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Contacts:

David Monahan, Fairplay, david@fairplayforkids.org Jeff Chester, CDD, jeff@democraticmedia.org

<u>Statement of Fairplay and the Center for Digital Democracy on FTC's Announcement: Protecting Kids</u> From Stealth Advertising in Digital Media

BOSTON, MA, WASHINGTON DC—Today, the Federal Trade Commission released a new staff paper, "Protecting Kids from Stealth Advertising in Digital Media." The paper's first recommendation states:

"Do not blur advertising. There should be a clear separation between kids' entertainment/educational content and advertising, using formatting techniques and visual and verbal cues to signal to kids that they are about to see an ad."

This represents a major shift for the Commission. Prior guidance only encouraged marketers to disclose influencer and other stealth marketing to children. For years – including in filings <u>last year</u> and at last year's <u>FTC Workshop</u>—Fairplay and the Center for Digital Democracy had argued that disclosures are inadequate for children and that stealth marketing to young people should be declared an unfair practice.

Below are Fairplay's and CDD's comments on today's FTC staff report:

Josh Golin, Executive Director, Fairplay:

"Today is an important first step towards ending an exploitative practice that is all too common on digital media for children. Influencers—and the brands that deploy them—have been put on notice: do not disguise your ads for kids as entertainment or education."

Katharina Kopp, Deputy Director, Director of Policy, Center for Digital Democracy

"Online marketing and advertising targeted at children and teens is pervasive, sophisticated and data-driven. Young people are regularly exposed to an integrated set of online marketing operations that are manipulative, unfair, invasive. These commercial tactics can be especially harmful to the mental and physical health of youth. We call on the FTC to build upon its new report to address how marketers use the latest cutting-edge marketing tactics to influence young people—including neuro-testing, immersive ad formats and ongoing data surveillance."

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