



Targeting children online: Internet advertising ethics issues

M. Jill Austin

Associate Professor of Management and Chair of the Management and Marketing Department, Middle Tennessee State University, Murfreesboro, Tennessee, USA

Mary Lynn Reed

MBA student, Management and Marketing Department, Middle Tennessee State University, Murfreesboro, Tennessee, USA

Keywords *Children, Internet, Ethics, Target Marketing, Advertising*

Abstract *Provides a set of guidelines that will assist Internet marketers in maintaining ethical marketing practices. Information about regulation of Internet marketing to children based on Federal Trade Commission regulations and guidelines developed by the Direct Marketing Association, Center for Media Education, and Council of Better Business Bureaux are also explained. Review of some of the Internet sites commonly visited by children provides additional guidelines for Internet marketers. Some of the issues discussed include: the use of kids' clubs to sell products, appropriateness of content and terminology on the Web pages, information gathering/information sharing practices, and marketing practices.*

Kid-based Web sites

Going online is a favorite pastime for millions of American children. Almost 10 million (14 percent) of America's 69 million children are now online with over 4 million children accessing the Internet from school and 5.7 million children going online from home (<http://www.ftc.gov-b>). The Internet entertains children through communications with their favorite cartoon characters, contests that award prizes, interactive games, access to electronic pen pals, and chat room discussions. Learning is also enhanced through children's use of educational Web sites for homework and the informal browsing of Web sites (<http://www.ftc.gov-b>). However, there are some possible negative consequences for children who access kid-based Web sites.

Advertising on kid-based Web sites has become both a rapidly growing market for consumer companies and a concern for parents. With a click on an icon, children can link to advertisers and be granted tremendous spending power. Children are an important target group for consumer companies because of their tremendous spending power. In 1995, children under age 12 spent \$14 billion, teenagers another \$67 billion, and together they influenced \$160 billion of their parents' incomes (Azoulay, 1998). Many critics question the appropriateness of targeting children in Internet advertising. This paper will explore the issues that require that children be treated as a "special case" by advertisers, the legal and regulatory issues for advertising to children on the Internet, and industry self-regulation efforts. Finally, ethics issues that should concern Internet advertisers are discussed and recommendations are included for both advertisers and parents.

Advertisers' responsibilities to children

Because children lack the analytical abilities and judgment of adults (<http://www.ftc.gov-b>), Internet advertising directed to children raises special concerns. Web sites use "one-to-one marketing" that permit companies to

The current issue and full text archive of this journal is available at
<http://www.emerald-library.com>



Vulnerabilities of children

develop personal relationships with children and the sites are designed to hold children's attention for long periods of time (<http://www.cme.org>). Children are vulnerable to Internet advertising in a number of ways. They may be unable to:

- Evaluate the accuracy of information they view (<http://www.bbb.org>).
- Understand the nature of the information they provide to advertisers or that the "game" they are playing is really just data collection by an advertiser (Azoulay, 1998). Children generally lack the developmental ability to give consent to the release of personal information to an advertiser. This is an even greater problem for children when they are offered incentives for providing personal information, or when personal information is required before they are allowed to register for contests, join a kids' club, or play games (<http://www.ftc.gov-b>).
- Judge the difference in entertainment and marketing because the content and advertising are seamlessly integrated (<http://www.cme.org>).
- Understand that product spokespersons or characters are used to develop interactive relationships with them (<http://www.cme.org>). Children may not realize that in many cases these characters provide hotlinks directly to advertising sites (Azoulay, 1998).
- Understand the dangers of interacting with strangers on the Web. When children are communicating with others on company chat lines, they cannot judge whether they are chatting with another child or an adult posing as a child (<http://www.ftc.gov-b>).
- Judge the difference in advertising and the interactive game of the Web site. Safeguards that exist in traditional broadcast media that require separation between programs and advertising do not exist online (<http://www.ftc.gov-b>).

Legal and regulatory issues

Because of the vulnerabilities of children, legal and regulatory limits have been placed on advertising to children in all media. In recent years, many of these legal restrictions on traditional types of advertising have been applied to Internet advertising targeted to children. Legislation has been proposed to insure that children's welfare is considered in Internet advertising. The Federal Trade Commission Act, the Communications Decency Act, and the proposed Child Online Protection Act are three significant legal/regulatory issues that address Internet advertising to children.

Federal Trade Commission Act

The Federal Trade Commission Act prohibits deceptive or unfair advertising in any medium. The act specifically reminds advertisers that children may be more easily misled than adults and that advertisers should take care not to misrepresent products advertised to children (<http://www.ftc.gov-a>). In June 1996, the Federal Trade Commission (FTC) conducted a two-day workshop to explore privacy concerns raised by the online collection of personal information from children. A second workshop was held in June 1997. The goals for the two workshops were to:

- Identify potential consumer protection issues related to online marketing.
- Provide a public forum for exchanging ideas and presenting research.
- Encourage effective self-regulation by advertisers (<http://www.ftc.gov-b>).

Indecent or offensive speech

In July 1997, the FTC issued an opinion describing Internet information collection practices that are considered unfair or deceptive to children. During an FTC “Kids’ Privacy Surf Day” in October 1997, the FTC surveyed more than 120 sites listed on the children’s directory “Yahooligans!” Results indicated that 86 percent of these sites were “collecting personally identifiable information from children” including names, e-mail addresses, mailing addresses and telephone numbers. Fewer than 30 percent of the sites surveyed posted privacy policies or confidentiality statements and only 4 percent of them required parental authorization. In announcing these findings, the FTC issued a clear warning. FTC Consumer Protection Bureau director Jodie Bernstein (1997) in a staff opinion letter that was authorized by the Commission, stated:

Protecting children’s privacy online is a high priority. Any company that engages in deceptive or unfair practices involving children violates the FTC Act. The FTC can bring legal action to halt such violations and seek an order imposing restrictions on future practices to insure compliance with the FTC Act (Azoulay, 1998).

The FTC completed another review of Web sites’ information collection practices in March 1998 and the agency plans to monitor Web sites on an ongoing basis (Azoulay, 1998).

Communications Decency Act (CDA)

The Communications Decency Act (CDA) made it a crime to engage in speech that is indecent or patently offensive on computer networks if the speech might be viewed by children (<http://www.aclu.org-a>). The Supreme Court case *Reno v. ACLU* was the first legal challenge to the censorship provisions of the CDA and the first test of free speech applied to the Internet. The American Civil Liberties Union (ACLU) contended that some parts of CDA violated the first amendment. The case was filed on February 8, 1996, the day CDA was signed into law. On June 27, 1997 the Supreme Court ruled that the CDA was an unconstitutional restriction on free speech. Justice Stevens stated that the CDA places an “unacceptably heavy burden on protected speech”, that “threatens to torch a large segment of the Internet community” (<http://www.aclu.org-b>). According to the ACLU:

Everyone knew the CDA was unconstitutional, but Congress passed the law and the President signed it. Today’s historic decision affirms what we knew all along: cyberspace must be free (<http://www.aclu.org-b>).

The Supreme Court’s ruling protecting free speech on the Internet has caused many legislators to be leery of restricting speech on the Internet even if the legislation protects children.

The proposed bill

Child Online Protection Act

A bill (H.R. 3783) was introduced in the 105th Congress to amend section 223 of the Communications Act of 1934. The proposed bill would require people engaged in selling or transferring material over the Internet that is harmful to minors to restrict the access of this material by minors (<http://thomas.loc.gov-a>). The bill was introduced by Representative Oxley on April 30, 1998 and was referred to the House Committee on Commerce. The House Committee on Commerce reported an amended version of the bill on October 5, 1998. The bill was approved on October 7, 1998 in the House by a voice vote and was sent to the Senate for consideration (<http://thomas.loc.gov-a>).

Self-regulation in advertising

The CME guidelines

A bill similar to H.R. 3783 was introduced in the Senate (S. 2326) on July 1, 1998. Hearings for S. 2326 were held in the Subcommittee on Communications and on October 1, 1998 went to the Committee on Commerce. The bill was read twice and was then referred to the Committee on Commerce, Science, and Transportation (<http://thomas.loc.gov-b>). No action was taken before the end of the session.

Business initiatives

There is a long tradition of self-regulation in advertising that continues with Internet advertising to children. Specifically, the Center for Media Education, the Direct Marketing Association, and the Council of Better Business Bureaux (Children's Advertising Review Unit) have guidelines for appropriate advertising to children on the Internet. All of these groups have initiatives that encourage compliance with their guidelines.

Center for Media Education (CME)

With growing concerns about Internet advertising to children, the Center for Media Education (CME) has begun to scrutinize Web sites targeting children. The CME believes that some advertisers are using the Internet to leverage children's buying power because they know children are unable to resist marketing campaigns on the Internet (Bernstein, 1997). In April 1998, the CME developed guidelines to protect children from deceptive, unfair, and harmful Internet advertising practices (<http://tap.epn.org>). Table I describes the general topics in the CME guidelines.

The CME guidelines apply to the collecting and tracking of both personally identifiable information and information that is aggregate and anonymous (<http://tap.epn.org>). According to the CME, advertisers' approaches to collecting and tracking information about children is often in violation of children's rights.

Direct Marketing Association (DMA)

The Direct Marketing Association (DMA) has taken a number of initiatives to insure protection of children who use the Internet. To help reduce the amount of harmful and deceptive advertising, the DMA suggests that organizations promote online privacy statements explaining their use of marketing and advertising practices (Yoegel, 1997). The DMA privacy principles are shown in Table II.

1. Collection limitation – Children and parents have a right to both anonymity and autonomy. The data collector must justify why data collection is appropriate
2. Disclosure – A privacy statement should be prominently displayed on the Web site that explains what, how, why, and who for data that are collected. Language used in the statement should be appropriate for children
3. Parental consent – Data collectors should gain parental consent before data are collected if the data are personally identifiable
4. Use specification/use limitation – Data that are collected should not be used for purposes not disclosed
5. Data quality – Data collectors should protect data collected from unauthorized access
6. Parental participation – When requested by a parent, data collectors should provide the information collected from a child

Source: The Center for Media Education/Consumer Federation of America (1998)

Table I. Summary of CME guidelines for collecting information from children on the Internet

The Children's Advertising Review Unit

Advertising directed to children

1. When determining whether to collect data, marketers should take age, knowledge, and maturity of the audience into consideration
2. Parents' concerns about the collection of their children's names, addresses, etc. should be considered and marketers should support the ability of parents to limit access to this type of information
3. Data that are collected should be limited to use for appropriate marketing activities only
4. Explanations should be provided stating that information is being collected for marketing purposes
5. Security measures should be used to insure against unauthorized use of information that is collected

Source: Yoegel, R. (1997)

Table II. DMA privacy principles for online data collection

In addition, the DMA suggests that Internet users have an option on their computers to stop unwanted e-mail solicitations. Web site filtering programs are also recommended as a way to insure Internet content is appropriate for children (Yoegel, 1997). Since children may not be able to understand the nature and content of marketing information, the DMA recommends kid-based companies encourage parents to share in and monitor their children's online experiences (*Marketing Online*, 1997).

Council of Better Business Bureaux

The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaux exists to promote responsible children's advertising and to respond to public concerns. Reviewing and evaluating child-directed advertising in all media is the basic activity of CARU. With increasing availability of the Internet, CARU provides guidelines to promote ethical Internet advertising practices. When children's advertising is found to be misleading, inaccurate, or inconsistent with guidelines set by CARU, the organization asks the companies responsible to voluntarily make changes in their advertising (<http://www.bbb.org>). In regard to advertising directed to children on the Internet, CARU director Elizabeth Lascoux explains:

How complicated and full of seemingly insurmountable challenges this new cyber-world can be, and nowhere are the pitfalls deeper than in trying to adapt the new media for communicating with that particularly complicated and vulnerable audience – young children (Oberlag, 1997).

The guidelines developed by CARU apply to online activities intentionally targeted to children under 12 or those online areas specifically designated as children's areas (<http://www.bbb.org>). A summary of the CARU guidelines is shown in Table III.

Ethics issues

Advertising directed to children on the Internet presents unique ethics issues for advertisers because of the open access of the Internet and children's ability to make decisions without the assistance of parents. Issues such as kids' clubs, appropriateness of content/terminology, information gathering/sharing practices, and marketing practices are explored below. Examples of ethics issues taken from Internet sites visited by children are included to illustrate the ethics issues discussed.

-
1. Making a sale
 - a. Children should be told they are being targeted for a sale
 - b. Ordering instructions should clearly state that parents' permission is needed to place orders
 - c. A mechanism should be in place that allows parents to cancel unwanted orders
 2. Data collection
 - a. Parents' permission should be obtained
 - b. The reasons for collecting the information should be disclosed in terms which children can understand
 - c. Advertisers should encourage children to select "screen names" for activities
 - d. Advertisers should provide a way for children to discontinue receiving e-mails

Source: The Children's Advertising Review Unit (1997)

Table III. Summary of CARU guidelines for interactive electronic media

Kids' clubs

Kids' clubs

Kids' clubs are one way advertisers generate brand loyalty for their products. In the traditional advertising media, children joining kids' clubs are more easily monitored by parents because personal information must be sent to companies by mail. Company Web sites allow children to join clubs online. Since children can join immediately by typing in personal information about themselves, parents may not be aware that information has been provided to a company. In addition, some companies' Web sites are really just advertisements that provide no value to children for either entertainment or learning; their kids' clubs are inappropriate ways to gain information for marketing purposes.

Mattel has a Barbie Collector's Club on the Barbie Web site. Parents are encouraged to allow their children to register because the child will be recognized by name and can participate in some activities that are only available to registered users (<http://www.barbie.com>). Colgate asks children to enter the "Dr Rabbit's No Cavities Clubhouse" by providing their first name and a password (<http://www.colgate.com>). These sites advise children to get their parent's permission to use the Web site and the Barbie site goes further by asking the parent to type in the child's user name and a parental password. Part of the value of these types of clubs is to allow children to see the variety of products offered by the company as well as to play interactive games.

Language and content

Appropriateness of content and terminology

Advertisers should be careful to use language and content that are appropriate for children. Some terms such as *personalize*, *registration*, and *preferences* that are used in many Web sites may be misunderstood by children. It is also critical that Internet advertisers prominently display disclaimers and that these disclaimers be written in language that children can easily understand. Many Internet advertisers link their sites with other Web sites and some of these links may provide children access to sites that contain inappropriate language and content.

Hasbro uses language that is appropriate to children in its privacy statement:

Welcome! This Hasbro Web site brings you the coolest information about the world of Hasbro and provides a first hand look at some of our games and toys (<http://www.hasbro.com>).

Content and terminology

Children who want to receive e-mail from Colgate about a lost tooth are told:

Hey kids, before you send your e-mail to the Tooth Fairy, be sure and ask your parents or caregiver if it is OK to answer these questions from Colgate. We only need your e-mail address so that the Tooth Fairy can send YOU a message (<http://www.colgate.com>).

Nabisco has a symbol called “ad break” that says, “Hi kids, when you see Ad Break, it means you are viewing a commercial message designed to sell something” (<http://www.nabisco.com>). Nickelodeon’s use of *fake* advertisements such as: “Pesky Aunt Repellent: Get rid of cheek pinching Aunts” may disturb some parents (<http://www.nickelodeon.com>). Fake advertisements could cause children to be misled when they visit other sites that have real advertisements. Disney has several advertisements that are not really for children that allow them to click on an icon to go to the advertisers’ Web sites. Some of these links from Disney that are not really for children include Fidelity Investments, Oldsmobile, ESPN Store, American Express, and Discover Card.

Another concern related to appropriateness of content and terminology is conversation that results from pen pals and chat rooms that are offered by the Web sites. It is almost impossible to determine if a pen pal is another child or an adult. Disney states that for its chat room and e-mail:

You should not upload to, distribute through, or otherwise publish through DISNEY.COM any content which is libelous, defamatory, obscene, pornographic, threatening, invasive of privacy or publicity rights, abusive, illegal, or otherwise objectionable that would constitute or encourage a criminal offense, violate the rights of any party, or that would otherwise give rise to liability or violates any law (<http://www.disney.com>).

These issues listed in the terms and conditions of use of the Disney site provide examples of the concerns that parents have regarding children being involved with chat rooms and pen pals. The Barbie site offers an icon for sending and reading e-mails called “My Mail Box (<http://www.barbie.com>). Nickelodeon does have e-mail, but it is from children to the company so that children’s questions can be answered (<http://www.nickelodeon.com>).

Disguise

Information gathering/sharing practices

Often under the disguise of a contest or a promise of free gifts, children are lured into filling out forms that reveal personal information. With the maturity of adults, parents are able to handle or ignore such requests or invasions of their privacy; but children can be easily tempted with the chance of a free prize or a club membership. A larger problem soon to be dealt with is not only with children voluntarily giving up personal information, but with such advanced technology that enables Web sites to record data by tracing one’s online travels from jumping to different pages to making choices within a particular site (<http://epn.org>). In other words, children along with adults may soon begin to surrender tremendous amounts of personal information whether they want to or not.

Most companies say they do not share information that is gathered from their sites with other advertisers and that they do not require personal information be provided. However, most companies do use “cookies”. “Cookies” are pieces of information placed on a user’s hard drive when Web sites are accessed that will allow companies to keep track of the user names, whether or not users have visited a site before, which portions of a site are popular, and types of browsers on users’ computers. Disney reports that it collects IP addresses (unique addresses for computers linked to the Internet), but does not link these to anything that identifies a person. None of the sites visited

for this research say they use “cookies” for marketing purposes. They report that personal information is used only when users purchase products or win contests. Nabisco allows users to click on, “I do not want to be contacted in the future about Nabisco products” or they can complete the “guest book” to provide personal information such as gender, e-mail address, name, and address. Sometimes companies use information provided by children on their company Web sites. Nickelodeon warns children that:

If you write something neat on a message board or in a chat room, we might want to use it. By posting your thoughts, and by hanging out in the chat rooms, you’re telling us it’s OK to repeat what you say. It’s even OK to put it in an advertisement. It means we can use it in any way we want, anywhere, until the end of time. And wouldn’t it be cool if we used something YOU said until the end of time? The same goes for any stuff you upload to us, like drawings, or sounds, or photos. The same goes for anything you snail mail to us (<http://www.nickelodeon.com>).

Free items

Marketing practices

Some Web sites offer free items to children who provide personal information about their families. These companies may talk about prizes children can win in a way that creates unrealistic expectations. Nabisco requires children who win contests to have their parents give permission for prizes to be awarded (<http://www.nabisco.com>). Colgate does not award prizes, but does have a contest where children’s drawings are posted on the company Web site each month (<http://www.colgate.com>). Nickelodeon offers “virtual prizes” that can be downloaded such as TV Land trading cards and a game where Cher predicts a child’s future (<http://www.nickelodeon.com>).

One of the most troubling marketing approaches that companies use to market online is “one-to-one marketing”. The company gets children’s names and information about them and then directs promotional efforts to them through e-mail. According to Marc Rotenberg, Director of Electronic Privacy Information Center:

Instead of doing a commercial that’s roughly targeted to boys five to seven, which is a lot of the advertising on Saturday morning TV, now you’re targeting a particular boy, who has a particular interest in a particular program, who lives in a house, whose parents have a certain income. And at that level of targeting, I think the opportunity for manipulation becomes much greater, really almost overwhelming for parents who are trying to control the upbringing of their kids. Because we’ve never really existed before in an information environment where the TV could reach out to your child and say, ‘Bob, wouldn’t you like to have this new action figure, just like in the movie you saw last week?’ (<http://epn.org>).

One-on-one

Most companies say they do not target children one-on-one unless a parent approves. However, Nabisco provides a “guest book” where users are asked to provide a variety of personal information about themselves. The disclaimer, “NOTE: Please DO NOT enter any information if you are under 18 years of age”, (<http://www.nabisco.com>) does not really prohibit children from entering information. The Barbie Web site encourages parents to allow their children “to get a more personalized experience on the site” (<http://www.barbie.com>).

On many of the kid-based Web sites, there is little separation in the selling aspects of the site and the games that are provided for entertainment. When the Disney site is first accessed, a box that says, “Disney Blast Online Service for kids – try for 30 days free” is shown (<http://www.disney.com>). On the Barbie Web site, children can make selections to name their Barbie and design her by selecting her eyes, hair, clothing, etc. Users can then click to

purchase the doll for \$39.95. The Barbie Web site also includes a “wish list” section where children can keep track of all the items they wish others would purchase for them (<http://www.barbie.com>). The Nabisco Neighborhood includes a “store” where products can be ordered (<http://www.nabisco.com>). Nickelodeon sells its products through a site called Red Rocket that is not directly linked to the site that includes games and information for children (<http://www.nickelodeon.com>). The Hasbro site does not separate its information and game sections from its sales section. These are all shown on the first screen of the Web site (<http://www.hasbro.com>). The Disney site includes a number of “selling” icons such as “book your vacation” and “Disney’s online service for kids – free for 30 days”. These icons are not separated from children’s activities. For example “book your vacation” is shown next to an icon to “Draw Simba”. The site also includes options for home videos, CD-ROMs, books, music, the Disney Cruise line, and the Disney Vacation Club (<http://www.disney.com>). Colgate does not offer products for sale on its Web site (<http://www.colgate.com>).

Challenges for advertisers

Recommendations

It appears that the Internet does present some challenges for advertisers who want to be ethical in their marketing practices. Children are a vulnerable group and the immediacy and freedom of the Internet make it difficult for companies to insure children’s protection on kid-based Internet sites. Clearly, advertisers have a responsibility to protect children. Further, based on the examples of Web sites of major companies, it appears that the companies try to be responsible in their marketing to children. Ethics initiatives presented by the CARU, DMA, and CME provide important guidelines that these major companies appear to take seriously.

Companies that maintain Internet Web sites are not the only group responsible for protecting children from unethical Internet practices. Parents, government, industry groups advocating self-regulation, and Internet marketers are all responsible for insuring children’s safety on the Internet. Internet marketers who follow the guidelines from the Children’s Advertising Review Unit, Direct Marketing Association, and Center for Media Education as well as the laws related to advertising to children can be reasonably sure they are acting ethically in their marketing efforts toward children. However, these companies should also develop company initiatives for Internet activities by including these issues in company policies and codes of ethics.

Parents’ responsibility

Parents have the greatest responsibility in ensuring their children are protected from unethical Internet marketing practices. They should monitor their children’s use of the Internet and should teach their children how to make judgments about the Web sites they access. Parents may use software to block access to certain sites as one method to protect their children. Most of the available software was initially designed to block objectionable content, but it can be adapted to address privacy concerns. For example, PrivNet now allows computer users to block the creation of “cookies” and Cyber Patrol permits parents to block types of information they do not want provided from their computers (<http://www.ftc.gov>). Parents must also demand that advertisers act responsibly in their marketing practices toward children and must continually monitor the types of sites their children access. Parents need the assistance of Internet marketers and industry groups advocating self-regulation. The likelihood of governmental controls increases if Internet marketers become lax in their ethical responsibilities to children. With the continued positive efforts of all the stakeholders in the industry, online marketing to children in the future can be both ethical and effective.

The Federal Trade Commission

Executive summary and implications for managers

Marketers who target children online should consider the ethical implications of their marketing decisions. Children should be treated with special care because they do not have the analytical abilities and judgment of adults. Children are vulnerable because they may be unable to:

- evaluate the accuracy of information they view;
- understand the nature of the personal information they provide to advertisers;
- judge the difference in entertainment and marketing;
- understand that “characters” are often developed as marketing devices;
- understand the dangers of interacting with strangers on the Internet;
- judge the difference in advertising and interactive online games.

Follow laws and guidelines

Advertisers can avoid making children vulnerable to Internet advertising if they follow the laws prescribed by the Federal Trade Commission (FTC). The FTC monitors Internet sites on an ongoing basis to insure advertisers are following the law. A bill designed specifically to protect children online was introduced (Child Online Protection Act) both in the US House of Representatives and in the US Senate in 1998, but no action was taken before the end of the legislative session.

In addition to laws regulating Internet advertising to children, several organizations provide guidelines to assist advertisers. The suggestions from the Center for Media Education, the Direct Marketing Association, and the Council of Better Business Bureaux are helpful to advertisers. Some of these are listed below:

(1) In regard to data collection practices:

- Children and parents have a right to anonymity and autonomy.
- Advertisers should gain parents’ consent.
- Data collected should not be used for purposes not disclosed.
- When requested by a parent, data collectors should provide the information collected from a child.
- Marketers should take age, knowledge, and maturity of the audience into consideration when determining whether to collect data.

(2) In regard to making a sale:

- Children should be told they are being targeted for a sale.
- Ordering instructions should clearly state that a parent’s permission is needed to place orders.
- A mechanism should provide a way for parents to cancel unwanted orders.

Issues raised from a review of Internet sites targeted to children

Additional guidelines were developed from an evaluation of Internet pages of major companies that are commonly visited by children:

(1) Kids’ clubs:

- The club should provide value to children (entertainment or learning) and not just be a marketing tool.

Ensuring children's safety

- Protection should be provided to insure that children do not provide private information that parents would not provide. The company should have a process to allow parents to know this information and have it deleted from the company databases if they desire.

(2) Appropriateness of content and terminology:

- Do not use terms that children cannot understand.
- Privacy policies, disclaimers, and contest rules should be written in language that children can understand.
- Advertisers should limit their links to other Internet sites.

(3) Information gathering/sharing practices:

- Do not ask for private information as part of "contests" that are really designed only to learn information.
- Do not share information that is gathered from the sites with other advertisers.
- If information will be shared on the Internet site or in company advertising, children should be warned in language they can understand.

(4) Marketing practices:

- Do not offer prizes to children who provide personal information about their families.
- Do not talk about prizes in a way that creates unrealistic expectations in children.
- Avoid one-to-one marketing. Targeting an individual child creates too much pressure, especially for young children.
- Clearly separate selling from entertainment and learning activities.

The Internet does present some challenges for advertisers who want to be ethical in their marketing practices. Clearly, advertisers do have a responsibility to protect children. Parents, government, industry groups advocating self-regulation, and Internet marketers are all responsible for insuring children's safety on the Internet. If all these groups take their responsibilities seriously, online marketing to children in the future can be both ethical and effective.

References

- Azoulay, J. (1998), "Is online on the line? Kid-based Websites", *Children's Business*, Vol. 13 No. 6.
- Bernstein, J. (1997), letter to K.C. Montgomery of CME, "Re: Petition requesting investigation of, and enforcement action against, SpectraCom, Inc.".
- (The) Center for Media Education/Consumer Federation of America (1998), *Guidelines and Policy Principles for the Collection and Tracking of Information from Children on the Global Information Infrastructure and Interactive Media*, The Center for Media Education/Consumer Federation of America, April, <http://tap.epn.org>
- (The) Children's Advertising Review Unit (1997), *Self-regulatory Guidelines for Children's Advertising*, <http://bbb.org>
- Marketing Online: Privacy, Principles, and Guidance* (1997), The Direct Marketing Association.
- Oberlag, R. (1997), "Ad community working out kinks with kids on Internet", *Shoot*, Vol. 38 No. 46.
- Yoegel, R. (1997), "Reaching youth on the Web", *Target Marketing*, Vol 20 No. 11.



This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present

Executive summary and implications for managers and executives

No online hard sell for kids – it's the road to ruin

There are no excuses for using the Internet without regard for ethics. And this is doubly true when it comes to targeting children. Austin and Reed give a lucid description of how advertisers should approach targeting children online and provide the ultimate health warning for marketers when they state that "... the likelihood of governmental controls increases if Internet marketers become lax in their ethical responsibilities to children".

We know that privacy has become a big issue in marketing. From being primarily of concern to direct marketers, privacy and data protection have become one of the biggest threats to marketing. Governments are encouraged by lobbyists to enact regulations that make it more difficult for marketers to gather, analyse and use personal information on consumers. And where privacy issues coincide with the need to protect children we find the greatest pressures.

Children – are they canny or gullible?

Many advertisers argue that we underestimate the levels of media awareness shown by children. By the age of seven or eight most children can recognise an advertisement and know that its purpose is to sell something. But these children (say our advertisers) also know they can't have everything and are able to make judgements about the products shown in advertisements.

However, this somewhat optimistic and decidedly libertarian view of children runs aground when we consider why advertisers see the need to have codes of practice and self-imposed regulations about advertising to children. Indeed, the proponents of restricting advertising targeted at children under 12 (Sweden has banned TV advertising to this group) would support Austin and Reed's explanation of why children are vulnerable.

Children may be media aware and pretty canny about marketing but they remain (like a surprising number of adults) unable to judge accurately, confused by blurred distinctions between entertainment and advertising and suckers for competitions designed for the sole purpose of gathering personal data. Adults with these problems can fend for themselves but, as marketers, we should be plain and explicit about our purpose when advertising and especially when advertising on the Internet.

Involve the parents – after all they are ultimately responsible

Some of the Web sites examined by Austin and Reed ensure that information from children comes with the express knowledge of the parents. Under such circumstances the parents must know what to expect. However, firms should avoid sending selling copy to young children. As Austin and Reed point out, such advertising places undue pressure on the child even when the parents have been party to the provision of personal data.

Parents also need to be able to judge what it is you will be communicating to their child via your Web site. You should explain that direct sales are not an option and show how the site provides valuable information and entertainment to the child. Austin and Reed also make the important point that parents should "... monitor their children's use of the Internet and should teach their children how to make judgements about the Web sites they access". But be warned – not all parents will do this and some will, without doubt, see the Internet as an extension of the TV – something to keep the kids

quiet. You cannot assume that parents will monitor what their children do online or try to teach them how to use and interpret marketing communications.

Think of your Web site as a service rather than an advertisement

The Barbie Web site described by Austin and Reed can be seen as a way for the manufacturer to offer a wider experience – something more than just dressing a doll. Although Austin and Reed raise one or two question marks about the site, we can see that Mattel are offering children something of “benefit”. Yes, the firm is selling via this Web site but such activity seems to be secondary to the general service of the Web site.

A good Web site might give children ideas about games to play, provide links to other children with the same toy or game and support and advise children about their toy. All this helps to cement the relationship with the child and the importance of your product to that child. But it is done in a way that extends the product itself rather than by focusing on selling more or different products to that child.

I suppose the best advice is to ask parents what they might want on a Web site targeted at their child. The answers that I would give may differ from other parents but I give them as an example:

- *information about the product;*
- *games, puzzles and competitions – not linked to information collection;*
- *entertaining graphics;*
- *something that makes my child feel special or important;*
- *the opportunity for me, as a parent, to correspond with the firm via their Web site;*
- *links to educational and entertainment sites.*

Given these things I can accept a degree of advertising so long as it is clear, not too obtrusive and respectful of my child’s age and maturity.

As Austin and Reed conclude, the “... positive efforts of all the stakeholders in the industry...” can make online marketing to children ethical and effective. And, as you were warned, failing to get the ethics right and treat children appropriately will result in the heavy hand of government placing controls on your Internet activity. You can’t rely on the ACLU to bail you out next time nor should you assume that First Amendment rights are wholly inviolable.

(A précis of the article “Targeting children online: Internet advertising ethics issues”. Supplied by Marketing Consultants for MCB University Press.)