

IN ELUENCERS

Making it clear that ads are ads

DRAFT: FOR CONSULTATION

The ASA has developed guidance to support responsible advertising and to assist Influencers and other parties to their content to clearly identify advertising. Submissions from any interested parties are welcome.



Consultation Process

The role of the Advertising Standards Authority

The Advertising Standards Authority (ASA) sets the standards (the Codes) for responsible advertising in New Zealand. The Codes cover truthful presentation and matters of social responsibility. The <u>Advertising Standards Code</u> sets the standards for all ads in all media. There are also specialist codes for advertising to children and young people and for categories including alcohol, gambling, financial advertising and therapeutic and health advertising.

The ASA runs a complaints process to support compliance. The ASA dealt with 1,429 enquiries during 2019, including complaints about 463 advertisements from a range of products and services. 48% of the advertisements were accepted to be considered by the Complaints Board and 68% of these ads were changed or removed.

The ASA member organisations represent advertisers, agencies and media organisations and it is funded primarily through levies.

We are seeking your views on this draft guidance

The ASA is interested in your views on this draft guidance and any evidence you have to support your position. Your feedback will inform possible changes to the draft document.

Submissions are due by 5 August 2020 to Maria Johnston at communications@asa.co.nz. If you are not the right person in your organisation to respond, we would be grateful if you could please forward this request on.

Consultation Questions

Please answer the following questions as part of your submission:

- 1. Is this guidance likely to be easily understood by Influencers, their agencies, advertisers and consumers? If not, please provide your comments and suggestions.
- 2. Does the guidance make it clear that all parties to an ad are responsible for making sure Influencer ad content is clearly identified? If not, please provide your comments and suggestions.
- 3. The ASA's definition of advertising and advertisement is broad to support a level-playing field across all media platforms. Does the guidance make it clear that a wide range of Influencer content and activity is likely to be considered advertising? If not, please provide your comments and suggestions.
- 4. In this guidance, the ASA has listed some acceptable hashtags to label ad content. Do you agree with this list? Are there other hashtags that should be added to the list? If so, what evidence can you provide to the ASA to support the inclusion of any additional hashtags to the list? Please provide definitions for the labels you suggest.
- 5. Are there any other comments you would like to make?

Next Steps

- Help spread the word if you know of other individuals or organisations who would also be interested in providing a submission, please forward this information to them.
- The ASA is consulting with a wide range of individuals and organisations and will consider all submissions received. Some adjustments to the guidance may be made and the final document will be released on the ASA website.



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Summary

- The Advertising Standards Authority (ASA) Codes apply to all advertising in all media, including Influencer advertising content.
- An Influencer may be an advertiser. For example, they may advertise their own product or service or promote their own 'brand'.
- An Influencer may act as a media platform. For example, they may post advertising content that is controlled directly or indirectly by an advertiser.
- The ASA's definition of advertising is broad and includes any content that is controlled directly or indirectly by an advertiser.
- All ad content must be easily identifiable as advertising by consumers.
- Consumers should know it is advertising BEFORE they engage with it.
- Labels or other means used to identify ad content must be obvious, clear, prominent and upfront and they must be separate from other disclosures, hashtags or links.
- Every post and story that includes ad content needs to be labelled / identified as such.
- All parties to an ad i.e. the influencer, advertiser and other agents are collectively responsible for making it clear the content is advertising.

What is "ad content" and what does this mean for Influencers

The ASA's definition is:

"Advertising and Advertisement(s)" means any message, the content of which is controlled directly or indirectly by the advertiser, expressed in any language and communicated in any medium with the intent to influence the choice, opinion or behaviour of those to whom it is addressed.

This broad definition includes any Influencer content that is controlled directly or indirectly by an advertiser, regardless of whether or not the Influencer is paid. This definition is much broader than what many people think of as an ad.

It is important to consider the intent of the content. If it is to help an advertiser raise awareness of their products, services and brands, or to sell products or services, it is advertising. If the Influencer's content is intended to promote or build their own brand / business, it is advertising.

Editorial control of content by an advertiser e.g. change to, and final approval of, proposed content

Content controlled by a formal or informal (written or verbal) agreement with an advertiser

Payment (monetary or other including free products and services) to Influencer to create or include ad content to promote an advertiser or their brand

Inclusion of ad content provided by the advertiser e.g. particular words, phrases, themes, key messages, inclusion of specified hashtags

> Inclusion of a discount code or affiliate link

EXAMPLES OF INFLUENCER CONTENT THAT IS ADVERTISER CONTROLLED

Advertiser control over whether content appears or not, the number of times it appears or the date and timing content appears

> Content about an advertiser or their brands from an Influencer who is their brand ambassador

Favourable content about a free gift (product or service) because an Influencer is incentivised to do so in order to continue to receive more free gifts or the favourable content is beneficial to the Influencer's own brand

Inclusion of advertiser's competition, prize draw or give-away

Identifying "ad content"

All ad content must of Code Rule 2 (a)

Advertisements must be identified as such

It should be obvious to consumers if content is an ad without them having to click on it or otherwise interact with it. They shouldn't have to spend time working out whether it's an ad or not.

Influencer ad content will often appear alongside organic content and will be similar in style. This means it may not be immediately obvious to consumers when they're interacting with ad content.

It's important to note that all parties to an ad i.e. the Influencer, the advertiser and agencies, are collectively responsible for making it clear the content is advertising.

If it's not immediately obvious to consumers then a clear, prominent and upfront disclosure is needed – separate from other disclosures, hashtags or links.

Making sure "ad content" is clearly identified

There are many ways this can be done. For example, Influencers may clearly explain upfront in their content it is advertising. Alternatively, ad content can be labelled so that it's obvious to consumers they're engaging with commercial content.

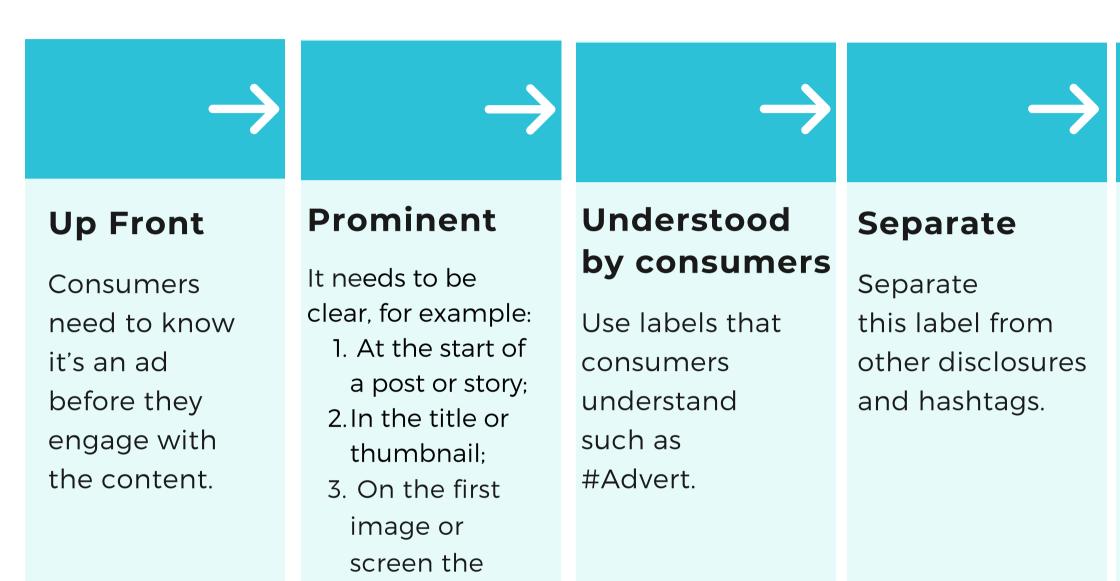
To support compliance with the Advertising Standards Code, the ASA recommends using labels that say it how it is, in a way that consumers understand. Words and abbreviations that most consumers are unlikely to be familiar with should be avoided.

The ASA recommends the use of the following hashtags to identify ad content.

#Ad, #Advert, #Advertisement, #Sponsored

Influencers may include other hashtags, in addition to, but not instead of, the disclosure hashtags identified above to ensure consumers understand the exact nature of the relationship between the Influencer and the advertiser. Examples include; **#ProductReview**, **#Gifted**, **#Ambassador** and **#PaidPartnership**.

USING LABELS TO CLEARLY IDENTIFY AD CONTENT



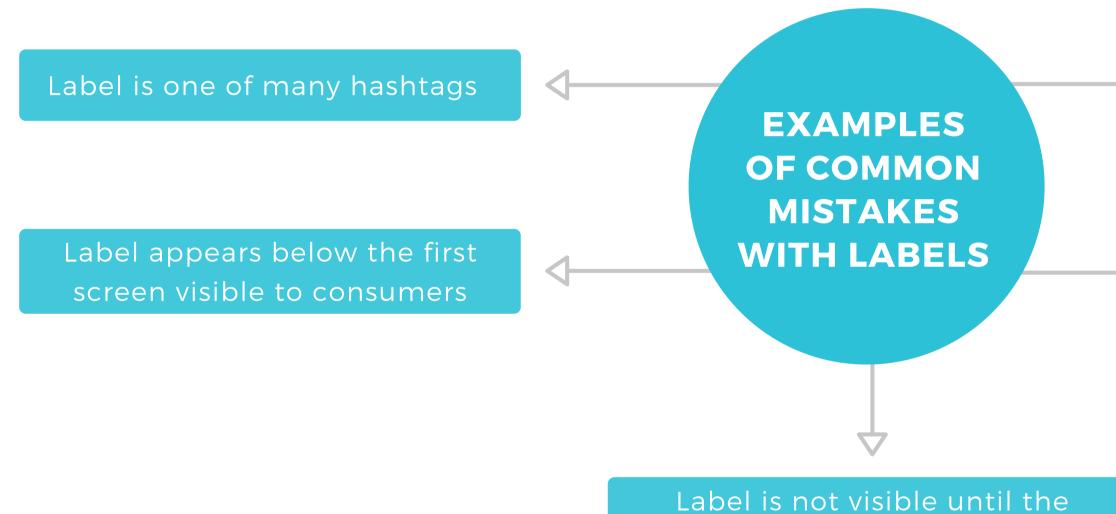
consumer

sees.

Appropriate for the channel and devices used

The label should be clear regardless of the channel used or the device where the consumer sees the ad. Label every post or story that has ad content

Blanket disclosures in Influencer profile information is not sufficient to notify consumers about ad content in individual posts or stories. Advertisers and Influencers should test labels by considering the likely consumer view and understanding. If a new follower was unaware of a relationship an Influencer has with an advertiser, would they be able to tell immediately the post they're seeing is advertising?



consumer clicks on the post or story

Label is only accessible via a 'see more' or similar link

Consumer has to watch a story or video before realising it's an ad



Research

The report examines the role that labels and other factors play in helping people identify when posts by Influencers include advertising content.

The ASA UK commissioned Ipsos MORI to research consumer's comprehension of Influencer advertising and how they identify advertising vs. organic posts.

Specifically the research sought to:

- identify an advert;
- and
- a 'normal' post.

This link takes you to Labelling of Influencer Advertising. This research was conducted and published by the ASA UK.

• Identify how the audience interprets specific labels (e.g. "#ad" or "#sponsored") and the extent to which the placement, visibility and style of these labels impacts people's ability to

• Examine how children and adults differ in their ability to identify and interpret labels often seen on social media posts;

• Uncover what other elements of a post might help people to understand whether what they are looking at is an advert or

We want to hear from you!

Thank you for taking the time to read this consultation document. We welcome your views on the content and your submissions will be carefully considered to inform possible changes in the final guidelines. Submissions are due to communications@asa.co.nz by 5th August 2020.

Useful links when considering your submissions include: <u>Advertising Standards Code</u> <u>Advertising Standards Authority Website</u>

Should you have any questions on the content of this document or the consultation process, please <u>contact us.</u>