27 May 2011, FEPE AGM conference, Madrid

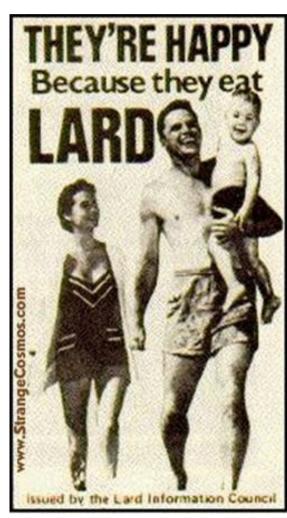
ENSURING YOUR FUTURE LICENCE TO OPERATE: THE ROLE OF EFFECTIVE ADVERTISING STANDARDS

Dr Oliver Gray, Director-General, EASA





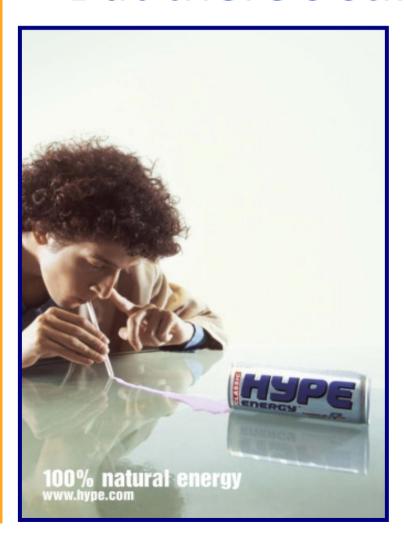
We've come a long way ...







But there's still some work to do...



Belgium-2007



The marketing context: Consumer Trust

"If you think that our future generation only cares about computer games, you are wrong ... today a market leader must be an ethical leader."

Maurice Levy, Publicis

30-70% of a company's value arises from its brand reputation.

What about Outdoor?







National enforced Codes based on global principles (ICC code) endorsed by Advertising Industry and adapted to local culture and norms

Legal, Decent, Honest & Truthful

Socially responsible, Respecting Fair

Competition

Company Codes



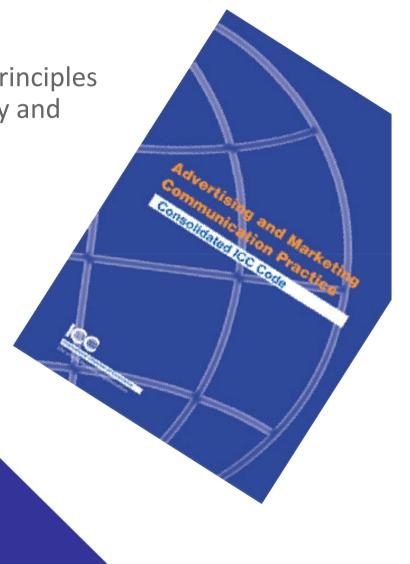
Sectoral Codes



National Codes



Global ICC Code



What is a Self-Regulatory Organisation (SRO)?



 $W \mid B \mid Z$ zentrale zur bekämpfung unlauteren wettbewerbs e. v.

'Advertising Watchdog'

Independent body, guardian of industry code Funded by industry: advertisers, agencies & media

REACTIVE

Fast, free and independent complaint resolution service for consumers & businesses
Issues sanctions (ad modification or withdrawal)

Media is gatekeeper

PROACTIVE

Advice, training and awareness Monitoring compliance with the codes



EASA – The European Alliance for advertising self-regulation

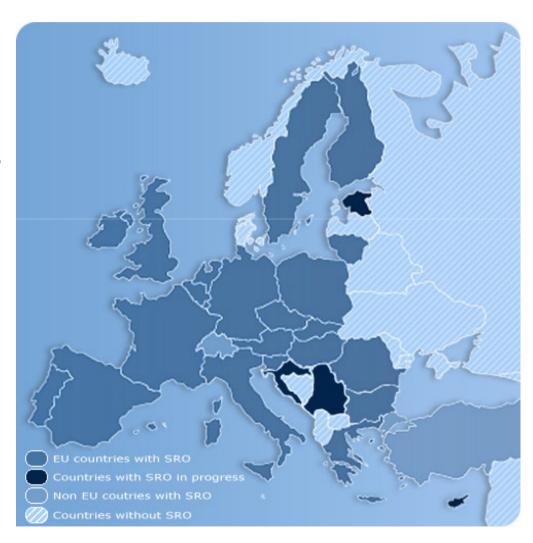


34 SROs in 32 countries

- Europemost EU Members (22/27)
- •and beyond .. AUS, BR, CAN, CHL, IND, NZ, PER, SA

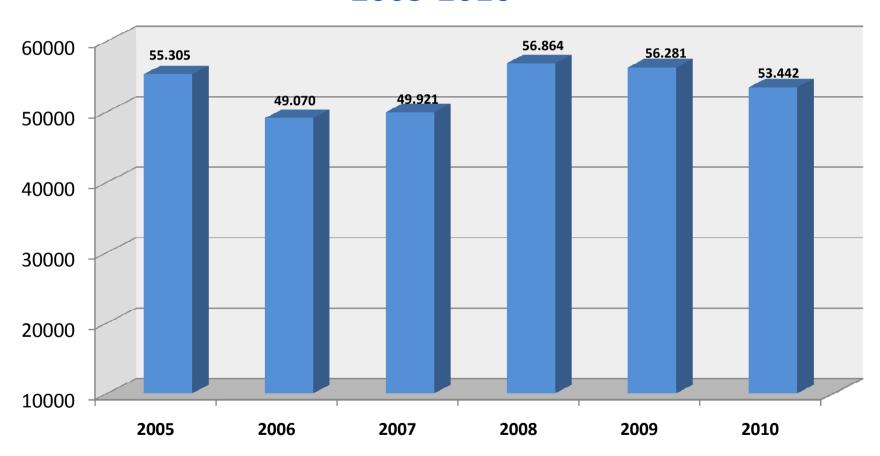
15 industry organisations

- Advertisers
- Agencies
- Media (TV, Radio, Press, Outdoor, Direct Mail and Online), Interactive & Sponsorship





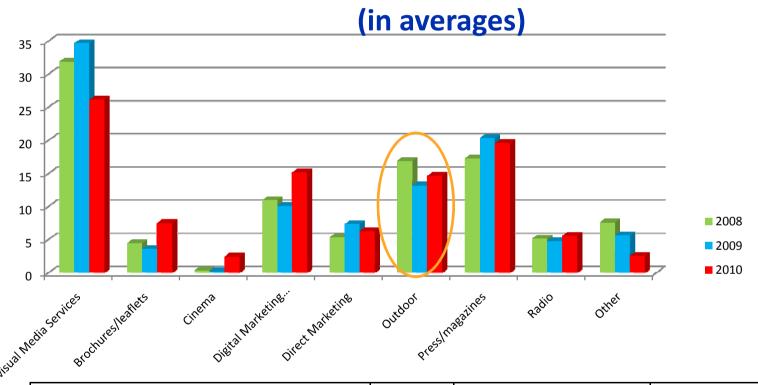
Total amount of complaints received 2005-2010



European SROs received 53.442 complaints in 2010 about 29.524 advertisements.



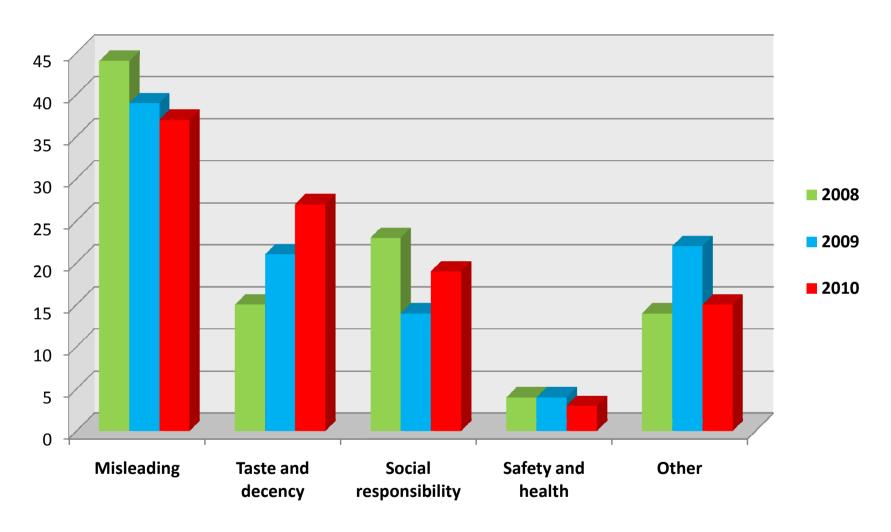
Advertising Complaints per media



European Outdoor Complaints	3947	7,55% total ad	EU average
		complaints)	14,66%
EU total all ad complaints	53432		

Issues complained about

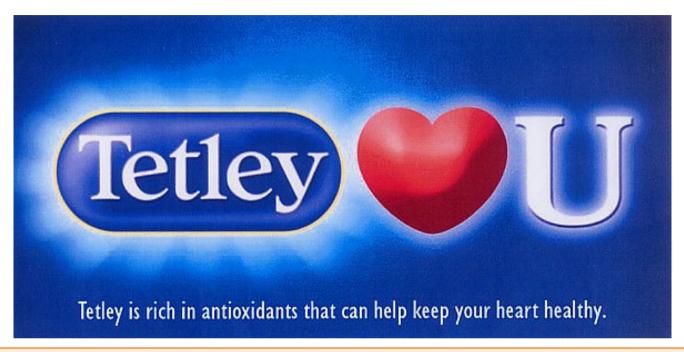




Misleading advertising is the main reason for complaint

1 reason for complaining





UK – ad in various media including Outdoor

Complaint: unsubstantiated claim "the product's antioxidants could help keep your heart healthy"

Ruling: Complaint upheld

Sanction: Campaign withdrawn

Cost: £15million

Contract with agency terminated



- ✓ Geographical coverage
- Media coverage
- √ Funding
- ✓ Codes
- ✓ Consultation

- ✓ Administration
- Complaint handling
- Advice
- ✓ Sanctions
- ✓ Consumer awareness



Clear political mandate: EU Ad Roundtable



Set out a regulatorapproved vision of Effective Advertising self-regulation

Parties involved:

NGOs, EC, Industry & SROs

Key issues identified

- Cover ALL marketing communications
- Keep abreast of new technologies
- SR must be Istening to others/measured







A Modern approach to the regulatory mix



"This is not so much a debate about self-regulation against hard law, but rather a debate about how law and self-regulation can and should interact in modern Europe"

DGSanco, Advertising Roundtable Report Robert Madelin, Director-General DG SANCO, European Commissin



Risk vs Reputation?

...The edifice of self regulation is well constructed and policed ...
but it remains vulnerable to the failure of those still willing
to push the boundaries towards the unacceptable ... the few
risk to give the many and the process of SR itself a bad
name."...

Pat Cox, Former President of the European Parliament Independent reviewer of EASA pan-EU alcohol monitoring project



Very politically sensitive and high media coverage

Most advertisers are generally responsible

- ... but one bad ad:
- gives responsible advertising a bad name
- adds fuel to debate about ad standards
- increases regulatory threats
- undermines confidence in advertising



Irish top Europe's binge drinking chart: EU survey

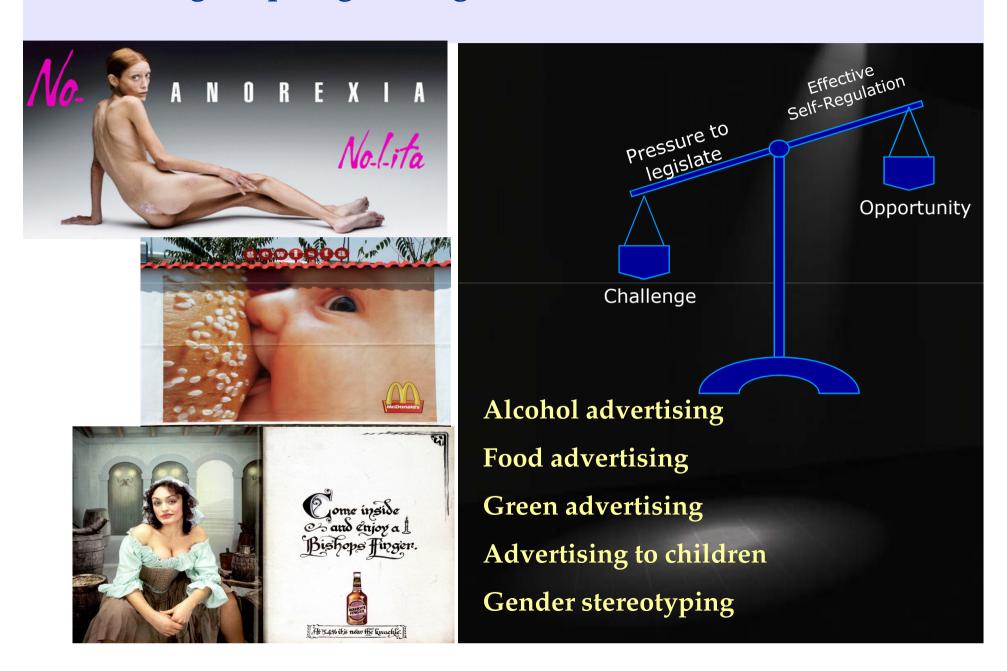
21 April 2010, 20:10 CET

- filed under: poll, drink, health, alcohol

(BRUSSELS) - The frequency of binge drinking in Europe is highest in Ireland, Romania, Germany and Austria, with more than one in three people admitting to doing so once a week, an EU survey showed Wednesday.



Advertising in spotlight – Legislative threats & media interest





Food and Alcohol advertising

- •In January 2011 high-ranking WHO officials called on govts to "reduce exposure of children to marketing messages that promote foods high in saturated fats, trans-fatty acids, free sugars, or salt, and teduce the use of powerful techniques to market these foods to children."
- •WHO called for a global approach to alcohol harm reduction

Alcohol Forum & EU Food Platform

- •Proof that rules are in place? Compliance?
- •Leakage to kids? Advertising influence on consumption?
- •What commitments can be made to improve?
- Activist and well organised NGOs



Alcohol

Austria -2010

Strengthened industry rules ...

A global approach

• No sexual success

No social success

- No excessive use
- No appeal to kids
- •No drink/drive ...

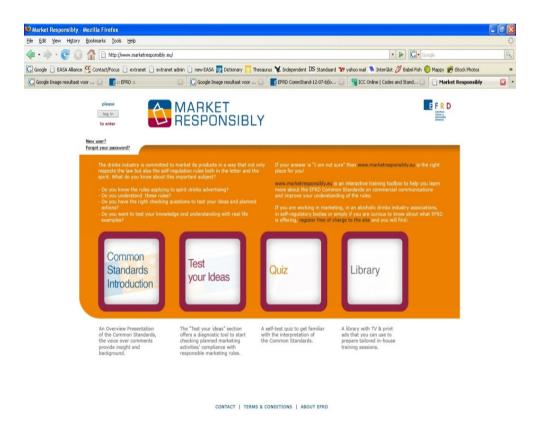








Online Education & training



www.marketresponsibly.eu







Pan-European Compliance monitoring exercises



Number of SROs: 13

Period monitored: May-July 2009

Media covered: ads on marketer-

owned websites

Compliance: 93%

Number of SROs: 19

Period monitored: Apr-June 2007

& Oct-Dec 2007

Media covered: TV & print ads

Compliance: 92%



Number of SROs: 15

Period monitored: Jan-Dec 2006

Media covered: TV & print ads

Compliance: 95.6%

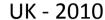




Environmental claims

Beware greenwashing

- Rising sensitivity incl sustainability
- NGO Complaints on emissions labelling
- Car sector under threat & disengaged
- •2012 Earth Summit
- UNEP action re greener products and labelling
- New ICC industry rules/guidance











RX 400h Lel economy ligures extra-urbin 372mpg (7.6L/100km), urbin 31.0mpg (9L/100km) combined 349mpg (B.L/100km). CO. emissions 192a/km

LEXISPOOLE trick House West Ouev Road

Ireland - 2010





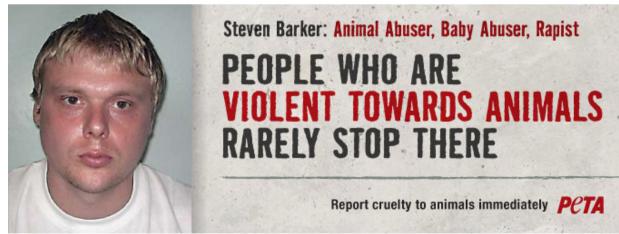


Children

A special responsibility off/online



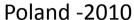






Gender An increasing concern

- Complaints (9,3%)
- Rising political and social sensitivity
- •EC, EP and CoE initiatives call for better SR
- Context & Placement important
- Stereotyping
- Nudity









Gender SR action

- EASA successfully steered EP and CoE own-initiative reports to support SR
- EASA Best Practice guidance to advertisers and agencies
- Advertisers are beginning to look at diversity



Belgium -2010





Cosmetics How much photoshopping?

- •EU Commission work re claims and a common EU approach
- Complaints about cosmetics ads are significant

•Industry is keen to improve awareness, compliance with ad standards and

European standards





Twiggy as she is for real, same time aged 60



Gambling

EU Green paper needs to mention SR



- Industry has established standards incl advertiing
- •It is looking for regulatory intervention

Ireland 2010

Ireland 2010

- •Complaints are significant, around 10%
- •Need for greater awareness about ad standards



Other forms of marketing communications?





PLANNING SALLERY PARTY

Uploaded UGC- 2010

Belgium in shop window/web - 2010



Digital Interactive Media

EU directives:

- Implementation of e-privacy
- Review of data protection
- Review of e-commerce
- AVMS

AVMS:light touch for internet however DPAs look to regulation

Key issues: Transparency, Seperation, Notice and Choice

We have a chance to develop an effective SR option

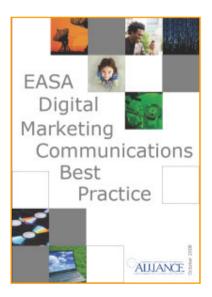


Digital Interactive Media 2 important EASA best practice initiatives

Digital Marketing Communications (2009)

What is advertising?

Does SR deal with DMC?



 Online Behavioural Advertising (2011)

Respecting choice?

Is an SR initiative possible?





Online responsibility?

WARNING:

Attempting to recreate this stunt could be deadly.



In General

- ✓ Text ads
- ✓ Paid Search
- ✓ Online 'public' classified ads
- Display ads (moving & non-moving)
- Marketer-created or endorsed User
 Generated Content (UGC)
- ✓ Online in-game ads
- ✓ MMS/SMS ads
- ✓ Video Outdoor
- ✓ DVD/CD-Rom
 - ... non-exhaustive list



Marketer-owned websites - Exhaustive remit? ... Prescriptive list:

- All claims made in communications except in strictly "editorial" content (eq: annual report, CSR reports)
- Commercial communication covered by Unfair Commercial Practices (UCP) Directive (eg: price promotions)
- Third party User Generated Content (UGC) endorsed/seeded by marketer {VIRALS, BLOGS}
- Uploaded marketing communications from other media {RADIO, TV, Magazine and Poster ADS}



Rising to the OBA challenge

Commissioner Kroes challenged industry on adequate measures for consumers to make informed choice about receiving behaviourally targeted ads or else opt in approach enacted

« SR must be at least EASA compliant and we had one year to deliver »

2 EU Roundtables organised by DGInfSo under Robert Madelin with industry, NGOs and Commission in 2010 & 11 discussed proposals prepared by EASA coalition

EASA made 70% commitment across its EU SROs on implementation and OBA industry 85% within a year



EASA OBA BPR

Developed by industry in consultation with NGOs and the European Commission

Tells SROs and industry associations how to implement SR for OBA & extend existing system

- Best practice principles for implementing an effective OBA SR strategy at national level
- IAB Europe Framework on OBA
- Guidance related to the monitoring and compliance of the standards outlined
- Clarifications on company compliance and consumer controls

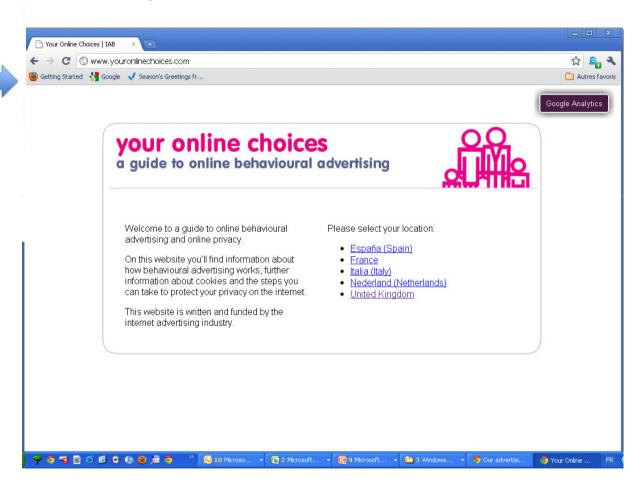




www.youronlinechoices.com



DV pixel triggers icon which clearly notifies consumers that the ad is behaviorally targeted to them.







Icon links to... Consumer Control Cockpit

your online choices

le guide de la publicité comportementale



Accueil A propos de la publicité comportementale Foire aux Questions Cinq trucs et astuces Lexique Contrôler ses cookies

Contrôler ses cookies

Les sociétés listées ci-dessous sont quelques uns des fournisseurs qui travaillent avec des sites web pour collecter et utiliser des informations nécessaires à de la publicité comportementale. Utilisez les boutons ci-dessous pour contrôler et définir vos préférences en termes de publicité comportementale. Vous pouvez sélectionner ou dé-sélectionner d'un coup toutes les sociétés, ou définir vos préférences société par société. En cliquant sur le bouton "i" vous pourrez obtenir plus d'information sur chacune de ces sociétés, comme par exemple savoir si cette société a déposé des cookies pour de la publicité comportementale sur votre navigateur. En cas de problème pour définir vos préférences, n'hésitez pas à consulter la page d'aide.

Refuser toutes les sociétés

Désactivé

Accepter toutes les sociétés

Activé

Accepter ou refuser les sociétés une par une



If feedback is not resolved then consumer can complain to SRO



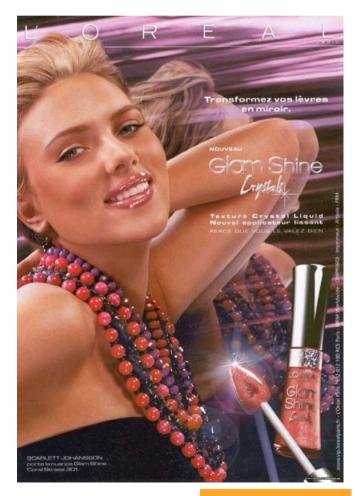


Beyond scrutiny...

How is your compliance?

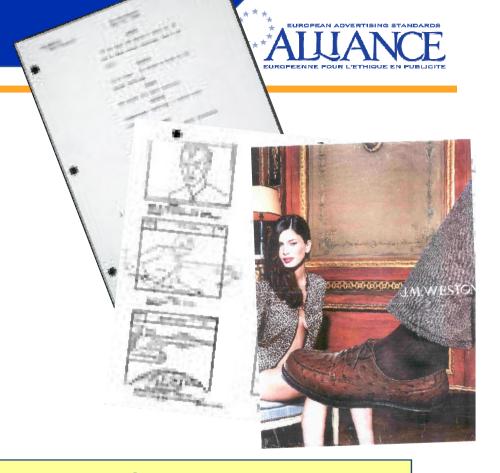
- Look at Complaint data
- Commission monitoring &
- Research
- Measured independent results
- Identifies further action

Outdoor important & prominent place in advertising





- Don't let an ad fuel the ban
- Ask national SROs
- Send script, storyboard or ad
- •SRO reviews ad against rules & provides advice



A Single Industry Portal

European Copy Advice / Pre-Clearance facility www.ad-advice.org

facilitates advice on campaigns across several markets



360 degrees compliance

- Be consistent and coherent
 - in all media
 - In all markets
 - Ensure compliance

We are judged by the weakest links and every bad example is the evidence



EASA Education (EDU) Programme:

Ethics and Advertising Standards for Professionals in the Digital Age

'Advertising should be fun... but, with a common sense'

The purpose and ultimate goal of 3E MODULE is to develop a MORAL COMPASS via 10 interactive lessons for future advertising professionals, with an emphasis on digital advertising.

The **3E MODULE** will be available to:

- •Students of Higher Education Institutions (HEIs);
- •Lifelong Learning Programme (LLP) professionals of small and mediumsized enterprises (SMEs) with an interest in teaching the complete package or parts thereof.

www.easa-edu.org



Conclusions: Responsibility matters

- Advertising SR linked to brand reputation
- **EASA** model drives effective best practice SR
- •SR is defending your responsibility against regulation
- •SR responding to Digital Media challenge
- Further Education, Monitoring and use Copy Advice
- •EU is recognising the effective SR approach
- What role can you play to improve responsibility?

"I am confident that self-regulation will be given the full weight in society's choices among the menu of regulatory options."

Robert Madelin, DGSanco



www.easa-alliance.org

Join us in your fight for responsible freedom to advertise

Take further responsibility action to reduce mistakes

Help us to defend better your future licence to operate

The Blue Book

Everything you need to know about advertising self-regulation

