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Comments on the proposal to revise the Estonian Advertising Act

The <u>European Advertising Standards Alliance (EASA)</u> and the <u>World Federation of Advertisers</u> (WFA) welcome the opportunity to submit their comments on the open consultation for the proposal to revise the Estonian Advertising Act. Collective advertising self-regulation benefits consumers, policy-makers and the whole ecosystem, including chiefly advertisers which are represented by WFA encompassing brands and national advertiser associations such as TULI, which has been a member of WFA since 2020. EASA and WFA strongly support the proposal to revise the Advertising Act in the establishment of a local self-regulatory system for advertising and of an organisation which will help ensure high ad content standards and foster consumer trust.

Collective advertising self-regulation is good for consumers, businesses, and policy-makers

Consumer trust in advertising content is paramount for the sustainability and reputation of the brand and its effective advertising. To this end, members of the advertising and marketing community recognise that advertising practices must be responsible. Since 1937, the International Chamber of Commerce's (ICC) <u>Advertising and Marketing Communications Code</u> serves as the foundation for national codes of conduct around the world. It is the cornerstone of local advertising self-regulatory systems, which bring together the entire local responsible advertising community and are recognised by national and European law, such as the AVMSD¹ and the UCPD Guidance².

Ad self-regulation is also good for businesses, as it contributes to brand reputation and guarantees an impartial and level-playing field. It also empowers policymakers to ensure that the advertising industry continues to be aligned with public interests, reduce administrative burdens and drive jobs and employment. Moreover, it enables brands to ensure their marketing communications are aligned with industry best practice and the evolving expectations of consumers, ultimately supporting brands in their responsible marketing efforts.

EASA's network is actively developing prevention solutions, including training programmes, copy advice³, and revising their Codes, touching on many areas such as, among others, influencer marketing, green claims, and advertising to children. As part of their core system, SROs handle an average of 60.000 complaints per year and assess roughly 160.000 ads annually before publication.⁴ Since 2020, 13 SROs have invested in developing or using datadriven or Al tools to monitor online ads at scale.⁵ The SRO also carry independent sectoral monitoring exercises, for example on food, such as the EU Pledge⁶, a commitment by leading food and beverage producers to change what they advertise to children across Europe. In 2021, an audit by SROs and Ebiquity found that 96,49% of all websites and 96,53% of social media profiles were compliant with the EU Pledge commitments. Another industry initiative which is regularly monitored by SROs is the Responsible Marketing Pact (RMP), which aims at eliminating exposure of minors to alcohol advertising. The latest monitoring exercise by

¹ The <u>Audio-Visual Media Services Directive</u>, specifically articles 4a and 9(3) and (4).

² The European Commission's <u>Guidance on the Unfair Commercial Practices Directive</u>, specifically section 1.3.

³ This refers to SROs reviewing an ad or an ad campaign before broadcast/publication on a voluntary basis. More info here.

⁴ Complete and detailed data available on EASA's website <u>here</u>.

⁵ More info on SROs' data-driven and tech-supported advertising monitoring investments here.

⁶ The EU pledge prohibits signatories to advertise food and beverages to children under 13 years, except for products which fulfil the EU Pledge common nutrition criteria. It also requires to refrain from marketing or advertising in primary schools, except where specifically requested by, or agreed with, the school administration for educational purposes and to abide by the ICC Code of Advertising and Marketing Communication Practice; and the ICC Framework for Responsible Food and Beverage Marketing Communications in all marketing communications.





SROs looked at the creative execution of alcohol ads and found that 99% of alcohol advertising monitored was compliant with the rules on avoiding any appeal to minors.

This system of collective advertising self-regulation⁷ is nimble and good for consumers, through its quick and efficient response and its ability to swiftly address societal developments. Local advertising self-regulatory organisations (SROs) are able to adjust international recognised standards to local, legal, and societal realities, in light of consumer concerns.⁸ For example, 22 European countries have developed rules specifically on alcohol advertising. One such example, in the field of alcohol advertising, is the <u>Belgian SRO's (JEP) Alcohol Covenant</u>, confirming the division of labour between JEP and the health administration, as part of a coregulatory scheme.

Revision of the advertising law would open the path for Estonia to connect with the wider ad self-regulatory network

To make the most of this network and framework, we support the revision of the Estonian Advertising Act as it seeks to encourage self-regulatory solutions through the establishment of a self-regulatory organisation. This would plug Estonia with the larger alliance of European countries that are equipped with one and help ensure that its advertising policies are up to date with international standards and are connected, through EASA, to the European policymaking space's developments.

About EASA's network of responsible players

EASA is the single authoritative voice on collective and effective advertising self-regulation in Europe and promotes high ethical standards in commercial communications by means of effective, independent, and collective self-regulation to help foster consumer trust. Established in 1992, EASA's membership is now composed of <u>27 independent advertising SROs</u> present in 25 European countries, covering 96% of the EU population, and <u>14 stakeholders</u> representing the advertising ecosystem (advertisers, agencies, media, and digital platforms), which are all committed to ensuring responsible advertising.

About WFA's membership of responsible advertisers

The World Federation of Advertisers (WFA) is the only global network for marketers, representing 90% of global marketing communications spend - over €800 billion per year – through a unique global network of the world's biggest markets and biggest marketers. WFA champions responsible and effective marketing communications worldwide. We represent over 145 brand owners and 60 national advertiser associations worldwide. This includes national advertiser associations in 19 EU Member States and about 50% of the companies we represent are European.

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⁷ More info in <u>EASA's leaflet</u>.

 $^{^8}$ More general info on advertising self-regulation's benefits in the $\underline{\text{ICC Toolkit}}.$