



**Asia-Pacific
Economic Cooperation**

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APEC Advertising Standards Forum

Submitted by: Advertising Standards Bureau (ASB)



**APEC Advertising Standards Forum and
Mentoring Workshop
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ADVERTISING
STANDARDS
BUREAU

APEC advertising standards forum, *Beijing*

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What are advertising Standards?

- Rules about the content of advertisements
- Truth, accuracy, social values
- Based in many economies on the International Chamber of Commerce Code
- Can often be more detailed sector specific rules

Working together...Effective advertising regulation

- Standards for content of advertising
- A system to monitor compliance and a structure for addressing consumer concerns about advertising content

Without Standards

- If you cannot advertise products/services you cannot compete effectively in a market
- If there are no Standards, this creates room for rogue traders to work more effectively
- Different Standards between Economies means often advertisements need to be made with different versions for different Economies = increased time to market and overall increase in time and money for company

Standards require an effective system

Standards cannot exist on their own

A code making body - industry body which consults with industry, consumers and government to establish standards

A code administration body – separate body which:

- is funded by industry
- receives complaints from the community and business about the content of advertising
- has an independent body to adjudicate on whether advertisements met the standards
- ensures that advertising that does not meet the standards is removed

There are best practice models to follow

A best practice infrastructure to enforce the code

"A CONSENSUAL EXPRESSION OF WHAT IS BEST-PRACTICE"*

The image shows two overlapping web pages. On the left is the cover of the 'International Guide to developing a self-regulatory organisation' by the Alliance. It features a vertical strip of images and the text: 'Practical advice on setting up and consolidating an advertising self-regulatory system'. On the right is a screenshot of the OECD website's 'Consumer Policy Toolkit' page. The page has a blue header with 'OECD Home', 'About', 'Countries', 'Topics', 'Statistics', and 'Newroom'. Below the header, there is a 'Consumer policy' section with a list of topics: 'Innovation in science, technology and industry', 'Industry and globalisation', 'Science and technology policy', 'Biotechnology policies', 'Internet economy', and 'Broadband and telecom'. The 'Consumer Policy Toolkit' section includes links for 'Charter summaries', 'Main messages', 'What stakeholders are doing', 'Did you know?', 'Get the tools', 'Be a creator', and 'Workshop'. There is also a 'Press release (21 July 2010)' and a quote: 'More choice and more competition in many markets have made...'. At the bottom of the screenshot, there are two red hyperlinks: '*http://ec.europa.eu/consumers/hot_topics/report_advertising_en.htm' and 'http://www.oecd.org/sti/consumerpolicy/consumerpolicytoolkit.htm'.

Some of the benefits of a best practice system

- Effective, efficient and unbiased complaints handling reflects the needs of companies and consumers/civil society
- Improve the reputation of the business (regardless of size, location and sector)
- Enhance customer confidence, satisfaction and loyalty = increased spend
- In a global marketplace, provides confidence in the consistent treatment of complaints
- Enhance domestic and international competitiveness

APEC PSU Study findings – pros and cons

Pros	Cons
<ul style="list-style-type: none">• Faster, cheaper and simpler way than legislation• More flexible in responding to evolving environment• Reduce the regulatory overload of government agencies• Possible to avoid jurisdictional conflicts and legal limitations• Stakeholders have higher tendency to abide by standards endorsed by their own industry	<ul style="list-style-type: none">• Exclusion of non-industry from code drafting process and adjudication bodies• More reliant on complaints as monitoring policies may be under-developed• Usually do not have access to legally binding sanctions• Digital/online media owners have yet to fully commit themselves to self-regulation• Solid assessment to support the adoption of regulations are typically lacking – sometimes arbitrary or without basis

To overcome the 'Cons'

A **system for managing advertising** complaints and compliance with Standards should be based on good regulatory practice and must:

- have full support and cooperation of broad advertising industry
- be transparent in the Standards and the development process of Standards
- have Standards which are the least restrictive possible for business
- be efficient in its operations
- have the same rules for all businesses (level playing field)

APEC involvement in advertising – WHY?

APEC Role

- trade and investment liberalisation and facilitation
- reduce negative effects differing standards have on trade and investment flows
- promote open regionalism and market-driven economic interdependence
- develop shared understanding of relevant issues, increase transparency
- encourage greater alignment of APEC member Economies' Standards with international Standards

Advertising – Economic Growth

Advertising stimulates economic growth :

1. stimulates growth in consumption
2. accelerates the spread of innovation
3. promotes competition
4. increases consumer awareness about products
5. growth in the sector itself contributes to GDP

Even more growth with increased spend on digital media

http://www3.wfanet.org/valueofadvertising/documents/WFA-UDA_Advertising&Economic_Growth.pdf

APEC outcomes so far

- Initial support from the ARCAM (Regulatory Cooperation Advancement Mechanism) – 2012
- ARCAM project 2012 – *Dialogue on Advertising Standards – Principles and Practice*, Hanoi, November 2012

The Hanoi Dialogue

Provided a starting point for discussion between Economies

Recommendations for future work include APEC Policy Support Unit stocktake study on current situation, regulatory mentorship program for regulators and self regulation organisations and a capacity building technical workshop

Leaders statement

“We recognized the work on regulatory approaches on reducing technical barriers to trade and fostering greater regulatory cooperation in the region including through the revised APEC Regulatory Cooperation Advancement Mechanism (ARCAM) ...we look forward to the progression of work on advertising standards in the region.”

PSU Study - objectives

- Stocktake of voluntary advertising Standards and regulatory practices in APEC Economies to identify differences in Economies' regulatory and voluntary approaches to advertising
- Identify opportunities for both alignment of regulatory and voluntary approaches to advertising and capacity building for self-regulatory organisations (SROs)

PSU Study findings

- Most Economies have some public and/or private regulations addressing ICC Code issues
- Sectoral advertising regulations are more diverse across economies
- Existing self-regulatory organisations meet the different elements of the EASA Best Practice model to varying extents
- Substantial improvements could be made in the areas of:
 - efficient compliance and monitoring
 - raising industry and consumer awareness
 - improving state of administration

PSU study recommendations

APEC Economies should:

- Share best practice – including in the internet area
- Initiate dialogues on sectoral advertising regulations where there are common interests (noting effect as potential barriers to trade)
- Build capacity for those looking to start or improve effective systems

Working together...Beijing 2014

Standards for advertising and an advertising system based on best practice are important to ensure that the trade and economic benefits from advertising are maximised.

Working together we can share best practice, build capacity and address emerging policy issues