In an IBM television commercial, a middle-aged man is caught by a nun as he tries to fish coins from a fountain to purchase a drink from a machine. Meanwhile, a young woman pulls out her cell phone, points it at a drink machine, clicks a button, and a coke immediately pops out of the slot below. She walks off with her product, and the company walks off with a record of who she is, where she is and what she bought with her cell phone.

Television is big business, designed to sell products by delivering large audiences to commercial advertisers (Calvert, 1999). The content is the lure. In the information age, new media will continue this tradition of delivering people to advertisers, but the specific strategies will expand considerably. Technological developments will lead to new business practices, such as the e-commerce example described above, that can get customers to purchase their products. Technological tracking practices, built into devices like cell phones, will make it relatively easy for businesses to “know” their customers, their likes and dislikes, and their buying patterns in specific detail. Supermarkets already track their customers in such detail. It will be hip, cool, and a sign of status, particularly in youth cultures, to use your cell phone to get a drink from a machine. But there will be
an additional cost for convenience and coolness—personal privacy. The kind of detailed information that can be obtained in the IBM wireless e-business commercial will allow businesses to tailor advertising practices to the individual, not just the group.

Young children before the age of about 8 years do not understand that the intent of advertisements is to persuade them to buy a product (Calvert, 1999). In television advertisements, developmental skills at understanding the intent of advertisers guided policy decisions about how much, and what kind of, advertisements can be directed at a mass audience of children (Wartella & Ettma, 1974). These same problems in cognitive skills limit children’s understanding of the intent of advertisements in our new and emerging interactive media, yet minimal safeguards are in place to meet children’s cognitive limitations.

In this chapter, we will examine 1) children as a market; 2) past and emerging advertising practices; 3) the cognitive skills that children bring to bear in understanding media advertisements; and 4) policy issues and practices in the advertising arena.

**Children as a Market**

Children influence purchasing power by buying or requesting products specifically designed for them as well as for their family (Siegel, Coffey & Livingston, 2001). Over time, children have increasingly become an important group for generating advertising revenue. Children’s buying power doubled from 1960-1980 and tripled during the 1990’s (Montgomery, 2001). More specifically, in 1997 U.S. children aged 14 and under spent $24 billion dollars and influenced another $188 billion dollars in family purchases (McNeal, 1998). Adolescents, a group who is very familiar and comfortable
with the Internet (Subramanyam, Greenfield, Kraut & Gross, 2001), spent $141 billion dollars of their own money in the retail sector during 1998 (Russakoff, 1999).

The Internet, as well as television, has become a popular means for directing advertisements toward children. Overall, the Internet generated $300 billion dollars in revenue during 1998 in the U.S. (Montgomery, 2001). Children and adolescents are part of that market. Already 8.4 million adolescent and 8.6 million child users are part of the U.S. Internet landscape, with the overall number of minors online expected to double in the U.S. by 2002 (Jupiter Communications, 1998). One of the popular online activities for adolescents is shopping (Subramanyam et al., 2001). Similarly, many parents report that children request products that they encounter on the Internet (Cox, 1999), making it a potent new source of revenue for advertisers. Jupiter Communications predicted online expenditures of $1.3 billion dollars by the child and teen group during the year 2002 (Jupiter Communications, 1999).

The products directed at children via television advertisements have remained remarkably consistent over time. These products focus on four primary categories: 1) toys; 2) cereals; 3) candy; and 4) fast food (Calvert, 1999). Seasonal variations in advertising strategies consistently lead to an increased number of toy advertisements appearing on airwaves during the Christmas buying season (Kunkel, 2001). These same kinds of products are directed at children online (Siegel et al., 2001) with television advertisements being able to send children to web sites to purchase those products.

Although many of these same products are directed at children at online sites, the less regulated environment of the Internet leads to more types of products directed at children, particularly adolescents. On the Internet, web sites promote products such as
alcohol and tobacco, even though these products cannot be advertised to minors on television (Williams, Montgomery & Pasnik, 1997). More specifically, although alcohol and tobacco are illegal products for minors, one cannot determine the age of those who visit online sites without violating every person’s privacy. Moreover, young people associate products like alcohol and tobacco with coming of age, finding them desirable (Kunkel, 2001).

**Past and Emerging Advertising Practices**

The strategies used to get children to buy commercial products involve two main directions: 1) they must know the product name; and 2) they must either be convinced to buy that product with their own money, or get their parent to purchase that product for them (Siegel et al., 2001). In the television area, children are exposed to more adult than children’s programs, and hence advertisements are often directed at another age group than their own. Children, however, recognize the products that are specifically directed at them, and pay more attention and interest in those products (Kunkel, 2001).

With new interactive media, the concept of branding is common and is used to extend the scope of the advertiser (Montgomery, 2001). Branding is a concept designed to foster brand loyalty. Branding can involve a particular media company, a partnership among companies, or companies who create web sites where the product is the content (Montgomery, 2001). For example, web sites for children are often set up with favorite television characters travelling to new media. Popular characters can “talk” to children directly in online interactions, potentially making the experience more personal and realistic. This type of company branding can assist advertisers as they move fluidly across multi-media environments to target children. Companies can also loan their rights
to license products, their intellectual property, to other companies for a fee, thereby creating strategic alliances and partnerships (Montgomery, 2001; Tarpley, 2001a). For example, television properties like a popular animated character are often licensed to broadcasters for a fee; the broadcaster then puts that program online and also markets toys associated with that character. Or branding can involve specific toy companies who have web sites designed to sell products to children. Children tend to be loyal customers, preferring one brand and in dire circumstances, selecting one or two other brands (McNeal, 1998). This pattern makes children an ideal target for branded environments, and for practices that will foster brand recognition and loyalty in the future.

Sites for younger children often have a link for parents to buy products for their youngsters. With parental permission, sites can track individual children’s preferences by following their mouse clicks. When Christmas or other special occasions arrive, the site can e-mail parents about what their child may want for a present. These personal links are potentially a time-saver for many busy parents, but they also create a privacy problem where users are always watched.

Web sites are also available for older children and adolescents who can shop by themselves with less parental supervision. Many children already know the sites where they can purchase their favorite products, such as the latest Pokemon character. Credit cards are often available for adolescents, and in the future, “money” will be available online for children and adolescents to use to purchase products. This “money” takes the form of digital wallets, where parents can set up accounts for their children by putting a certain amount of “money” into a child’s account via the parent’s credit card (Montgomery, 2001). Icanbuy.com (www.icanbuy.com) and RocketCash.com
(www.rocketcash.com) are two such services; the biggest obstacle to their use is parents’ refusal to let their children use them (Montgomery, 2001). However, children can accumulate “capital” without their parents’ knowledge or participation. For instance, bartering or “selling” information about oneself or one’s parents to advertisers is another way to accumulate digital capital and products (Turow, 2001).

Other technologies, such as cell phones that are already very popular with the adolescent age group, will be used to buy products in lieu of cash. The IBM commercial mentioned at the beginning of this chapter is but one example of how quickly products will be bought with new technologies. This ease of purchase will be accompanied by sophisticated marketing strategies directed at the individual that are based on his or her specific buying patterns. For example, messages can appear on an individual’s cell phone targeting products to the owner that that individual will be likely to purchase.

With the advent of digital television (DTV) and the coming of convergence, in which previously distinct media platforms merge together, new opportunities will exist for children and adolescents to move immediately between a television program and a specific web site where they can purchase a prized product. Viewers will be able to use web-tv to click directly from the program to the web site and buy products associated with the program. Emotional reactions created while viewing the program can then be used to cultivate impulsive buying patterns with less opportunity for viewers to reflect upon about whether the product is really needed or even wanted. For instance, Dawson’s Creek, a popular adolescent program, features an intimate interaction between Dawson and Joey, his former girl friend, in which he gives her a necklace. On the web site for the program, visitors can purchase that very same necklace (Montgomery, 2000).
Embedding the advertisement within the program is yet another advertising
technique that will become prominent with digital media (Tarpley, 2001a). Increasingly,
remote controls allow viewers to skip to other television stations when a taped program
moves to advertising segments. To address this problem, advertisers will increasingly
pay to have their product appear within the program boundaries per se (Tarpley, 2001a).
So the candy or cereal or toy product will be an actual part of the program, not a separate
entity. This type of approach can blur the line between the program sponsor and the
program content, particularly for young children.

One of the most important changes in advertising practices involves the creation
of personal relationships between the advertiser and individual children and adolescents,
a practice that advertisers are quickly embracing (Calvert, 1999). Interactive
environments allow them to do so seamlessly through tracking devices. These
relationships develop when a child or adolescent goes online and is later “remembered,”
or when e-mail is sent directly to that child about specific products of interest to him or
her, based on previous activities and purchases. This technique allows advertisers to
target and interact with each user, rather than a mass audience. These kinds of relational
marketing strategies are relatively inexpensive for advertisers and can establish a long-
term relationship with potential customers (Montgomery, 2001).

T-technology involves one click ordering on your television screen for products
such as music cd’s, other merchandise, travel, and food (Tarpley, 2001b). Although
deployment has been slower than expected, t-technology is expected to generate $6
billion dollars in revenue over the next five years. Children and adolescents will both be
part of this market.
Spam and mousetrapping are two additional techniques that are becoming more common in the online commercial market place (Calvert, 2000). Spam involves sending commercial or other kinds of material to users’ e-mail addresses. These recipients often do not sign up for this “service.” Instead, marketers obtain addresses by purchasing lists of e-mail addresses, sometimes created by using intelligent robots to gather user e-mail addresses on chat rooms or other sites that are often frequented by adolescents (Calvert, 2000). This practice is particularly problematic when sexually-explicit material is sent to minors as there is no way to know the age of the person who has the e-mail account. That means that the advertiser cannot be held legally accountable for sending sexually-explicit material to underage minors.

Mousetrapping is a commercial practice where the user cannot freely leave a site or a set of associated sites (Calvert, 2000). Each time the user tries to click out of a site, a new window is launched, sending them to another site. In essence, their “mouse” is “trapped.” Often these additional sites pay to have these users sent to their site. Typically, the only way to exit is to turn off the computer and to start again.

Finally, some advertisers use web site addresses that mislead the user about where they are going online. For example, www.whitehouse.com is a sexually-explicit site whereas www.whitehouse.gov is our nation’s capital. Another tactic is to use slight misspellings of common words that take users to the “wrong” site. Children, who have comparatively worse keyboarding and spelling skills than adults, may be more prone to such errors.
Children’s Skills at Understanding Advertisements

Although there will be increasing amounts of sophistication in directing advertisements to youth in the years ahead, children’s processing of the advertiser’s intent will remain limited by maturation-based cognitive skills. According to Piaget (1962), children advance through four stages of cognitive development: 1) sensori-motor thought (ages 0-2 years when thought is based in motor actions), 2) preoperational thought (ages 2-7 years when thought is intuitive and the belief in imaginary characters is particularly strong), 3) concrete operational thought (ages 7-12 years when thought is logical but bound to concrete examples), and 4) formal operational thought (after age 12 when hypothetical thinking and abstract reasoning are possible).

Very young children in the sensori-motor and preoperational stages of development have a very limited understanding of what an advertisement is (Calvert, 1999; Wartella & Ettema, 1974). In fact, they often have difficulty discriminating the commercial from the program. Thus, the initial task of children is simply to discriminate the commercial from the program content; that discrimination takes place at about ages 4 or 5 (Kunkel & Wilcox, 2001), during the preoperational stage of development. However, even once this fundamental discrimination is made, very young children initially think that commercials are there to give them information to assist them, rather than to persuade them, when they buy products (Calvert, 1999).

The future advertising directed at these children will increasingly include animated characters that they view on television and then interact with online. Products will be integrated within the program, and branding will encourage young children to ask for the products of the imaginary characters they watch and interact with daily. Although
young children generally know that animated characters are pretend, the line between what is real and what is pretend may become fuzzier when those animated characters interact with them. The increased links between television content and online media content will become a major avenue to target young audiences and build brand loyalty.

Take a child, Timmy, who is age 5. Timmy goes online with his mom. He likes to play games online, and his mom takes him to sites. However, his mom doesn’t know too much about online web sites. She relies on his favorite television characters to provide activities and web sites for him. Since Timmy really likes cartoons that are broadcast on Cartoon Network, they spend most of their time on that site. Timmy doesn’t understand the persuasive nature of advertisements yet. He does know that his favorite action figures can be purchased in the online shopping area of Cartoon Network. Since Timmy likes these products, his mom is responsive to his requests and she buys these toys for him. At age 5, Timmy is already cultivating brand loyalty to Cartoon Network.

By about ages 7-8, children in concrete operations begin to understand the persuasive intent of commercial advertisements (Wartella & Ettema, 1974). At this age, children realize that advertisers are trying to get them to buy certain products. Even so, repeated advertisements of the same product still find this age group requesting the advertised products (Ross et al., 1981). As children approach the end of concrete operational thought, they begin to understand that many claims made by advertisers are untrue. They remember buying certain products that didn’t turn out to be what they had expected. At this point, they become somewhat cynical of advertiser claims (Boush, Friedstad & Rose, 1994).
Advertisers increasingly refer to this age group as “tweens”, the 8-12 year-old preteen group that is on the verge of adolescence, yet not really a child (Siegel et al., 2001). One of the key targets for tweens is to pull them into the markets associated with adolescents. Gender differences are marked. Tween boys are a major market for video game makers for play of fast-action, violent content, particularly video games. The tween market continues to be a target for branding by the broadcasters, who attempt to keep them interested in their programs. Young girls grow up fast in this culture. Tweens may well select products that will help them be a part of youth culture; their favorite products include food (particularly after school snacks), music (particularly by young pop stars), fashion (such as Old Navy and Nike), and toys (such as Barbie and video games) (Siegel et al., 2001). Older tweens are beginning to navigate the Internet without adult supervision, making it easy for advertisers to get them to be interested in selected products. For boys, computer and video games that can move seamlessly between the Internet and the home computing environment become an important avenue for activity, and they will visit sites to purchase new games with the latest bells and whistles. For girls, Barbie dolls and baby dolls are popular to age 10; thereafter, clothing, jewellery, and CD’s take priority in purchasing patterns (Sigel et al., 2001).

Take a tween, Mary, who is age 10. Unlike Timmy, she understands fantasy/reality distinctions and knows what an advertisement is. She still likes to play with Barbie and searches online for Barbie products. If she knows the right sites, she can make a purchase. But if she uses a search engine and puts in the words “Barbie dolls”, she could end up with sites listed that contain sexually explicit content. If she goes to chat rooms to talk to other girls about her interests, her e-mail address may be harvested.
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by robots and used to send her spam (Calvert, 2002). Unknown to Mary, every place that
she goes is tracked by advertisers. They don’t ask her for identifying, personal
information, but they know her personal habits as well as the buying habits of the tween
girls who come online like her.

The advent of formal operational thought allows youth to think abstractly. They
can now understand the intent of advertisers and they develop some cognitive safeguards
to protect them from persuasive commercial practices. Even so, the material culture in
which U.S. children develop often finds them wanting products that signal belonging to
the group, bringing with it status and prestige (Siegel et al., 2001). Moreover, even adults
can be tricked by smooth advertising techniques, believing that they can get something
for nothing.

Teens are a major target of advertisers. Adolescents are often Internet users and
they shop online. Music videos, online games, clothing, and all forms of status can be
found and purchased online. Designer clothes are popular with teen girls (Siegel et al.,
2001). Online forms of cash or credit card use enable the adolescent to purchase
numerous products that can be delivered to their door. That means that products that are
illegal for purchase, such as cigarettes, alcohol, and pornography, are potentially
accessible to this age group. Spam and mouse-trapping become ways for advertisers to
influence adolescent purchasing activities.

Take Robert, a 16-year-old teen, who is very familiar with the Internet. Robert
mainly plays video games, moving back and forth from his home console to online games.
He also visits sports sites where he sees and then wants the latest in athletic gear. Being
cool matters to him so he purchases the right gear and clothes online. Homework is
another way he spends his online time. Robert’s parents rarely monitor his online activities as his computer is in his room. Robert sometimes wanders into online areas that arouse his curiosity, such as sexually-explicit sites, sites that are illegal for him to visit. He and his friends find ways to get into these sites. Robert and his friends also discover that they can buy alcohol and tobacco online with his credit card. Online bartenders strike up conversations with Robert and ask him about his buying preferences, thereby creating a portfolio on him to create brand loyalty. Robert gets spammed on a regular basis by advertisers selling their web sites via his e-mail account. His e-mail account is fake, however, to prevent anyone from tracking him to his personal account. In some ways, he plays the advertiser game better than they do.

Intervention Strategies

Efforts to change children’s knowledge of advertiser tactics mainly involve some type of media literacy training. In these educational interventions, children are taught about what the advertiser is trying to do. Some interventions work, but all remain limited by the child’s cognitive level, which is associated with their age (Calvert, 1999). Put another way, age-based limitations limit young children’s ability to understand the basic underlying intent of commercials: to get a child to buy a particular product.

Based on the television literature, we can hypothesize that the same age-based limitations will apply in their attempts to understand online advertisements. That is, children will not understand the persuasive intent of advertisements until ages 7 or 8, when they achieve concrete operations. Even when the knowledge about commercial intent is available, the American tweens’ and teens’ desires to fit into the group may still be sufficient to get him or her to buy the “right” products. Of tweens who went online the
day before, 10% visited a commercial site (Siegel et al., 2001). We also know that children click on ads more than adults do (Tarpley, 2001a). That means that youth may well be susceptible to online buying practices.

Social Policy Directions

Because of the cognitive limitations of young viewers, various policy initiatives have attempted to safeguard children from the influences of advertisements. The Federal Communications Commission (FCC) and the Federal Trade Commission (FTC) implement these policies.

The 1974 FCC guidelines to protect children from unfair or deceptive advertising practices included the separation principle designed to help children discriminate the program from the commercial content. The separation principle consisted of three distinct components: 1) host selling, i.e., hosts cannot sell products in segments adjacent to their programs; 2) program-length commercials, i.e., products cannot appear within a program for advertising purposes; and 3) bumpers, i.e., specific production techniques and content must be used to help children separate the commercial from the program content (Huston, Watkins & Kunkel, 1989).

The separation principle, or perhaps better said, the lack of the separation principle, is particularly important in understanding advertising in the new online media. Multimedia environments have been created in which popular children’s television programs have moved to web sites, but regulatory practices have not transferred from the television to the Internet arena. In particular, the separation principle is not implemented on the Internet. That means that hosts can sell products to children, there is no division between the commercial and the program content, and products can be integrated into the
site in any place. In fact, the entire site can be an advertisement (Montgomery & Pasnik, 1996). Banners that flash advertised messages are common sights on children’s web sites, and there is no separation from other web content. Moreover, children can stay on the advertised content for any length of time, a practice that is regulated for television content (Calvert, 1999).

Media convergence, in which formerly distinct platforms merge to create a seamless media environment, create new challenges for advertising practices directed at children. For instance, will a separation principle in television programs make any difference when a child who is watching web tv can click directly onto a web site where those same principles are not required?

In the future, host selling will take on a new form. Intelligent human-like characters will be developed to create personal relationships with individual children and adolescents, thereby cultivating familiarity, affection, and trust (Montgomery, 2001; Hayes-Roth, 1999).

The one area online that has received legislative protection is children’s right to privacy. In the early days of children’s Internet use, advertisers often asked children information about who they were and gathered information about them and their families and even sold this information to third parties (Allen, 2001). For instance, Batman collected information for a city census. As residents of Gotham City, children were asked to reveal personally identifying information about themselves as good citizens (Montgomery & Pasnik, 1996).

The Center for Media Education was instrumental in documenting these invasive online advertising practices and in getting Congress to pass the Children’s Online Privacy
Protection Act (COPPA) in 1998. This law directed the FTC to restrict some of these data collecting techniques by requiring advertisers to get parental permission before collecting personally identifying information for children ages 13 and under. However, marketers now ask children to sign up for newsletters and then send children e-mails on a regular basis, a tactic that is also designed to sell their products (Center for Media Education et al., 1999).

Tracking information is a clear threat to privacy, yet little has yet been done to stop this practice. Cookies, electronic “tracks” of the mouse clicks and sites that individuals visit, were originally developed to provide the computer with a memory to enable online electronic commerce (e-commerce). Instead of having to fill in information every time a customer purchased products from an online site, a cookie allowed that customer to revisit that site and be remembered. Cookies facilitated e-commerce, but quickly became used to track user patterns. The default computer setting is for cookies to be enabled. Users have to turn cookies off and doing so requires some knowledge of how computer menus work. Such information could be taught in computer literacy classes. Moreover, many applications won’t work or run very slowly unless cookies are enabled.

While sitting in the privacy of their homes, cookies now track almost every movement that people make online. Some cookies are rather innocuous. However, some are very invasive and violate privacy. Consider the following comment from an editorial:

“Some cookies are fairly simple, saying, in effect, Bill Raspberry has just logged on to this particular Web site for the fourth time.

Others are more complicated and a good deal more invasive: This guy is interested in guns, fast cars, and photography, so you might
want to tailor your site’s screen so that when he visits, he’ll be hit

Conclusion

The new face of interactive media promises new ways of experiencing content, and new ways of being addressed by advertisers. Convergence, multimedia environments, and interactivity will allow personal marketing, personal relationships, and tracking of each child and adolescent’s specific preferences and buying patterns. Privacy will be a commodity to be purchased rather than a right and a personal freedom.

The future promises a world of information, and products, at our children’s fingertips. How well our children will use that information depends on how well we teach them to become educated consumers who understand advertising practices as well as the kinds of policies and laws that our society puts in place to protect children from deception and potential exploitation. Extending COPPA guidelines to older age groups, incorporating media literacy classes into K-12 education, and protecting a user’s right to privacy are steps that the government can take to make the media landscape safer for children, tweens, and teens alike.
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