

Advertising regulation on new media platforms

In 2005 the ASA commissioned iBurbia – an independent research company – to conduct a qualitative research project to explore consumer's expectations of advertising regulation on New Media platforms (specifically iTV, mobile and Internet). iBurbia held 12 two-hour group sessions in London and Manchester with adults aged between 16- and 60-years old.

Key Findings

- **Advertisers risk losing consumer trust if they don't maintain standards.**
- **There is a clear expectation that 'pulled' advertising should conform to standard, unless clearly signposted otherwise, but there are different expectations of what that standard should be.**
- **Most consumers assumed that ads had to be truthful on any platform. It was the one area of regulation that respondents did not want weakened, and would like extended across all media platforms.**
- **With regard to decency, most of the younger respondents, and the more technically literate were more accepting of risqué material (subject to the watershed). With reasonable signposting, most respondents felt that interactive advertising which was 'pulled' could be significantly more risqué than broadcast advertising.**
- **Consumers were for the most part unaware of the restrictions on advertising in areas such as gambling, alcohol and cars, and generally felt them to be unnecessary in the interactive space.**
- **While the number of clicks depends on the content and context, most respondents felt that advertisers should be given increasing levels of freedom the further back they click. But there are definite qualifications: truthfulness must be maintained throughout, signposting must be clear and regulations to protect children in place.**
- **Consumers had a clear idea that there were a set of senior brands in the market (such as the BBC, ITV and AOL) who had a responsibility to run a clearly defined self-regulation scheme. They should create trusted zones that consumers can identify and understand.**
- **The more technically literate respondents were, the more they preferred the option of education and software as opposed to regulation around pulled advertising content.**

The process

Participants were chosen using iBurbia's 'Comet' model for audience segmentation, shown in Figure 1. This model takes the premise that the adoption of new media technologies are led by a tiny number of highly advanced or 'elite' homes – the 'comet'. This tiny ball of highly advanced homes drag behind them waves of increasingly less sophisticated homes:

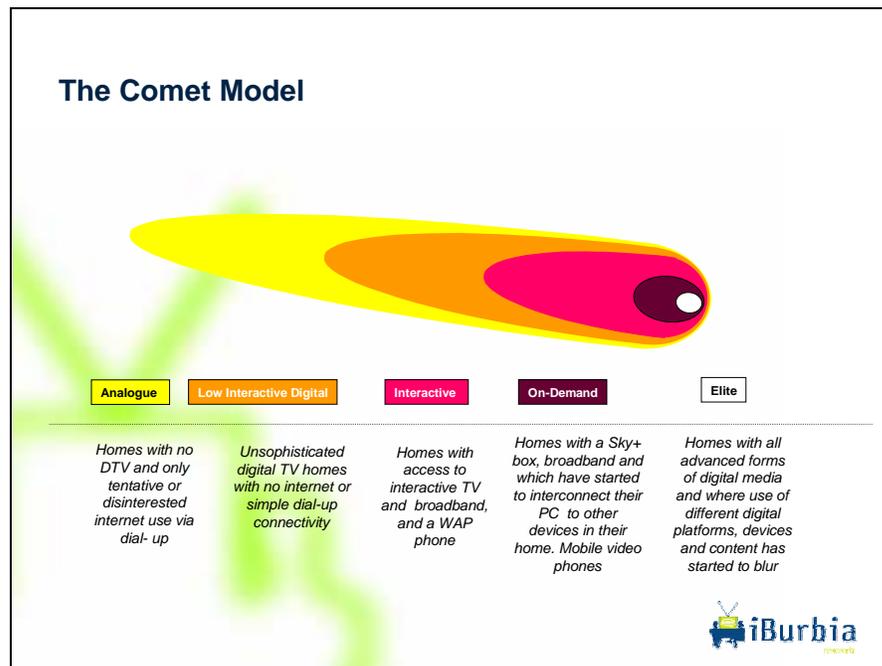


Figure 1

It was considered essential to this research to recruit people with a broad range of device and media ownership (though we did not actively recruit 'analogue' users as it was considered that behaviour and expectations among this group are already well researched). Respondents were recruited from the 'low interactive', 'interactive', 'on-demand' and 'elite' segments:

- **Analogue:** homes with no digital TV and only tentative or disinterested internet use via dial-up (approximately 9.1 million).
- **Low interactive digital:** unsophisticated digital TV homes with no internet or simple dial-up connectivity and limited mobile use (approximately 10.4 million).
- **Interactive:** homes with access to interactive TV and broadband, and a WAP phone (approximately 3.4 million).
- **On-demand:** homes with a Sky+ box, broadband and which have started to interconnect their PC to other devices in their home. Mobile video phones (approximately 1 million).
- **Elite:** homes with all advanced forms of digital media and where use of different digital platforms, devices and content has started to blur (approximately .1 million).

Consumers were first asked their opinions about advertising across the three media platforms of interactive TV, broadband (the internet) and mobile phones. Then, in turn, they were shown a selection of ads (both real and mocked up) from the three different media. Group discussions were then held exploring the level of regulation that consumers felt each platform should attract.

Interactive TV advertising

Traditional TV is still the most trusted of all media, with consumers having the highest expectation of control and regulation for a number of reasons:

- Historic precedent: it has always been that way so don't change it to avoid confusing people.
- TV is accessible, and the medium that unsophisticated, vulnerable people, such as children and the elderly, are most likely to watch.
- TV is the most public of all the media (watched in groups) and it therefore requires a lowest common denominator approach, which means regulating for the most vulnerable or most easily offended in the room.
- In addition, all the respondents spoke about the main channels having a big responsibility because of what was perceived to be their privileged role in UK society.

TV with a twist

After seeing a variety of interactive ads, most participants said that despite differences to traditional advertising, they still felt that they were watching television when viewing an interactive ad. There was, however, a general sense, particularly among younger and more technically literate people, that they could take more responsibility for self regulating what they saw if they had the information and the right technology to do so. The biggest issue was the worry that more vulnerable and/or sensitive viewers could stumble unwittingly into unrestricted content from a 'safe' broadcast.

Other findings included:

- Most of the respondents, except the older, low interactive groups, were happy to allow advertisers more freedom behind the red interactive button, particularly in terms of sexually risqué content, as long as there was signposting and back-out options before it was presented.
- All respondents felt that advertisers had a greater responsibility to 'signpost' than programme makers because it is easier to gauge the nature of a programme prior to its broadcast.
- Even though they still considered it to be TV, they believed that the management and control offered by the interactive functionality should allow advertisers more freedom in all aspects except truthfulness.
- Finally, they felt that the regulator should only step in where a consumer could not realistically make judgements about an advertiser.

Be transparent and truthful

The respondents also felt that there was a group of 'senior' TV brands which somehow bore a greater responsibility for protecting the TV audience than others. They assumed that these senior brands probably operated under some kind of code of conduct, but were unsure not only about what it was, but whether other TV channels complied with it.

Respondents felt it would help if there was more transparency so a viewer could tell what sort of channel to expect, perhaps with some kind of kite mark scheme that enabled them to make informed choices about what channel brand they could trust or not. The more sophisticated respondents (particularly Sky and Sky+ users) felt that Sky should offer the ability to lock the non-compliant channels of such a scheme with a parental lock, so they could use technology to support their choices.

While respondents felt advertisers should be given increasing levels of freedom the further back in the process they clicked, they proposed some conditions:

- Truthfulness had to be maintained throughout every layer of the process.
- Clear signposting had to be provided if the content were to change at any stage (respondents did not want to be taken by surprise by unexpected content)
- Regulations to protect children, such as the watershed on broadcast TV, had to be maintained.

Internet advertising

Although the majority of respondents felt that there must be some sort of regulation of online ads, no one knew for certain and most felt that the unfettered nature of the internet, which has no geographical borders or known owner, would make total regulation impossible. After respondents had been exposed to the full range of online ads, they came to a number of conclusions.

Trustworthiness of online advertising

The majority didn't trust advertising online as much as TV advertising, although this was more to do with perceptions of fraud and viruses. However, trustworthiness is dramatically increased when either an advertiser or the site carrying the ad is known as a reputable brand (e.g. FT / FT.com). Most felt that such sites wouldn't allow fraudulent ads on their web sites anyway, to avoid tarnishing their brands.

Pop-up ads

All respondents found pop-ups to be the most annoying aspect of online advertising. However, consumers are not so much concerned with decency or truthfulness of online ads, as they are with advertisers spoiling their experience of using the Internet. Pop-ups epitomise this. They felt that a few advertisers abused the Internet by making pop-ups difficult to close down (for example, by making

them look like Microsoft Windows messages). A majority also associated online adverts, particularly pop-ups, with viruses, online fraud and less than scrupulous brands. Most respondents blamed the advertisers for pop-ups, although the younger and more technically savvy groups also blamed the hosting website.

Sponsored links on search engines

No one had a problem with the sponsored links running down the right-hand column on Google. About a fifth of respondents, however, hadn't realised that companies paid for a position at the top of the results list. This was considered a crafty act by Google, although consumers were fine about it when it was pointed out that the links were clearly labelled. And, if they were relevant to a search, they were not considered a problem.

TV brands online

A majority believed that the online sites for TV brands like ITV are regulated in the same way as those on broadcast TV. When told they weren't, the majority felt that they should be. However, most concluded that a brand like ITV wouldn't want to risk its reputation by showing ads that were indecent or dishonest.

Ideally, they would like to see some sort of regulation of advertising on big brand sites, such as ITV, with something like a kite mark scheme showing that ads have been checked to make sure they are not deceitful.

When respondents were shown a US broadband TV service which carries paid programming featuring product placement, the younger and more technology-oriented groups felt that a brand like ITV should be allowed to do the same because people could choose whether to view the programme or not.

Viral ads: freedom of choice

Only a few in the 40+, low interactive group felt that Viral Ads should be regulated. Otherwise the consensus was that it was their choice to open an attachment from a friend and, if offended, they would have an issue with their friend rather than the advertiser. Viral Ads, like any email attachments, were perceived therefore to be beyond the realm of regulation. However, there was much caution over opening attachments due to viruses, spam email and the fact that ads are often doctored. There was also some concern that indecent viral ads might reach children.

Mobile advertising

The research shows that there is a great deal of uncertainty among consumers about regulation of advertising on mobile phones. Only one was able to name a mobile phone regulatory body (ICSTIS, the premium rate services regulator), and almost all assumed that the network providers were self-regulating. All respondents were more distrustful of advertising they saw on a mobile phone as opposed to other media.

New frontiers

The most common form of advertising encountered was text messaging, followed by 'viral' advertising through Bluetooth. Most of the participants found text message-based advertising obtrusive and annoying and do not respond to it. There was a particular distrust of third party advertising – such as nightclub or health club promotions – compared to the network providers themselves, even though most of the advertising text messages seem to come from those network providers.

Other issues raised included:

- Dislike of the anonymous nature of texts before they are opened
- Concern about the potential cost users could incur simply by opening text messages. Text messages were often associated with a potential for unknowingly incurring 'high' charges.

Mobile banners on 3G phones provoked less concern, particularly with trusted brands, as did the content sitting behind 'clickable' banners, since consumers accepted more responsibility for content they had chosen to view. There were, however, fears about functional abuse, particularly with the threat of viruses being spread through sharing of data over Bluetooth.

Truth above all

Generally, it was felt that there should be some regulation, ideally by the network provider and overseen by a third party regulator, to differing levels depending on the three factors of regulation:

- **Truthfulness** Users thought that all types of mobile phone advertising should be as stringently regulated as on other media with regards to product claims.
- **Decency** Younger users thought there was more licence for risqué content on a mobile phone, providing it was pulled and contained clear signposting about the content. However, some older respondents felt that there should be more stringent regulation (compared to younger respondents) around risqué content, as they were concerned that children might access such content.
- **Restricted industries** Participants thought there should be more choice to view advertising from restricted industries on a mobile phone than on other media.

Overall, the respondents wanted to feel more empowered, and they reckoned the best approach would be to have functionality which gave them more control over the advertising on their phone.

Key insights

A number of key insights emerged from the research.

1. Zones of trust

Consumers would like clear ways of understanding different types or levels of protection, such as:

- **Brand-led content** This is where content and advertising provided by major media brands conforms to the highest regulatory framework.
- **Safe zones/walled garden/portals** Trusted clusters of content provided by the major TV, ISPs and mobile platforms. These should offer functionality and software to allow users to restrict access to certain content or areas (e.g. parental locks, net nanny etc)
- **High risk brands** This open, unrestricted content should be clearly marked on entry as unregulated territory.
- **Migration of TV brands on to other media** While TV is seen as a complete zone of trust, such migration offers the opportunity for these brands to bring their values into new, safe zones.

2. Trusted brands

Consumers apply different levels of trust to different brands.

- For example, they expect trusted and familiar media brands (such as the BBC, AOL and Nickelodeon) to prevent advertisers from behaving irresponsibly.
- There are others who are mostly trusted but consumers believe they would take the money if an advertiser wanted to do something risky.
- They feel they are being let down by some content providers, particularly those who have no scruples about the content provided behind their brand, and to a lesser extent those who are perceived to use risqué content to build business.

3. Interactive ads and children

- The biggest concern with regard to unregulated interactive ads is that adult content might be viewed by children. But with a few exceptions, the consensus was that the onus should be on parents to monitor their children's use of the internet.
- Many felt that internet service providers (ISPs) and mobile phone companies should be better at educating them on how to regulate internet content for children themselves.

4. A required 'fourth' regulatory plank

The research uncovered a desire for regulation to be extended to cover activities which resulted in some 'abuse' of the user's media / technology systems. Advertiser activities considered to be abuse include:

- Spam which relies on account information from or by platform providers (mobile companies are seen as key offenders);

- Spam which leads to billing abuse (a particular problem for mobile);
- Terms and conditions accompanying promotions which are intentionally complicated to deceive;
- Banners which, when clicked, install cookies or adware on a PC.

5. Regulation vs. education

- Many of the more sophisticated respondents were happy to take responsibility for the content they view behind a click, as long as they are given sufficient information about the type of content contained and the means of control. But they still don't want to be surprised by push ads.
- Software which increases users' control includes tools such as the 'net nanny' on the internet and the parental lock on Sky.
- The closer that respondents are to the centre of the comet (that is the more technically advanced), the more they prefer the option of education and software as opposed to regulation around content which can be deemed to have been 'pulled'.