

22nd August 2019

## **DCMS Audio Media Services Directive 2018 Implementation Consultation**

Written Response from the IPA

### **About the Institute of Practitioners in Advertising (IPA)**

1. The IPA, Incorporated by Royal Charter, is a professional trade body for practitioners in advertising, media and marketing communications. It has a well-earned reputation amongst practitioners for thought leadership, best practice and continuous professional development and provides core support and advisory services for its corporate members who handle approximately 85% of the UK's advertising spend. The IPA has been established for over one hundred years and its learning programmes can be found in more than 87 countries worldwide. Its membership primarily comprises of advertising and media agencies.
2. The IPA progresses media policy issues through its Media Futures' Group which meets every month and which is made-up of representatives from the UK's largest media agencies.
3. The IPA is one of the tripartite stakeholders of The Advertising Association which represents advertisers, agencies and media owners. The other stakeholders are the Incorporated Society of British Advertisers and a cluster of media owners.

### **Why UK agencies matter**

4. UK advertising, media and marketing communication agencies sit at the heart of a much larger UK creative industries ecosystem. IPA members employ 25,000 people in an industry that spends £23.6 billion on advertising (AA/Warc Expenditure Report 2018). Because of the nature of agencies' work, they also directly impact other companies' growth prospects: for example, advertisers (domestic and global) and other creative businesses, such as production companies.
5. The advertising industry is seen as a bellwether for the wider economy – the IPA Bellwether Report in particular has accurately forecasted both the last

downturn and upturn. It is a quarterly survey of client confidence and trends in marketing activity.

## **IPA Answers to Selected “Questions on Implementation – Advertising”**

We are answering questions 7 to 9 of Annex A

**7. The government invites views on how best to implement the requirement to ensure that VSPs comply with the relevant advertising provisions, noting that the Directive encourages the use of co-regulation by Member States to meet its aims, and that there already exists a co-regulatory framework for advertising on linear broadcast and VoD in the UK.**

As the consultation document explains, there is an existing regulatory framework in the UK in respect of advertising on linear broadcast, VoD and on VSPs. The rules governing advertising on linear broadcast are contained in the BCAP Code, enforced by the ASA through co-regulation with Ofcom. The rules governing advertising on VoD are contained in an appendix to the non-broadcast CAP Code, enforced through the same system of co-regulation with Ofcom as for linear broadcast. And the rules governing advertising on VSPs are contained in the CAP Code, enforced through the self-regulatory system by the ASA.

Considering the success of the current co-regulatory system for advertising in the UK as noted above, we would support the expansion of that system to include advertising on VSPs.

**8. The government’s preferred approach is not to make legislative change with regard to the change of advertising minutes. Do you agree with this approach?**

Yes

**9. Do you consider that a review of the advertising minutes in the UK market should take place in relation to the liberalisation of scheduling of minutes set out in paragraphs 46-48?**

**a. Yes**

**b. No**

**c. Please provide evidence that supports your view.**

No.

‘The recent Advertising Association report [‘Arresting the decline of public trust in UK advertising’](#) cited a number of ways in which trust in advertising could be rebuilt to the levels it had enjoyed in the past. The report highlighted two of the factors that had contributed to the decline in trust as excessive ad bombardment and excessive frequency.

Whilst the emphasis in the report was clearly focused on online advertising, it is appropriate to consider this in the light of UK broadcasters seeking to increase the amount of advertising minutage they are able to broadcast.

In the past, the IPA has been opposed to ad minutage increases on television because of concerns about advertising effectiveness being negatively impacted by increased clutter and a reduction in viewer enjoyability.

However, the environment and market for AV advertising has changed dramatically over the last decade or so – viewers are able to watch television content (and advertising) across multiple devices. And whilst, there are controls placed on advertising quantity on linear TV broadcast, no such controls exist for BVOD (Broadcaster Video On Demand). In addition, the market for online AV advertising has increased dramatically with the rise of the large tech platforms. Again it seems anachronistic that these platforms are not subject to the same levels of control placed on ITV, Channel4 and Channel5.

Perhaps the most difficult case to argue is why these channels should be limited to an average of seven minutes per hour when Sky, with whom these channels directly compete, is allowed an average of 9 minutes per hour.

We would, therefore, be supportive of standardisation across all these channels in the UK.

For the reasons outlined above, we would not be supportive of changes, as outlined in article 23 of the AMVS Directive, to allow further increase to the stated maximum of 20% of viewing time (i.e. 12 minutes per hour).

It follows that we do not consider that a review of the advertising minutes in the UK market should take place in relation to the liberalisation of scheduling of minutes set out in paragraph 46-48 of the DCMS Consultation.

Please contact for interview/further information:

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