Branding Kidfluencers: Regulating Content and Advertising on YouTube

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Abstract
This paper analyzes emerging shifts in YouTube, advertising, and children’s digital media industries through a case study of Pocket Watch, a digital-first production and distribution studio built exclusively for YouTube child stars. Our analysis reveals the company’s strategic use of legacy media industry power, networks, and expertise to transform YouTube stars into global brands through the creation of toy, clothing, and lifestyle product lines across several industries. We further argue that Pocket Watch’s newly formed advertising division, Clock Work, exploits its child partners through problematic native advertising and host selling practices. The strategies implemented by Pocket Watch and other similar emerging companies may therefore act as a litmus test for how governmental regulation and platform policy changes will impact the evolving landscape of children’s digital media as commercial forces increasingly groom a growing number of young children to shift from YouTube stars to global brands.

Keywords
YouTube, kidfluencer, child-created content, platform regulation, advertising, branding

Introduction
In September of 2019, Google and YouTube agreed to pay a record $170 million to settle a lawsuit claiming the companies were violating a United States federal law, the Children’s Online Privacy Protection Act (COPPA), by collecting children’s personal information without their parent’s consent. The settlement mandated that YouTube

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develop and maintain a system for identifying content aimed directly at children in order to ensure the company complies with COPPA. YouTube responded by making changes to platform features for videos directed to children, including the discontinuation of personal ads (ads directed at an individual user based on their viewing history and other data collected through tracking) and disabling all video comments.

While children’s advocacy groups viewed the changes as a minor but positive step in the right direction, many YouTube creators feared the worst, setting off a wave of panic throughout the YouTuber community dubbed the “COPPAcalypse.” YouTubers’ fears of decreased revenue have been confirmed by dozens of channel owners, who, months into the platform’s changes, noted “catastrophic” revenue losses between 60 and 75 percent (Gottlieb 2020). The channel “Kids Toys Play,” which has over 330 million total video views and 305,000 subscribers, for instance, claimed a 60 percent drop in revenue “overnight,” insisting, “It cannot be understated how demoralizing this has been to every kids content creator we know.” Indeed, YouTube has fostered a form of content production for children and families that while decentralized is nevertheless vulnerable to platform changes and regulatory oversight.

Major changes in how YouTube handles children’s content have, however, had far less impact on other key content producers, including Pocket Watch, the digital studio behind the platform’s biggest kidfluencers, most notably Ryan Kaj of “Ryan’s World” (originally Ryan ToysReview). Pocket Watch—a startup created in 2017 by a group of former Nickelodeon and Disney executives—responded to the FTC settlement confidently, stating, “we will not have a crisis of audience” (Spangler 2020a). Rather than relying solely on revenue from YouTube video advertisements, Pocket Watch manages a diverse, complex, and increasingly global network of industry relationships that generate company and client revenue through various streams. Through its relationship with Pocket Watch, young Ryan now has his own clothing and toy lines, a Nickelodeon television show (Ryan’s Mystery Playdate), a smartphone app, a video game, in addition to five related YouTube channels. Eight-year-old Ryan is becoming a global brand as his reach continues to expand into international markets. According to Pocket Watch, Ryan is just the beginning of its “mission to transform the top-performing family YouTube channels into multi-category global franchises” (Pocket Watch, n.d.).

This paper analyzes emerging shifts in YouTube, advertising, and children’s digital media industries through a case study of Pocket Watch. We begin by offering a genealogy of child-created content industries, most notably the rise of YouTube child stars—often referred to as kidfluencers—before exploring recent developments in advertising on the platform. We then analyze the rise of Pocket Watch through its history, corporate strategies, and key clients, including Ryan and its recent partnership with Kids Diana Show. The paper concludes with a critical analysis of Pocket Watch’s newly formed advertising division, Clock Work, and its problematic advertising practices, as well as proposed U.S. congressional legislation aimed at regulating such deceptive advertising to children.

While other children’s content creators on YouTube focus on content production, audience metrics, and advertising partnerships within the video platform, Pocket Watch utilizes legacy media industry strategies, networks, and expertise to transform
YouTube stars into child icons and global brands. As part of a broader media trend, Pocket Watch extends YouTube kidfluencer reach beyond digital media platforms to material culture and capitalist consumption, transforming young children from mere video viewers to neoliberal consumers of a vast array of commercial products on a global scale. The company has also begun leveraging the audiences of its hugely popular YouTube channels to attract advertisers, using its child icons to promote various products through native ads and host selling—a strategy that will likely come under fire as efforts to regulate advertising and influencer marketing directed at children progressively increase. The strategies implemented by Pocket Watch and other similar studios will therefore act as a litmus test for how governmental regulation and platform policy changes will impact the evolving landscape of children’s digital media.

The Rise of Kidfluencers

The practice of children creating content for YouTube has exploded in recent years. Child stars are beginning to dominate the list of top YouTube channel earners and viewer numbers. From unboxing videos to family vlogs to nursery rhymes, content created by and for children has emerged as a multi-billion dollar business (Social Blade 2020). A Pew Research study of YouTube’s recommendation algorithm found that the platform consistently recommended children’s content to viewers, regardless of the category/genre of video as the starting point (Smith et al. 2018). In fact, Pew’s analysis found that of the 346,086 total unique videos encountered, the single most recommended video was an animated children’s video. The ubiquity of children’s content on YouTube, and more importantly, the emergence of content created by children for children, has raised many issues in regard to child labor, privacy, and advertising (Burroughs and Feller 2020).

From its early years, YouTube has been home to viral videos of children doing cute, funny, and strange things. In recent years, new forms of child celebrity have emerged that go well beyond accidental viral fame. Crystal Abidin has coined the term “micro-microcelebrities” to describe children who are “intentionally groomed by their micro-celebrity mothers to become commodities and human billboards from birth” (Abidin 2020, 227). In this way, parents “construct commercial viable biographies of children on YouTube” that are often exploitative in nature (Abidin 2020, 227). Micro-micro celebrity is driven by the related phenomenon of “sharenting,” wherein parents reveal aspects of their lives with their children on digital platforms (Blum-Ross and Livingstone 2017). While sharenting generally involves parents navigating difficult ethical dilemmas around content sharing practices—deciding, for instance, where to draw the line with their children’s privacy—becoming a micro-microcelebrity “often involves parent-managers who conscientiously monitor, groom, and curate a biographical narrative that can later be monetised” (Abidin 2020, 227).

More recently, the term “kidfluencers” has emerged in popular discourse as a new category of child stars, often of preschool age, on various platforms who leverage their online following to attract lucrative endorsement deals from major brands (Callens 2020; Maheshwari 2019). Kidfluencers are a younger subset of a larger body of social
media celebrity that gave birth to influencer marketing—an industry trend popularized to the point that there are dozens of trade books about the subject, including an *Influencer Marketing for Dummies* (Sammis et al. 2015). Ostensibly, no age is too young for a child to become a kidfluencer, as Instagram accounts dedicated to not-yet-born babies rack up hundreds of thousands of hearts and followers (Morse 2019).

Kidfluencers capitalize on what Turner (2006) labels “the demotic turn” in celebrity and cultural identity. Turner draws attention to the production of ordinariness in reality TV and DIY celebrity culture. The conjoining of the ordinary to celebrity is augmented through YouTube kidfluencers like Ryan Kaj whose social capital is largely contingent on a young audience’s perception of relatability and authenticity. The performance of play—such as the unboxing of toys and the (apparently effortless) maintenance of pristine family relationships—is rooted in the ordinary.

Staging this mundane intimacy with kidfluencers, their families and brands, as well as corporate brands, establishes the grounds for what Duffy (2018) calls “aspirational labor.” Kidfluencers attempt to cultivate aspirational ties with their audience—put simply, they want other kids to want to be like them. Kidfluencer brands strategically invest in fostering audience engagement and the promotion of aspirational purchasing through the brand. This merging of the ordinary with the aspirational, when enmeshed into the fabric of young digital lives, problematically influences the “construction of people’s desires, cultural identities and expectations” (Turner 2006, 162). The production of youth celebrity culture is no longer crafted through Disney tween stars and other legacy media outlets alone but also through the everydayness of YouTube aesthetics and kidfluencer play. This is particularly relevant when what constitutes ordinary parenting and family life is understood through the lens of ceaseless aspirational consumption, now strategically marketed to young children on a global scale.

**YouTube Advertising—Policy, Law, Platforms**

The rise of YouTube, and YouTube Kids, as a leading platform for children’s entertainment has brought with it consistent criticism of the company’s algorithmic recommendation system and its advertising and content moderation policies (Burroughs 2017). Concerns specific to children’s vulnerability on the platform have captured broad public concern and prompted the YouTube to make policy changes. Below we discuss how a series of YouTube “adpocalypses” spurred what was initially an ineffective, whack-a-mole approach that eventually led to a large-scale infrastructural shift in how YouTube handles children’s content (Caplan and Gillespie 2020; Kumar 2019).

YouTube’s first of many “adpocalypses” came in early 2017 when a list of hundreds of major companies threatened to pull ads from the platform after reports surfaced of ads playing next to extremist content (Kumar 2019). YouTube responded by implementing several major changes to its infrastructure that impacted its relationship with advertisers and content creators (Kumar 2019). The platform’s changes included giving advertisers the option to select categories of content to exclude their ads from playing on as well increased human content moderation and the creation of the YouTube Partner Program (YTPP)—an effort aimed at producing higher quality,
“advertising friendly” videos and thereby boost revenue for both the platform and content creators (Kumar 2019; Palladino 2017). Unsurprisingly, several YouTube content creators reported losses in ad revenue as a result (Palladino 2017). The 2017 apocalypsis, Kumar argues, launched “an era of content regulation that radically alters the creator ecosystem and engenders an anxiety laden environment of second-guessing, self-surveillance and continuous tweaking” (Kumar 2019, 7).

Later that year, the second “adpocalypse” ensued, this time with a wave of advertiser anxiety over lewd comments on videos featuring children in their underwear (Caplan and Gillespie 2020; Handley 2017). Multinational corporations such as Adidas, Mars Inc., and Hewlett Packer pulled all advertising on the platform in response (Handley 2017). Around the same time, YouTube was also dealing with the fallout from “Elsagate.” A subreddit thread (r/elsagate) exposed a trend in YouTube content creators using popular children’s characters such as Elsa and Spiderman to lure young viewers to adult-themed content (Brandom 2017). Some videos used thumbnail images to disguise blatantly pornographic content, while others consisted of figures like Elsa doing creepy things such as urinating in public (Brandom 2017; Bridle 2017). The Reddit conspiracy entered the mainstream when artist James Bridle and the New York Times published independent pieces blasting YouTube for poor content moderation and a recommendation algorithm run amok. Bridle’s viral article brought critical attention to the wild and wacky world of children’s content on YouTube, as he followed the so-called YouTube “rabbit hole” of algorithm-generated suggestions through a seemingly endless sea of videos—from mindless bot-generated “word salad” videos to disturbing videos of the popular Peppa Pig drinking acid and eating her father. What was particularly alarming about these examples of “industrialized nightmare production” was YouTube’s failure to intervene (Bridle 2017).

YouTube’s response to Elsagate and the accompanying “adpocalypse” came in the form of five policy changes as part of “toughening our approach to protect families on YouTube and YouTube Kids,” which included: “Removing ads from inappropriate videos targeting families”; “blocking inappropriate comments on videos featuring minors”; and “providing guidance for creators who make family-friendly content” (Wright 2017). Despite YouTube’s promises, evidence of pedophilic comments on videos featuring children continued to emerge into early 2019 (Brandom 2017).

YouTube’s third and most recent “adpocalypse” occurred in February of 2019. As with the previous scandal, it was a Reddit thread—combined with YouTuber video responses—that first brought attention to the issue of predatory comments on YouTube videos featuring children. Although the content was seemingly innocuous, users were using the comments section below videos to timestamp specific video moments as a way to sexualize the children through remarks about their physical beauty and body image. Critics feared these videos acted as “a wormhole into a soft-core pedophilia ring on YouTube” as conspiracy theories gained traction in niche digital forums (Alexander 2019). YouTube responded by shutting down several channels as well as disabling comments on “tens of millions of videos that may include minors and therefore are at risk of predatory comments” (YouTube Help 2019).
Each of these developments—and YouTube’s scattershot response to recurring problems with children’s content—took place alongside growing pressure from consumer and parenting advocacy groups and culminated in a crucial regulatory intervention from the United States Federal Trade Commission (FTC) in 2019.

**FTC Intervention**

The lack of advertising regulation on platforms such as YouTube has long been a central source of anxiety for parents, educators, and policymakers. While scholars have complicated the assumed innocence of children and the paternal need to protect them (Livingstone and Blum-Ross 2020), social science research pointing to the dangers of advertising and young children’s cognitive vulnerability has played a key role in pressuring the FTC to take regulatory action (Campbell 2017; Lapierre et al. 2017). Two fundamental arguments underlie activists’ and lobbyists’ concerns: first, that young children (typically under seven years old) are cognitively unable to distinguish ads from programming/content, and second, that the use of a video’s host/star to promote products and services (host selling) and the seamless merging of content and advertising within a video (native advertising) on platforms such as YouTube are increasingly making this task more difficult (Lapierre et al. 2017; Reid 2014).

Certainly, FTC (and to an extent FCC) policies surrounding media advertising to children have their own history, including considerable changes in 1974 and 1990 (Reid 2014). However, this article maintains its focus on recent developments in relation to social media platforms and YouTube specifically. As traditional lines between media advertisements and content continue to blur, the FTC has begun making policy changes that have impacted YouTube significantly. Most recently, YouTube unboxing videos have come under fire as deceptive advertising, sparking pressure for the platform to change (Craig and Cunningham 2017). In 2017, the Children’s Advertising Review Unit (CARU)—an independent, self-regulatory agency administered by the Better Business Bureau (BBB)—investigated advertising on Ryan ToysReview (RTR). CARU’s review found wine and R-rated film ads running alongside the channel’s child directed content. The Unit also concluded that RTR’s unboxing videos amounted to advertisements not properly disclosed; CARU recommended that “such content should be clearly identified as advertising to the child audience” in the form of a short audible message at the beginning of the video.

In August of 2019, the watchdog organization Truth in Advertising (TINA) filed an FTC complaint about RTR on account of its “deceptive native advertising” (Truth in Advertising 2019). The TINA complaint offered a list of companies that have sponsored endorsements on the RTR channel, including Nickelodeon, Walmart, Netflix, MGA Entertainment, and Hasbro. The complaint argued that disclosures of such material connections are frequently absent on RTR, and “even when Ryan ToysReview does use disclosures, they are inadequate” (Truth in Advertising 2019, 4). TINA further insisted that audible disclosures at the beginning of videos stating “this is an ad” accompanied by text at the top of the screen stating “this is an ad for _____” (the result of the 2017 CARU recommendations) are insufficient for preschool age children who (1) likely won’t notice
or understand the audible disclaimer, (2) cannot read, and (3) wouldn’t understand what an “ad” is even if they heard the word and/or saw the brief message. “Organic content, sponsored content—it’s all the same to preschoolers,” the TINA complaint stated (Truth in Advertising 2019, 7). In sum, “Ryan ToysReview’s sponsored content is presented in a manner that misleadingly blurs the distinction between advertising and organic content for its intended audience” (Truth in Advertising 2019, 8).

The TINA complaint did not advocate for the creation of new legislation targeting YouTube; rather, it pointed out that the platform’s advertising policies were in direct violation of existing FTC and FCC laws banning deceptive forms of advertising, including native advertising and host selling. For instance, the Children’s Television Report and Policy Statement issued by the FCC in 1974 explicitly states that: “Any material which constitutes advertising should be confined to identifiable commercial segments which are set off in some clear manner from the entertainment portion of the program” (FCC Reports 1975; Reid 2014). Unfortunately, to date, the FTC has failed to act on the TINA complaint, choosing instead to regulate YouTube’s practice of collecting children’s data in violation of the Children’s Online Privacy Protection Act (COPPA).

In September of 2019, YouTube was forced to pay a record $170 million to settle a lawsuit brought by the FTC and New York Attorney General. The court determined that YouTube consistently violated COPPA by collecting personal information—via tracking cookies—about children under the age of 13, without parental consent, in order to sell targeted advertisements. According to the complaint, “YouTube marketed itself as a top destination for kids in presentations to the makers of popular children’s products and brands. . .YouTube told Mattel, maker of Barbie and Monster High toys, that ‘YouTube is today’s leader in reaching children age 6-11 against top TV channels’ and told Hasbro, which makes My Little Pony and Play-Doh, that YouTube is the ‘#1 website regularly visited by kids’” (Federal Trade Commission [FTC] 2019).

In addition to the fine, YouTube was ordered to develop protocols for ensuring its compliance with COPPA. YouTube responded with its most significant infrastructural changes to date, dramatically altering the platform’s landscape for children’s content and content creators. The changes are intended to disable YouTube’s ability to collect data from child-directed content. Under the new policy, anyone uploading content to YouTube is required to determine whether the content is “made for kids” during the upload process, making content creators responsible for upholding the law. Videos marked as “made for kids” now mean no more comments, no more searching content tagged as “made for kids,” no more channel notifications, and no more ability for users to save such videos to playlists or utilize the “watch later” feature. YouTube has additionally stated that “Videos that include minors and are at risk of predatory comments may receive limited or no ads” (YouTube Help 2019). Without the ability to collect personal data, YouTube videos directed at children can no longer sell targeted ads based on such data, forcing creators of children’s content to rely instead on more traditional contextual ads (ads delivered according to the type of content and assumed audience rather than detailed individual user analytics).

The FTC’s crackdown on YouTube hung over many of the platform’s children’s content creators like an impending doom. In response, the portmanteau “COPPacalypse”
began to circulate among nervous YouTubers (Katz and Fener 2019). After conducting its own experiment, TubeFilter estimated that children’s content creators would experience a 60 to 90 percent drop in revenue due to the loss of personalized advertisements (Katz and Fener 2019). For many, the fear was justified. Several channels informally reported revenue losses between 60 and 70 percent “overnight.” One channel said: “it cannot be understated how demoralizing this had been to every kids content creator we know.”

While several children’s content creators panicked, Ryan’s World and the team behind it at PocketWatch remained confident. “We will not have a crisis of audience,” Pocket Watch CEO Chris M. Williams told a journalist, “it’s not like kids will up and leave YouTube” (Spangler 2020a). Indeed, Pocket Watch has positioned itself well for navigating pressures from advertising regulations to YouTube policy changes.

The Emergence of Pocket Watch

Pocket Watch falls within a longer history of (primarily failed) attempts to create multi-channel networks (MCN) leveraging “digital-first,” YouTube talent. In 2009, just four years after YouTube was created, a group of rising YouTube (adult) stars created Maker Studios, a “‘studio’ for YouTube that pooled the talents of digital A-listers” with a goal to become the United Artists of the digital era (Gardner 2013). Along with competing MCNs such as Fullscreen and Machinima, Maker Studios pegged itself as a “creator-friendly” alternative to the notoriously rigid Hollywood hierarchy, uniting ambitious YouTuber talent and resources to both enhance video production quality and increase ad reach and revenue (Lawler 2013).

Maker Studios rapidly rose to the top of the YouTube food chain, tapping into an exploding market of teenage YouTube viewers with videos from figures like PewDiePie. Near its peak, Maker Studios had 55,000 partner YouTube channels and a base of 380 million subscribers (Barnes 2014). The company secured significant venture capital and struck deals with Hollywood studios like Time Warner before being purchased by Disney in 2014 for $675 million (Fritz 2017). Plagued by content creators upset about unmet contracts and exploitation on the one hand (Patel 2017), and controversy surrounding creators like PewDiePie on the other, Maker Studio was absorbed into the Disney Digital Network in 2017; in the process, thousands of YouTube channels contracts were terminated and eighty employees laid off in a massive consolidation (Fritz 2017).

Enter Pocket Watch. In many ways, Pocket Watch is the next generation of digital-first MCN efforts—this time with children’s content creators, child audiences, and global distribution via product licensing as its focus. Pocket Watch was founded in 2017 by a group of former Nickelodeon, Disney, and Maker Studio executives—its roots spanning legacy children’s media empires and digital-first content production. Similar to the Disney and Nickelodeon tween franchises that launched the early careers of young child stars from Miley Cyrus to Selena Gomez, Pocket Watch follows the “industrial logics” of a “so-called star machine” in its attempts to grow a “Disney children’s media empire” (Blue 2017, 9). The company is, in many ways, another
iteration of former tween stars who cultivated a relationship with young audiences through a variety of mediated platforms, clothing, accessories, live performances, and brand building.

Before founding Pocket Watch, CEO Chris M. Williams acted as Chief Audience Officer at Maker Studios, managing Disney Online Originals before that. Pocket Watch’s Chief Content Officer, Albie Hecht, has a long list of famous children’s shows he oversaw during his time at Nickelodeon, including SpongeBob, Dora, Blue’s Clues, All That, The Rugrats Movie, and Jimmy Neutron (CNN n.d.). Beyond Nickelodeon, Hecht has for years pushed traditionally adult-oriented networks and channels toward digital-first content. In 2014, for instance, Hecht said he was transforming CNN’s cable news channel HLN into “the first TV network for the social media generation,” vowing to “redefine TV news and information, driven by what’s trending, being shared and going viral across all screens” (CNN n.d.). Hecht and Williams are two among many Pocket Watch executives with a firmly established relationship with legacy children’s media industries, including figures such as board member Brian Robbins—the current president of kids and family entertainment at ViacomCBS.

Pocket Watch has partnered with several kidfluencers, including CaptainSparklez, EvanTube HD, the Onyx Family, and its poster child Ryan. The Ryan ToysReview (RTR) channel began in 2015 with simple videos of then-five-year-old Ryan buying, opening, and playing with new toys as his mom filmed on her iPhone. A few months in, a video about a surprise toy egg went viral, connecting with the rise of the unboxing video genre, and the toy “review” channel’s viewership exploded almost overnight (Popper 2016). Within two years, RTR was the most-viewed channel on all of YouTube, outperforming iconic pop music stars and high budget corporate content; by 2019, eight-year old Ryan was generating an estimated $26 million dollars in advertising revenue (Berg 2019).

In September of 2017, RTR partnered with Pocket Watch, launching the process of turning Ryan from YouTube star to global brand and child icon—the name change from Ryan ToysReview to Ryan’s World a fitting indication of the company’s ambition. The contract was Pocket Watch’s second-ever deal, the first being another toy review channel, HobbyKidsTV, which had formerly worked with Maker Studios (Spangler 2017a). In contrast to the MCN model, Pocket Watch’s strategy includes giving partners like HobbyKidsTV and Ryan’s family an equity stake in the company and input on the direction it takes in exchange for exclusive rights to the channel’s emerging brand (its video library, other intellectual property, and merchandise) (Spangler 2017b). In this way, Pocket Watch avoids some of Maker Studios and other MCNs’ limitations in their reliance on YouTube video advertising revenue to turn a profit. In contrast, Pocket Watch approaches children’s content creators and their YouTube library and fan base as intellectual property around which the company can build a more expansive and lucrative brand.

Pocket Watch has been clear about its goal to build Ryan and other children’s content creators into global brands, transforming a large body of young YouTube video viewers into consumers of lifestyle products. Pocket Watch’s deal with Ryan’s family begins with “the core concept” of “character-based intellectual property” which now
extends to a variety of licensing deals across multiple industries (Hayes 2008). In a company press release marking the deal with Ryan, Pocket Watch said, “The partnership, tailored exclusively for Ryan ToysReview, will feature a multi-platform franchise development plan, that will supercharge the channel’s growth by extending it into books, apps, licensing and merchandising, premium original content and more” (Pocket Watch 2017). Four years later, the strategy has largely been proven effective as Ryan has become a lifestyle brand in the form of an exclusive clothing line, toy line, Nickelodeon show (“Ryan’s Mystery Playdate” with 3 seasons and 60 episodes at the time of writing), smartphone app (“Tag with Ryan”) which has over 12 million downloads, video game (“Race with Ryan”), and the creation of several Ryan-related YouTube channels such as Ryan’s family review, Vtubers, Combo Panda, Gus the Gummy Gator, and the Studio Space.

With Ryan’s empire steadily expanding, Pocket Watch has now partnered with its next kidfluencer star, Diana of the mega-popular YouTube channel “Kids Diana Show.” The “Kids Diana Show” stars a six-year old Ukrainian girl, Diana, who recently moved to the United States, playing with her family, friends, and of course, toys. The show is currently the third most-watched YouTube channel with 123 million subscribers and 5 billion monthly video views (Weiss 2020). Diana’s parents partnered with Pocket Watch in 2020 in an effort to create what the company’s Chief Revenue Officer, Stone Newman, called “the next big global franchise for girls” (License Global 2020). Pocket Watch has put the Ukrainian child star on the same path as Ryan, launching a toy line, clothing line, other lifestyle product lines, and a forthcoming hybrid live-action and animated OTT series with 40 episodes. A recent video of Diana playing with her own toy line had already racked up 5.5 million views less than a month after being published. Pocket Watch’s approach is explicit: “we are going to do for Diana’s fans what we did for Ryan’s and create a kingdom” (License Global 2020).

Pocket Watch’s framing of Diana is chock full of references to “empowerment” and “imagination,” a careful rhetorical strategy that subtly but consistently addresses criticism of consumerism and commoditization. Not only does Pocket Watch insist that “Love, Diana” is not bad for kids, it deliberately frames Diana as a healthy resource for child development. “Diana, as the Princess of Play,” Newman explains, “encompasses the proven developmental benefits of pretend play and models the existing play patterns of girls this age. The brand represents imagination, playfulness, empowerment, creativity and friendship” (License Global 2020). In this way, Pocket Watch’s “Love, Diana” discourse fits the “girl power” of postfeminism Sarah Banet-Weiser outlines in her recent book, Empowered: Popular Feminism and Popular Misogyny. “Within popular feminism,” Banet-Weiser argues, “empowerment is the central logic; with little to no specification as to what we want to empower women to do, popular feminism often restructures the politics of feminism to focus on the individual empowered woman” (Banet-Weiser 2018, 17). Pocket Watch takes popular feminism, including the underlying neoliberal values of individualism and consumerism, to a new low: its target audience of children ages 2 to 11.

Pocket Watch treats its child partners as film and television stars around which to build a global brand of licensed products to be advertised across platforms and
industries. Drawing from its Nickelodeon and Disney roots, Pocket Watch uses the model of a previous generation of Disney tween stars such as Miley Cyrus and Hilary Duff for children like Ryan and Diana (Orenstein 2012). As such, the company strategically expands digital-first talent to legacy media industries—taking YouTube to Hollywood and Walmart rather than the reverse, as is often the case with studio-produced children’s film and television content. Far from relying on a single source of profit (YouTube advertising revenue), Pocket Watch diversifies its revenue streams across platforms, industries, and geography by leveraging its founders’ deep ties with existing corporate empires. In this way, Pocket Watch offers kidfluencers the allure of a global stardom far beyond the reach of YouTube.

Global Child Brands

The connection between kidfluencers as child icons, intermediaries like Pocket Watch, and legacy media is not limited to Pocket Watch. Beyond the one-time formation of a single brand, the trend represents a profitable path forward for media industries and the monetization of childhood. Multiple kidfluencer channels have signed lucrative licensing deals in recent years, which extend the influence of their respective brands both within the United States and globally. Russian-American kidfluencer channel “Like Nastya” follows the life of seven-year-old Anastasia Radzinskaya with 77.1 million subscribers (at the time of writing) and other Nastya channels such as the Like Nastya Show, Like Nastya PRT, Like Nastya Vlog with over 140 million subscribers in total. Nastya speaks four different languages on the channels, including English, Russian, Mandarin, and Spanish, appealing to an audience well beyond the American context. Managed by the MCN Yoola, “Like Nastya” signed an exclusive global merchandise and licensing deal with the company IMG, which will produce a “tide of T-shirts, toys, and other merch” aimed at a global audience (Spangler 2020b).

Another prominent example of kidfluencers establishing partnerships with big-box retailers, advertising, and licensing companies is the channel FGTeeV (The Family Gaming Team). The channel’s core concept revolves around the father “Duddy” playing and reviewing games with his children. The family of FGTeeV channels, which include FGTeeV, FV Vision (formerly FUNnel Vision), DOH MUCH FUN, FUNnel Boy & Friends, and TheSkylanderBoyAndGirl, claim over 19 million subscribers and over 17 billion video views (Zahn 2019). In partnership with Bonkers Toys, the channel has a line of toys and merchandise based on its characters (FUNnel Boy, Derpy Bacon, Postal Jenkins, and “Duddy”) including the “flagship item, the Giant Mystery TeeV, an unboxing experience created for the ultimate fans” (License Global 2019). The toys are available at Walmart, Target, and Amazon and have continued into a third iteration of the toy line called “seasons” by FGTeev, owing to the toys looking like giant television screens for unboxing (differentiating from the giant eggs in Ryan’s line of toys).

The FUNnel Vision brand includes music, retail, apps, a New York Times best-selling book from Harper Collins, and television distribution (Amazon Prime)—all of
which aim to reach a global audience. While not as prominent as the Ryan’s World line of toys, the FUNnel Vision Family demonstrates that amateur YouTube channels can replicate the Ryan’s World model by building a brand and entering big box retail space.

Bonkers Toys was the first licensee with Pocket Watch and Ryan’s World, delivering to retailers the “Ryan’s World Giant Mystery Egg” in 2018 and “Cap’n Ryan’s Mega Mystery Treasure Chest” in 2019 (Bonkers Toys n.d.). The company has since added kidfluencers “Trinity & Beyond” to its growing partnerships and children’s toy offerings. These examples often operate first within the U.S. context and then extend globally; however, the trend is also emerging in regions and countries worldwide. For instance, RTL Group, a European-based MCN that connects influencers to major global brands, has expanded its reach to include 1,000 content creators across 9 countries, creating “one European super group” (Video Week 2019). Companies like RTL, which recently purchased the Nordic “influencer marketing” company United Screens— with offices in Norway, Sweden and Finland , are now calling themselves “multi-platform networks” to better articulate their strategy and goals (RTL Group 2018).

As child stars continue to emerge on platforms such as YouTube and Instagram, Pocket Watch will likely serve as a branding and licensing model for companies around the world to follow.

Clock Work, Deceptive Children’s Advertising, and the KIDS Act

Recognizing the changing landscape of advertising on YouTube, Pocket Watch recently launched Clock Work, a division of the company devoted to ensuring COPPA compliance. Clock Work’s launch, according to a Pocket Watch press release, “was timed to coincide with changes to FTC regulations ushered in on January 7, 2020, outlining how brands can direct content and advertising to kids on YouTube” (Pocket Watch 2020). The company describes Clock Work as “a new full-service advertising agency designed to help major brands across a variety of verticals reach kids effectively and in a fully compliant way” (Pocket Watch 2020). The new division will create 15-30 second advertisements it calls “alpha spots,” featuring its child stars using their existing YouTube channels and other traditional media outlets to market an array of outside products for its child audiences. In other words, Clock Work functions as a traditional advertising agency built around the talent of its in-house child celebrity team—young kids selling products to other young kids.

In a slick marketing video introducing Clock Work, the company calls its ads “COPPA compliant contextual targeting.” Although the video touts “safety” and legal compliance, it is almost entirely composed of clips of the embedded ads and product placement that triggered the 2019 Truth in Advertising (TINA) FTC complaint accusing Ryan’s channel of “deceptive native advertising.” The Clock Work video boasts of “a brand new way to push your ads to the next level” through “branded content... featuring the most famous families on the internet” as Ryan, Diana, and other Pocket Watch kidfluencers flood the screen with products from the world’s most prominent child brands (e.g., Mattel, Hasbro, and Lego).
The video promises potential advertisers access to the global audience of YouTube’s biggest child stars through advertisements that function as a combination of native advertising and host selling. Clock Work’s “alpha spots” display a tiny advertising disclosure in the form of text stating “this is an ad” in the corner of the screen for the first three seconds of the video—an almost completely unnoticeable and ineffective attempt to address criticism of deceptive advertising. Through Clock Work, Pocket Watch is now dangerously expanding the reach and influence of advertising practices traditionally prohibited by the FTC and FCC, despite pressure from advertising watchdog groups and parent advocacy organizations. Whatever questions may have existed about whether Ryan or Diana playing with a toy from Walmart constituted advertising have been answered with the creation of Clock Work—an agency deliberately and specifically tailored to the production and distribution of advertisements via emerging digital-first child icons.

In March of 2020, two U.S. Senators put forth sweeping legislation in another effort to regulate deceptive digital advertising to children. Senators Edward Markey—co-author of COPPA—and Richard Blumenthal drafted the “Kids Internet Design and Safety (KIDS) Act” to address several contemporary advertising practices aimed at children, namely manipulative design strategies, influencer marketing, native advertising, host selling, and neuromarketing (Markey and Blumenthal 2020). The KIDS Act aims to prohibit common persuasive design techniques currently employed such as autoplay, push alerts, manipulative in-app purchase techniques, and other features that irresponsibly gamify apps and make them “captivating algorithms” for children (Seaver 2019). The Act would further outlaw “direct branded content or native advertising to covered users. . .expose covered users to online advertising or material with considerable commercial content with any embedded interactive elements that take advantage of covered users’ inexperience or credulity in noncommercial child-directed content; or direct content that includes product placement to covered users” (Markey and Blumenthal 2020). In sum, the Act offers comprehensive and wide-reaching regulation to a number of emerging practices involving children’s engagement with digital platforms. If passed, the Act would severely limit Pocket Watch’s strategy and ultimately lead to a much-needed restructuring of children’s media industries.

Conclusion

As the sphere of children’s content creation on YouTube, TikTok, and other popular social media platforms rapidly expands, studios like Pocket Watch will play an outsized role in the development of industry standards and practices. Using Ryan Kaj of “Ryan’s World” as its test case, Pocket Watch has shown its strategy of capitalizing on child-created, digital-first content is a major commercial success as it now moves to create “the next global brand” in the six-year old Ukrainian girl, Diana. Pocket Watch directs an emerging generation of kidfluencers and their fans (the so-called “Generation Alpha”) toward consumption of commercial products largely beyond the reach of YouTube. Pocket Watch thus stands to transform YouTube stars into global brands by
using legacy media experience to create licensing deals across toy, clothing, and lifestyle product industries—effectively producing digital-first child icons.

Despite pressure from advocacy groups and complaints filed with the FTC, Pocket Watch remains free to exploit its child star partners for advertising via its new agency Clock Work. Clock Work connects the young children’s content creators under Pocket Watch’s umbrella with some of the most powerful child lifestyle brands in the world, in what critics and social science researchers insist amounts to deceptive advertising to young children. The FTC’s recent crackdown on YouTube’s collection of children’s personal data has resulted in significant changes to the platform’s approach to child-created content. Yet, Pocket Watch’s exploitation of children as advertising spokespeople for global products via embedded advertising fails to adequately disclose such commercial material relationships and thereby falls under the category of deceptive advertising. The introduction of the KIDS Act to the United States Congress, however, aims to prohibit the type of advertising strategies of Pocket Watch as well as a larger sphere of influencer marketing. Pocket Watch will therefore serve as a decisive case in the ongoing wrestle between governmental regulatory efforts, advocacy groups, social media platform policies, and the broader landscape of children’s digital media. The rise of Pocket Watch, and a growing number of companies with similar strategies, reveals the power of commercial forces increasingly aimed at grooming young children to shift from YouTube stars to global icons—a trend aimed at capitalizing on the aspirational labor of young families (Duffy 2018).

Beyond YouTube, other major social media platforms have exploded in popularity among youngsters around the world, millions of which are 14 years old and younger. In 2020, the short-form video sharing app TikTok disclosed that in the United States alone more than one-third of its daily 49 million users were under the age of 14—the percentage of users 14 and younger was as high as 43 in Britain and 45 in France, as the total number of TikTok app downloads has climbed to two billion globally (Sherman 2020; Zhong and Frenkel 2020). In 2021, Instagram—an app with over one billion active monthly users and counting—announced plans to create an partner app specifically for kids under 13, leveraging the technological infrastructure and institutional resources of its parent company Facebook to do so (Lyons 2021; Tankosva 2018). These troubling trends demonstrate a concerted industry shift toward explicit commercial exploitation of young children on a global scale that will require a concerted regulatory response to reverse contemporary corporate strategies that effectively treat kidfluencers as pawns in a wider battle for financial profit and attention.

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Note
1. YouTube continues to place context-based ads on children’s content.

References


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