

Alcohol Advertising: The Effectiveness of Current Regulatory Codes in Addressing Community Concerns



Response to Australian National Preventative Health Agency Issues Paper

Email: alcoholadvertising@anpha.gov.au

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The Interactive Advertising Bureau ("IAB") welcomes the opportunity to respond to the questions raised within the Issues Paper on the effectiveness of the current regulatory landscape for alcohol advertising published by the Australian National Preventative Health Agency ('ANPHA') in December 2012.

About the IAB

The IAB is the peak trade association for online advertising in Australia and was incorporated in July 2010. IAB Australia's board includes representatives of AIMIA, APN News & Media, Carsales.com, Fairfax Media, Google, Mi9, Network Ten, News Australia, REA Group, SBS, Telstra Media, TressCox Lawyers and Yahoo!7.

Broadly speaking, the IAB has four key objectives:

- To develop, coordinate and promote industry standards and guidelines that make interactive advertising a simpler and more attractive medium for agencies, advertisers and marketers;
- To prove and promote the effectiveness of interactive advertising to advertisers, agencies, marketers, and the press;
- To be the primary advocate for the interactive marketing and advertising industry; and
- To expand the breadth and depth of IAB membership while increasing direct value to members.

General Comments

The IAB's broader membership comprises advertisers (including some alcohol brands) as well as digital advertising platforms (such as facebook, Google AdWords paid search advertising, and portal websites such as Yahoo!7, BigPond and ninemsn who offer premium display advertising opportunities to advertisers).

Both categories of IAB members take the issue of alcohol advertising very seriously. The existing self-regulatory codes pertaining to alcohol advertising extend their protections to digital forms of advertising by regulating the content of alcohol advertising regardless of the media through which it is delivered. In addition, both online advertisers and digital advertising platforms voluntarily adopt the spirit and guiding principles of these existing codes in the interactive environment. Much of the material referenced by the ANPHA in the Issues Paper appears predicated on a logic that assumes that because young people use social media and the Internet, and there is alcohol advertising on social media and the Internet, that young people are consequently being exposed to alcohol advertising online. However, both advertisers and digital platforms take steps to ensure that existing regulatory structures are observed. Furthermore,

Interactive Advertising Bureau Australia Ltd
Level 7, 104 Bathurst Street, Sydney, NSW 2000, Australia.
Tel: +61 (0) 2 9248 7905
Email: iabaustrialia@iabaustrialia.com.au

ABN 97 145 518 305

www.iabaustrialia.com.au

and contrary to popular belief, social media is not utilised primarily by young people. A Nielsen study — Aussies on Facebook — undertaken in 2012 found that the age demographic of the Australians who use facebook maps the general population. That is, in 2012, 20% of Australians on facebook were under 25 years of age and 30% were over 50 years of age.



Advertisers

On the advertiser side, alcohol brands actively participate in industry associations such as the Brewers Association, Wine Federation of Australia, Distilled Spirits Industry Council of Australia and the Australian Association of National Advertisers and comply with industry developed self-regulatory codes such as the ABAC Scheme and the Australian Association of National Advertisers' (AANA) codes both of which use the Advertising Standards Board to handle complaints. Therefore there is a strong appetite from within the advertiser community to proactively collaborate on developing and promoting self-regulatory frameworks in this area and to this end I note that the AANA and ABAC have both in recent years updated their Codes and, more recently, issued guidance notes to marketers to more explicitly address digital advertising.

Digital advertising platforms

The digital advertising platforms provide the technology upon which advertisers can promote their products and services online. These platforms generally impose their own terms and conditions upon advertisers and require that advertisers comply with creative acceptable policies. Social media platforms such as facebook, YouTube and Google+ put in place a number of checks and balances to further demonstrate and promote responsible advertising practices.

Portal websites all have advertiser policies which must be complied with before an advertiser can place an ad on each of their networks. By way of example rather than limitation:

- the Yahoo!7 and Mi9 (ninemsn) advertiser policies state that alcohol ads are subject to additional policy review and approval processes;
- Mi9 requires that all alcohol advertising running on their network is demographically targeted to an audience aged over 18;
- Telstra Media maintains the right to remove any advertising that does not meet community standards or is the subject of a complaint under self-regulatory codes or directly to Telstra Media;
- Google has a detailed policy around alcohol advertising using their AdWords paid search advertising platform (<http://support.google.com/adwordspolicy/bin/answer.py?hl=en&answer=176005&topic=1310883&ctx=topic>); and
- facebook requires that any alcohol advertising is targeted using their sophisticated targeting technologies (including age targeting). Due to the popularity of facebook as an interactive advertising medium I have appended further information about facebook's policies around alcohol advertising at the back of this submission.

All of these platforms have a requirement in their advertiser terms and conditions that any advertising must comply with all applicable laws and regulations (including self-regulatory instruments).



Answers to Questions Posed Within ANPHA Issues Paper

We now turn to responding to specific questions raised by the Issues Paper.

Effectiveness	Examples of where alcohol advertising regulation works effectively or otherwise.	<ul style="list-style-type: none"> • ABAC Scheme is widely supported by alcohol brands. • ASB independently handles complaints related to ABAC Scheme. • Websites enforce applicable laws and self-regulatory schemes in their advertiser terms and conditions. • Websites and digital advertising platforms apply specific policies / age-targeting technologies to alcohol advertising.
	How effective is current alcohol advertising regulation in Australia in reducing the exposure of alcohol advertising / marketing to children and young people?	<ul style="list-style-type: none"> • Digital advertising platforms have proactively and voluntarily developed robust and effective targeting technologies that limit exposure to alcohol advertising by young people.
Scope	Are there areas in which the scope of alcohol related advertising regulations should be broadened?	<ul style="list-style-type: none"> • Industry is constantly looking for ways to enhance and evolve existing self-regulatory instruments. • Digital advertising platforms are constantly innovating and developing tools to empower both advertisers and members of the public to control their experiences online (including what advertising is being directed to them). • In summary, the IAB does not see a need for the scope of existing regulations to be broadened outside of the actions described above.
	What are the practicalities involved in whether a more expanded scheme can self-regulate effectively?	<ul style="list-style-type: none"> • The challenges in broadening any self-regulatory framework are ensuring widespread support across the industry and effective compliance programs to raise awareness and educate.
Management	Are the current management arrangements appropriate for managing a code and associated regulations for an issue of significant social concern? Please explain why or why not.	<ul style="list-style-type: none"> • There are several industry associations who take the lead in managing industry's self-regulatory efforts. • The ASB provides a one-stop shop for all alcohol marketing related complaints. • ABAC provides an independent and robust complaints adjudication body for those concerned that a particular piece of marketing communication may encourage either

		<p>irresponsible consumption of alcohol or underage drinking.</p> <ul style="list-style-type: none"> • Therefore, the IAB considers that the current management arrangements are sufficient.
	Are the public health inputs and considerations sufficient? Please explain why or why not.	<ul style="list-style-type: none"> • Yes. Research in this area is extensive and most of it suggests no causal link between alcohol misuse/underage drinking. • Public health experts should make themselves more aware of digital advertising platforms and the tools and policies which directly influence how advertisers can use these platforms.
Other	What other aspects of the alcohol advertising regulations in Australia are critical to consider?	<ul style="list-style-type: none"> • The issue of territoriality is always a vexing one when looking at digital technologies and platforms. • We need to consider that Australians will be exposed to advertising on international websites and that international advertisers will be targeting Australian eyeballs with their advertising. • Health authorities and industry need to adopt a more expansive outlook when developing policy in the digital space and work towards global best practices that are consistent across territories.

Please don't hesitate to be in touch with any questions or comments. Thank you in advance for your consideration.

Yours sincerely,
Samantha Yorke
Director of Regulatory Affairs

Appendix – further information about facebook's alcohol advertising policies, tools and reporting infrastructure

Appendix – facebook policies, tools and reporting infrastructure

Alcohol branded content on Facebook includes official pages, posts, sponsored stories and adverts. This content is not visible to people under the age of 18 in Australia. This content is age-gated and this prevents both paid-for and organic sharing with people under the age of 18. This means that even if I send the Facebook.com/heineken Page to a 16 year old friend then facebook will actively prevent that content from being exposed to the 16 year old friend and will revert back to that teenager's Newsfeed.

As mentioned above, Facebook uses highly effective ad targeting techniques. By being able to only reach a specific audience, you are by definition able to exclude others. In other words, facebook is one of the safest places within which to ensure that young people do not see alcohol advertising.

Advertising regulation applies to brands on Facebook as it does elsewhere on and off-line. If an advertiser fails to comply with a regulators ruling, Facebook may enforce on behalf of the regulator in much the same way a traditional publisher would.

Fan pages created by an individual and user created content are separate issues. People under the age of 18 may see a fan page if the owner has not chosen to age-restrict it. Fan pages are not advertising or brand pages, but a place for people to talk and discuss topics, including alcohol. Young people should be allowed to talk about alcohol and people should be able to engage on fan pages to talk about the dangers of excessive drinking and challenge the promotion of irresponsible behaviour.

In Australia, over 12 million Australians regularly use Facebook. A Nielson study — Aussies on Facebook — undertaken in 2012 found that the age demographic of the Australians who use Facebook, maps the general population. In 2012, 20% of Australians on Facebook were under 25 years of age and 30% were over 50 years of age.

It would be beneficial for the review currently being undertaken by ANPHA to include more information about the policies, tools and reporting infrastructure that exists on digital platforms like facebook with respect to alcohol advertising. The Issues Paper suggests (at para. 55) that facebook's guidelines and age-gating tools are neither enforced nor monitored. This is not true. In addition, the Issues Paper suggests (at para. 57) that the regulation of alcohol advertising on social media sites presents a new challenge.

And yet, to date, the decisions of the Advertising Standards Bureau and the self-regulatory efforts of all parties in the advertising chain, including online platforms such as Facebook, suggest that this regulatory structure is working.

Facebook has specific terms that all advertisers agree to when creating a Page or submitting an advertisement on Facebook. Pages are governed by our Page Terms:

https://www.facebook.com/page_guidelines.php. Advertising on Facebook is governed by Advertising Guidelines: https://www.facebook.com/ad_guidelines.php

Facebook Page Terms require people to "restrict access to Pages (through our gating functionality) as necessary to comply with applicable laws and Facebook policies, including our [Advertising Guidelines](#) and [Community Standards](#)." (see section I(D))

In the "Manage Permissions" section of a Page dashboard, admins have the ability to restrict access to users in specific countries and above certain ages (see "Country Restrictions" and "Age Restrictions" options below). In the "Age Restrictions" dropdown, one of the options is "Alcohol-Related," which restricts accessibility to those above the legal age for alcohol marketing in the country within which the person visiting the Page resides. In addition to our policy requirement that they appropriately gate the Pages, alcohol marketers are subject to local law regarding age restrictions and can utilize our tools to allow them to comply.



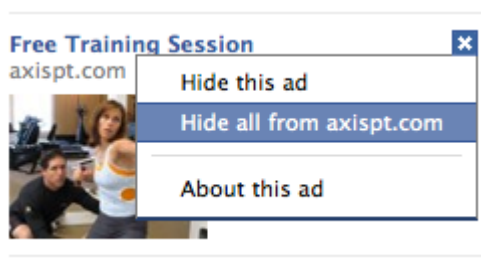
Facebook's Advertising Guidelines, in turn, require that:

- all ads must be appropriately targeted and, with respect to regulated goods such as alcohol, "must abide by all applicable laws, regulations, and industry codes." (see section E). In addition, alcohol advertising must comply with specific, additional requirements set out in our Help Center: <https://www.facebook.com/help/256048321073744/> These specific requirements include that an alcohol ad may only be targeted at Australians who are 18 years and older.
- ads that promote or reference alcohol must: (i) Comply with all applicable local laws, required or recommended industry codes, guidelines, licenses and approvals and (ii) apply age and country targeting criteria consistent with Facebook's targeting guidelines and applicable local laws. Where a user's age or country cannot be determined, the ad must not be displayed to the user. In addition, our [Help Center](https://www.facebook.com/help/110094445754628/) provides additional alcohol-specific guidance (<https://www.facebook.com/help/110094445754628/>), such as that an alcohol ad must not "Include content intended to appeal to anyone younger than the permissible targeted age group or is otherwise associated with youth culture (for example, implying that the consumption of alcohol is fashionable or accepted behavior for those who are underage)" or "Portray or promote intoxication or the intoxicating or stimulating effects of alcohol."

When an ad is submitted by an advertiser, it is separated into the text and image components. All text is subjected to an automated screening process that either rejects the ad ("blacklist") or subjects it to human review ("greylist") depending on the trigger words before the ad "goes live." Images submitted to Facebook for traditional ads are reviewed by the Risk Ads team before they are displayed. Images generated by Pages (e.g. Page Post ads, Sponsored Stories, etc.) are not necessarily reviewed beforehand, but the ads are paused and the images are reviewed if the report threshold is reached.



Facebook has a robust reporting infrastructure and leverages its community of more than 1 billion people globally, and 12 million in Australia, to let us know if they see any pages or advertising that violates our terms. Report links are located throughout the site. For Pages, they are located just under the Page's cover photo: <https://www.facebook.com/help/reportlinks> All ads on Facebook (whether on the right-hand side, in the News Feed or the logout page ad unit) have a report functionality (shown below after clicking on the "x" that appears when the cursor hovers over the top right corner of a desktop ad) that allows users to report potential policy violations to Facebook. If enough people report an ad, it is paused (no one else sees it) until it is reviewed by the Risk Ads team. If it violates policy, the advertiser is either warned or disabled (depending on the violation) and the ad remains paused. If it does not violate policy, it is reactivated.



The Risk Ads group, which consists of multiple teams in Austin, Texas and Hyderabad, India and is supported by an Engineering team in Menlo Park, California, uses sophisticated "machine learning" tools and analytics, as well as human review, to enforce Facebook's Advertising Guidelines.