

Advertising + Marketing

Blurred Lines: FTC Report Finds Blurred Advertising Can Harm Kids

The Bottom Line

- Children and teens are spending a considerable amount of time in immersive environments, where advertising content can be difficult to distinguish from entertainment, educational or other content.
- Following a wave of recent [Children and Teens' Online Privacy Protection Act \(COPPA\) cases](#), the FTC is focused on protecting children in these spaces.
- Marketers, content creators, influencers and others who advertise or promote products online to children should avoid blurring advertising by clearly separating advertising and other content.

Can you always tell when influencers are paid to feature a product in their content? Or if a brand is behind an unboxing video? Or if an online game is actually an advergame? According to the FTC's report entitled "Protecting Kids from Stealth Advertising in Digital Media" (the Report), neither can many kids and teens.

Last year, the FTC held a workshop to better understand how blurred advertising impacts children in digital environments such as gaming platforms, virtual reality and social media. The FTC and workshop participants discussed how children spend a significant amount of time encountering advertisements – by one calculation, some teenagers may see 1,260 ads per day. This number will likely increase as platforms find new ways to monetize influencer ads and other types of blurred advertising.

Key Concerns

According to the Report, research indicates that children and teens lack the skills or cognitive defenses to identify or sufficiently evaluate blurred advertising. Specifically:

- **Trustworthiness/Authenticity:** Kids may be less skeptical of embedded ads delivered by people or figures they trust, such as influencers or avatars that kids build relationships with over time.
- **Classical Conditioning/Cultural Effects:** Advertising embedded in entertainment (e.g., influencer marketing) can affect cultural norms and ideas about what is possible or "normal" and may increase social comparison or body image issues.

- **Physical Harms:** The cultural effects of embedded advertising may make harmful products, like tanning, tobacco or unhealthy foods, more desirable.
- **Financial Harms:** Blurred advertising may lead kids and teens to make accidental, impulsive, emotional or social purchases.
- **Privacy Harms:** The use of kids' personal information and their interests to target ads to them complicates a kid's ability to recognize and evaluate an ad.
- **Disproportionate Effects on Certain Populations:** Certain populations may experience more significant impacts from blurred advertising, particularly when parents have fewer resources to contribute to their children's ad literacy.

Recommendations

While there is no one-size-fits-all approach to address the potential harms to children from blurred advertising, FTC staff recommends that marketers, content creators, influencers, platforms and anyone else involved in marketing to kids and teens online:

- **Do not blur advertising.** There should be a clear separation between entertainment content and advertising using formatting techniques. These can include short bumpers or interstitials, different backdrops, and verbal cues (like "we will be right back after these commercial messages") to signal that the content contains a commercial message and delineate between that message and the content that surrounds it.
- **Provide prominent just-in-time disclosures** verbally and in writing to explain the commercial nature and intent of the message. By way of example, FTC staff notes that if an entire section of a virtual reality world is essentially an advertisement, the advertiser and content creator should consider a watermark-type disclosure that re-appears at regular intervals or that can always be seen no matter where the user goes inside that part of the world. Similarly, a social media influencer who has a long video that discusses a variety of sponsored beauty products should consider offering prominent verbal and written disclosures each time a sponsored product is introduced or discussed. This disclosure should be easily understood by children, such as "Company ABC paid me to show you this so you will think about buying it" and not "paid promotion" or "sponsored content," which children may not understand.
- **Create and use an easy-to-understand and easy-to-see icon** to signal to kids that money or free things were provided to the content creator to advertise the product. Disclosures and consumer education will be needed to ensure the intended audience understands the icon's meaning.

- **Educate kids, parents and teachers** about how digital advertising works and help kids recognize and evaluate it wherever it appears. The more the industry standardizes the words and icons used to discuss embedded advertising, the easier it may be for children to grasp the concept across media.
- **Platforms should consider policies, tools and controls** to address blurred advertising, including requiring content creators to self-identify advertising content and offering parental controls that allow parents to limit or block their children from seeing such content.

It is important to note that none of these practices alone is necessarily sufficient. Because companies that engage in blurred advertising can be held liable under the FTC Act if their conduct is deceptive or unfair to children, they should take a wholistic look at their advertising practices directed to children.

For More Information

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