUNG CHILDREN. AS AN ENFORCEMENT AGENCY, WE FACE PRACTICAL QUESTIONS ABOUT WHICH OF THESE SOLUTIONS WOULD RECTIFY THE HARMS WE TALKED ABOUT AND WHAT SOLUTIONS WOULD BE FEASIBLE UNDER THE LAW. SO THE PUBLIC COMMENT PORTAL IS OPEN FOR ONE MORE MONTH. WE REALLY DO WANT TO HEAR FROM YOU.

WE WILL CAREFULLY CONSIDER ALL OF YOUR COMMENTS.

MY HOPE IS THAT WE CAN PROVIDE SOME GUIDANCE AND RECOMMENDATIONS ON COMPLYING WITH THE LAW IN THIS SPACE, BUILDING ON THE WORK OF KARU AND SOME OF OUR INTERNATIONAL COLLEAGUES.

ONE LAST POINT I WANTED TO MAKE, WE FOCUSED TODAY ON THE BLURRING OF ONLINE CONTENT AND ADVERTISING, BUT IT'S CLEAR FROM TODAY'S DISCUSSION THAT THERE ARE, OF COURSE, LARGER QUESTIONS ABOUT HOW TO APPROPRIATELY REGULATE WHAT KIDS' EXPERIENCE -- WHAT KIDS EXPERIENCE ONLINE.

THESE ARE COMPLEX QUESTIONS AND THEY HAVE BEEN THE SUBJECT OF EXISTING LEGISLATION REGULATIONS, PROPOSED LEGISLATION REGULATIONS AND MUCH POLICY DISCUSSION.

SO ALTHOUGH WE COULDN'T FULLY EXPLORE THOSE ISSUES IN THE SHORTLY TIME WE HAD TODAY, THE F.T.C. HAS FOLLOWED THOSE DEBATES WITH INTEREST AND WE WILL CONTINUE TO ENGAGE WITH STAKEHOLDERS ON THESE ISSUES. THANK YOU AGAIN FOR JOINING US TODAY.