

Childnet International response to Call for Evidence on assessment of the Impact of the Commercial world on Children's Wellbeing

Introduction

Childnet International is a UK-based charity working with others around the world to help make the Internet a great and safe place for children. Childnet is a child-focused organization working directly with children and those responsible for children and other organizations and service providers operating around them. Childnet works actively in the area of education and awareness in promoting the potential and opportunities that technology offers to children, and also the key internet safety issues by providing quality advice to children, young people, parents, teachers, and caregivers, to enable children to use the technology safely and responsibly. Childnet is also active in carrying out research in this area as well as working in key policy fora, such as the Home Office Task force on child protection on the Internet¹ and the DCSF cyberbullying taskforce for example.

Childnet welcomes the call for evidence to help assess the impact of the Commercial World on Children's wellbeing. Childnet agrees that the nature of children's commercial engagement, both in the UK and globally, is changing and that the Internet is very much a commercial environment and that it is vital that policy (informed by research) keeps pace with this. This call for evidence is a timely consideration of this topic.

Childnet recently conducted a research project in this area with the National Consumer Council (NCC) and Dr Agnes Nairn, publishing the results in a report titled 'Fair Game? Assessing commercial activity on children's favourite websites and online environments' (subsequently referred to as the 'Fair Game' report).² The 'Fair Game' report concluded that children and young people may be placed at risk in the commercial environment online where data protection rules and marketing codes of practice are flouted, hidden persuasion techniques are employed in the form of advertisements and commercial messages that cannot be easily identified by children and where products and services that have a legal age limit, such as gambling and dating are advertised indiscriminately on sites that are popular with children.

The Fair Game research does not directly assess the well-being of children subsequent to the impact of the commercial environment of the Internet, but it does shed light on this area by recording the nature and extent of the commercial environment online, by investigating 40 websites that are most popular with children, and also recording the experience and perceptions of children and young people and their parents in relation to commercialism online.

Context

Reflecting the focus of Childnet International's work, our response to this call for evidence is centred on the commercialism that is encountered online by children, ie on the internet and new technologies. Childnet categorised the risks facing children online as 3 Cs, Content (eg harmful or illegal content), Contact (such as grooming and cyberbullying) and Commercialism. It is the third C of Commercialism which has received the least attention from a research and policy perspective.

Children have whole-heartedly embraced new technologies, often more so than their parents, and can be exposed to and vulnerable to commercialism via technology. The issue raised by

¹ The final meeting of the Home Office Task Force (HOTF) took place in June 2008. Childnet has accepted an invitation to join the UKCCIS (UK Council for Child Internet Safety) which will be replacing the HOTF as of September 2008 following the recommendations made in the Byron Report published in May 2008.

² <http://www.childnet.com/downloads/fair-game-final.pdf>

commercialism is significant as new technologies provide marketers and advertisers incredibly powerful opportunities, for example to profile and target users, to record their preferences and provide tailored advertising. Children are certainly attractive targets for advertisers as they have more money than ever before and thus spending power, and also more influence over family spending³.

Children, including those aged 12 and under, have unprecedented levels of access to, and even ownership of, modern technologies. In addition to access and ownership of technology, they have an educational need for it, and they use it for socialising and for other entertainment too, and they are engaging with it financially too. Recent Ofcom statistics indicated that in the UK 71% of households with children aged 8-11 and 77% of households with children aged 12-15 now have Internet access and that 56% of children aged 8-11 and 90% of children aged 12 – 15 have mobile phones.⁴ An earlier study done by Ofcom in the UK⁵ also found that 15% of 8-11 year-olds reported being solely responsible for their mobile phone bill, demonstrating that many children are also responsible for their technology too. As more children have access to and take 'ownership'⁶ of technology at an ever younger age, it is vital to ensure that steps are taken so that they are able to enjoy the opportunities that the Internet and new technologies afford whilst being able to keep safe at the same time.

New technologies do place children in a 'commercial environment' which they do interact with. We already know that looking for products or shopping is a substantial online activity of children⁷. MediaWise, a US-based organisation, explain that commercial sites are deliberately designed to be child friendly – "colourful, engaging, offering games, information and items and products the child recognises"...."Offering free music downloads, chatrooms, or games on an interactive site snags a child or teen and keeps them coming back"⁸. We also know that children are more likely to give out their personal information on a commercial site than in interactive services where they are in contact with stranger⁹. Sometimes competitions, surveys, questionnaires and quizzes are used to build up a profile of a user or even to collect personal data for marketing purposes. The finding that in the UK 44% of children have completed a quiz online¹⁰ is therefore potentially very significant.

The Internet is a very commercialised environment. The 'Fair Game' research investigated forty sites often used by, and popular with, children. The research found that 95% of the 40 sites examined that are popular with children were commercial (i.e. selling or carrying advertising or promotions) and nearly three quarters of the sites investigated carried third-party advertising.¹¹ This finding is in line with other studies¹² and in many ways should not be surprising, given the nature of the business

³ See the NCC report 'Shopping Generation', http://www.ncc.org.uk/protectingconsumers/shopping_generation.pdf.

⁴ Ofcom Media Literacy Audit (May 2008) http://www.ofcom.org.uk/advice/media_literacy/medlitpub/medlitpubrss/ml_childrens08/

⁵ Media Literacy audit: Report on media literacy amongst children (May 2006) http://www.ofcom.org.uk/media/news/2006/05/nr_20060502, (p50).

⁶ See http://ec.europa.eu/information_society/activities/sip/eurobarometer/index_en.htm (p 6)

⁷ See UK Children Go Online – Surveying the Experiences of young people and their parents, p22, where 40% of children (12-19) included this in their online activities. See www.children-go-online.net.

⁸ See http://www.mediafamily.org/facts/facts_internetads.shtml

⁹ See http://www.media-awareness.ca/english/research/YCWW/phaseII/key_findings.cfm

¹⁰ In the Shopping Generation Report, p18, see http://www.ncc.org.uk/protectingconsumers/shopping_generation.pdf, attributed to Professor Sonia Livingstone,

¹¹ <http://www.childnet.com/downloads/fair-game-final.pdf> (pp. 6&8)

¹² Such as the Kaiser Family Foundation's July 2006 report in the US on Advergaming and the Online Marketing of Food to Children <http://www.kff.org/entmedia/upload/7536.pdf>. In addition in Canada it was found that children's favourite online spaces are commercialised, with 94% of students' top 50 websites containing marketing material, see http://www.media-awareness.ca/english/research/YCWW/phaseII/key_findings.cfm

model provided by the Internet. However, it is important to consider the commercial impact online to children, particularly given that there are some differences in how children engage with commercialism online as compared to through other media forms such as TV, radio or print, and the length of time children are using this technology. A recent report by the IPPR highlighted that British children are spending more than 20 hours a week online, most of it on social networking sites.¹³ It has been suggested that this research reinforces the belief that social networking sites are an attractive means for advertisers to 'sell' to the youth market¹⁴, and as young people and children have migrated online from other forms of entertainment, so to the marketing industry has developed sophisticated and innovative techniques to 'court' them. The nature of the Internet means that children will often have a more prolonged and potentially interactive exposure to commercial messages, and these messages can also be more personal and targeted than methods used offline. The fact that increasingly children and young people are accessing the Internet via mobile technology brings with it a further range of challenges, such as the fact that it is an intensely personal medium and can be accessed anywhere and at anytime. The immediacy and spontaneity of new communication technology, perhaps most significantly with mobiles, where children can receive and respond to messages wherever they are in seconds can also be a factor in making children vulnerable to commercial pressures.

Research has told us that parents find it challenging to keep up with their children's activity online, and find it difficult to extend their parenting online. They are not always aware of the experiences their children are having online. The UK Children Go Online study found that 20% of children claim they mustn't fill in online forms, compared with 57% of parents who do not allow it, demonstrating this disparity between parents' perceptions of their child's online activities and experience when compared to the children's actual experiences online.

Commercial pressures online

In the discussions with the parents and children which formed part of the Fair Game research, both children and parents confirmed that the internet has become an integral part of UK family life, welcomed by children and parents alike. The risks they were aware of related very much towards the threat of paedophiles grooming children (or 'stranger danger'), cyberbullying and viruses etc. The risks associated with commercial activity were less considered or ignored.

The Fair Game research takes a closer look at the nature of the commercialism in the online environment as well as parents and children's experience and perceptions of this, and it looks at this under three distinct subject areas: Advertising, Purchasing and Privacy.

Advertising

While children are generally aware of the most obvious forms of advertising, Childnet's 'Fair Game' report revealed that children and young people find certain forms of advertising, such as advertorials and games, difficult to recognise. A child's view as to what constitutes an advert is different from the standard adult definition and it is Childnet's experience that very often children do not consider games or videos featuring products to be adverts, even where they have been marked as an advertisement.

The 'Fair Game' research found that when asked about advertising online and commercialism, children spontaneously mentioned pop-up adverts, ads that won't close and go away, and indeed expressed irritation with what they regarded as interference with their Internet use – some were even

¹³ See <http://www.ippr.org/members/download.asp?f=%2Fecomm%2Ffiles%2Fbehind%5Fthe%5Fscreen%5F20%2Epdf> (p.15)

¹⁴ <http://www.guardian.co.uk/society/2008/mar/25/children.socialnetworking?gusrc=rss&feed=politics>

fearful of what these ads might do to their family computer, for example infecting it with viruses or spyware and then getting into trouble with parents.

The 'Fair Game' report indicated that "Children mostly identify advertisements by their position on the page or because they are animated. Some non-advertising content is mistaken for commercial material because of its position on the page; and when advertising is labelled, children pick up on the label 'ADVERTISEMENT', but most missed the more unobtrusive label 'AD' which is used by many advertisements online.¹⁵

The 'Fair Game' research also revealed that the impact of Internet advertising on children is more likely to produce an overall perception of a brand or service through increased exposure than a direct response, and few children said they were interested in responding to the majority of adverts because they were by and large irrelevant (for example loans, cars or medicine. Most children were aware that free offers came with a catch, though a small number of children followed 'give-aways' to see what was behind the offer.

The report further revealed parental concern regarding repeated exposure to commercial material and the impact that this could have on children. "If the link catches their eye then I am worried that they will go in there and explore more. It can be just the colours or a cartoon character that can pull them in, not necessarily the product'. Father of 7-11s."

Online commercialism does expose children to content and activities which are inappropriate and potentially harmful to them. When visiting websites that are popular with children, children are likely to come across advertising that are not suitable for them, such as adult only content like gambling and dating websites. On the sites considered in the 'Fair Game' research a quarter of surveyed ads offered products or services that had a legal age limit (16,17 or 18 years), for example; gambling, credit and dating. While some of these services are merely irrelevant for children, others are not appropriate for younger age groups.¹⁶ Other research tells us that 38% of children who use the internet weekly have seen a pornographic pop-up while doing something else¹⁷.

Some of the parents did have concerns about this: "There's too much poker. Cars and mobile phones. You would be disappointed if it was a child's site. It depends on how many times you go onto a site. A seven year-old on his fifth visit is going to think "what is that 10 quid thing there: I'll have one of them.' Father of 7-11 year-old."

Developments in advertising online includes social network profiles set up as advertising, as well as viral advertising which one user passes on the 'commercial' information to another. It is crucial to keep pace with the development and opportunities taken by the advertising industry online in order to ensure that children and parents are informed and empowered to navigate this environment safely, so their lack of experience is not taken advantage of. It is also relevant and of concern that surveys have revealed that 38% of children (9-19 year-olds) trust most of the information on the internet¹⁸. If many children are accepting the information they see conveyed on the Internet as truthful, accurate and unbiased, and are not always able to distinguish between commercials and content, then they are clearly vulnerable to commercial pressure and even exploitation.

Purchasing

Children and young people have significant buying power in their own right spending more than £4.2 billion annually and influencing parental spending a further £30 billion¹⁹ and Childnet's Fair Game research with the NCC and Dr Agnes Nairn revealed that "all but the youngest children are exposed

¹⁵ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.16)

¹⁶ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.14)

¹⁷ www.children-go-online.net

¹⁸ UK Children Go Online - Surveying the Experiences of young people and their parents, p28.

¹⁹ <http://www.childwise.co.uk/trends.htm>

to regular purchasing opportunities²⁰. Even where shopping was not the main feature of one of the featured websites; it was possible to purchase goods and/or services from almost half of the sites that were investigated as part of the research.²¹ However, despite this, children view the Internet as a place that provides them with things for free, and they are using sites such as ebay to research potential purchases

In the Fair Game research we did find there was generally good practice in the area of purchasing in the 40 sites popular with children. Online shopping by children is becoming the subject of increasing family negotiations. Various parenting styles and house rules are applied – ranging from a complete ban (mainly among parents of the youngest children) to assessing children's requests item-by-item, which was the most common approach found in this research.²²

Childnet have experience of children being caught out or "ripped off" by purchases they have made online or via mobile phone. In particular, many children have been caught out by signing up to premium rate subscriptions believing that they were making a one-off purchase of a product. Services such as those offering ring tones and logos and competitions paid for by premium rate do not make it clear for children and young that the agreements promoted were a reverse-billed subscription rather than a one-off payment.²³ "I had this £10 credit and went on this website to get a ringtone, and it took all my money'. (Girl 11-12.)"

Childnet are aware of instances where children on a post-pay contract have run up a monthly bill in excess of £1,000. However, it is significant to recognize that it is the bill or issues around this which can often trigger parental involvement and we have heard anecdotally that this is the point at which parents become involved in their children's mobile activities. Similarly, it is apparent that children learn about these risks by experience, by their own or one of their friends or peer group, and this experience helps them to be more cautious in the future.

The 'Fair Game' report found that children valued involving their parents in an online purchase, partly because they needed use of their parents' credit card to make the purchase, but also because they valued involving their parents to ensure that they were following the correct procedures and to get a second opinion. Nearly all the children interviewed had asked their parents' permission before making an online purchase. Children's main complaint around purchasing online is the lack of clarity of the purchasing process and its stages. They are unclear about when they commit to buy and the details of further charges they may incur. They also complain about prices being hidden in the small print.

We also know that children and young people often used their online presence in a constructive way to learn more about purchasing and their activity can help to develop and shape their research and research learning skills. One father said "We bought a dog. My daughter was dying for this dog so for a month she was researching eBay – locations, prices, breeders, that sort of thing".²⁴ Children's curiosity and confidence with the use of technology inspire a steep learning curve, with a desire for online independence emerging alongside their expanding freedoms.²⁵

Certain forms of marketing also call for children and young people to exert their influence to increase purchasing opportunities. Some sites have deployed a 'wish list' which can be used by young users and sent to their parents and carers highlighting products available for purchase. Other viral marketing strategies encourage children and young people to fill in their friend's details in online fora by giving users the opportunity to 'tell a friend' about content they have just seen on the site by

²⁰ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.33)

²¹ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.8)

²² <http://www.childnet.com/downloads/fair-game-final.pdf> (p.35)

²³ Supported by evidence from the Safer Internet for Children Qualitative Study across 29 European Countries (May 2007), p.51

²⁴ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.36)

²⁵ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.9)

supplying a personal email address on the site's own form fields. It is bad practice to encourage children to give their friends' details without consent.²⁶

One area of concern is children being able to purchase goods online that they would not necessarily be able to buy offline. A recent (January/May 2008) Ten Minute Rule Bill proposed by Margaret Moran MP aimed to ensure that anyone selling age-restricted goods and services over the Internet had to take steps to verify whether their customers were old enough. There have been reported incidences where children and young people have had access to pre-pay credit cards which have enabled them to sign up for age restricted sites and purchase age restricted goods such as knives, alcohol and pornography.

Privacy

As well as concerns regarding advertising and purchasing, an investigation into the impact of the commercial world on children's wellbeing online also raises issues of privacy. While children and parents on the whole are aware of the risks of giving out personal details on the Internet, this is seen as more of a child safety issue than a commercial consideration.

There is a degree of confusion surrounding current privacy systems. While most of the parents that Childnet spoke to had covered basic 'stranger danger' type privacy rules there was a degree of confusion regarding the purpose of privacy policies. Both children and their parents found the small print "off-putting, hard to understand and lacking in relevance."

Childnet believes that there needs to be a more effective ways of explaining and communicating privacy to users of services than those currently employed offering the user clarity about how the information that they divulge will be used. This is particularly important given the extent to which websites popular with children request personal information. The Fair Game report found that 26 out of the 40 websites, in other words two-thirds of the sites popular with children, requested personal data. In addition, and significantly, the 'Fair Game' report also found that privacy policies are rarely read by parents and not read at all by children, and in the majority of cases the policies themselves are unlikely to be understood by a child by virtue of the way they are written. It is very clear that the current system of using privacy policies is not working – it does not inform users in the way that it needs to and more imagination and effective communication needs to be brought to bear here.

Conclusion

Childnet recognise that there is a need for further research into this area, but we also believe that the Fair Game report does provide a new insight into this area of commercialism online in relation to children.

From Childnet's perspective, we see that two approaches are required here. One is media literacy education to empower children and those responsible for them with the knowledge of the need to be discriminating and informed online, to recognise and be able to navigate the commercial world of the internet and new technologies. There is also the need for this environment to take the needs of children into account - crucially there is a need for greater clarity for children and young people using the Internet and to aid their awareness of this environment and continue monitoring to ensure that children are not exploited in this increasingly popular environment.

²⁶ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.25)