# CHILDREN'S RIGHTS AND COMMERCIAL COMMUNICATION IN THE DIGITAL ERA

# CHILDREN'S RIGHTS AND COMMERCIAL COMMUNICATION IN THE DIGITAL ERA

Towards an empowering regulatory framework for commercial communication

Valerie Verdoodt



Intersentia Ltd 8 Wellington Street

Cambridge | CB1 1HW | United Kingdom Tel.: +44 1223 736 170 | Fax: +44 1223 736 169

Email: mail@intersentia.co.uk

www.intersentia.com | www.intersentia.co.uk

Distribution for the UK and Ireland:

NBN International

Airport Business Centre, 10 Thornbury Road

Plymouth, PL6 7 PP United Kingdom

Tel.: +44 1752 202 301 | Fax: +44 1752 202 331 Email: orders@nbninternational.com

Distribution for Europe and all other countries:

Intersentia Publishing nv

Groenstraat 31 2640 Mortsel Belgium

Tel.: +32 3 680 15 50 | Fax: +32 3 658 71 21

Email: mail@intersentia.be

Distribution for the USA and Canada: Independent Publishers Group Order Department 814 North Franklin Street Chicago, IL60610

Tel.: +1 800 888 4741 (toll free) | Fax: +1312 337 5985

Email: orders@ipgbook.com

Children's Rights and Commercial Communication in the Digital Era. Towards an empowering regulatory framework for commercial communication

© Valerie Verdoodt 2020

The author has asserted the right under the Copyright, Designs and Patents Act 1988, to be identified as author of this work.

No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form, or by any means, without prior written permission from Intersentia, or as expressly permitted by law or under the terms agreed with the appropriate reprographic rights organisation. Enquiries concerning reproduction which may not be covered by the above should be addressed to Intersentia at the address above.

Cover image: by Annelien Hofmans

ISBN 978-1-78068-868-8 (hardcover) ISBN 978-1-78068-941-8 (PDF) D/2020/7849/15 NUR 822



British Library Cataloguing in Publication Data. A catalogue record for this book is available from the British Library.

## **PREFACE**

On 20 November 2019 the United Nations Convention on the Rights of the Child celebrates its 30<sup>th</sup> anniversary. In 1989, when the Convention was adopted, children came across advertising on television, on billboards in the street, in shops and through leaflets in their mailbox. Over the past 30 years, the way in which children are targeted by advertisers and the formats that are used have changed significantly. Think of advergames, influencer marketing, and behavioural targeted advertising. The specific features of these formats, such as their immersive, interactive and personalised nature, make it difficult for children to understand the commercial and persuasive intent of the commercial messages directed at them.

Valerie Verdoodt's doctoral research presents an original and timely fundamental rethinking of the regulatory framework of commercial communication from a children's rights perspective. Offering a carefully considered, well-documented overview and in-depth evaluation of several legislative frameworks, policy documents, self- and co-regulatory initiatives and literature from a variety of disciplines, she has worked towards the development of children's rights-inspired recommendations for an empowering regulatory framework for online commercial communication aimed at children. It is a subject with great societal relevance which contributes to the further realisation of children's rights in the digital environment.

Dr. Verdoodt convincingly concludes that the children's rights framework requires a balance between *empowering* children to cope with advertising (i.e. by educating them and providing them with the necessary opportunities to practice their commercial decision-making skills) and *protecting* them against harmful or misleading advertising and advertising that processes their personal data in an opaque manner (i.e. by recognizing the limitations to advertising literacy and providing additional protections). She found that, at present, the regulatory framework puts too much emphasis on empowerment with much of the responsibility resting on the shoulders of children and their parents, thereby tipping the empowerment-protection scales out of balance. She helpfully suggests that combining all the elements of the regulatory toolbox is the only way to restore that balance. This toolbox includes *inter alia* the enhanced enforcement of the regulatory framework, stimulating the collaboration between regulatory bodies, improving the structure and enforcement of advertising Alternative Regulatory Instruments and carrying out children's rights impact assessments

Intersentia V

that respect the multi-dimensionality of rights, when developing advertising and marketing campaigns.

The author's research did not only result in this book but was also published in reputable journals and edited volumes and presented at an impressive number of conferences and expert for aaround the world, contributing to the international and national visibility of her work on children's rights in the digital environment. At a time when Member States of the Council of Europe are in the process of implementing the 2018 Recommendation on Guidelines to respect, protect and fulfil the rights of the child in the digital environment and the United Nations Committee on the Rights of the Child is drafting a new General comment on this issue, Valerie Verdoodt's research in this field will undoubtedly inspire many actors, including fellow scholars, policymakers, regulators, advertisers and the public.

Prof. dr. Eva Lievens
Professor in Law & Technology
Ghent University
14 November 2019, Ghent

Vİ Intersentia

# CONTENTS

	,	v tions xv
Int	rodu	ction
1.		kground1
1. 2.		ineation
2. 3.		ucture and methodology of the research
	RT I.	
		EN'S RIGHTS AND ADVERTISING LITERACY IN
TH	E DI	GITAL ERA9
Ch	apter	I.
		he Scene
Sec	tion I	. Clarification of the constitutive elements
1.		dren, commercial communication and advertising literacy
	1.1.	Definition of a child
	1.2.	Commercial communication
	1.3.	Advertising literacy
2.		rging trends in the area of commercial communication and children 17
	2.1.	Advertising in the digital era
		Integration
		Interaction
		Personalisation
		Emotional appeal
3.		cluding remarks
		I. The need for a future-proof regulatory framework in light of
		s rights
1.		ving regulatory context in the digital environment
	1.1.	A fragmented legal framework for commercial communication
		in the EU
	1.2.	
2.		dren and new forms of commercial communication in policy
		ments
		International policy documents

Intersentia vii

		2.1.1.	OECD Recommendation on the protection of children	
			online	34
		2.1.2.	Council of Europe	35
			A. Declaration of the Committee of Ministers on	
			protecting the dignity, security and privacy of	
			children on the Internet	35
			B. Strategy on the Rights of the Child	35
			C. Recommendation CM/Rec(2018)7 of the Committee	
			of Ministers to member States on Guidelines to	
			respect, protect and fulfil the rights of the child in	
			the digital environment	36
	2.2.	EU po	licy documents	37
		2.2.1.	European Parliament Resolution of 15 December 2010	
			on the impact of advertising on consumer behaviour	38
		2.2.2.	European Parliament Resolution of 22 May 2012 on	
			a Strategy for Strengthening the Rights of Vulnerable	
			Consumers	40
		2.2.3.	Opinion of the European Economic and Social	
			Committee on a framework for advertising aimed at	
			young people and children (September 2012)	41
		2.2.4.	European Parliament Resolution of 20 November 2012	
			on protecting children in the digital world	42
		2.2.5.	European Commission Communication on a European	
			Strategy for a Better Internet for Children (2012)	43
		2.2.6.	European Commission Green Paper: Preparing for a	
			Fully Converged Audiovisual World: Growth, Creation	
			and Values (2013)	44
		2.2.7.	European Commission Communication on A Digital	
			Single Market Strategy for Europe (2015)	46
3.	New	forms	of commercial communication call for future-proof	
	regul	lation.		47
	3.1.	Effects	s of commercial communication on children's	
		develo	pment and advertising literacy	47
	3.2.	Precau	ıtionary principle	48
4.	Taki	ng a ch	ildren's rights approach	51
Sect	ion I	II. Inte	rim conclusion	53
Cha	pter	II.		
The	Role	of Chi	ldren's Rights in Regulating New Forms of Commercial	
Con	nmuı	nicatio	n	55
		т.	1 1 . 1 . 1 . 2 . 1	
			lucing the children's rights framework	

viii Intersentia

	1.1.	From subject of protection to active rightsholders	55
	1.2.	The United Nations Framework	57
2.	Euro	ppean children's rights law	62
	2.1.	Fundamental human rights for all, including children	62
3.	Chil	dren's rights and new forms of commercial communication	65
Sec	tion I	I. Children's rights and principles in the context of commercial	
con	nmur	nication	66
1.	Ove	rarching principles that underpin a child rights perspective	67
	1.1.	Children's development lies at the heart of the framework	67
	1.2.	Non-discrimination in advertising or marketing	72
	1.3.	The best interests of the child as a primary consideration for	
		regulators, policymakers, advertisers and parents	76
	1.4.	Offering children a voice in the decision-making process	78
2.	Chil	dren's rights reconfigured by new forms of commercial	
	com	munication	79
	2.1.	Freedom of expression and access to information (article 13	
		UNCRC, article 10 ECHR, article 11 CFEU)	80
	2.2.	Freedom of thought (article 14 UNCRC)	83
	2.3.	Freedom of association (article 15 UNCRC)	
	2.4.	Right to privacy (article 16 UNCRC, article 8 ECHR, articles 7	
		and 8 CFEU)	86
	2.5.	Right to have a diversity of mass media sources to choose from	
		(article 17 UNCRC)	91
	2.6.	Right to education and (advertising) literacy (articles 28 and 29	
		UNCRC)	94
	2.7.	Right to engage in play and recreational activities (article 31	
		UNCRC).	95
	2.8.	Protection against economic exploitation (article 32 UNCRC)	
	2.9.	Procedural rights (articles 6 and 13 ECHR, article 47 CFEU)	
		<i>g</i> (	
Co	nclus	ion.	
An	Anal	ytical Framework for the Regulatory Framework for	
Co	mmei	rcial Communication	01
PA	RT II		
AS	SESSI	MENT OF THE REGULATORY FRAMEWORK FOR	
CO	MMI	ERCIAL COMMUNICATION IN LIGHT OF CHILDREN'S	
RIC	GHTS	5	)5
Cha	apter	I.	
Pie	cing '	Together the Regulatory Puzzle	)7
0	,		
		The consumer protection context	
1	Unta	air Commercial Practices Directive	15

Intersentia ix

	1.1.	Scope	and definitions	10		
	1.2.	Substa	antive requirements for commercial practices, including			
		advert	tising1	11		
		1.2.1.	Unfair commercial practice	11		
		1.2.2.	Misleading commercial practice	12		
		1.2.3.	Aggressive commercial practice	13		
	1.3.	Refit e	exercise	14		
2.	Self-	regulat	ion: ICC-Code 1	15		
	2.1.	Scope	and definitions	16		
	2.2.	Substa	antive requirements for all advertising formats 1	17		
	2.3.	Specif	ic protections for children 1	17		
Sec	tion I	I. The a	nudiovisual media services context	18		
1.	Defi	nitions		22		
	1.1.	Audio	visual media service	22		
	1.2.	Audio	visual commercial communication	23		
	1.3.	Media	service provider	27		
2.	Subs	tantive	requirements for audiovisual commercial communications $1$	28		
	2.1.	Gener	al principles and provisions	29		
		2.1.1.	The principle of identification and other requirements			
			for all forms of audiovisual commercial communication 1	30		
		2.1.2.	The principle of separation and other requirements for			
			television advertising	31		
	2.2.		ction of minors in relation to audiovisual commercial			
			nunication			
3.		-	ion			
Sec	tion I	II. The	e-commerce context	35		
1.	The	e-Com	merce Directive	35		
	1.1.	Defini	itions	36		
		1.1.1.	Information society service	36		
			Commercial communication			
		1.1.3.	Information society service provider	38		
	1.2.	Substa	antive requirements for commercial communications 1	39		
2.		_	ion: FEDMA Code of Conduct on E-Commerce &			
	Inter	Interactive Marketing				
	2.1.	Scope		42		
	2.2.	Substa	antive requirements for commercial communications 1	42		
Sec	tion I	V. The	data protection context	43		
1.	The	Genera	l Data Protection Regulation	44		
	1.1.	Defini	itions			
			A. Personal data and processing	46		
			B. Controller, processor and data subject			
	1.2.	Princi	ples for the processing of (children's) personal data	50		
	13	Specif	ic protections for children under the GDPR 1	51		

X Intersentia

		1.3.1.	Definition of a child	152
		1.3.2.	The age threshold for consent	153
		1.3.3.	Verification	156
		1.3.4.	Transparent information	158
			Direct marketing	
			Profiling	
		1.3.7.		
	1.4.	Other	provisions with a potential impact on children	
2.	Proc		children's electronic communications data – ePrivacy	
		_	· · · · · · · · · · · · · · · · · · ·	165
	2.1.	ePriva	acy Directive	165
	2.2.	Propo	sal for an ePrivacy Regulation	166
3.	Self-	_	ion	
	3.1.	_	Code	
	3.2.	EASA	Best Practice Recommendation on Online Behavioural	
		Adver	tising	170
		3.2.1.	Concept and definition	171
		3.2.2.	Recommendations for best practices	172
	3.3.	IAB E	urope EU Framework for Online Behavioural Advertising	172
		3.3.1.	Aim and scope of the Framework	173
		3.3.2.	Principles for OBA	173
	3.4.	FEDM	IA Codes of conduct	175
		3.4.1.	FEDMA European Code of Practice for the Use of	
			Personal Data in Direct Marketing	175
			A. Scope and definitions	176
			B. Principles regarding children's privacy and data	
			protection	176
			B.1. Direct Marketing – offline and online	176
			B.2. Direct marketing – online	177
			C. Complaint-handling	179
		3.4.2.	FEDMA Code of Conduct on E-Commerce &	
			Interactive Marketing	179
Sec	tion \	7. Interi	im conclusion	181
	apter			
Eva	ıluati	on of th	ne Current Regulatory Framework	183
S a a	tion I	A dayon	games	101
			•	104
1.			interaction, emotional appeal and personalisation may of the game	105
		•	asive tactics and children's rights implications	
	1.1.			185
	1.2.	frame	ed lines, mixed emotions and the existing regulatory	187

Intersentia xi

		1.2.1.	The mixing of commercial and non-commercial content
			and advergames' emotional appeal
		1.2.2.	Deception, personalisation and influenced decision making 192 $$
2.	Iden	tified g	aps or overlaps
Sec	tion I	I. Targe	eting children with personalised advertising 196
1.	Perso	onalisat	ion: Tracking, profiling and targeting, three different steps 196
	1.1.	Persua	asive tactics and children's rights implications
	1.2.	Person	nalised advertising in the current regulatory framework 200
		1.2.1.	Collecting and processing of children's personal data
			under the GDPR and the proposed ePrivacy Regulation $\dots$ 200
		1.2.2.	Personalised advertising in the Unfair Commercial
			Practices Directive?
		1.2.3.	1
			Directive
		1.2.4.	Self-regulation and targeting children with personalised
			advertising
2.		_	aps or overlaps
Sec		_	tal influencers and vlogging advertising
1.			product placement, sponsorships, editorials and other
			gging advertising
	1.1.		asive tactics and children's rights implications
	1.2.	_	l influencers and the current regulatory framework 212
		1.2.1.	Vlogging advertising: audiovisual or commercial
			communication?
			A. Scoping the applicable legal framework and
			untangling the vlogging advertising chain 213
			B. Broadening the audiovisual playground 218
		1.2.2.	Vlogging advertising in the Unfair Commercial
			Practices Directive
			A. Unfair commercial practices by digital influencers
			and third-party traders
			B. Unfair commercial practices by the video-sharing
			platform
		1.2.3.	Further guidance for vloggers in self- and co-regulation
			- National best practices
2.	Iden	tified g	aps or overlaps
Co	nclusi	ion	
			aps in the Current Regulatory Framework for
	_		ommunication Aimed at Children
$\sim$ 0			minimum mention and the contraction of the contract

Xii Intersentia

ASS		MENT OF NATIONAL ARIS IN THE AREA OF ERCIAL COMMUNICATION	237
The		I. play Between Alternative Regulatory Instruments and the nework for Commercial Communication	239
1. 2. Sect 1.	Child EU letion II Child 1.1. 1.2. Gene 2.1. 2.2.	The use of ARIs and the legal framework dren's rights gislative instruments on commercial communication and ARIs I. Procedural and organisational elements for ARIs dren's procedural rights and the use of ARIs. Right to a fair trial Right to an effective remedy eral principles for self-and co-regulation at EU level The EU Principles for Better Self- and Co-regulation EASA Charter principles for self-regulation	241 246 249 249 251 254 254 255
Seci	tion I	II. Interim conclusion	256
	pter l	II. al Comparative Assessment of National ARIs	257
Sect	tion I.	Selection of national ARIs and questions for the comparative	
		I. Comparative study	
1.		ntry reports	
	1.1.	Belgium	
		1.1.1. Attribution of regulatory power	
		1.1.2. Complaint procedure and consumer awareness	
	1.2.	1.1.3. Enforcement and procedural safeguards	
	1.2.	1.2.1. Attribution of regulatory power	
		1.2.2. Complaint procedure and consumer awareness	
		1.2.3. Enforcement and procedural safeguards	
	1.3.	The Netherlands	
	1.0.	1.3.1. Attribution of regulatory power	
		1.3.2. Complaint procedure and consumer awareness	
		1.3.3. Enforcement and procedural safeguards	
	1.4.	Table of comparison.	
2.	Discu	ussion	
	2.1.	Characteristics of commercial communications that influence	
		the structuring of ARIs	278

Intersentia Xiii

### Contents

2.2. S	Structure, organisation and coverage of the ARIs	278
2.3. E	Effectiveness of the ARIs.	281
Conclusion		
	ices for the Structuring of ARIs in the Area of Commercial	
Communic	cation	283
CONCLUI	DING REMARKS AND RECOMMENDATIONS FOR THE	
FUTURE		
Chapter I.		
Retrospect	tive of the research undertaken	289
Chapter II.		
Conclusion	ns	299
	_	
Chapter III		• • •
Kecommer	ndations	301
D:1a1: 0 ~u c -1	····	205
owwwgrapn	'ny :	202

xiv Intersentia

# **ABBREVIATIONS**

AC Authority Advertising Code Authority
AC Committee Advertising Code Committee

ACC Audiovisual commercial communication
ARI's Alternative regulatory instruments
ASA Advertising Standards Authority
AVMS Directive/ AVMSD Audiovisual Media Services Directive

BCAP Broadcast Committee of Advertising Practice

BCAP Code Code of Broadcast Advertising
BPRs Best Practice Recommendations

CAHENF Ad hoc Committee for the Rights of the Child

CAP Committee of Advertising Practice

CAP Code Code of Non-broadcast Advertising, Sales

Promotion and Direct Marketing

CFREU Charter of Fundamental Rights of the European

Union

CJEU Court of Justice of the European Union

Code on E-Commerce Code of Conduct on e-Commerce and Interactive

Marketing

COE Council of Europe

CRBP Children's rights and business principles
EASA European Advertising Standards Alliance

EC European Commission

ECHR European Convention on Human Rights
ECtHR European Court of Human Rights
EDPS European Data Protection Supervisor
EESC European Economic and Social Committee

EP European Parliament

FEDMA Federation of European Direct Marketing
GDPR General Data Protection Regulation
IAB Europe Interactive Advertising Bureau Europe
ICC International Chamber of Commerce
ICC Code Consolidated ICC Code on Advertising and

Marketing Communication Practice

JEP Jury for Ethical Practices

OBA Online behavioural advertising

Intersentia XV

OECD Organisation for Economic Cooperation and

Development

Ofcom Office of Communications

OP Optional Protocol on a Communications

Procedure

Social Code: YouTube Social Code: Guidelines for advertising in online

video

SRC Stichting Reclame Code
SRO Self-regulatory organisation

TFEU Treaty on the Functioning of the European Union

TWFD Television Without Frontiers Directive UCP Directive/ UCPD Unfair Commercial Practices Directive

UNCRC United Nations Convention of the Rights of the

Child

UNCRC Committee United Nations Committee on the Rights of the

Child

VSPs Video-sharing platform services WHO World Health Organisation

XVİ Intersentia