



**Asia-Pacific
Economic Cooperation**

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**Dealing with New Information and Communications
Technology - Lessons Learned from the United
States Self-Regulatory Experience**

Submitted by: Advertising Self-Regulatory Council (ASRC)



**APEC Advertising Standards Forum and
Mentoring Workshop
Beijing, China
8-9 August 2014**



A service of the advertising industry and Council of Better Business Bureaus

Dealing with New Information and Communications Technology

Lessons Learned from the US Self-Regulatory
Experience

Presented by C. Lee Peeler
President and CEO, Advertising Self-Regulatory Council
Executive Vice-President, Council of Better Business Bureaus

August 9, 2014

Overview: U.S. Advertising Self-Regulation Model

- Standards: Truthful and substantiated claims
- Complies with standards for advertising to children under the age of 12
- Provides "notice" and "choice" for online data collection



Effective Working Relationship with Government



Regulatory Support

“In the advertising industry, the ASRC is a key example of a self-regulation success story.”

—*Maureen K. Ohlhausen, Commissioner, Federal Trade Commission, June 24, 2014*

Regulatory Support

“Domestically, the FTC views robust self-regulation as an important tool for consumer protection that potentially can respond more quickly and efficiently than government regulation.”

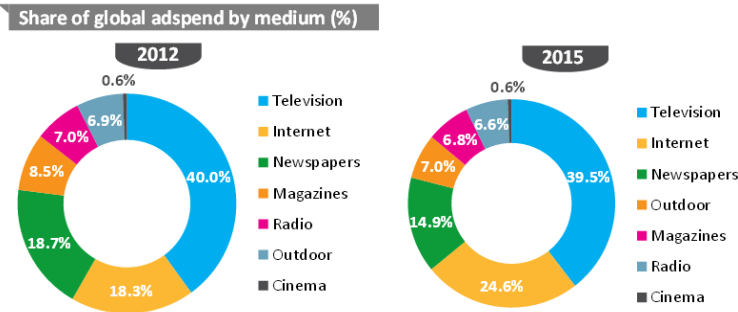
—*Edith Ramirez, Commissioner, Federal Trade Commission
Nov. 29, 2012*

Regulatory Support

- “Arguably, however, the most influential factor respecting national advertising over the last 30 or so years is self-regulation. Meaningful self-regulation provides a critical complement to the FTC’s law enforcement efforts. It relieves the FTC from supervising some issues, and frees up resources that can be used in other areas. It allows the FTC to focus more efficiently on the activities of those who don’t comply with the self-regulatory regime.”

—*J. Thomas Rosch, Commissioner, Federal Trade Commission
March 11, 2009*

Overview: Projected Global Ad Spend



Source: ZenithOptimedia, August 2013



Broad Definition: National Advertising

"The term 'national advertising' shall include any **paid commercial message, in any medium** (including labeling), if it has the purpose of inducing a sale or other commercial transaction or persuading the audience of the value or usefulness of a company, product or service"

– *The Advertising Industry's Voluntary Process of Self-Regulation*
1.1 (A) Definitions



How We Monitor Online Ads

- Staff examines all components of an ad campaign, including online components
- Monitors internet claims
- Uses competitive challenges, consumer complaints to identify claims
- Receives 3rd-party monitoring reports on online data collection



Internet Advertising



Popular Products & Programs

Miracleburn®

Flex Belt: Rapid Stomach Toning Medical Technology

Miracle Fat Burning Cream

Flex Arms: Bicep & Tricep Electronic Muscle Toning

Flex Enerlive® - Electronic Full-Body

Welcome to our database of lifestyle. Did this, there Programs save

Welcome to WeKnowDiets.com. We have compiled the most comprehensive database of information for people who are looking for a trimmer body and healthier lifestyle.

Our goal is to let you know following weight ingredients driven forms

We know you will find this information useful and we wish you all the best of health and nutrition. Please remember that these reviews are done by human editors with the goal of helping you make the best decision that fits you. All reviews and are subject to current information at the time the review was conducted and could change as various products or programs change.

Most Popular Products & Programs

Miracleburn®

In a marketplace filled with no-hum diet choices, Miracleburn®, formulated and marketed by Urban Nutrition, LLC, seems to stand head and shoulders above the rest. From its informative website presentation, to the superior ingredients included in the formulation, Miracleburn® slices away its competitors and comes across MORE.



Weknowdiets.com
Case #219 (Competitive challenge)
8.11.09



Internet Advertising

Pimsleur Approach
Order Online or Call 866-254-7139

Rapidly Start Speaking Any Language in 10 Days
Using the World-Famous Pimsleur Method
Featured On PBS, Recommended By Forbes, Purchased By The FBI.

100% MONEY GUARANTEE
Special Sale only \$29.95 + FREE SHIP

FREE PRESENTATION:
"Discover How You Can Speak Any Language... In Just 20 Short Days... Free From Memorization... And Absolutely Guaranteed!"

PLEASE TURN ON YOUR SPEAKERS
PRESENTATION BEGINS IN...
5

16 Languages Available

Choose Your Language Add to Cart

VISA MASTERCARD AMERICAN EXPRESS DISCOVER

Pimsleur Approach
The New York Times **Forbes**

Internet Order LLC
Case #5580 (Monitoring)
5. 15. 13

Social Media: Pinterest

Search **ASRC** Add About Kathryn

Real Customers. Real Success. **ASRC**

Nutrisystem, Inc. 77 followers, 19 pins

Christina B. Just 45 lbs. on #Nutrisystem

Michael T. Just 22 lbs. on #Nutrisystem

Lisa M. Just 112 lbs. on #Nutrisystem

Christine K. Just 22 lbs. on #Nutrisystem

Alex B. Just 30 lbs. on #Nutrisystem

Julie G. Just 22 lbs. on #Nutrisystem

Sharon B. Just 30 lbs. on #Nutrisystem

Wendy G. Just 22 lbs. on #Nutrisystem

Robert B. Just 45 lbs. on #Nutrisystem

John D. Just 22 lbs. on #Nutrisystem

Barbara K. Just 22 lbs. on #Nutrisystem

Michelle L. Just 22 lbs. on #Nutrisystem

Michelle M. Just 22 lbs. on #Nutrisystem

Michelle N. Just 22 lbs. on #Nutrisystem

Michelle O. Just 22 lbs. on #Nutrisystem

Michelle P. Just 22 lbs. on #Nutrisystem

Nutrisystem
Case #5387 (Monitoring)
6. 29. 12



Mobile Apps

CARU Recommends Toy Box Apps Modify Advertising App to Avoid Undue Sales Pressure

New York, NY – June 27, 2013 – The Children's Advertising Review Unit has recommended that Toy Box Apps, LLC, modify advertising for the company's "Mail Girl" app to avoid undue sales pressure. The app warns child users that a virtual pet will be taken to the pound if child doesn't purchase virtual food. In most cases, the app's virtual currency must be purchased with real money.

CARU is an investigative unit of the advertising industry's system of self-regulation. It is administered by the Council of Better Business Bureaus.

Advertising for "Mail Girl" came to the attention of CARU through CARU's ongoing monitoring of advertising directed to children.

The "Mail Girl" App can be downloaded from the iTunes.com website for free under the category "Games and Kids" and is rated 4 and up, allows users to sleep for clothing items at a virtual mall, and dress their avatar.

Toy Box Apps

Case #5594 (Monitoring)
5.29.13



How We Gain Voluntary Compliance

- User-friendly forums
- Engage directly with advertisers
- Review with them potential problematic claims, issues
- Issue draft decision
- 95% voluntary compliance



Process When Voluntary Compliance is not Achieved

FTC Settlement Requires Oreck Corporation to Stop Making False and Unproven Claims That Its Ultraviolet Vacuum and Air Cleaner Can Prevent Illness

Marketer Must Pay \$750,000

FOR RELEASE

April 7, 2011



“The FTC acknowledges the National Advertising Division of the Council of Better Business Bureaus for its referral in this case.”



Administered by the CBBB

- More than 100 Bureaus nationwide
- Business Ratings
- Complaint Resolution



BBB Ratings

BBB Business Review Reliability Report for Genesee Valley Associates

BBB BUSINESS REVIEW
 THIS BUSINESS IS NOT BBB ACCREDITED
American Debt Settlement Solutions, Inc.
 Filed a Location
 Phone: (561) 241-6922 (Disconnected)
 Fax: (561) 431-8098
 7401 N. Federal Hwy, Suite 2108, Boca Raton, FL 33487
 accountg@americandebts.com
 View Additional Email Addresses
 http://www.fistycarpayments.com/
 View Additional Web Addresses
! There is an alert for this business.!

BBB BUSINESS REVIEW
 THIS BUSINESS IS NOT BBB ACCREDITED
Vortex Debt Group Inc.
 Phone: (866) 538-3503
 Fax: (321) 254-8311
 3290 Sunrise Blvd Ste 101, Melbourne, FL 32940-7540
 http://www.vortexdebtgroup.com
! There is an alert for this business.!

F On a scale of A+ to F
 Reason for Rating
 BBB Ratings System Overview



BBB Scam Alerts

Medical Alert Scam
A new twist on an old scam targets seniors with promises of a "free" medical alert system. But scammers ask for bank info and then change a monthly fee, without delivering anything.

Auction Reseller Scam
Scammers fool online auction sellers into shipping expensive goods without advanced payment by claiming an "emergency." Sellers get "payed receipts," but they not notice they are fake until it's too late.

Arrest Warrant Scam
Scammers change the Caller ID to look as if they are calling from a sheriff or police department with a warrant for your arrest. Pay their fee or be arrested! It's a scary fake.

Scam Texts
With online and mobile banking skyrocketing, scam texting - "smishing" - is on the rise. It looks like a text alert from your bank asking you to confirm info or "reactivate your debit card."

Do Not Call Scams
Do Not Call lists offer a free way to reduce telemarketing calls but scammers, pretending to be from the government, call to sign you up. Sharing personal info can lead to identity theft.

Fake Friend Scam
A duplicate Friend Request on Facebook could be from a scammer who has stolen your real friend's pictures and identity. If you accept, the scam artist has access to your personal information, list of friends, etc.

Invisible Home Improvements
Home improvement scams often mean shoddy workmanship from unlicensed or untrained workers. The hardest to detect are repairs to places that you can't see - roofs, chimneys, gutters and crawl space. Check bbb.org first.

Casting Call Scam
Popular television talent shows have inspired scammers to pose as agents or talent scouts, but would-be actors, singers, models, and reality show contestants end up paying for auditions or parts that don't really exist.

Foreign Currency Scam
Scammers call foreign currency a low risk investment. When governments revalue their currency, holders of Iraqi Dinar, Vietnamese Dong or Egyptian Pounds can cash in. The money may be real, but the payoff isn't.

Top Scam of the Year: Affordable Care Act Scam
Scammers had a field day with the Affordable Care Act ("Obamacare"), using it as a way to fool Americans into sharing personal information. It's just a variation on the longstanding Medicare scam.

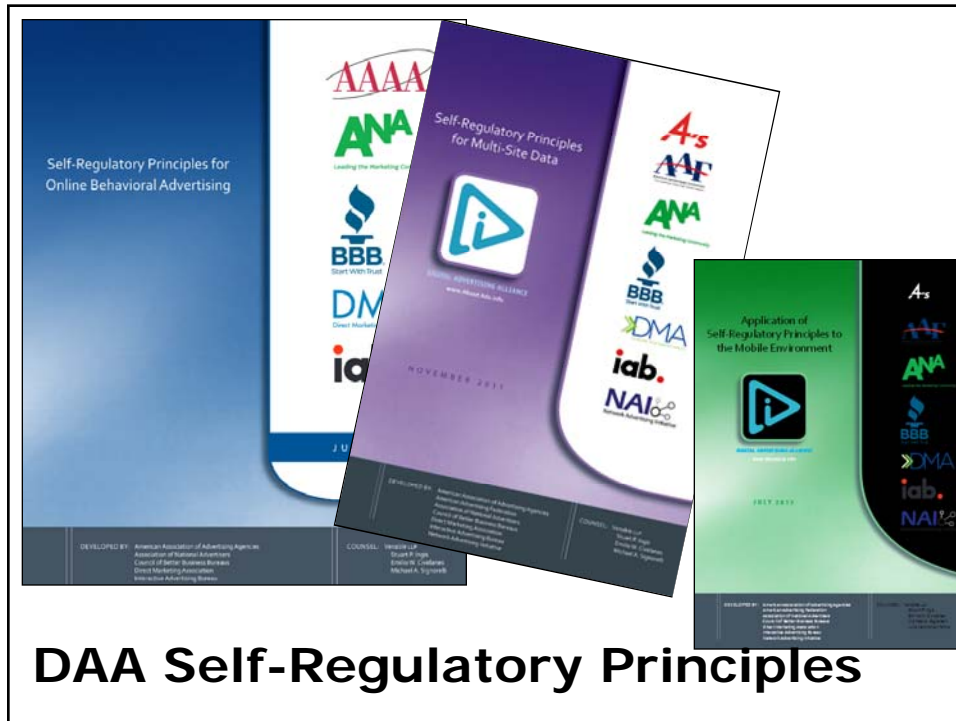
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Participating Associations



Digital Advertising Alliance





Opportunities for International Interoperability

- Digital Advertising Alliance Standards
- Adapted to International Chamber of Commerce Standard
- Implemented by European Digital Advertising Alliance
- Implemented by Canadian Digital Advertising Alliance

CBBB: Self-Regulation Research, Conference

BBB Self-Regulation Conference

[About](#)
[Agenda](#)
[Speakers](#)
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Thank you for your support!

More than 160 attendees convened in Washington, DC for the 1st Annual BBB Self-Regulation Conference. CBBB would like to thank all attendees for their participation and support. Please be sure to join the new BBB Self-Regulation Interest Group on LinkedIn to stay on top of this issue and to hear about next year's conference.

www.bbb.org/council/international-torch-awards/

CBBB: Conference Speakers

Maureen Ohlhausen – Commissioner, U.S. Federal Trade Commission

Robert Madelin – European Commission's Director-General for Communications Networks, Content & Technology

Daniel Weitzner – Director, Massachusetts Institute of Technology (MIT) Computer Science and Artificial Intelligence Laboratory's Decentralized Information Group

Stacy Feuer – Assistant Director for Consumer Protection, Federal Trade Commission



A service of the advertising industry and Council of Better Business Bureaus

For more information, please visit www.ascreview.org