International Guide to developing a self-regulatory organisation

Practical advice on setting up and consolidating an advertising self-regulatory system

EUROPEAN ADVERTISING STANDARDS
ALLIANCE
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WFA WORLD FEDERATION OF ADVERTISERS

IAA Inspiring Excellence in Communications Worldwide℠

About EASA

EASA—European Advertising Standards Alliance—is a not-for-profit organisation set up in 1992 to promote high ethical standards in advertising through the use of effective self-regulation, while taking into account national differences in terms of culture and legal systems. It does so by sharing best practice, supporting the creation & development of advertising self-regulation and by providing best practice guidance, which is agreed upon by all members.

EASA started off as a European focused association, which over the years has embraced advertising self-regulatory organisations from outside of Europe. In 2009 EASA unites 31 self-regulatory organisations world-wide and 16 European and global advertising industry associations.

The background of this publication

In 2008, EASA set up the EASA International Council, which aims at providing a forum to facilitate information exchange, best practice discussions and communication among advertising self-regulatory organisations around the world. Within this platform EASA adapted the European version of its guide to setting up an advertising self-regulatory system to the publication you are currently holding.

This guide is supported by EASA membership, with particular support from the following two major international organisations:

World Federation of Advertisers

The World Federation of Advertisers (WFA) is the voice of advertisers worldwide representing 90% of global marketing communications expenditures, roughly US$700 billion per annum, through a unique, global network: 57 national advertiser associations on five continents as well as over 50 of the world's top 100 advertisers. Through the network, WFA represents more than 10,000 businesses operating in a broad spectrum of sectors at national, regional and global levels.

WFA has a dual mission: to champion responsible commercial communications and to facilitate a media environment which stimulates maximum effectiveness of ad spend. More information at www.wfanet.org

International Advertising Association

The International Advertising Association (IAA), headquartered in New York, was founded in 1938 to champion responsible marketing. The IAA, with its 56 chapters in 76 countries, is a one-of-a-kind global partnership whose members comprise advertisers, media, advertising and public relations agencies, media companies, and academics. The IAA is a platform for industry issues and is dedicated to protecting and advancing freedom of commercial speech, responsible advertising, consumer choice, and the education of marketing professionals. For more information please visit www.iaaglobal.org.

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About this Guide

This booklet offers practical guidance to those who are contemplating setting up a self-regulatory system or improving, or future-proofing, one that already exists. It may also be useful to anyone with a professional interest in marketing communications and the regulation thereof as well as the exercise of ethical responsibility.

At some point, marketing practitioners in every country realise that there is a need to demonstrate that responsibility matters as irresponsible marketing communications give little to no sustained return on advertising investments. Creating an effective self-regulatory system therefore does make sense. As well as creating a level playing field for the advertising industry, advertising standards demonstrate social responsibility and encourage consumer confidence in advertising. Indeed, research also shows that the ethical behaviour of a company is closely associated with the value of its brand; Brandz estimates a company's reputation at 30% of the brand's market value.

If you are beginning to think about advertising standards and are wondering how to go about writing a code or setting up a self-regulatory system, this guide will help you. The information put forward in this guide builds on more than 16 years of EASA's experience in coordinating advertising self-regulation projects across Europe as well as beyond, and combines it with the day-to-day experience of self-regulatory organisations (SROs) globally, some of which have been in operation for over half a century.

To make self-regulation a reality in your market you will need dedication, patience, consensus, resources and above all enthusiasm. Your response will need to be both appropriate and proportionate to the local circumstances. However, once a self-regulatory system is in place that sets and maintains responsible advertising standards, it will help increase sustained returns on marketing investments through increased consumer trust.

With the help of this guide and the support of the European Advertising Standards Alliance (EASA) and our growing international network of SROs through EASA's International Council, we hope that you too will be able to build a strong, effective system of self-regulation in your country. Please do keep in mind, however, that this guide is only a starting point and you will not succeed without the active support of the advertising industry to ensure self-regulation happens. Should you need any help or further guidance, do visit our website or contact us: www.easa-alliance.org.

My thanks go to Linda Nagel and the members of the EASA International Council for helping to adapt this guide to the international market and to Renée Brautigam for putting it together.

Oliver Gray
EASA Director General

Short glossary

Ad-spend	Advertising expenditure
Advertising industry	Advertisers, advertising agencies and the media and/or trade associations representing their interests, whether at national, European or global level.
Awareness campaign	Advertising or promotional campaign, usually run by an SRO, to raise awareness of the self-regulatory system among consumers and/or industry.
Code (of practice)	Set of rules governing the content of advertisements.
Code-making body	Part of an SRO, usually composed of industry representatives, responsible for the formulation and revision of the code.
Copy advice	Advice on a proposed advertising campaign provided by a self- regulatory body usually on a non-binding basis requested by an advertiser on *a* **voluntary basis** (see also pre-clearance).
Co-regulation	System of regulation combining statutory and self-regulatory elements and sometimes involving other stakeholders, e.g. consumer organisations.
Digital media	A generic term used to refer to media other than traditional media (e.g. television, radio, print, direct mail and outdoor advertising). Digital media includes, amongst others, banners on websites, DVDs, sms and online games.
ICC Code(s)	Codes of Marketing and Advertising Practice, originally drawn up by the International Chamber of Commerce (ICC) in 1937 and since regularly updated, which inspired many of the self-regulatory codes currently in use.
Legal backstop	Legal framework that can enforce real sanctions on rogue traders (see definition below).
Pre-clearance	Examination of an advertisement by a regulatory or self-regulatory body as a **compulsory pre-condition** (sometimes also voluntary) of publication or transmission (see also copy advice).
Rogue trader	Advertiser deliberately seeking to mislead or deceive businesses or consumers.
Tripartite	Body representing the common interests of the three parts of the advertising industry—advertisers, advertising agencies and the media.

Frequently used abbreviations

EU	European Union
IAA	International Advertising Association
ICC code	Consolidated Code of the International Chamber of Commerce
ICC	International Chamber of Commerce
SR	Self-regulation
SRO	Self-regulatory organisation
WFA	World Federation of Advertisers

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Section 1: Advertising self-regulation explained

1.1 Why advertising needs to be regulated

Advertising plays an essential part in all market economies. It stimulates growth and innovation, encourages competition and increases consumer choice. It is a swift and efficient means of making consumers aware of product innovations and keeping them informed of the range, nature and quality of the products or services available to them. Advertising is an important element in maintaining or increasing market share and vital to the introduction of a new product or service or the improvement of an existing one. It is also closely associated with the value of brands, therefore making responsible advertising essential (see 1.4).

Advertising not only informs people of products, services and brands but also provides an indispensable life line for the creation of television shows, magazine and newspaper content and online material, to name a few.

To fulfil this important task, advertising must enjoy a high level of consumer trust and confidence as well as the trust of political stakeholders: it must be legal, decent, honest and truthful.

If consumers are misled by advertising, they will not buy again; if it offends them, they are unlikely to buy in the first place. Such advertising, even though it may account for only a small percentage of the whole, will gradually undermine consumer confidence and all advertising will suffer. If political stakeholders feel that consumers are misled, offended or influenced in an irresponsible way by advertising they will try and push through *detailed* legislation restricting certain types of advertising, or possibly banning them.

It is, therefore, in the interest of all those in the advertising industry, whether advertisers, advertising agencies or the media, to ensure that advertising follows a set of rules to make sure that advertising is legal, decent, honest and truthful. This is traditionally done through *self-regulation* (SR), a system that works within the framework of existing legislation.

1.2 What is self-regulation?

Self-regulation is a system by which the advertising industry actively regulates itself. The three parts of the industry—the advertisers who pay for the advertising, the advertising agencies responsible for its form and content, and the media that carry it—agree on standards of practice and set up a system to ensure that advertisements that fail to meet those standards are quickly removed or corrected.

This is achieved by means of rules or principles of best practice, by which the advertising industry voluntarily agrees to be bound. These rules are enforced by a self-regulatory organisation (SRO) set up for the purpose and funded by the industry itself.

Self-regulation exists in most regions around the world. In some jurisdictions self-regulation has been in place for many years; it takes widely varying forms in different countries, but its underlying ethos is always the same: that advertising should be legal, decent, honest and truthful, prepared with a due sense of responsibility to the consumer and society and with proper respect for the principles of fair competition. Although in some countries advertising is subject to so much detailed legislation that the scope left for self-regulation is quite narrow, elsewhere legislation is limited to providing a broad framework and advertising content is efficiently regulated by SROs.

1.3 Self-regulation and legislation

Self-regulation is an alternative to detailed legislation, but not to *all* legislation. Many believe that self-regulation works best *within* a legislative framework, and it is useful when the concept of self-regulation is formally recognised in framework legislation. The two complement each other, like the frame and strings of a tennis racquet, to produce a result which neither could achieve on its own. The law lays down broad principles, e.g. that advertising should not be misleading, while self-regulatory codes, because of their greater flexibility and the fact that they are interpreted in spirit as well as to the letter, can deal quickly and efficiently with the detail of individual advertisements. The legislative framework, therefore, creates a legal backstop that self-regulation will need to invoke when dealing with fraudulent and/or illegal practices as well as rogue traders—those operators who repeatedly refuse to abide by any laws.

1.4 The benefits of self-regulation:

Around one third*, and in some cases up to 70%**, of a company's market capitalisation is represented by its brand reputation, which is why consumer trust in the brand is crucial to corporate success. Advertising self-regulation, through the promotion of responsible advertising, helps build consumer trust in brands, which in turn builds brand loyalty, increases sales, and strengthens market share. Maximised returns on long term investments on advertising benefit not only advertisers but also agencies and media, who will see a higher demand for creative yet responsible advertising.

Advertising self-regulation in a nutshell:

- **Provides a level playing field**—the SRO ensures that competitors will not use advertising in a way that could be detrimental to professional practice or consumer trust in your sector.
- **Is quick**—complaints are handled quickly which allows for rapid withdrawals of damaging campaign by competitors.
- **Is inexpensive & accessible**—the system avoids costly legal costs and provides efficient and quick redress.

- **Is flexible**—the system is flexible enough to adapt to changing societal views and advertising media/techniques.

- **Is appropriate & proportionate**—the advertising standards are appropriate and proportionate to the media and culture concerned.

- **Provides effective sanctions**—decisions can request modification or withdrawal of the ads found in breach of the codes. The media acts as a gatekeeper in case the advertiser refuses to comply, which ensures rapid enforcement of the decision. The impact on the brand image and reputation of the advertiser and the cost of losing the campaign are deterrent sanctions for advertisers. Repeat offenders can be submitted to mandatory copy advice to avoid future problems.

- **Is impartial**—the cases are assessed in an impartial procedure by a jury composed of lay experts only or accompanied by professionals. Conflicts of interest are therefore avoided. Through these decisions the trust of consumers in advertising is preserved.

- **Demonstrates responsibility**—through their involvement in the self-regulatory system, industry stakeholders show their active commitment to responsible marketing communication. By providing an additional level of consumer protection, it helps decrease the pressure to further regulate a sector and helps increase the level of consumer trust.

- **Provides advice**—many self-regulatory bodies provide advice upon request to the advertising industry on campaigns before they are run to make sure they comply with the code. This helps avoid problems.

When looking at advertising, legislators may not fully grasp the complete impact of certain laws they pass on the industry. As the advertising industry **knows its own advertising market best** it therefore is in the right position to know how to restrict itself and how to respond to issues efficiently without distorting the market.

For consumers, self-regulation provides an alternative dispute resolution mechanism or complaint handling system that offers quick responses to complaints and which is usually free of charge. It also stipulates that the advertiser must demonstrate that its ad did not breach the code, rather than the complainant providing proof that it did.

For policy makers, advertising self-regulatory standards provide an additional layer of consumer protection that complements the legal framework. The national advertising self-regulatory bodies help avoid problems before they happen by providing copy advice, and to correct them quickly when they do.

Section 2: The international environment for self-regulation

2.1 International development and status of self-regulation

Since advertising and marketing communications are mainly adapted to the relevant cultural and societal environment in each country, it makes sense that self-regulatory systems are established in each country to be locally relevant.

Self-regulation for advertising and marketing communications has been practiced for almost 100 years across different areas of the globe, with the first systems being put in place in Europe in the first half of the 20th century. In 2009, self-regulatory systems are in place across Europe and North America, many of the Latin American countries, as well as some countries in Africa and Asia. For an overview of the existing self-regulatory bodies across the world please go to section 6.2 or www.easa-alliance.org for the latest information.

There are, at the time of writing, self-regulation projects being established in Russia, Guatemala, Morocco, Tunisia and China. In Latin America, a self-regulatory network called CONARED has been informally set up to provide coordination among SROs in Mexico, El Salvador, Peru, Colombia, Brazil, Argentina and Chile. All the above mentioned initiatives are being supported by the advertising industry.

2.2 International rule-making

The **International Chamber of Commerce (ICC)** has been the international leader with respect to the establishment of broad general principles and codes of practice. The ICC's Commission on Marketing and Advertising places the ICC codes under regular review, adjusting them to meet changing public sensitivities and new technologies.

The first code of advertising practice of the ICC was created in 1937 to provide a global framework for responsible creativity and ethical commercial communication. It has been revised several times over the years, staying current with societal changes, marketing techniques and technology. This Consolidated ICC Code of Advertising and Marketing Communications Practice[1] (the Consolidated ICC Code) forms the basis of most advertising codes worldwide. Significantly, the scope of the ICC code was broadened in 2006 from addressing advertising to covering all marketing communications, including digital marketing communications using electronic media. The 2006 revision also incorporates the detailed codes on sales promotion, sponsorship, direct marketing, the internet and environmental claims.

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1   The ICC Consolidated Code is made up of General Provisions and a further five chapters—on Sales Promotion, Sponsorship, Direct Marketing, Electronic Media and Telephone and Environmental Advertising. The full text can be found at www.iccwbo.org/policy/marketing/.

The ICC's Commission on Marketing and Advertising is the place where developments in the area are tracked and reviewed and any adjustments to the global rules are decided. It brings together policy experts from ICC member companies, the marketing and advertising industry, legal advisors from industrial and commercial enterprises, lawyers in private practice and representatives from a wide range of business organisations and professional associations.

In addition, ICC codes deal with market research, direct selling and electronic product codes including radio frequency identification technology (RFID). To assist the food and beverage sector, the ICC Commission drew up a specific interpretation framework on food and soft drink advertising.

2.3 International discussion on advertising self-regulation

In 2009, international discussions in the World Health Organization on food and alcohol public health policies, in the UN Environment programme on environment/sustainability issues and in the OECD's Business and Industry Advisory Committee cite the effectiveness of advertising self-regulation as a policy option to detailed legislation on the issue.

The advertising industry has demonstrated its responsibility by

a) providing evidence of the operation and compliance record of existing systems of self-regulation

b) developing global principles with respect to specific areas such as food and

c) implementing specific company self-regulation commitments.

2.4 International business perspectives on self-regulation and SR initiatives

Business leaders globally fully support effective systems to self-regulate advertising. Advertising self-regulation helps build consumer trust in brands. This in turn builds brand loyalty, increases sales, and strengthens market share.

Support for advertising self-regulation was evident at the 2008 Global Advertising Summit (hosted by the World Federation of Advertisers (WFA) in Atlanta), which concluded that "trust in advertising self-regulation remains a key condition for self-regulation to be considered a viable policy option." It identified the following areas to strengthen advertising self-regulation:

■ Address the perception that self-regulation only *reacts* to pressure: the industry needs to demonstrate that self-regulation can *pro-actively* anticipate trends in the broader environment in which it operates.

■ Emphasise consultation and engagement with stakeholders outside of the industry in order to help

the industry understand how consumer concerns and expectations are evolving.

■ Share good practice on how to consult and engage, but acknowledge that there is no single 'one size fits all' model that would be appropriate for every market, and a commitment to dialogue should not be interpreted as negotiation.

■ Report back regularly, in a transparent manner, on how the industry delivers against what it has pledged to achieve via self-regulation.

On a separate note, the WFA together with other key partners have agreed on a set of "perspectives for self-regulation"—this document can be found in Annex A. This shared commitment across the global advertising industry focuses on supporting self-regulatory efforts across key emerging markets and encouraging the sharing of good practice globally. Again, the emphasis here is the importance of global principles, which provide the basis for locally relevant self-regulation that takes account of the cultural and regulatory environment.

One of the main international organisations for commercial communications is the International Chamber of Commerce. The Consolidated ICC Code of Advertising and Marketing Communication Practice provides the foundation for national advertising codes and the ICC is also involved in educational initiatives.

In 2008 the ICC launched **Business Action for Responsible Marketing and Advertising (BARMA)**, an initiative that brings together key industry stakeholders—advertisers, agencies, and media to "…*promote greater application of ICC's international codes for advertising and marketing practice and to support self-regulation in markets where it is underdeveloped or at risk….*" The objectives of BARMA are to:

1. Educate current and future practitioners on the importance of compliance with the Code and the role of effective self-regulation in building consumer confidence, maintaining corporate reputation and preserving business' license to market its products and services;

2. Increase public and political awareness of self-regulation in marketing and its advantages;

3. Serve as a catalyst for further development of self-regulation in key international markets.

BARMA will develop educational tools to support its outreach programme including explanatory material on the Consolidated ICC Code, developing a business school educational module in conjunction with INSEAD and an online e-learning tool for company use.

Other international organisations include the IAA, which assists its local chapters and other bodies involved in setting up appropriate codes and systems in their countries, as well as systems for dealing with trans-border complaints within regional trading blocs. The IAA has also supported the development of educational modules on Advertising and Ethics.

Another note-worthy international initiative is the **EASA International Council (EIC).** The EIC, which was established in 2008, is composed of EASA non-European SRO members, as well as where appropriate some European SROs and industry organisations that are supportive of or involved in broadening the reach of SR on an international basis.

The objectives of the EIC are to:

a) Provide a forum to facilitate information exchange and communication among advertising SROs around the world;

b) Strengthen and enhance SR mechanisms for responsible advertising around the world;

c) Provide resources (through speakers and informal consultation) to facilitate the development of SROs where they do not currently exist.

Some of the first fruits of the EIC have been the editing of this international version of the "EASA Guide to developing a self-regulatory organisation" as well as the exchange of SR data and best practice.

2.5 Conclusions

"The success of an advertising self-regulatory system says a lot of the society that experiences it. It says that its advertising industry has matured into knowing that only with the highest standards in advertising they will be able to maintain consumer's trust; that its government trusts competition as the best protector of consumer's interests and, most important of all, that its consumers have realised the power they have before the advertisers, the advertising agencies and the media." [*quotation by Angel Deleón, Director and General Counsel Mexico and Central America at Procter & Gamble*]

From the discussions held with the advertising industry, several points have been highlighted as key to help ensure that advertising self-regulatory systems develop and operate in the best possible circumstances in order to be effective:

a) Ensure key support throughout the business community for SR as an operational and pro-active activity across the globe;

b) Share and learn from existing SR best practices to enable the set up and development of SR systems;

c) Create locally relevant systems based on global principles regarding codes and practices;

d) Recognise the increasingly global nature of issues related to advertising and its regulation;

e) Recognise that the contributions and effects of SR initiatives are being evaluated and measured by governments and national and international institutions.

Section 3: How an advertising self-regulatory system works

Like the advertising that it regulates, advertising self-regulation is essentially a grass-roots activity which is most effective when conducted at the national level. Two principal factors are decisive in determining the form that self-regulation takes in any country. The first of these is tradition: each country's self-regulatory system is likely to reflect its cultural, commercial and legal traditions. The second factor is opportunity: self-regulation's relationship with the law is complementary and it can therefore best flourish where the legislative landscape allows it sufficient scope.

Because advertising self-regulatory organisations around the world operate within different regulatory, cultural, and societal contexts, this guide can provide only general guidance on processes and structures. Readers desiring a better understanding of the different national systems should consult the country sections in the EASA Blue Book (for further information see section 6.1) as well as websites of individual self-regulatory bodies, which can be accessed through the interactive map on EASA's website. Those wishing to establish a self-regulatory system and self-regulatory organisation should ensure that the models chosen are appropriate and proportionate to their national circumstances.

3.1 Basic elements of a self-regulatory system

A self-regulatory system consists of two basic elements:

i) a code of standards or set of guiding principles governing the content of advertisements;

ii) a system for the adoption, review and application of the code or principles. To ensure that the system is—and is seen to be—impartial, the self-regulatory body responsible for the practical application of the code should be independent of the industry body responsible for the code's initial adoption and subsequent review.

3.2 Defining characteristics of a self-regulatory organisation

i) it is an independent body, i.e. independent of government and of specific interest groups, and has its own decision-making function; [see section 3.5 and 3.10]

ii) it is a body set up and funded by the advertising industry (composed of advertisers, agencies and media);

iii) it has a practical responsibility for regulating advertising; [see section 3.4-3.7]

iv) it has the moral and practical support of the advertising industry (composed of advertisers, agencies and media), which accept its decisions; [see section 3.5-3.6]

v) it can rely on sufficient support from the constituent parts of the advertising industry (or, in the case of a sectoral SRO, enough of the sector for which it is responsible) to ensure its credibility and funding [see section 3.5];

vi) it is impartial; [see section 3.5]

vii) it deals with consumer complaints on a cost-free basis; [see section 3.7]

viii) its decision-making processes and adjudications are transparent. [see section 3.5]

3.3 The self-regulatory code or principles

The self-regulatory principles govern the content of advertisements. While individual country self-regulatory codes differ to meet identified needs, the national codes are most often based on the Consolidated Code of Advertising and Marketing Communications Practice of the International Chamber of Commerce[2] (the Consolidated ICC Code) and incorporate its basic principles that all advertising should be legal, decent, honest and truthful, that every advertisement should be prepared with a due sense of social responsibility and should conform to the principles of fair competition, as generally accepted in business, and that no advertisement should impair public confidence in advertising.

The national code or principles apply to all forms of advertising; this is normally defined as paid-for commercial communication, but the growth of digital media platforms means that self-regulation has to increasingly adapt to digital marketing communications and other new forms of advertising. In some countries the code also applies to product packaging, but most national self-regulatory systems choose to limit their codes' applicability regarding packaging to specific advertising or promotional messages shown on the packaging.

While some countries adopt the Consolidated ICC Code as written, others adapt it to meet national circumstances and needs. In either case, the ICC Code should be the global baseline and as such the first point of reference. In some countries, national codes have expanded beyond the basic ICC Code, but the underlying principles remain the same. Self-regulatory codes are always applied in the spirit as well as to the letter.

Apart from using a national code many SROs also make sure that advertising specifically linked to a sector adheres to the codes of that sector. For example, specific codes may exist for alcoholic beverages, for food, for cars etc. These codes are drawn up by the specific sectors and their implementation is negotiated with the SRO. It may be necessary to come to a formal agreement with the sector on the implementation of the sector code and the handling of sector specific complaints.

The national code or principles, as well as the sector-specific codes, should be reviewed and revised on a regular basis, to ensure that they continue to address national developments and requirements. If a national code is based on the ICC Code, it should always incorporate the latest revisions to the ICC Code. Planning the revision of your codes is important to ensure they are up to date. However, the code should not be revised too frequently, as this can create uncertainty. It is

important that the code itself, and any revisions to it, receive the maximum amount of publicity and that they are freely available to everyone involved in advertising or interested in its regulation.

3.4 The code-making body

A feature of many SROs is a body whose specific task is the adoption and subsequent revision of the code of practice. This may be a committee or council, representing the three constituent parts of the advertising industry: advertisers, agencies and the various types of media. The purpose of this code-making body is firstly to agree on the code or principles by which the industry is to be regulated and subsequently to be responsible for reviewing and updating them.

This body ideally represents the whole industry: advertisers, agencies and the various media (e.g. television, radio, press, outdoor advertising, direct mail and digital media). To be effective, a self-regulatory system must be able to rely on the moral support of the advertisers, because they provide the demand for advertising, the agencies, because they are largely responsible for its form and content, and the media, because the SRO must ultimately rely on them to enforce its decisions [see section 3.6]. Unless the code-making body represents the whole industry, the SRO may find that there are sectors of the industry which do not recognise its authority.

However, when setting up an SRO, it is not essential— indeed, it is often unrealistic—to insist on complete industry support and representation at the very start. It is often better to start with a body that is not fully representative, and then encourage other parts of the industry to join as soon as possible, than to wait until the whole industry has reached agreement on the need for an SRO, by which time the initiative may have been lost. It is wise, however, to ensure that the principal actors are supportive of the project before launching an SRO.

3.5 Applying and interpreting the code

Practical application of the code in individual cases may occur both before and after the publication of an advertisement. Where it occurs before publication, in the form of copy advice or, more rarely, pre-clearance, this is normally the responsibility of the permanent secretariat of the SRO (see section 3.8).

Application of the code after publication is usually the result of complaints, either from competitors or the general public. The SRO can also file cases against ads as a result of breaches found during monitoring activities.

The jury or, as it is sometimes called, the complaints committee, is the body responsible for authoritative interpretations of the code; it considers cases brought to its attention by the secretariat where a breach of the code is alleged. In some systems all complaints are referred to the jury, while in others straightforward or non-contentious cases are dealt with by permanent staff and only disputed or uncertain cases referred to the jury.

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2 The full text can be found at www.iccwbo.org/policy/marketing/.

If the jury concludes that a complaint is justified, it must then decide upon appropriate action, i.e. the immediate withdrawal or amendment of the advertisement. Please note that in a self-regulatory system the burden of truth lies with the advertiser whose advertisement is complained about, rather than the complainant having to prove that the claims in the advertisement are false. Some juries are able to adjudicate on a complaint within three working days, others take up to a month. The average time needed to get an adjudication on a complaint is one to two weeks.

The jury should be separate from the code-making body and it is important that it is—and is seen to be—independent and impartial. A jury usually includes in its membership senior representatives of the three different parts of the advertising industry, but a significant percentage, or better still, a majority of the jury's members should be independent or represent interests outside the industry, e.g. academics, consumers and professionals from outside of the advertising industry. The jury's chairman should always be, and be seen to be, independent. He or she might, for example, be a retired judge, an eminent lawyer or a retired public servant. The chairman and members of the jury must have the necessary status and eminence to maintain public confidence and respect for its decisions, even though in many countries jury members are usually not paid for their time and effort.

It is important for juries to look at precedents when adjudicating complaints. Inconsistent decisions are frustrating to consumers and to advertisers. The secretariat should ensure that juries are provided with information about previous similar cases and their results. Also of importance is that jury members are trained, especially with regard to sensitivities surrounding specific sector codes and areas of concern to the general public.

3.6 Sanctions

Because self-regulation means more than just self-restraint on the part of individual companies, it is bound to involve sanctions, i.e. ways and means of enforcing compliance on those who breach the industry's rules. Although usually SROs do not have the power to issue fines, when a jury finds an ad is in breach of the code it will request for an immediate amendment of the ad or a withdrawal of the ad. This is costly, when the system works fast, and therefore can be even more deterring than a fine. The jury decisions are usually published as well. This adverse publicity can also be instructive to other advertisers.

Self-regulation has the support of the advertising industry, so advertisers will usually respect the decision of the jury even if they do not agree with it. If an advertiser does not voluntarily withdraw the adjudicated against ad, the SRO will ask the media to stop or refuse that ad campaign. With advertiser support for self-regulation, media will come to appreciate that responsible advertising builds and maintains public confidence.

In the case of advertisers refusing repeatedly to change or withdraw their adjudicated against campaigns, other sanctions may also be used which differ depending on the

self-regulatory organisation. Such sanctions may range from the imposition of compulsory pre-clearance of future advertisements to the encouragement of the withdrawal of trading privileges (such as preferential mailing rates) and the expulsion from the SRO or trade organisations.

On those rare occasions where other measures fail, advertisers that have repeatedly and knowingly breached the code can be referred to the authorities.

3.7 The appeals body

To ensure fairness, the system should include an appeals procedure, in case either the complainant or the advertiser whose advertisement has been complained about wishes to challenge the jury's decision, for example, on the basis of new evidence. Ideally, appeals should be considered by a different body from the jury that reached the original decision. This body need not be as large as the jury—it might consist of only two or three people.

If there is no separate appeals body, the jury may consider appeals, or its chairman may do so on its behalf. If a jury or chairman feels that a case warrants reconsideration the case can be referred back to the whole jury. In order to avoid delay and possible procrastination, appeals are normally subject to conditions, e.g. new evidence being produced, and to strict time-limits.

3.8 The permanent secretariat

The SRO should have a permanent professional staff (secretariat) to ensure its proper functioning. This permanent secretariat is usually headed by a chief executive. The secretariat acts as secretary to the code-making and/or the code-applying bodies. The secretariat is responsible for the day-to-day running of the SRO and should be well trained and resourced in order to operate efficiently.

While different SROs offer different services, the secretariat's range of activities might include:

- providing support for the code-making, code-applying and appeals bodies, arranging meetings, preparing minutes, drafting documents, coordinating the drafting and/or review of codes, etc.;

- examining complaints received, whether from the public or from competitors, to determine whether or not they are complaints of substance, i.e. whether there appears to be a *prima facie* case to be considered by the jury. In a developed self-regulatory system, the number of complaints received may be too great for every one to be considered by the jury and non-contentious cases may be dealt with by the secretariat on the basis of previous decisions;

- communicating the decisions of the jury to the involved parties;

- publicising the jury's decisions;

- liaising with advertisers and agencies to obtain evidence in support of advertising claims which have been challenged, either by consumers or by competitors, and

In some countries: lay experts, consumer organisations, academics, medical experts, etc.

give advice to

gives general advice on interpreting code

▪ promotes code ▪ provides copy advice

▪ monitors advertising

SRO Secretariat

complains to*

raises awareness of

▪ General public
▪ Competitors

supports

supports

Code-applying bodies
▪ SRO Jury/Complaints Committee
▪ the Appeals Committee

National CODE based on ICC

Code-making body
SRO Board of Directors

participates in

participates in

Advertising Industry:
▪ Advertisers
▪ Advertising agencies
▪ Media

funds

Diagram 1: The workings of an SRO based on the Best Practice Model

General disclaimer: This diagram aims at giving the reader a more clear idea of the composition of an SRO and how it works. There are, however, many countries where the structure and system are very different.

*Complaints handling: For a detailed diagram of how complaints handling works please see diagram 2.

examining the evidence to see whether or not it appears to support the claims. In the case of technical claims, many SROs employ independent experts to assess the technical information supplied by advertisers in support of their claims. Although the jury is independent and impartial, it will rely on the expertise of the secretariat (and, where appropriate, its expert technical consultants) to determine the facts of the case, e.g. whether or not the claims in an advertisement can be substantiated;

■ providing advice to advertisers and agencies on the interpretation of the code in particular cases. This is called *copy advice*—non-binding advice about the acceptability of a proposed advertisement—and it is offered, upon request, by many of the SROs. Copy advice is particularly valuable in the case of broadcast advertising; it helps to prevent problems before they occur and reduces the risk of an advertisement giving rise to complaints. If, however, a complaint is subsequently received, the preliminary judgement of the secretariat is not binding on the jury;

■ In some countries there is a system of pre-transmission clearance for specific sectors, e.g. television and radio advertising or advertisements for alcoholic drinks. This is usually referred to as *pre-clearance.* It means that such advertisements are evaluated by the secretariat for compliance with a specific self-regulatory or regulatory sector code before they can be broadcast or published. In most cases pre-clearance is the result of an agreement with the public authorities, whereby a sector has decided to get its ads pre-cleared in order to ensure that the authorities do not take any further legislative steps. A charge is sometimes made for copy advice and/or pre-clearance, and may be different for members and non-members of the SRO;

■ monitoring advertisements, i.e. carrying out the systematic examination of advertising on a random basis for compliance with the code and taking appropriate action, e.g. asking an advertiser to supply evidence in support of his claims or referring a case to the jury. So many advertisements appear each year that it would be impossible for any organisation to examine every single one. However, many SROs monitor advertising on their own initiative, dealing with apparent code breaches in the same way as they would complaints. Often such monitoring concentrates on specific media or categories of advertising, particularly those where there may be some public concern, like for example the advertising of alcoholic beverages. It is also a means of ensuring that the SRO's decisions have been implemented;

■ disseminating information about the SRO, its codes and activities. Very often this takes the form of advertising campaigns designed to raise public awareness of the SRO, so that consumers know how to complain about advertisements which they consider misleading or offensive; these campaigns are often created by advertising agencies on a *pro bono* basis and advertising space is provided free of charge by the media. Examples of public awareness campaigns can be found in Annex B;

■ conducting research into areas of particular relevance to advertising regulation/self-regulation;

■ having contact with government bodies, consumer groups, industry bodies and other interested parties, discussing matters of mutual concern, providing evidence on the rules, ensuring the SRO remains in touch with political and social developments and effectively operating the system. This enables appropriate and timely action to be taken, e.g. avoiding the need for legislation by introducing a new code rule to address a problem which has been identified;

■ raising awareness within the advertising industry of self-regulatory standards and best practice using training events, materials and online tools;

■ participating in educational programmes both aimed at university students and advertising professionals teaching ethics and advertising self-regulation.

3.9 Funding and coverage

Since the SRO is funded by the advertising industry, it is the industry's responsibility to approve its annual budget and to ensure that sufficient funds are available to enable it to function effectively. Methods of funding vary: many SROs are funded by membership fees, but some others have adopted the levy system, which means that a small percentage charge is made on all advertising, which serves to finance the operation of the SRO. Some systems incorporate a separate body whose sole function is to ensure the financial support without which the SRO cannot function efficiently. Such a fund-raising body might, for example, be a sub-committee of the code-making body.

When setting up a new SRO, it may be necessary to establish a start-up fund to cover costs until a permanent funding model is put in place. This should be properly assessed and provided for in the SRO Action Plan and Budget. Please contact EASA if you would like further information and recent examples.

It is important that a self-regulatory system should cover all the areas stipulated in its code. Sectors that account for the majority of ad-spend should be included from the start. Adequate provisions should be made to future proof the self-regulatory system with regards to emerging technologies and techniques.

3.10 Credibility of a self-regulatory organisation

It is widely recognised that for self-regulation to be credible it must be, and be seen to be, impartial. Operation and outcome, as well as decisions of the self-regulatory systems, should be made independently of government, specific interests and interest groups. Also decisions taken by SROs and self-regulatory systems should be reached in an independent and impartial manner and this should be reflected in the manner in which the complaints are handled.

The reason as to why an SRO should be impartial, and also be seen to be impartial, is to make the system as legitimate as possible. Consumer organisations, NGOs, governments

```
                          ┌─────────────────────┐
                          │  Complaint received │
                          └─────────────────────┘
                   ┌──────────────┴──────────────┐
                   ▼                             ▼
        ┌────────────────────┐      ┌────────────────────┐
        │ Complaint of        │      │ Complaint not of   │
        │ substance—          │      │ substance / out    │
        │ advertiser invited  │      │ of remit           │
        │ to comment          │      │                    │
        └────────────────────┘      └────────────────────┘
                   │                             │
                   ▼                             ▼
        ┌────────────────────┐      ┌────────────────────┐
        │ Complaint           │      │ Parties informed   │
        │ adjudicated         │      │                    │
        │ by SRO Jury/        │      │                    │
        │ Complaints          │      │                    │
        │ Committee           │      │                    │
        └────────────────────┘      └────────────────────┘
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Appeal reviewed by Appeal Jury	Complaint upheld	Complaint not upheld

Campaign to be modified	Campaign to be withdrawn

Appeal made	Parties informed

Parties accept—adjudication published

Diagram 2: Complaint handling procedure

*Note: This is a generic schema that represents the procedure for handling complaints within an SRO. Complaints procedures may however differ within each national SRO. See the 'Blue Book—Advertising self-regulation in Europe,' for the procedure in each country.

as well as consumers might have doubts with regard to independence and impartiality when it comes to complaint resolution systems that are funded by the advertising industry. It therefore becomes vital to the systems existence that it is, and is seen to be, impartial and independent.

A self-regulatory system can achieve this by ensuring that it seeks non-binding consultation with external stakeholders when (re-)drafting its codes [see section 5.2] and by making sure that it includes members of civil society in the form of lay experts in its complaints jury [see section 3.5]

Another way to ensure the credibility of a self-regulatory organisation is by ensuring that its system works well and swiftly. A jury that adjudicates on ads based on national as well as sector specific codes in a timely fashion warrants more credibility than one that drags its feet. Apart from speed, the SRO should also ensure that it enforces both the national code as well as sector specific codes in the spirit and to the letter. The credible interpretation of codes is essential.

Section 4: Setting up a self-regulatory system
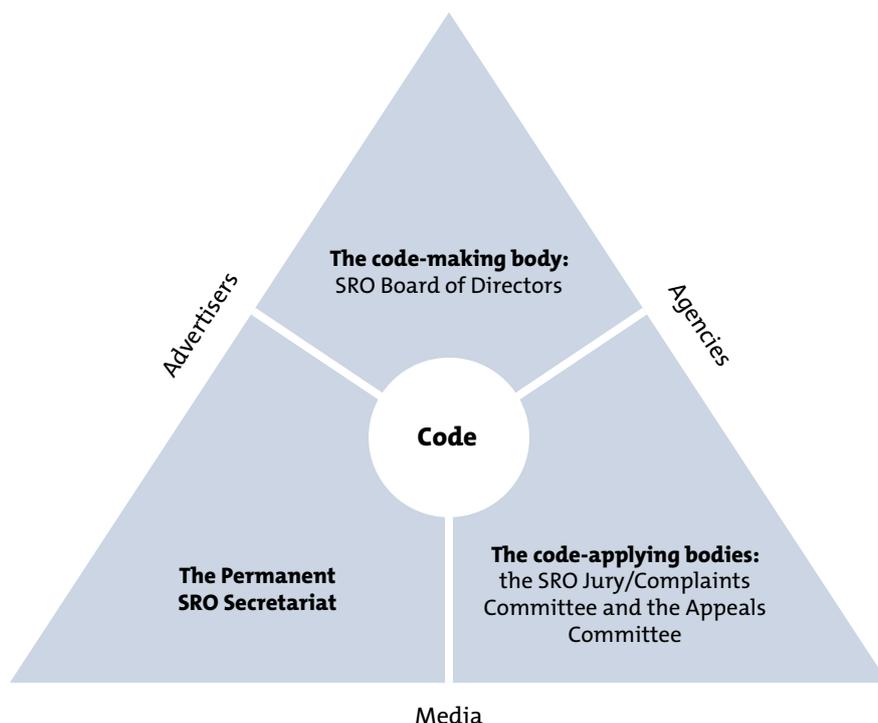
Preliminary Moves

The following steps do not have to be carried out consecutively—several aspects of the set-up process can be run in parallel, e.g. the development of the code, the drafting of the strategic plan and the establishment of the permanent secretariat. This will help to maintain industry consensus for the project and capitalise on it.

4.1 Getting consensus

The first precondition for setting up a self-regulatory system is a significant degree of consensus within the advertising industry on the need for such a system. Achieving such a consensus may not be easy, particularly if the country has no established tradition of self-regulation, but once a start has been made, the initiative will gather momentum and more companies will be prepared to participate. An effective self-regulatory system must be able to rely on the support of all three parts of the advertising industry—the advertisers, because they finance advertising, the agencies, because they are largely responsible for its form and content, and the media, because the SRO ultimately relies on them to enforce its decisions by refusing advertisements which breach the rules.

Effective advertising self-regulation is in the interest of advertisers, agencies and media. For the advertisers advertising SR helps build consumer trust in brands, which in turn builds brand loyalty, increases sales, and strengthens market share. For the agencies it enhances the believability of ads and therefore increases the demand for their services. In general SR helps maintain a sustained return on advertising and therefore for the media it means a sustained inflow of advertising revenue.

It is often unrealistic to expect to be able to set up a fully-functional self-regulatory system at one stroke—the majority of the most effective national SROs have existed and developed over many years. Rather than waiting for support from all sectors of the industry, with the attendant risk of losing the momentum in a situation where, for example, there is a threat of detailed legislation, it is usually preferable to concentrate on assembling a core-group of influential

Advertisers

Agencies

The code-making body:
SRO Board of Directors

Code

**The Permanent
SRO Secretariat**

The code-applying bodies:
the SRO Jury/Complaints
Committee and the Appeals
Committee

Media

Diagram 3: The advertising industry tripartite (advertisers, agencies and media) needs to find consensus for an SR system

players who are willing and able to set matters in motion. It is essential, however, to ensure that full participation (across the ad industry as well as multinational and national operators) is achieved as quickly as possible, since once an SRO has been set up, it will be expected to produce results.

4.2 Whom should you contact?

Multi-national advertisers, agencies and media are important potential participants and should be involved at the earliest possible stage: they will already have experience in self-regulation and its benefits, acquired in other countries. They may be able to assist with setting up a local advertisers' or agencies' association if none exists.

Similarly, EASA and its member organisations can offer advice and assistance based on experience in many countries and commercial environments. EASA can also put you in touch with relevant industry associations, which can help you to contact key players in your local market. EASA's members include the World Federation of Advertisers (WFA), the European Association of Communications Agencies (EACA) and many media organisations, representing television, press, magazines, radio, outdoor, direct mail, interactive advertising, etc. New forms of media are becoming more and more important and bodies representing the digital media, e.g. internet service providers and mobile phone operators, should be involved in the system from an early stage.

4.3 Planning the self-regulatory project

The second step in setting up the self-regulatory system is to have a strategic plan managed by a specific team. The plan should cover both functional issues such as the drafting of the code, articles of association, procedural rules, two-year action plan and the SRO's budget as well as the establishment of a permanent secretariat and jury. The plan should set clear targets and deadlines, including a date for the public launch of the SRO and subsequent promotional activity.

EASA can help with the development of your strategic plan and provide guidance, through its network of SRO members as well as SRO and budget models. EASA can also provide experts to explain the functioning of the self-regulatory system and to help persuade local industry and officials of the value of self-regulation.

4.4 Drawing up the self-regulatory code

An essential step is to draft a recognised and locally relevant code of practice. It is recommended that the Consolidated ICC Code of Advertising and Marketing Communications Practice is used as the first point of reference. It can be obtained from the ICC website[3] or from the ICC national committee in your country (for full list please visit ICC's site). If it does not already exist in the relevant language it can be translated. If the ICC Code does not fully meet

local needs, codes and systems already established in other countries similar to yours may also provide a useful reference. Self-regulation takes many different forms and familiarity with the systems in other countries will provide a useful focus for deciding on the most appropriate form for the new system being set up.

4.5 Sector- and issue-specific codes

First and foremost, SROs use their national advertising codes that encompass all advertising to ensure that advertising is decent, legal, honest and truthful. However, as mentioned in section 3.3, many SROs also are the keepers of sector, media and/or issue-specific advertising codes.

The ICC has produced a Code on Market and Social Research as well as a Code on Direct Selling, which both help create, enhance and preserve consumer trust and confidence in the business communities behind it, and thereby in the marketplace itself. The full versions of these codes can be found on the ICC website: www.iccwbo. org. Another code of self-regulatory conduct of this type is the Code of Conduct for e-Commerce and Interactive Marketing adopted by the Federation of European Direct and Interactive Marketing (FEDMA) in 2000.[4]

Sector-specific codes, like for example specific codes on advertising for alcoholic beverages, food products or cars, are usually written by the specific sectors. The ICC has also produced a Framework for Food Advertising as well as another Framework for Electronic Product Codes. Once a sector has agreed on its sector-specific code, it can be entrusted to the SROs for implementation, as these are credible and independent bodies.

Many SROs also handle issue-specific codes, relating to for example advertising to children, the portrayal of women in advertising, and environmental claims in advertising. In the United States, the Children's Advertising Review Unit (CARU) focuses exclusively on promoting responsible children's advertising. Its efforts have removed any need for legislative or regulatory bans and restrictions. In Germany, an extensive code was developed with regard to the portrayal of women in advertising, and the French advertising industry agreed on a far reaching code on sustainability going well beyond only environmental claims. For an overview of the sector codes written for alcoholic beverages, please refer to the alcohol module that has been published in conjunction with this guide.

In some countries sector and issue codes are combined, like for example in Spain where they produced a code on food and non-alcoholic beverages advertising to children.

4.6 Recognition of self-regulation in the law

If discussions are already under way for the drafting of a framework national law on advertising, this is an excellent opportunity for the advertising industry to emphasise to government the potential benefits of self-regulation and

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3   The ICC Consolidated Code can be downloaded from www.iccwbo.org/policy/marketing/

4   http://www.fedma.org/code-of-practice.60065.en.html

encourage recognition and scope for it under the proposed legislation. If no such law has yet been proposed, the industry should take the initiative by setting up a self-regulatory system and encouraging government to draft a framework law to support self-regulation by recognising its beneficial and complementary role. Having a mention in statutory law that advertising self-regulation is a viable policy option creates room for advertising self-regulation to operate within a legal framework. A formal recognition that advertising self-regulation provides an additional layer of consumer protection will also lessen the possibility that a statutory body is set up to do the same.

4.7 Ensuring an operational system

The strategic plan should be implemented and the appropriate bodies, structures and procedures (see section 3) put in place and tested to ensure that the system can function effectively. Realistic budgets should be drawn up, based on the costs of setting up and promoting the system. As well as financial support, support in kind can be solicited from the advertising industry, e.g. *pro bono* creative work on the SRO website, logo and advertising, and media space can be provided free of charge for the SRO launch. Examples of previous campaigns for SROs can be found in Annex B.

4.8 Training and testing

Once an SRO has been set up and prior to its operational launch, it is important that SRO staff members are properly trained. EASA representatives will be pleased to identify volunteers from existing SROs to provide training assistance in activities such as complaint-handling, copy advice, jury operation, communications, etc. Prior to launch, the SRO's structures and procedures should be tested by, for example, using sample complaints and copy advice requests, and the jury's decision-making process should be rehearsed (see sections 3.5 to 3.7 for further details). Once these basic structures have been established, the SRO will need to consider further activity, including advertising monitoring and promotion of the SRO to raise public awareness through a strategic communications plan. More information on these points can be found in section 5 which focuses on further consolidating the self-regulatory system.

Whatever other actions the industry may undertake, it is vitally important to communicate the industry's commitment to high standards and responsible advertising self-regulation. An industry which claims the right to regulate itself must be able to demonstrate that it is capable of the self-discipline required. It should always be borne in mind that once an SRO has been set up, it will be expected to function efficiently and the effectiveness of self-regulation will be judged by its practical performance.

4.9 How EASA can help

EASA and its members around the globe can provide help and guidance through all the processes detailed in this guide. EASA promotes self-regulation as a preferable alternative to detailed legislation, helping to set up new national SROs and to strengthen self-regulation in countries where it is not yet consolidated and assistance is requested. It also acts as a coordination point for self-regulation, providing information, conducting research and publishing the results. Its members meet regularly, to share and develop best practices and to identify areas where they can work together to solve problems. EASA has developed a Best Practice Model comprising guidelines for SROs on various aspects of self-regulation, as well as detailed best practice recommendations (see section 6.1).

For further information on EASA and a list of useful SRO and industry organisation contacts, see Section 6.2.

For the most up-to-date contacts and information please visit the EASA website on www.easa-alliance.org. It has all the information you need about advertising self-regulation, including:

- regular news updates on European and global self-regulation;
- briefs on the key issues and challenges faced by the advertising industry;
- updates on the status of self-regulation across the EU and beyond;
- document library, recommended reading list and self-regulation links;
- an extensive extranet for EASA members;
- annual national statistics;
- information on national self-regulation awareness campaigns;
- information on the role and value of self-regulation.

Section 5: How to further consolidate self-regulatory systems

The following section has been developed for those self-regulatory organisations that have ensured that their basic self-regulatory system as described in section 4 is fully functioning and have a proper funding system in place.

5.1 Extending self-regulation across all marketing communications and product sectors

It is vital to any self-regulatory organisation that its remit includes all types and sectors of marketing communications as depicted in the Consolidated ICC Code of Advertising and Marketing Communication Practice, which says:

The Consolidated ICC Code applies to all advertising and other marketing communication for the promotion of any kind of goods and services, corporate and institutional promotion included.

[…] advertising as well as other techniques, such as promotions, sponsorships and direct marketing, and should be interpreted broadly to mean any form of communication produced directly by or on behalf of marketers intended primarily to promote products or to influence consumer behaviour

The same is reflected in the *Perspectives of Effective Self-Regulation,* a document that was the outcome of the Global Advertising Summit in Toronto in 2007 (see Annex A).

Effectively functioning SROs will help ensure high advertising standards irrespective of the product/service advertised or the method of communication.

If a certain product or service group poses an issue for the SRO, it is useful to see what product or service specific codes exist in other similar countries. If applicable, these should be adjusted to reflect national circumstances. It is never a good idea to transpose someone else's code one to one without making sure that it is applicable to the situation in your country and adapting it to the local market.

If the SRO was set up without all types of media included in order to get the project going, then these types of media should now be involved.

5.2 Ensuring up-to-date codes through informal stakeholder consultation

Both EASA Best Practice Self-Regulatory Model[5] (dating from April 2004) and WFA's Perspectives of Effective Self-regulation (Annex A) emphasise the importance of establishing a procedure for the regular review and updating of the Code, ensuring that it keeps abreast of developments in the market place, changes in public concerns and consumer sensitivity, and the advent of new forms of advertising.

A distinction could be made between "technical updates" on the one hand, and fundamental changes to the core of the code on the other. Minor updates can occur on a 'need to have' basis, whereas a complete rewrite of the code may not be necessary for a decade or more. It is, however, recommended that codes be reviewed at least every four to five years. ICC revisions to their code should be taken into account at any point in time.

As with the production of the code there can be considerable variation in the procedures by which codes are amended. It is essential, however, that the process is perceived as transparent, pragmatic and not controlled by vested interests. Otherwise the Code's credibility, support and acceptance could be seriously jeopardised.

To ensure transparency and credibility it is recommended that all interested parties are consulted with regard to changes or additions to the code. It is advised that such a non-binding consultation process should be undertaken with not only all industry representatives but also civil society representatives as in most countries consultation is politically essential to foster the credibility of self-regulation. Experience suggests that SROs should provide some means for interested parties, to register an interest in participating in the consultation, for example via the SRO website.

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5   EASA Best Practice Self-Regulatory Model can be downloaded from http://www.easa-alliance.org/page.aspx/237.

5.3 Providing copy advice facilities

As mentioned in section 3 many of the SROs provide copy advice, which is a service to advertisers and agencies defined as non-binding confidential pre-publication advice about a specific advertising proposal. This service can take the form of advertisers and/or agencies sending in their advertisement at the planning stage to the SRO and, based on this information, the SRO for consultation. The SRO will review the advertisement for compliance with the code and will provide advice regarding potential changes if it does not conform to the code.

As a cleared ad is likely to generate less complaints than one that has not received any copy advice, advertisers, agencies and media should be actively encouraged to seek copy advice and SROs should provide it to everyone who requests it (except in cases where there are legal constraints on the provision of advice to non-members).

Ideally, copy advice should be provided free of charge as a central element of an SRO's activities. It should certainly *not* be regarded primarily as a source of revenue and any charge made should not be so great as to act as a deterrent.

In order to be able to give copy advice, at a minimum, SROs should request the script in the case of an audiovisual advertisement, or the text in the case of printed or digital media. Whether or not visual details are also needed will depend on the ad itself. Copy advice should be provided in writing. Keeping a permanent record of the copy advice given ensures a degree of consistency and is useful to have as background information in case a complaint against the advertisement is made. It is also useful to keep a record for statistical purposes.

Some established SROs have very elaborate copy advice systems whereby the advertiser / agency enters the idea for the ad in the SRO's online database. For more information on the different systems used by SROs please contact EASA.

5.4 Ensuring organised compliance monitoring

Some consumer organisations and national authorities sometimes suggest that the weakness of self-regulatory systems is that they intervene only when they receive complaints and are therefore insufficiently proactive.

Monitoring of advertising allows an SRO to take action on its own initiative and to be seen to play a proactive role in ensuring advertising code compliance. Monitoring that is carried out regularly and consistently can also identify trends and provide analyses and feedback to the advertising industry, which in turn will help improve compliance levels.

Monitoring of advertising can be carried out by an SRO's staff on a regular basis (e.g. daily, weekly or monthly). Usually a product or service group is monitored across a range of media or all ads in one type of media are looked at. The purpose is to review advertising appearing in the media for compliance with the advertising code, and to take appropriate steps in cases of non-compliance.

Also, when advertisers and agencies are contacted in the course of monitoring, this helps increase industry awareness of the SRO and its rules. Monitoring data contribute an extra dimension to the statistics published by an SRO as evidence of its activities.

Special care should be taken, in cases arising from monitoring, to ensure that the code is applied with absolute impartiality. Advertisers are likely to object strongly if they suspect that monitoring is being conducted on an arbitrary, 'hit-or-miss' basis, or that they are being asked to comply with standards more rigorous than those applied to their competitors' advertising.

As with all services, monitoring requires funds. Depending on the financial situation, monitoring can be done in-house as part of the typical activities an SRO undertakes; this is the ideal situation. If the funding is not sufficient to cover in-house monitoring, extra funds can be obtained from the product or service sector or the medium that is being monitored as the SRO is giving them the chance to publicly show how well they are complying with the code.

EASA organises pan-European monitoring exercises and is happy to assist you in case you would like to organise similar regional exercises.

5.5 Awareness campaigns

Self-regulatory systems, processes and procedures should be transparent, understandable and easily accessible in order to be professional and maintain credibility. It is vital for SROs to communicate and demonstrate the effectiveness of self-regulation as a complement to legislation on a direct basis with the main three target groups of all SROs: individual consumers, government bodies and industry professionals.

This can be done in many different ways but one tried and tested way is the awareness campaign. It is recommended that SROs undertake regular publicity campaigns, both in traditional media and the increasingly important electronic media, to create and maintain awareness of the system among consumers. This can be supplemented by the provision of reduced-fee or pro-bono media space, creative work etc. from the advertising industry.

To secure support from industry members, SROs should be able to present a plan outlining the purpose and measurable outcomes of the proposed communications campaign and how it will contribute to raising awareness of the SRO.

5.6 Handling a surge of complaints as a result of the awareness campaign

When an SRO is set up it will launch its first awareness campaign to inform the public of its existence. Once an SRO is more established it should launch a new awareness campaign encouraging consumers to send in their complaints. Based on previous experience of SROs around the world, the increased number of complaints brought about by an awareness campaign can be anywhere between 20% and 300%. The worst-case scenario would be to have

such a surge in complaints and not to have the resources to deal with them.

It is advised that SROs, prior to launching an awareness campaign, are familiar with the complaint handling procedure as explained in section 3.

5.7 Pre-screening complaints

Start-up SROs may have some experience in complaint handling but may find that the jury does not have the capacity to handle many more. In many SROs, senior secretariat staff pre-screen complaints. Complaints that are out of remit are not referred to the jury and new complaints on an advertisement that the jury has already adjudicated on will be informed of the previous decision without the complaint being referred to the jury.

All complaints that are of a different nature or that are on a different execution of the ad will be referred to the jury together with all new complaints.

5.8 Undertaking research and consumer awareness surveys

Consumer awareness surveys are a very useful way of finding out how familiar the general public is with the SRO and the concept of self-regulation. Based on the answers of such a survey an SRO can decide whether it is necessary to launch an awareness campaign. In terms of resources needed for such a survey, the advertising industry can help.

5.9 Education, training resources and events

As mentioned in section 3, it is important for SRO staff to be trained prior to the launch of the SRO. Once the SRO is more established, however, and it is looking into expanding its services, education and training are again key to ensuring top quality service. Especially the jury should be re-trained in accordance with changes in the code.

Many SROs also provide in-house training courses for advertising professionals to make them more familiar with the code. Plans for online trainings also exist. Very often the trainings take the form of workshops making the training more accessible to all.

EASA, in cooperation with other partners, also organises different workshops on issues such as copy advice and monitoring compliance. Moreover, EASA is, at the time of writing, putting together a set of modules looking at "ethics and marketing communications in a digital age" aimed at university students majoring in advertising, communications, journalism, ethics, philosophy and law. These modules also draw on the expertise of national advertising self-regulatory organisations and will include many practical examples.

The ICC is also constructing a module for MBA students on ethics and marketing (see section 2.3 for more information).

Several other education and training initiatives also exist throughout the world. For the latest list please contact EASA.

Section 6: Useful information

6.1 Recommended reading

This list is only indicative and does not include many excellent national publications. Please contact EASA for further material.

Key international publications on advertising self-regulation

Advertising Self-regulation—The Essentials
A layman's guide to self-regulation providing a basic guide to the principles and operation of self-regulation
© EASA 2003—available on www.easa-alliance.org

The Case for Advertising Self-regulation

The IAA Guide to Advertising Self-Regulation
© IAA—available on www.iaaglobal.org

The ICC Consolidated Code of Advertising and Marketing Communication Practice
This global code includes chapters on sales promotion, sponsorship, direct marketing, electronic media and telephone and environmental advertising.
© ICC 2006—available on www.iccwbo.org/policy/marketing/

The Role and Value of Advertising
© WFA—available on www.valueofadvertising.org

American publications

Advertising Self-Regulation for the Advertising Professional, James Guthrie
© AAAA—available from www.aaaa.org

In Trust—Ethics in Advertising, John Dalla Costa
A Canadian enquiry into what is necessary and what is possible in terms of advertising self-regulation
© ASC—available from www.adstandards.com/en/

Asia Pacific publications

Bugger…It's Okay—The Case for Advertising Self-Regulation
© ASANZ—available from www.asa.co.nz

European publications

The Blue Book—Advertising Self-Regulation in Europe
A detailed analysis of self-regulation systems and codes of advertising practice in 30 countries.
5th edition, © EASA 2007

The EASA Best Practice Model
A model designed to evaluate, initiate, and develop effective and efficient self-regulatory systems across Europe.

The EASA Best Practice Recommendations
A compendium of detailed guidance notes on the practical applications of best practice principles in the following areas:

- Copy advice
- Publication of decisions
- Substantiation of claims
- Confidentiality of the complainant
- Jury composition
- Complaints handling
- Advertising monitoring
- Code drafting & consultation
- SRO funding
- SR promotion, communications & awareness
- Digital marketing communications

EACA Code of Ethics
Guidance on ethical standards for communications agencies.
Available at www.eaca.be/documentation/results.asp?type=1

European Union publications

By the European Commission Directorate General for Health and Consumer Protection (DG SANCO)

Advertising Round Table Report: Self-Regulation in the EU Advertising Sector: a Report of Some Discussion among Interested Parties, 2007
Available from //ec.europa.eu/consumers/overview/report_advertising_en.htm

Audiovisual Media Services Directive: implicitly endorsing advertising self-regulation as a viable policy option.
Available from: //eur-lex.europa.eu/LexUriServ/LexUriServ.do ?uri=OJ :L :2007 :332 :0027 :0045 :EN :PDF

6.2 Useful contacts

Contact Information—EASA and its members for 2009

The European Advertising Standards Alliance (EASA)
10-10a rue de la Pépinière, 1000 Brussels, Belgium
T: +32 2 513 7806
F: +32 2 513 2861
info@easa-alliance.org
www.easa-alliance.org

European Self-regulatory Organisations (SROs)

Please go to www.easa-alliance.org for the most current list

Australia

Advertising Standards Bureau (ASB)
Level 2, 97 Northbourne Avenue, Canberra ACT 2612, Australia
T: + 02 6262 9822
F: + 02 6262 9833
administration@adstandards.com.au
www.adstandards.com.au

Austria

Österreichischer Werberat (ÖWR)
Wiedner Hauptstraße 73, 1040 Vienna, Austria
T: +43 5 90 900 - 3577
F: +43 5 90 900 - 285
office@werberat.at
www.werberat.at

Belgium

Jury voor Ethische Praktijken inzake Reclame / Jury d'Ethique Publicitaire (JEP)
Avenue Louise/Louizalaan 120, Bte/Bus 5, 1050 Brussels, Belgium
T: +32 2 502 70 70
F: +32 2 502 77 33
info@jepbelgium.be
www.jepbelgium.be

Brazil

CONAR—Conselho Nacional de Auto-Regulamentação Publicitária
Av. Paulista, 2073 Ed.Horsa II, 18ºandar, São Paulo, State of São Paulo, Brazil CEP 01311-940
T: +55 11 3284 8880
F: +55 11 3284 4423
diretoria@conar.org.br; opec@conar.org.br
www.conar.org.br

Canada

Advertising Standards Canada (ASC)
175 Bloor Street East, South Tower, Suite 1801, Toronto ON M4W 3R8, Canada
T: +1 416 961 6311
F: +1 416 961 7904
linda.nagel@adstandards.com
www.adstandards.com

Chile

Consejo de Autorregulación y Etica Publicitaria
Guardia Vieja 255 oficina 1604, Providencia, Santiago de Chile
T: +56 2 331 04 41
F: +56 2 331 04 42
conar@conar.cl
www.conar.cl

Czech Republic

Rada pro reklamu (RPR)
Kaiserštejnský palac, Malostranské náměstí 23, 11800, Praha 1, Czech Republic
T/F: +420 2 57 53 14 41
T (reception): +420 2 57 53 37 67, ext. 128 or 130
info@rpr.cz
www.rpr.cz

Finland

Mainonnan eettinen neuvosto (MEN) *(The Council of Ethics in Advertising)*
Keskuskauppakamari, PO Box 1000, FI-00101 Helsinki, Finland
T: +385 9 69 69 69
F: +385 9 6969 6657
paula.paloranta@wtc.fi
www.mainonnaneettinenneuvosto.fi

Liiketapalautakunta (LTL) *(The Board of Business Practice)*
Keskuskauppakamari, PO Box 1000, FT-00101 Helsinki, Finland
T: +385 9 69 69 69
F: +385 9 6969 6657
paula.paloranta@wtc.fi
www.liiketapalautakunta.fi

Luxembourg

Commission Luxembourgeoise pour l'Ethique en Publicité
Chambre de Commerce, Bâtiment C, 2ème étage, 7, rue Alcide de Gasperi, L-2981 Luxembourg
www.clep.lu

France

Autorité de régulation professionnelle de la publicité (ARPP)
23, rue Auguste Vacquerie, 75116 Paris, France
T: +33 1 40 15 15 40
F: +33 1 40 15 15 41 or +33 1 40 15 15 42
contact@arpp-pub.org
www.arpp-pub.org

Germany

Deutscher Werberat (DW) *(German Advertising Standards Council)*
Verbändehaus, Am Weidendamm 1A, 10117 Berlin, Germany
T: +49 30 59 00 99 700
F: +49 30 59 00 99 722
werberat@werberat.de
www.werberat.de

Zentrale zur Bekämpfung unlauteren Wettbewerbs e.V. (WBZ) (Wettbewerbszentrale) *(Centre for Combating Unfair Competition)*
Landgrafenstrasse 24 B, 61348 Bad Homburg v.d.H, Germany
T: +49 617 212 150
F: +49 617 28 44 22
mail@wettbewerbszentrale.de www.wettbewerbszentrale.de

Greece

Συμβούλιο Ελέγχου Επικοινωνία (ΣΕΕ) *(Advertising Self-Regulation Council [SEE])*
Astronafton 19, Maroussi 151 25, Greece
T: +30 210 68 99 331-2
F: +30 210 68 95 711
info@see.gr
www.see.gr

Hungary

Önszabályozó Reklám Testület (ÖRT) *(Hungarian Advertising Self-Regulatory Board)*
Borbély u.5-7, H—1132 Budapest, Hungary
T: +36 1 349 0000/2717
F: +36 1 239 9866
ort@ort.hu
www.ort.hu

India

The Advertising Standards Council of India (ASCI)
219 Bombay Market, 78 Tardeo Road, Mumbai 400 034
T: +91 22 253 21 066 / 253 16 863
F: +91 22 235 16 863
asci@vsnl.com
www.ascionline.org

Ireland

The Advertising Standards Authority for Ireland (ASAI)
IPC House, 35-39 Shelbourne Road, Ballsbridge, Dublin 4, Ireland
T: +353 1 66 08 766
F: +353 1 66 08 113
standards@asai.ie
www.asai.ie

Italy

Istituto dell'Autodisciplina Pubblicitaria (IAP) *(Institute for Advertising Self-Regulation)*
Via Larga 15, 20122 Milano, Italy
T: +39 02 58 30 49 41
F: +39 02 58 30 37 17
iap@iap.it
www.iap.it

Lithuania (observer member)

Lietuvos Reklamos Biuras (LRB) *(Lithuanian Advertising Bureau)*
Jogailos str. 4 LT-01116 Vilnius, Lithuania
T: +370 614 70707
F: +370 5 2690100
info@reklamosbiuras.lt
www.lrb.lt

The Netherlands

Stichting Reclame Code (SRC) *(Advertising Code Foundation)*
Mail address: PO Box 75684, 1070 AR Amsterdam, The Netherlands
Office address: Buitenveldertselaan 106, 1081 AB Amsterdam, The Netherlands
T: +31 20 696 00 19
F: +31 20 696 56 59
info@reclamecode.nl
www.reclamecode.nl

New Zealand

The Advertising Standards Authority (ASA NZ)
Ground Floor, 79 Boulcott Street, PO Box 10-675, Wellington, New Zealand
Freephone: 0800 AD HELP
T: +64 4 472 7852
F: +64 4 471 1785
asa@asa.co.nz
www.asa.co.nz

Poland

Związek Stowarzyszeń Rada Reklamy (Rada Reklamy) *(Union of Associations Advertising Council)*
ul. Koszykowa 10 lok. 11, 00-564 Warszawa, Poland
T: +48 22 6213194
F: +48 22 6291889
biuro@radareklamy.org
www.radareklamy.org

Portugal

Instituto Civil da Autodisciplina da Publicidade (ICAP) *(Civil Institute of Advertising Self-Regulation)*
Rua Gregório Lopes, Lt. 1515, Loja 6, 1400-408 Lisbon, Portugal
T: +351 21 303 7000
F: +351 21 303 7009
icap@icap.pt
www.icap.pt

Romania

Consiliul Roman pentru Publicitate/Romanian Advertising Council (RAC)
61 Buzesti Street, Bl. A6, 8th Floor, App. 55, Sector 1, Bucharest, Romania
T: +40 21 312 25 83
F: +40 21 312 25 83
www.rac.ro
office@rac.ro

Slovakia

Rada Pre Reklamu (RPR) *(Slovak Advertising Standards Council)*
Cukrová 14, Bratislava 813 39, Slovakia
T: +421 2 59324249
F: +421 2 59324249
rpr@rpr.sk
www.rpr.sk

Slovenia

Slovenska oglaševalska zbornica (SOZ) *(Slovenian Advertising Chamber)*
Parmova ulica 53, 1000 Ljubljana, Slovenia
T: +386 1 439 60 50
F: +386 1 439 60 59
info@soz.si
www.soz.si

South Africa

The Advertising Standards Authority of South Africa (ASA SA)
Burnside Island, Willowview, 410 Jan Smuts Avenue, Craighall Park, South Africa
T: +27 11 781 20 06
F: +27 11 781 16 16
info@asasa.org.za
www.asasa.org.za

Spain

Asociación para la Autoregulación de la Comunicación Comercial
(Commercial Communications Self-regulation Association)
C/ Conde de Peñalver 52, 1º D, 28006 Madrid, Spain
T: +34 91 309 66 37
F: +34 91 402 98 24
autocontrol@autocontrol.es
www.autocontrol.es

Sweden

Reklamombudsmannen (RO)
Jungfrugatan 10, 114 44 Stockholm, Sweden
T: +46 (0)8-662 05 50
ro@reklamombudsmannen.org
www.reklamombudsmannen.org

Switzerland

Schweizerische Lauterkeitskommission (SLK)/ Commission Suisse pour la Loyauté (CSL)
Kappelergasse 14, Postfach 2744, 8022 Zürich, Switzerland
T: +41 1 211 79 22
F: +41 1 211 80 18 |
info@lauterkeit.ch
www.faire-werbung.ch

Turkey

Reklam Özdenetim Kurulu (RÖK) *(The Advertising Self-Regulatory Board)*
Nispetiye Caddesi, Yanarsu Sokak, No:58/ 2, Etiler, 34337 Istanbul, Turkey
T: +90 212 243 93 69
F: +90 212 243 93 70
rok@rok.org.tr
www.rok.org.tr

United Kingdom

Advertising Standards Authority (ASA)
Mid City Place, 71 High Holborn, London WC1V 6QT, UK
T: +44 20 7492 2222
Textphone: +44 20 7242 8159
F: +44 20 7242 3696
enquiries@asa.org.uk
www.asa.org.uk / www.cap.org.uk

Clearcast
4 Roger Street, London WC1N 2JX, UK
T: +44 207 339 4700
enquiries@clearcast.org.uk
www.clearcast.org.uk

Radio Advertising Clearance Centre (RACC)
The Radiocentre, 77 Shaftesbury Avenue, London W1D 5DU, UK
T: +44 20 7306 2620
adclear@racc.co.uk
www.racc.co.uk

> Please note that self-regulatory systems and initiatives also exist in countries that are not yet a member of EASA. The list below has been compiled according to information available on the internet at the time of writing.

Argentina

Asociación Argentina de Agencias de Publicidad
Hipólito Yrigoyen 1968 / C1089AAL
Telefax: 5411-4951-0575
Buenos Aires / República Argentina

Cámara Argentina de Anunciantes
Av. Belgrano 624 / Piso 3 / C1092AAT
Telefax: 5411-4331-9360
Buenos Aires / República Argentina
info@conarp.org.ar
www.conarp.org.ar

Colombia

Consejo de Autorregulación Publicitaria
Avenida Calle 26 No 82-70 En Bogotá 4255255 Ext. 1870
Bogota, Colombia
T: 01 8000510888
www.marketcolombia.com/interna.asp?mid=15&did=48

Ecuador

"Special Advertisement Committee"
Finlandia 345 y Suecia, Quito Ecuador
Contacto: Mario Benavente, President
T: (5932)3966800
mario.benavente@mccann.com.ec

El Salvador

Consejo Nacional de la Publicidad
85 Ave. Sur y Calle Juan José Cañas, Edificio Azucena 457, Locales 21-24, Colonia Escalón, San Salvador.
T: 22-63-50-11
luisrobertochavez@gmail.com
http://www.cnp.org.sv/

Hong Kong

Broadcasting Authority Secretariat
c/o Television and Entertainment Licensing Authority
39/F, Revenue Tower, 5, Gloucester Road, Wanchai, Hong Kong
T: (852) 2594 5721
F: (852) 2507 2219)
ba@tela.gov.hk
www.hkba.hk/en/index.html

Japan

Japan Advertising Review Organization, Inc. (JARO)
(Nihon Kokoku Shinsa Kiko)
No. 3 Kosan Bldg., 2-16-7 Ginza, Chuo-ku, Tokyo 104-0061, Japan
T: +81-3-3541-2811
F: +81-3-3541-2816
www.jaro.or.jp/e.html/e_1.html

Korea

Korea Communications Standards Commission (KCSC)
15-19th Floor, Korea Broadcasters Building 923-5 Mok-dong, Yangchun-gu, Seoul, Republic of Korea, 158-715
T: +82 2 3219 5083
F: +82 2 3219 5089
www.kocsc.or.kr
jyang@kocsc.or.kr

Korea Internet Advertising Deliberation Organization
7F, Korea Culture Center Bldg, 7-11, Sincheon-dong, Songpa-gu, Seoul, 138-921, Korea
T: +82 2 2144 4422
F: +82 2 2144 4420
joy@kiado.kr
www.kiado.kr

Malaysia

Advertising Standards Authority Malaysia
Unit 706, Block B, Pusat Dagangan Phileo Damansara 1, 9 Jalan 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Malaysia.
T: 03-7660 8535
F: 03-7660 8532
asa@macomm.com.my

Mexico

Consejo de Autorregulación y Ética Publicitaria de Mexico (CONAR Mexico)
Magdalena 37 Desp 6004, Col del Valle, Ciudad de Mexico D.F., C.P. 03100, Mexico
T: +52 90 00 30 51
conar@conar.org.mx
www.conar.org.mx

Nigeria

Advertising Practitioners Council of Nigeria
APCON House—After News Agency of Nigeria, National Theatre Annexe, Iganmu, P.O. Box 50648
T: +234 1 773 3308
info@apconng.org
www.apcon.gov.ng/home.htm

Paraguay

Consejo de Autorregulación Publicitaria de CERNECO (CONAR)
Pitiantuta 640 c/ Siria, Asunción, Paraguay
T: 595 21 213-639
F: 595 21 203-629
cerneco@cerneco.org.py
www.cerneco.com.py/c.conar.htm

Peru

Consejo de Autorregulación Publicitaria del Perú (CONAR)
Av. Rivera Navarrete 765 Of. 41, San Isidro, Lima 27, Peru
T: (511) 441-4200
F: (511) 441-1141
correo@andaperu.org
www.andaperu.org/conar

Philippines

Advertising Board of the Philippines (AdBoard)
Suite 6A Dao 1 Condominium, 189 Salcedo Street, Legaspi Village, Makati City 1229, Philippines
T: 817-7724
F: 818-7109
inquiry@adboard.com.ph
www.adboard.com.ph

Singapore

Advertising Standards Authority of Singapore (ASAS)
170 Ghim Moh Road, #05-01 Ulu Pandan Community Building, Singapore 279621
T: 6461 1888
F: 6467 9055
asas@case.org.sg
www.case.org.sg/asasintroduction.php

Uruguay

Asociación Uruguaya de Agencias de Publicidad (AUDAP)
Constituyente 1467 / 204, Montevideo, Uruguay
Contact Person: Sr. Pablo Marques—Silvana Saavedra
T: 00598 2 402 2552
www.audap.com.uy/

US

National Advertisers Division, Better Business Bureau
70 W 36th St., 13th Fl. New York, NY 10018
T: +1 212-705-0120
info@nad.bbb.org
http://us.bbb.org/WWWRoot/SitePage.
aspx?site=113&id=11a9ff77-41ad-4861-a928-beface37d4f1

Associations mentioned in this guide

(including advertising industry associations)

International Chamber of Commerce (ICC)
38, Cours Albert 1er, F—75008 Paris, France
T: +33 1 49 53 28 07
F: +33 1 49 53 28 59
www.iccwbo.org

The ICC speaks for world business whenever governments make decisions that crucially affect corporate strategies and the bottom line. Equally vital is the ICC's role in forging internationally agreed rules and standards that companies adopt voluntarily and can be incorporated in binding contracts.

The International Advertising Association (IAA)
World Service Centre, 275 Madison Avenue, Suite 2102, New York, NY 10016, USA
T: +1 212 557 1133
F: +1 212 983 0455
membership@iaaglobal.org
www.iaaglobal.org

The IAA is committed to fight unwarranted regulation on behalf of all those engaged in responsible commercial speech and to act as an advocate for freedom of choice for individuals across all consumer and business markets.

The World Federation of Advertisers (WFA)
Ave Louise 120, Bte 6, 1050 Brussels, Belgium
T: +32 2 502 57 40
F: +32 2 502 56 66
info@wfanet.org
www.wfanet.org

WFA champions and defends marketers' key interests as well as helping set self-regulatory standards for responsible marketing communications worldwide. It also facilitates a media environment which stimulates maximum effectiveness of ad spend.

The Interactive Advertising Bureau (IAB)
IAB Europe, 26 Ave Livingstone, 1000 Brussels, Belgium
T: + 32 2 280 08 47
F: +32 2 230 76 58
iab-europe@europe-analytica.com
www.iabeurope.ws

IAB Europe exists to support and promote the growth of the European digital and interactive marketing industry. Representing 23 country members across Europe and over 5,500 companies, IAB Europe is the trade association of the European digital and interactive marketing industry.

The Association of Television and Radio Sales Houses (egta)
Rue Wiertz 50, 1050 Brussels, Belgium
T: +32 2 290 31 31
F: +32 2 290 31 39
info@egta.com
www.egta.com

egta is the Brussels-based trade association of television and radio sales houses that market the advertising space of both public and private broadcasters across Europe and beyond.

The European Association of Communications Agencies (EACA)
152 Blvd. Brand Whitlock, 1200 Brussels, Belgium
T: +32 2 740 07 10
F: +32 2 740 07 17
info@eaca.be
www.eaca.be

EACA aims to promote honest, effective advertising, high professional standards, and awareness of the contribution of advertising in a free market economy and to encourage close co-operation between agencies, advertisers and media in European advertising bodies.

Annex A: Perspectives on Effective Self-Regulation

This document sets out perspectives on advertising self-regulation emanating from the Toronto Global Advertising Summit in April 2007. It describes the various component parts of effective self-regulatory systems.

The elements outlined in this document are based on experience in implementing self-regulation at a local level. They will not necessarily need to be implemented simultaneously, and should not be understood as universally applicable to all local systems. This document, rather, is intended to serve as an informal guidance document for stakeholders to evaluate, initiate and develop effective and credible systems in key emerging markets. It will help identify areas where investment is needed to develop existing national arrangements in order to improve the provision and operation of self-regulation.

1. Universality of the Self-Regulatory System

An effective advertising self-regulatory system should apply without exception to all practitioners—advertisers, agencies and media. To achieve this, there needs to be a general consensus on the need for a self-regulatory system and the practical, active support of all three parts of the industry. Additionally, a self-regulatory organisation (SRO) must be able to depend on the moral support of a large majority of the industry, to lend credibility to its decisions and ensure that they can be applied even to uncooperative advertisers. This can be achieved only if the system covers all significant forms of advertising and has the active participation of practitioners in all areas of commercial communications, including Direct Marketing and new forms of advertising e.g. the so-called New Media.

2. Sustained and Effective Funding

Effective self-regulation is the best means of maintaining the freedom to advertise and freedom has a price. Self-regulation is not a cut-price option: it can function effectively only if it is properly funded. A self-regulatory system requires a robust method of funding involving the commitment of all the parties involved in the various sectors of commercial communications. It is important that such a method is sustainable, i.e. affordable and not extravagant, but it should also be buoyant, i.e. so designed that it cannot be placed in jeopardy by the unilateral action of any company or industry sector. Finally, the funding method should be indexed to ensure that it keeps pace with increased costs and reflects changes in the advertising market. A levy system based on a small percentage of all advertising expenditure has been found to be a very satisfactory way of fulfilling all these criteria.

3. Efficient and Resourced Administration

SROs should be managed in a cost-efficient and business-like manner with defined standards of service. To maintain public confidence in the system, an SRO must be—and be seen to be—independent of the industry which funds it. To achieve this, it requires a dedicated secretariat within a structure that provides the necessary independence and external credibility. The number of staff will depend to some extent on the size of the market, but it must be adequate to ensure the efficient functioning of the SRO. Even the smallest SRO is unlikely to be able to function properly with fewer than two full-time staff and most will need substantially more. Staff numbers should be reviewed regularly to ensure that they are appropriate to the workload and the SRO's budget should be reviewed each year and kept at a level adequate to meet its needs. To maintain impetus, the SRO is encouraged to have a strategic action plan, put in place at its inception and updated on an annual basis. To establish and maintain awareness of its activities, it is also advisable to have a communications plan, conducted on the same basis.

4. Universal and Effective Codes

A key element of any self-regulatory system is an overall code of advertising practice. This should be based on the universally-accepted ICC Codes of Marketing and Advertising Practice; it may subsequently be extended and developed in response to national requirements. It is important that the code should apply to all forms of advertising. It is equally important to establish a procedure for the regular review and updating of the code, ensuring that it keeps abreast of developments in the market place, changes in public concerns and consumer sensitivity, and the advent of new forms of advertising. Finally, the code must be made widely available and advertisers, agencies and media must be familiar with its contents.

5. Advice and Information

One of self-regulation's key roles is to prevent problems before they happen by providing advice to advertising practitioners. The advice provided by an SRO can take several forms: first, copy advice, i.e. confidential, non-binding advice about a specific advertisement or campaign, may be supplied on request before publication. Secondly, the SRO can offer general advice on code interpretation; this advice will also draw on 'case law', i.e. precedents established in previous adjudications. General advice of this kind can also be made available in the form of published guidance notes, which supplement the code and indicate best practice, for example in high-profile or problem areas. Like the code itself, guidance notes can be updated as necessary.

6. Prompt and Efficient Complaint Handling

The public perception of a self-regulatory system will depend to a very large extent on how efficiently it is seen to deal with complaints. One of self-regulation's principal advantages over the judicial process is, precisely, its speed. Consequently it is essential that complaints are seen to be handled promptly. The amount of time required to investigate a complaint will depend on its complexity. Business to business complaints typically may take longer to resolve. SROs however should manage their activities particularly in this area against defined standards of service, including complaint handling targets.

In cases alleging misleadingness, a fundamental principle of self-regulation is that the advertiser must bear the burden of appropriately substantiating his claims. The SRO should ensure that it has the means to evaluate technical evidence produced by advertisers to support their claims, including access to independent, specialist experts. Competitive complainants should be able to show prima facie evidence of a code breach in order to avoid abuse of the system.

7. Independent and Impartial Adjudication

A self-regulatory system must be able to demonstrate that it can judge cases brought before it efficiently, professionally and above all impartially. Different ways to structure the complaints handling process exist, including alternative dispute resolution systems and formalized complaints committees. Deliberations in such bodies must be conducted in an independent and unbiased manner.

The adjudication process is incomplete without some provision for the review of decisions in case of appeal. The review process should be thorough but need not be elaborate; it should be so designed that it cannot be used merely as a delaying tactic to postpone the implementation of a decision.

8. Effective Sanctions

Although in most cases self-regulatory systems can count on voluntary compliance (however reluctant) with their decisions, their credibility depends in no small measure on an ability to enforce them. The so-called 'name and shame' principle, involving routine publication of adjudications, with full details of the complaint and the name of the brand and the advertiser, has proved to be a powerful deterrent. It can, where necessary, be reinforced by deliberately publicising a case where voluntary compliance with a decision is not forthcoming. However, perhaps the most effective means of enforcing a disputed decision is media refusal of the offending advertisement. This requires a commitment on the part of the media as a whole to uphold the decisions of the SRO and is likely to depend on the adoption of a standard 'responsibility clause' in all advertising contracts, by which both parties agree to be bound by such decisions.

9. Efficient Compliance and Monitoring

To be truly effective, an SRO cannot afford to restrict its activities to responding to complaints: if it does so, its interventions will inevitably be haphazard and lack consistency or thoroughness. To proceed effectively against violations of the code, it will need to put in place a planned programme of systematic monitoring, based on specific product sectors or problem areas. This allows the SRO both to institute cases on its own initiative and to evaluate levels of code compliance. This, in its turn, enables potential problems to be discussed with the industry and eliminated before they become too serious; regular dialogue with the industry should be a routine part of the SRO's activities. Monitoring and compliance surveys will also indicate areas where the code may need to be strengthened or changed.

10. Effective Industry and Consumer Awareness

An effective self-regulatory system should maintain a high profile: consumers should be aware of where and how to complain and the industry should be aware of the codes and procedures by which it regulates itself. To achieve this, the SRO will need to undertake regular publicity campaigns to create and maintain awareness of the system among consumers. It can be assisted by the provision of free media space, both in traditional media and the increasingly important electronic media. It should be simple and straightforward for consumers to complain, both on- and offline. Simultaneously, an ongoing programme of promoting its codes and procedures to the advertising industry—paying particular attention to those joining the business—will enable the SRO to establish practical awareness at working level.

Finally, the SRO will need to be able to produce information and evidence of its activities, in the form of published surveys, case histories and statistics (for example, numbers of complaints handled or copy advice requests). Information of this kind is essential to demonstrate the effectiveness of self-regulation.

as agreed in the WFA Global SR Taskforce

Annex B: SRO promotional campaigns 2007 & 2008

Belgium

Outdoor ad | print ad | online ad

2008

Message: "Why do women put on mascara with their mouth open? These are the questions the JEP does not get involved with. With those on advertising it does"

India

Print ad

2008

Message: "Stop ads that encourage kids to perform dangerous stunts. Use some ink. Write to ASCI. If your complaint is found valid, we'll take corrective measures"
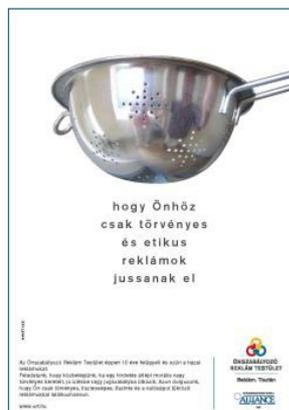

Spain

Outdoor ad

2007

Message: "Advertising is an open window we all have access to. Thus in Autocontrol we are working to achieve smart advertising: advertising that is truthful, legal, honest and fair. Autocontrol de la publicidad. We work for responsible advertising"

Hungary

Print ad

2007

Message: "10 years filtering ads and promoting legal, decent, honest and truthful advertising"

Greece

Trade press ad

2007

Message: "We love advertising—that's why we protect it"

Italy

Exhibition of jury decisions

2007

Celebrating the 40th anniversary of the IAP Jury, an exhibition of jury decisions was held in the main railway stations in Milan and Rome.

"Marketing self regulation was launched globally in 1937 when the International Chamber of Commerce issued its first code of ethical practice for advertising. Over the decades, self regulation has grown greatly in acceptance and impact by setting a high ethical hurdle that often goes well beyond legal requirements. In today's global environment—where new media and marketing techniques are proliferating rapidly—the need to reassure consumers, complement government efforts and promote high corporate standards is great … and it underscores the importance and relevance of the universal framework that is embodied in the revised ICC Consolidated Code on Advertising & Marketing Communication. This EASA Guide provides a rationale and step-by-step approach for taking the long established ICC global principles on self regulation from concept to reality. I applaud EASA's effort and outreach."

John F. Manfredi, Chair of the ICC Marketing and
Advertising Commission & CEO of Manloy Associates

"The IAA takes every opportunity throughout our international network to support and encourage self-regulation and reponsible advertising. We welcome this guide and are pleased to support such EASA industry initiatives."

Michael Lee, Executive Director, International Advertising Association

"Consumer trust is essential for building successful brands. And effective advertising self-regulation is the basis for earning consumer trust. This guide spells out in practical terms what it takes for self-regulation to be effective, thus helping industry partners worldwide build the right frameworks so marketers can enjoy sustained and successful relationships with their consumers."

Stephan Loerke, Managing Director, World Federation of Advertisers

"This guide is the result of various experiences in the creation of self-regulatory organisations. Each had its own history and background, but what was similar to them all, was the striving for a better regulation of advertising; one that is fast, reliable and that ensures that the advertising industry exists and develops into a more sophisticated activity, more competitive and always responsible towards the rights and needs of consumers."

Angel Deleón, Vice-President CONAR Mexico and Director &
General Counsel Mexico and Central America, Procter & Gamble

ALLIANCE
EUROPEAN ADVERTISING STANDARDS
EUROPEENNE POUR L'ETHIQUE EN PUBLICITE

WFA WORLD FEDERATION OF ADVERTISERS

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