

# CARU Reviews Disclosures in Sponsored Content Directed to Kids

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The Children’s Advertising Review Unit (or “CARU”) recently launched an investigation into the “Vlad and Niki” YouTube channel owned by CMG. The channel is described as a “global preschool phenomenon and highest rated kids channel on YouTube” that stars “the imaginative personalities and antics” of two kids “who are showcased in non-stop fun and crazy adventures.” Change a few nouns and that sentence could describe Ad Law Access. One difference, though, is that we don’t feature sponsored content.

CARU reviewed several types of videos on the “Vlad and Niki” YouTube channel and had concerns over whether the videos adequately disclosed the presence of ads or sponsored content. If you only advertise to adults feel free to skip this post and peruse some of our adult-oriented content. (You know what I mean.) But if you advertise to kids under 13, this decision will be relevant to you. Here are some of the highlights.

## **Sponsored Videos**

Some of the videos on the channel are produced in connection with brand partnership agreements for which CMG earns compensation. These videos clearly disclosed – both in text and in audio – that the videos were “sponsored by” a brand or that they included “paid promotion.” CARU had some concerns with the disclosures, though. First, because the videos averaged 5:30 in length, CARU determined that the disclosures should be repeated throughout the video. While CMG did that in most cases, in a few videos, CARU thought additional repetition was necessary.

Second, CARU determined that although the “sponsored by” and “paid promotion” disclosures may work for adults, they may not work for kids. Instead, CARU recommended that CMG use language that kids in the target audience are more likely to understand. For example: “This is an advertisement for XXX;” “We were paid by XXX to make this video;” or “Thank you, XXX, for paying me to make this video.” These disclosures should appear in both text and audio at beginning and end of each video and, for longer videos, after each ad break.

## **Product Promotion Videos**

CARU reviewed various videos promoting Vlad-and-Niki-branded products that are produced under licensing agreements under which CMG shares in the revenue generated by sales of the products. CMG argued that because each product is Vlad-and-Niki branded, the relationship between CMG and the toys is self-evident and that a disclosure isn’t necessary. CARU disagreed. Although it’s possible that argument may work in content directed to adults, CARU noted that advertisers have to be “extra-protective” when advertising to kids.

Although some videos included #ad in the description or a statement that the video “features products that Vlad and Niki helped to create,” CARU thought these disclosures weren’t sufficient. Again, CARU recommended language that kids are more likely to understand. For example, CARU recommended that CMG add a clear and conspicuous disclosure – such as “This is an ad for our Vlad and Niki toy,” or “We are selling this Vlad and Niki toy” – when Vlad and Niki are shown playing with or holding up the toys with the Vlad and Niki logo prominently in focus.

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This decision is a reminder that advertisers always need to think about what their target audience is likely to take away from ads. Because kids under 13 may not have the same abilities to distinguish between ads and content as adults do, the CARU Self-Regulatory Guidelines for Children’s Advertising impose enhanced disclosure requirements. While many of these requirements would likely be seen as excessive when advertising to adults, CARU – and likely the FTC – will see them as necessary when advertising to kids.