

# Opening address of EASA's Chairman

## EASA 25<sup>th</sup> anniversary conference

*Distinguished guests, dear EASA members and friends, ladies and gentlemen,*

I am delighted to be here before you today on this very special occasion. Indeed, today's conference marks the celebration of the **European Advertising Standards Alliance's 25<sup>th</sup> anniversary**, graciously hosted by the *European Economic and Social Committee* who has through its Single Market Observatory been a staunch supporter over the years of better regulation and the use of effective self and co-regulation evidenced by their reports and the SMO database<sup>1</sup>. We thank their SMO President *Martin Sieckhart* and *Jean-Pierre Faure* for helping us make this happen.

There is no better time to reflect on how, throughout the societal and technological changes of the last 100 years, advertising self-regulation has always been there and is today, more than ever, very relevant. Whatever the changes, the willingness and main ethical principles remain the same; to have legal, decent, honest and truthful marketing communications with a due sense of social responsibility and respecting fair competition, creativity, and freedom of commercial speech. These were already expressed in the International Chamber of Commerce advertising and marketing Code, which was initially drafted exactly 80 years ago!

Before opening today's conference on ***advertising and the consumer experience of tomorrow*** with a much forward-looking focus on at how the advertising industry exercises its responsibility through self-regulation in the exhilarating new world of digital marketing communications, I would like to take a moment and look back.

The ad industry, through the national self-regulatory systems in each country and the establishment and work of EASA, has strived to be at the heart of a positive response to societal, technological and regulatory developments in the EU.

The creation of EASA in 1992 responded to the launch of the Single Market and the need to respond to consumer concerns in a consistent way in each country and across borders. It's not surprising that the primary focuses of EASA has been to ensure that effective self-regulation is in place across the Member States.

To do so, EASA developed its Charter and a series of best practices recommendations on the operation and the development of self-regulation. The results have been impressive: 97% of the EU's population is covered by the 27 EU Self-Regulatory Organizations in the 28 Member states, including the majority of the Central and Eastern European countries.

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<sup>1</sup> <http://old.eesc.europa.eu/?i=portal.en.smo-database&a=PopulateObservatoryItemFilterer&directorGeneral=0&fromAdoptionYear=&toAdoptionYear=&searchTerm=>

This, coupled with an EASA coordinated cross-border complaints and alert system on rogue traders as well as the self-regulatory work such as monitoring, copy advice, awareness raising, Self-Regulation training in detailed area such as in food, alcohol and cosmetics advertising, has provided compelling evidence of effective Self-Regulation.

We are pleased to see that this was recognised by the European Union in the different Advertising Roundtables, Platforms and Forums, in the Unfair Commercial Practices, Misleading and Comparative Advertising, and AudioVisual Media Services Directives and, most importantly, through the Better Regulation communication which promoted the consideration of ‘non-regulatory means’ in policy options.

All of this shows that we, as a community, are very serious and committed about our wish that responsibility is put first.

*But you may ask me why should you trust effective self-regulation as a response?*

Self-regulatory processes are the guarantors of our fundamental rights. They defend the Freedom to conduct a business, the Freedom to create and innovate. By setting agreed norms of social responsibility, not only do Self-Regulation challenges people to be the most creative, but it guarantees the continued license to advertise and respect diversity and pluralism in a modern democratic market economy.

Advertising provides personal and social benefits by funding or part funding media services thus ensuring media plurality.

“Advertising ensures that EU citizens benefit from news, entertainment and communications tools at a reduced cost or even for free. The €92 billion spent on advertising in 2014 directly funded content of all kinds.”

It is difficult to imagine the vast array of free content and services available online through interconnected platforms without advertising being part of the economic model. Ensuring that advertising remains at the heart of this digital universe means we ensure freedom of choice and access for all not just the privileged few who can pay for entertainment and content.

By defending creativity and plurality, advertising self-regulation ensures democracy!

Furthermore, effective Advertising Self-regulation can be trusted as an effective response as it is open to all and its processes designed to be efficient and transparent. We believe its credibility comes from operating in an independent and impartial way to ensure that the rules and codes are applied. Appropriate evaluation and reporting allows its impact to be seen and measured.

Let’s also not forget that promoting trust in advertising is good for the economy.

A recent study by Deloitte for the World Federation of Advertisers and other industry partners, found that advertising contributed nearly 6 million jobs across the EU and 4.6% of total EU GDP.

Finally advertising self-regulation is there because we believe complement the law by protecting consumers and providing them with a simple mean complaint at no further cost when things aren't right.

The self-regulatory network across Europe yearly advises on over 80,000 requests for copy advice and processes more than 60,000 complaints on millions of ads circulating in Europe. We have understood clearly that if a consumer is misled or strongly offended by an ad, she or he will most likely not come back.

For instance, a survey on trust in advertising by our colleagues, the Canadian Self-Regulatory Organization backs this up, showing that 88% of consumers are very or somewhat likely to stop purchasing a product or service if an ad is unacceptable because it is untruthful, inaccurate or offensive.

The stakes of the creative and advertising industry are even higher as markets are bound to become more globalized and digital.

We cannot afford, in a world that is interconnected, to be inconsistent in the way that we deal with responsibility and self-regulation. While the principles are global, the enforcement must be made in a way which makes it meaningful for local markets and consumers, respecting language, culture and legal environments.

For this reason, exchanges between advertising communities across the wider Europe and other parts of the globe have necessitated further structures such as the *International Council for ad self-regulation* (ICAS) to allow the sharing of best practices, support structural challenges as it was the case in South Africa or through the development of self-regulatory bodies across the globe such as recently in United Arab Emirates, China or Russia. We are seeing that the development of effective advertising self-regulation is being internationally endorsed by APEC and the OECD. To ensure consistency we will need to be mindful of inclusive globalization.

Even though the digital world with its algorithms, data analytics and programmatic advertising has profoundly shaken and forever changed the relations between the traditional advertising players and their customers, the answer has always been the same: responsibility and trust is key to the sustainability of marketing communications.

Self-regulation and the ethical response of the industry, as in the past, remains relevant today and into the future if we wish to ensure that value is still found in marketing communications and the products and services it promotes.

I believe that Self-regulation can and is adapting to this constant disruption with an ever determination and focus to ensure that responsibility is maintained and understood by all involved. Our involvement is not new: EASA took the first steps back in 2007 when establishing the first best practice recommendation on digital marketing communications which gave the agreed vision and plan to local ad industry and SROs across Europe to widen the scope of the self-regulatory systems from advertising to marketing communications.

The second major step came in 2012 when, supported by an EASA Best Practice Recommendation on Online Behavioural Advertising (OBA), Self-Regulatory Organisations have extended their remit to handle with third party Interest-based Advertising.

Furthermore, EASA was heavily involved in the setting-up of the EDAA, the *European Interactive Digital Advertising Alliance*, with its SRO members involved in the compliance of EDAA's OBA Programme and Your Online Choices Platform. EASA and its Self-Regulatory network have continued to be mindful where responsibility is assumed, effectively encompassing new forms of communication such as social media, market influencers and native advertising.

The future for advertising self-regulation is one in which there will be a need for us - as we have done in that past - to think *outside of the box* on how to bring it about, on how to engage with the new players and what technology and tools we will need to succeed.

We'll need to be bold, open to change and innovative in the way we find solutions.

When preparing for this 25th anniversary year we interviewed a few key people who helped in the development of EASA and its mission over the years. What was clear from all these interviews that none of this would have happened without the common vision and willingness of the advertising community together to tirelessly strive for responsible commercial communications which are trusted, relevant and we hope positively remembered by consumers.

My hope in the next 25 years is that we continue this mission to ensure that responsibility remains at the heart of all advertising players in this ever-evolving digital universe and that our positive responsible approach continues to be recognized by policy-makers as an effective credible alternative to detailed legislation.

As Mahatma Gandhi once said "*the future depends on what you do today*".

And in this place of meetings and openness to the stakeholders, the European Economic and Social Committee, - which I thank for their warm welcome, - I will mention one of the fathers of the European construction, Jean Monnet, "*Nothing is possible without the people, nothing is sustainable without the institutions*".

So, here's to another 25 years of the **European Advertising Standards Alliance**, which, based on what we will discuss today, will unleash great and promising prospects!

*Mr Stéphane Martin, Chairman of EASA (2016-2018)*