

Around the World: How regulators are forcing social media platforms to think of the kids

Audio

In today's episode, host Bill Fisher is joined by analysts Paul Briggs, Paola Florez-Marquez, and Minda Smiley to discuss the role that social media platforms are being asked to play in

protecting children online. Is regulation, and subsequent heavy fines, about to force them to get more serious about this?

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Episode Transcript:

AD (00:00):

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Bill Fisher (00:26):

Hello everyone. Welcome to Behind the Numbers Around the World, an eMarketer podcast made possible by Awin. It's Tuesday, may the 28th. I'm your host Bill Fisher and it's my pleasure as it always is to welcome you all to around the world. And this month we're talking about protecting children online and particularly on social platforms. Welcome folks to a behind the numbers show that takes you around the world looking at what various countries are doing in the world of commerce, media and advertising. Each month we have our three in three global news recap. Then we have our talking head segment where we have an open discussion about the main theme for today's show and we finish it off with my recap stats quiz. This month we will be asking, is meta doing enough to protect its younger users?

Minda Smiley (01:18):

We'll have to see if the law is actually able to drive real change internally at the company. Yeah, we've seen this before with meta. The fines don't seem to really impact their bottom line too much

Bill Fisher (01:28):

Is regulation around children's safety online about to take off outside of the eu.

Paul Briggs (01:33):

That regulation is imminent and I think it's probably happening in multiple geographies. So that's definitely one part of the solution.

Bill Fisher (01:41):

And just whose responsibility is it really to protect children and their access to digital content?

Paola Florez-Marquez (01:48):

We need to teach them to be hyper aware of what these circumstances look like and similar to the way they would day to day.

Bill Fisher (02:00):

Okay, I have three experts to help me out with today's show. Let's meet them. First up, we have our demographics analyst, and it's been a while since she was on this show, so it's great to have her back. It's Paula Flores, Marquez Powell, thanks for joining us. Thank

Paola Florez-Marquez (02:12):

You so much for having me. It's

Bill Fisher (02:13):

A pleasure. Next, she's a senior analyst covering everything social media related and it's her debut on this show. She's Minda Smiley. Hi Minda.

Minda Smiley (02:22):

Hi. Thanks for having me.

Bill Fisher (02:24):

Great to have you. And last but not least, he's a regular on this show. You know him by now. He's our principal analyst for Canada. It's Paul Briggs. Hey Paul. Hey

Paul Briggs (02:32):

Bill. Good to be back on the podcast.

Bill Fisher (02:35):

Always good to have you on the show. Okay, before we get into the episode proper, let me first introduce you to this month's culture shock and we're talking children's games today because we're talking about kids online. Anyone with kids will know how difficult it is to keep them away from technology, but when they are, what games do they like to play? Well, in Zambia, in Africa, hide and seek is a popular game, but there's a slight twist. The game called inu starts with one of the hidiers kicking a ball as far away as possible for the seeker to then retrieve. That's when everyone goes and hides. Only once the seekers brought the ball back to the starting place can they begin to seek in Sumatra in Indonesia. Meanwhile, children like to

play a version of rock paper, scissors. It's called semi orang gaja. And the three hand gestures are pinky finger out or ant index, finger out orang or man and thumb out, which is gaja or elephant. And much like you have the rock blunting, the scissors and the scissors cutting the paper and all that, the elephant stomps on the man. Obviously the man stomps on the ant and the ant is the best of all. He gets in the ear of the elephant and bites it. So ant beats elephants, very much David and Goliath. Any childhood games you guys were particularly fond of? Well, I'll

Paul Briggs (03:56):

Tell you, the rock paper scissors is definitely deployed in this household. It's a way to break ties all the time. And you know what, it's good to hear that different cultures have different applications of that same tie breaking mechanism.

Bill Fisher (04:10):

Yeah, we still use that. Yeah.

Paola Florez-Marquez (04:11):

In Mexico we used to play a lot of, which means little onions, and so people would get on the floor and hug each other by the waist and one person would have to try to peel a layer off. So it was like a tug of war with that one person. It was very fun. Very cute. It's doable when you're little. Not so much when everyone's a grown adult.

Bill Fisher (04:29):

I was going to say, I might try that the next night out with my friends. Okay, right. Let's get into our new segment now anyway, something we call three in three. I have three interesting and related news stories. I'm going to introduce intern one story to one guest and they're going to give me their take between the two of us. We're going to do it all in a minute. So three stories, three guests, three minutes. The timer is set. Let's go. Story one is for minder. This month saw the EU open an investigation into meta alleging that its social platforms may contravene the Digital Services Act specifically that the systems of both Facebook and Instagram, including their algorithms may stimulate behavioral addictions in children. Minda is meta on the hook.

Minda Smiley (05:21):

So my opinion is that I think it's too early to tell if Meta is on the hook for one, this law is still pretty new. I believe it just went into effect last year. So we're not working with a ton of precedent here, which makes it really hard to say how this will play out for meta. It's also worth pointing out, it is just in the investigation phase right now. So there is a chance that the EU and meta will come to some sort of agreement or compromise or something. And so the bigger thing I wanted to point out is that under this law, I did read that companies could be fined up to 6% of their annual revenue for violations. And if we look at last year Meta's revenue last year, that comes out to about 8 billion, which is a lot of money. But for a company like Meta, it is sort of a drop in the bucket. I think the fines might not really be what really leads to any substantial change. I think we'll have to see if the laws actually able to drive real change internally at the company because yeah, we've seen this before with Meta. The fines don't seem to really impact their bottom line too much.

Bill Fisher (06:19):

Yeah. Thanks Minda. That was our first story. Okay. Story two. It's for Paul. This is a UK story, but likely applies around the world. The British media regulator Ofcom published findings late last month that revealed nearly a third of parents of five to 7-year-old children allowed their kids to use social media independently. This was an 8% increase year on year. Paul, what does this all mean for regulation?

Paul Briggs (06:42):

Well, I think it means that regulators around the world are recognizing children as a vulnerable group in social media. So they're putting measures in place or they're trying to get the platforms to put measures in place to protect children. That platforms will argue that they have generally an age 13 threshold for creating accounts. It might be difficult for regulation of that given that very firm age threshold. So the better approach for regulators might be targeting advertising that is clearly aimed at kids on these platforms and holding advertisers accountable as well.

Bill Fisher (07:16):

Thanks, Paul. That was story two. Story three is for pow, and we're looking at skincare products being marketed towards young children. An investigation by Ft journalist Christina Criddle found that teen influencers as young as 10 were producing Get Ready with me videos

promoting skincare products in the us marketing to children is permitted, but how appropriate is this kind of behavior?

Paola Florez-Marquez (07:39):

Oh, no, I think it seems both harmful to the child influencer and the children seeing it. I have the same concern about child influencers that I do about child actors. It raises questions about the workload and the potential for exploitation. And we don't have laws in place for child influencers the way that we do for child actors. And I additionally think that we should be wary about the impact of problematic beauty standards being internalized by children before they even hit puberty, which is something that already happens without social media and I can't see it being any better with unregulated content like that.

Bill Fisher (08:09):

Thanks pal. Excellent. And that wraps up our three and three for this month,

Bill Fisher (08:15):

And now it's time for the main part of the show, what we call Talking Heads. This is where we dig a little bit deeper into today's topic. And as we've heard, digital platform, social media platforms, bit of a minefield for children and for their parents and for the regulators and the platforms themselves I guess. So how do we go about making sure that these environments are safe environments? That's what we're going to be digging into, but before we get into that, let's just try and get a lay of the land. What does the landscape look like? Power, Paul, I know you've written reports about this recently. What's the demographic makeup of social platform use by age?

Paola Florez-Marquez (09:00):

So of zero to 11 year olds in the us about 13.2% of them are regular social media users that translate since about 6.5 million social network users according to our forecast. And their top platforms are typically like TikTok and Instagram. If we exclude YouTube, because YouTube is incredibly popular with this age group, we're talking like a 58% penetration rate. That means over half of the population is on YouTube, whereas TikTok and Instagram have a penetration rate of about 5.5%, 5% respectively. And I think some of that use is linked, right. We're seeing the transition of kids moving into, most of the social media use is concentrated in kids in the eight to 10 range according to Morning Consult. And so I think there's already been such a

groundwork of kids being accustomed to watching videos on YouTube that it's an easily translatable habit to scroll through social media coupled with the desire to emulate the behavior of the people that they see on the screen and around them both in content creation and in scrolling and trying to be their older siblings or parents and stuff like that.

Bill Fisher (10:02):

No, that's really interesting. Is it the same in Canada, Paul?

Paul Briggs (10:05):

Yeah, pretty much. Bill, I think I am just in the writing a report on our social users forecast for Canada. So this is very fresh gated for me and it is a little bit alarming on how many children, how many teens are engaged in social media. Obviously as Powell mentioned, TikTok, Snapchat are really strong with the teen demographic. They 57.4% of the teen population in Canada is using TikTok, and the other more concerning age group is a zero to 11 age group. We don't do that by platform, but in terms of the number of kids in that age, and it's probably skewed more towards the older ages, closer to 11, 13% of the population are using social media platforms. So it's clearly a trend that we're seeing. It's also, it underlies why Facebook has been losing user share over the course of the last several years, like teens, only one in five teens in Canada is on Facebook, whereas it's much higher on Instagram and TikTok and Snapchat. So we're seeing this shift in the user social media, user trends, really shifting along demographic lines, age demographics. Yeah,

Bill Fisher (11:12):

It's interesting power how you mentioned YouTube there. Would it be fair to say that YouTube is like a gateway drug? YouTube is much more tv and I remember it used to be that TV was the drug of the nation for kids. You shoved your kids in front of the TV and that was seen as bad. So now YouTube is the next stage in the digital TV world or digital video world, and then a lot of these social platforms are becoming video centric, the tiktoks of this world. And then we see big, this is just coming to me now as you mentioned it powering. Is this kind of the path that we're putting kids on?

Paola Florez-Marquez (11:53):

I think so. I think when we look at Gen Z's social media habits, and Minda can speak to this more as well. I think social media has become so embedded in our day-to-day lives. And when

we look at Gen Z's messaging habits, it's kind of like a centerpiece in how they communicate with one another and share experiences with one another. And I think that that is the standard that we're setting for future generations unless something else comes and disrupts that and eventually we'll have a better grip on how to handle this day to day. But in the meantime, it's happening very quickly and we only have one generation, one or two generations that have grown up with the internet. So it's really hard to anticipate what the hurdles are going to be, especially who could have expected TikTok to explode the way that it did, who could have expected all of these to turn into video centric? And there's a rise of VR amongst Gen Z, so that's another thing to look out for. But yes, I do think that this is the pathway that we're setting for at the moment for future generations.

Bill Fisher (12:44):

And talking about pathways, I spoke about putting kids in front of the TV and now putting them in front of YouTube. How much of this is a parental issue? Does this fall on the parent's shoulders? I mean, we're going to talk about regulation in a minute, but how much responsibility should parents take in this?

Paul Briggs (13:00):

Yeah, I think it's a major talking point here that parents should have probably the primary responsibility to manage what their kids are viewing online. I know I can speak as a parent of a 10-year-old girl who in school, so in school they're using YouTube for educational reasons. So there's always an introduction to YouTube, even in the classroom that correlates to outside the classroom as well. So that's a challenge. But yeah, I think parents need to be on top of it. And I can tell by little girl's desire to get on social media, a lot of her friends are already there at 10 years of age. So I think it really on the parent to primarily be controlling what their kids view online.

Bill Fisher (13:40):

The Ofcom report sort of scared me a little bit that such a large proportion of parents of young kids are just allowing their kids free reign on social and they can just do what they want. I mean, that's a little bit scary.

Minda Smiley (13:52):

That's kind of what I was going to say. I mean, I'm not a parent yet. I'll be incredibly soon, but I'm not a parent yet. But I do have to say I think I agree with Paul. In an ideal world, I do think the parents, they're the ones at home with their kids, they certainly bear responsibility. But I think it's a really murky, complicated topic. I mean, we saw earlier this year, the New York Times came out with a really big investigation kind of finding that there are a lot of parents that are actually willing to lean into some of these social habits if it means the investigation was about these parent run accounts are for kids and it's often young girls and they can help the families score brand deals and followers, which is appealing to families. But the dark downside to that is that it does attract a lot of predators online and people that are viewing this content through a predatory lens, not so much like a, oh, I'm just following this account.

Minda Smiley (14:46):

So that's obviously an extreme example of a parent that maybe is using for exploitative purposes. I think the bigger issue is just that a lot of parents, again, like the Ofcom report, they're kind of happy to let their kids be on social for, that's a whole different topic. There's lots of reasons why their kids might be on, have these accounts or be on social in a bit of an unregulated way. But I do think it's just very complicated to put the onus on the parents because yeah, I mean every parent is going to parent differently and it's just not a foolproof way, in my opinion, to really protect the kids.

Paola Florez-Marquez (15:21):

I can't speak to, as a parent, I can speak to it as a kid who grew up on the internet. And I think it's really important to think about the digital world as a mirror to the physical world. And so it's like you just have to prepare your kids to encounter these sketchy situations and know how to assess the threat properly. You need to look out for what are the main details? Is there a sense of urgency? Do I know this person? What do they have to gain? And these are very basic street smart skills and they still apply to these digital situations, and I had to learn them on my own. My parents had no idea what the internet was, but I think we're in a great position where a lot of us have grown up to recognize what they look like now to pass down that knowledge. But yeah, I think we need to teach them to be aware of what these circumstances look like and similar to the way they would day to day.

Bill Fisher (16:03):

Yeah, it's interesting you say that because you grew up in that environment with your parents maybe not knowing so much about online. There are unfortunately going to be children in environments where their parents don't care what they're doing online. So this moves us into the next part of the discussion, right? Kids are going to be on these platforms. So what are regulators responsible for? What are the platforms responsible for? Obviously there should be some kind of regulation. Can it resolve some of these issues? I mean, we saw in the news there that meta is maybe not on the hook for this, but in the EU particularly, they're weighing down on this. This is a big issue for them, and child safety on these platforms is a huge issue. Is regulation the answer? Is it going to lead to better outcomes? What do we think?

Paul Briggs (16:51):

I think it's part of the answer. In Canada right now, the Online Harms Act is currently going through committee review and public discourse hoping to have a loss similar to what the EU has for protecting children in other communities against harmful content. So hopefully that'll come later this year or maybe next year. So that will introduce fines of up to 25 million for these big companies. So that regulation is imminent and I think it's probably happening in multiple geographies. So that's definitely one part of the solution. But there are other parts as well.

Bill Fisher (17:23):

It is happening in the US as well, right? Mind?

Minda Smiley (17:26):

Yeah. Yeah, we're definitely seeing lawsuits filed against Meta and other major tech companies, which that's not really regulation per se, but we're certainly seeing there be more interest in trying to regulate this space and crack down on these platforms. And then, yeah, I mean I think the biggest one that we see in the US is the Kids Online Safety Act. That's a really wide ranging bill that is trying to regulate some of these issues and impact how kids safety online really. But it's hit a lot of barriers. It's had several different versions, I believe, and it does have bipartisan support, which is rare in this country, but even so it does have its fair share of critics as well. So I think the bigger thing is that it really just points to how thorny it can be to actually regulate some of this stuff.

Paola Florez-Marquez (18:07):

And kids are crafty. They tend to find a way to bypass safety regulations, but I don't think that means we shouldn't have them. It shouldn't be easy for them because these barriers still work as warning signs to help these kids stay alert even if they know how to bypass them. So at least it keeps them on their toes and they kind of know, and I mean, I think it's also important to create a space where they feel comfortable coming to their parents to talk about these things if something does happen. But yeah, definitely needs to be, there's no one size fits all that needs to be a comprehensive effort.

Bill Fisher (18:36):

Yeah, no, really interesting stuff. This is a very interesting conversation and I think we could go on for much longer, but unfortunately it is time to move on because it's time for our recap stats quiz.

Bill Fisher (18:51):

This is my favorite bit of the show. This is where we recap today's theme with a few related stats questions. There's no prize, it's all about bragging rights. There are only three questions and then multiple choice, so it's nice and quick. I'm going to ask each of you to slack me your answers, so there's no room for influence or anything like that. And all the questions are related to the theme of today's show, so straight to it. Question one, social network use amongst kids, as we've discovered is worryingly high. However, France seems to have things under control of the countries where we track social media users by age. France has the lowest penetration among Naugh to 11 year olds, but what is that penetration rate? So I'm looking for social network users as a percentage of the whole age group population in 2024. Okay, so if you open Slack and get ready to slap me your answers, the options you have are 4.8%, 5.0%, or 13.2%, 4.8%, 5.0%, or 13.2%.

Bill Fisher (20:01):

Okay, so the answers are in, we've got a mixed poll, says five, pal says five, and we've got agreement and mind 13.2. Okay. If you'd have said 13.2, which you did mind, that would've been incorrect. That is the Canada, that's the Canada proportion, as I'm sure you knew Paul, which is why you didn't select 13.2%. If you'd have said 5% as you Paul and Powell did, that's also incorrect. That's the figure for Germany. So just slightly ahead with 4.8% is France. Okay, so it's easy to tot up those scores. We've got zero points across the board, but still plenty to play. For our second question, who's heard of Ryan Kaji? Anyone heard of Ryan Kaji?

Minda Smiley (20:49):

I don't think I have.

Bill Fisher (20:50):

He is an influencer who makes a lot of money, primarily from YouTube, and he's 12. He does a lot of unboxing videos and product unboxing, that kind of thing. He's been having success since he was age nine, and he appeared on the 2023 Forbes top creator's list, which was weighted based on earnings follow accounts and engagement rates. He came in 17th on the list, but what are his estimated annual earnings? And this was between June 22 and June 23. Here are your options. \$82 million, \$35 million or \$34 million. How much did Ryan Cay make? 82 million, 35 million, 34 million,

Paul Briggs (21:35):

Whatever it is. It's pretty impressive, man.

Bill Fisher (21:38):

It is more

Paola Florez-Marquez (21:40):

Than what I was doing at that age,

Minda Smiley (21:42):

For sure.

Bill Fisher (21:44):

Okay, we've got a nice mix of answers here. If you'd have said 34 million, which is what you said, Minda, I'm sorry, you've got this wrong as well. That's Jake Paul. He was number three on the overall list. We all know Jake Paul, right?

Minda Smiley (22:00):

Yes. I do know Jake Paul. Yes,

Bill Fisher (22:02):

We know that one. You might know the next one as well. If you'd said 82 million, which I think you did, P, that's also incorrect. That's Mr. Beast. He's number one on the list. He earns the most, has the most followers, most engagement, the lot, but Ryan Kaji earns 35 million a year, which is pretty impressive. A couple of others earn that amount as well. And in terms of just earnings, that positions him second on the list joint second, which is remarkable. I have a 13-year-old boy. I'm going to make him listen to this podcast. Okay, so after round two, we now have a winner at the moment, a leader I should say. And that's Paul with one. Well

Paul Briggs (22:46):

Done, Paul. Excellent, excellent. All

Bill Fisher (22:47):

Right. Let's see if you can hold onto the lead into our final question. Regulators have already been busy hitting social media firms with fines for their mishandling of children's data or privacy, but what's the biggest fine to be handed out thus far that relate to such charges of children's data or privacy sharing? You wouldn't be surprised. These all come in Europe. So these figures are in Euros, 15 million Euros, 345 million euros or 405 million euros. Okay? The answers are in, if you'd said 15 million, which I think you did, Paul, you'd be incorrect. That was how much the UK's information commissioner's office find. TikTok, I think it was last year for mishandling data, it was actually 12.7 million pounds roughly equates to 15 million euros. If you'd have said 340 million euros, that would've also been incorrect, which I don't think anybody said that was another fine for TikTok that was meted out by the Irish regulators for violating children's privacy. The actual answer is 405 million, and this was a fine that Irish regulators, again, meted out to Instagram. It related to underage users being able to upgrade their accounts without being made aware that it would alter the data that they would then share

Minda Smiley (24:08):

How. Okay. I do feel like I cheated a little bit on this one because I was researching that exact like fine yesterday, so I did know that one.

Bill Fisher (24:16):

Good research. That's

Minda Smiley (24:17):

Funny. That's

Bill Fisher (24:18):

Fine. That's allowed, and that's really exciting because what that means is that the death both Minder and Paula have tied with Paul with one answer each. So we always have a winner in this game. So we have a tiebreaker, and the tie breaker is just, I'm going to ask you for a number. I'm going to give you a question, and I want you to give me a number, and the closest to the answer wins. Okay? So let's head to TikTok and the most viewed TikTok video ever. This is as of May the eighth. This year was one from Zach King. Do we know Zach King? He's the guy who does these sort of visual trickery transition videos. He jumps in the air and then lands in a drink and things like that. Okay, cool. So he produced this video and he appeared to fly on a broomstick like Harry Potter, and it turns out he's just on a skateboard. So this is the most viewed video ever on TikTok. How many views do you think it's had? This isn't likes, this is just views. So have a think. Slack me your answer. Okay, so

Paul Briggs (25:24):

The last time you asked me an open-ended question on the podcast, I stepped in it. So hopefully this one's closer to the actual,

Bill Fisher (25:31):

You aren't the furthest away. So we had Powell saying 8 million. You went a little bit higher than that, Paul with 200 million and Minda went much higher with 6 billion. I'm going to have to do maths here. I think you've overshot a little bit Minda the answer, but only just, I say only just by quite a bit. The answer is 2.2 billion.

Minda Smiley (26:08):

It was in the billions. Okay. Yeah,

Bill Fisher (26:10):

You were in the billions. You had the right letter, but I think if my math is correct, that means that you haven't stepped in it this week. Paul, you are our winner.

Paul Briggs (26:21):

Oh, awesome. A surprise,

Bill Fisher (26:24):

A pleasant surprise. We always like to end this show with a winner, and it is unfortunately time to end the show. So congratulations again, Paul, and thanks for speaking with us today.

Paul Briggs (26:35):

Thanks, bill

Bill Fisher (26:36):

And Minda. Thanks for making your debut mind. By the way, she alluded to this earlier, she's imminently about to become a parent, so good luck with that mind. Thanks for joining us today. Thank you so much, and P, thanks for joining us again. I'll try and get you back on the show a bit quicker next time. Thanks for joining us. Yes, please. This is so much fun. Thank you. And thanks to all of you for listening into Round the World, an eMarketer podcast mate, possible by Awin. Tune in tomorrow for our re-Imagining Retail Show, hosted by Sarah Libo. If you want to ask us any questions in the meantime, you can of course email us@podcastmarketer.com. I hope to see all of you next month for another edition of Behind the Numbers Around the World. Until then, I'm going to go and hide. Give me a count of 10.