

APAC News

IAA ASIA PACIFIC NEWS ON ADVERTISING - RELATED ISSUES



Inspiring Excellence
in Communications
Worldwide™

International Advertising Association

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We welcome any
suggestions, ideas
or information for
this newsletter.
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at iaaglobal.org

WELCOME TO IAA APAC NEWS WITH UPDATES AND INFORMATION ON THE IAA ASIA PACIFIC COMMUNITY!

Welcome to Issue #3 of the IAA APAC newsletter which has been specially compiled and written for IAA members in the Asia Pacific region featuring information on advertising related issues of particular significance in the region.

We trust this newsletter will serve as the communication tool to keep you in touch with issues in the region as well as with us at the IAA World Service Centre. If you have any reports, newsworthy items, information or pictures you'd like to share with your fellow International Advertising Association members please forward directly to Marie Scotti at the [IAA World Service Centre](http://www.iaa.org).

ADASIA 2011 NEW DELHI UNCERTAINTY: THE NEW CERTAINTY



AdAsia 2011 is being held in New Delhi, India from 31 October to 03 November 2011 and will comprehensively explore all aspects of the theme: **Uncertainty: The New Certainty**.

The world is witnessing a realignment of global economic leadership and everyone's attention is riveted on Asia. AdAsia 2011 will thus provide a ready platform to chronicle change of a significant magnitude and provide a glimpse of the opportunities and challenges that lie ahead.

A carefully selected panel of over 40 world renowned personalities including Indra Nooyi, Ram Charan, David Droga, Michael Roth, Harish Manwani, Joseph Tripodi, Nikesh Arora, Minardo De Nardis, Robert Senior and Bob O'leary will share their invaluable experiences, insights and sharp analysis of on-going events. Providing delegates with new ideas, concepts and a firm handle on how the changes witnessed today will translate into trends in the future. They will go beyond analysis to address the question 'How' and to elaborate

innovative ideas and solutions to key global challenges.

The prolific agenda of AdAsia 2011 will comprise 20 intellectually stimulating sessions aimed at exploring the business ecosystem and understanding the nature of disruption to effectively address pertinent concerns. The topics have been carefully selected to stimulate exciting and cutting edge debate on concerns vital to the management, marketing, advertising media and communications industries.

For further details and registration visit their website www.adasia2011.com.

MEDIA LEADERS FORUM IN ASIA PACIFIC ON CORPORATE SOCIAL RESPONSIBILITY & CLIMATE CHANGE

"Media and Multi-Sector Partnerships in Achieving Positive Social Change" Forum is scheduled in Singapore on 7 December 2011.

The advertising industry in the Asia-Pacific region is joining forces with the media to help raise awareness of the role of the two industries in affecting positive social action and behaviour change on the critical issues relating to climate change.

The IAA is supporting a high level forum of Asia-regional media and advertising industry leaders to be held in Singapore on 7 December. The 'Media Leaders Forum on Corporate Social Responsibility and Climate Change' will be held as the opening session of the Asia Television Forum at the Marina Bay Sands Convention Center.

UN Under-Secretary-General and Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific (ESCAP), Dr Noeleen Heyzer, will deliver a keynote address, followed by a panel discussion of heads of media companies, multi-lateral institutions and other high-level advertising and marketing executives who will demonstrate the use of media relationships and tools for advocacy, awareness and behaviour change in accomplishing companies' corporate social responsibility (CSR) objectives. They will demonstrate how socially-responsible content and campaigns can lead to partnerships that provide additional content and revenue streams for the creation of such content,

and the effect on brand-building and image enhancement of media companies and global marketers through pro-social content. The Forum will also explore how partnerships with international development and donor agencies and private-sector companies with strong CSR initiatives can affect public engagement on issues relating to climate change.

The Forum is being organised by the Asia-Pacific Media Alliance for Social Awareness (The Media Alliance) and Reed Exhibitions, in association with CASBAA and ContentAsia magazine. The Media Alliance is a non-profit organisation established in 2009, modelled on the Ad Council in the US.

The Forum itself will debate how the industry may support calls by organizations like UNESCO to help raise awareness of climate change. It is a by-invitation-only event.

For further information or to make known your interest to attend <http://www.mediaalliance.asia/media-leaders-forum>

INTERNET & MOBILE/SOCIAL MEDIA “BREATH TAKING” PENETRATION IN APAC: B-M INFOGRAPHICS RELEASED

Asia Pacific region has been identified as one of the fastest-growing digital landscapes in the world as online and mobile penetration has increased rapidly across all Asian Markets with consumers spending more time creating, consuming and sharing information via social media.

The Social Media Infographics report compiled by Burson-Marsteller Asia-Pacific provides some interesting statistical insights into the online and mobile penetration into the region which is already having a significant impact on communications and marketing in the region, and increasingly into the future.

In the introduction to the report Bob Pickard, President and CEO of Burson-Marsteller, Asia-Pacific states:

“The Asia-Pacific region’s rapid uptake of digital media and its sheer diversity of digital platforms and communities is a truly breathtaking phenomenon.”

“Indeed, as Asian digital communities -from Chennai to Chengdu to Cairns - increasingly spend time consuming information and dynamic content from online sources, we are witnessing a shift in magnitude in how companies need to plan and manage communications for the future. The possibilities are exciting. Identifying and engaging with online social communities...”

“Our regions diversity is staggering, with 2,000 spoken languages, a myriad of ethnicities, faces, nationalities, and geographic landscapes. Perhaps no other continent on this planet is quite as dynamic, and Asia-Pacific’s digital landscape mirrors the momentum towards social media.”

“As the digital infographics in this booklet show, the penetration, platforms and social networks are different in each of our Asia-

Pacific markets. One fact is consistent though - digital is here to stay.”

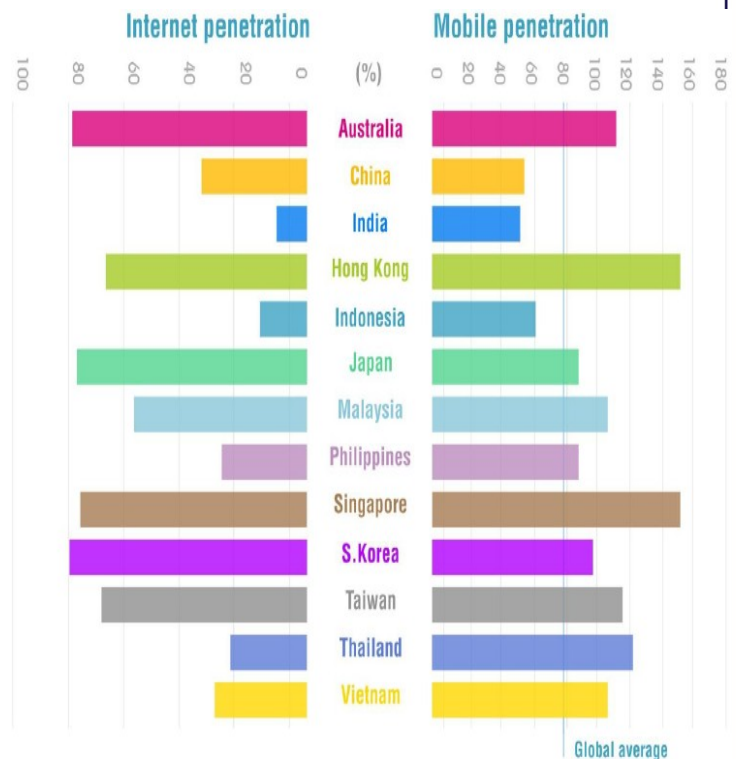
Highlights of the Report

Asia Population: 3,879,000,000

Internet population: 1,870,832,000 (58%)

Internet user growth (2000-2010):

S.Korea 107%	Singapore 205%	Indonesia 1,400%
Japan 111%	Malaysia 357%	India 1,520%
Hong Kong 114%	Thailand 660%	China 1,767%
Taiwan 158%	Philippines 1,385%	Vietnam 12,035%



Breakdown by country in the APAC region (alphabetical listing):

COUNTRY	POPULATION	INTERNET USERS	PERCENT
Australia	21,262,64	17,033,826	80.1%
China	1,339,724,852	477,000,000	46.0%
Hong Kong	7,097,000	4,880,000	68.7%
India	1,210,200,000	100,000,000	8.2%
Indonesia	238,600,000	39,600,000	16.5%
Japan	126,288,419	99,100,000	78.4%
S. Korea	48,508,972	39,400,000	81.2%
Malaysia	26,160,256	16,900,000	64.7%
Philippines	97,976,603	29,700,000	30.3%
Singapore	4,657,542	3,660,000	78.5%
Thailand	67,089,500	17,500,000	26.1%
Taiwan	23,170,231	16,100,000	69.4%
Vietnam	89,571,130	28,300,000	31.5%

Details by country regarding preferred social media channels, top 5 websites and comparison of Social media compared to Main-stream media per medium per country, are provided in the B-M Infographics booklet which you can access below:

Burson-Marsteller Asia-Pacific Social Media #Infographics H1 2011, August 2011. More at www.bursonmarsteller.asia

HOW APAC COUNTRIES RATE IN GLOBAL OBESITY RANKINGS

As highlighted in APAC News Issues #1 and #2 there seems to be movements being activated worldwide to restrict advertising of what has been termed “unhealthy food” to curb the increase of obesity/over-weight, based on assumptions that advertising has been the prime contributing factor to the incidence and increase of obesity.

The rate of obesity in various countries is another issue in this debate.

Americans may have the impression that they are the most obese because they are constantly told they are.

Australians may have a similar view, being generally measured in comparison to USA, and told that they rank second to the US. In fact in the global obesity rankings USA ranks 18th and Australia is 47th.

A most interesting website ranks countries by all sorts of issues - economic, population, natural resources etc. Under the heading of health it has a new topic - Adult Obesity.

The data is taken from the International Obesity Taskforce and the International Association for the Study of Obesity both of which are active health advocates and keep up-to-the-date data.

The results are surprising.

Seven of the top 10 obese nations are Pacific Island countries where there are few fast food outlets and in some countries none.

In many countries there is little television and advertising is at a low level.

From the website of Global Obesity Rankings list of 153 we show below the top 30 countries and following that list Asia Pacific countries to show how APAC countries have been ranked.

TOP THIRTY

Prevalence estimates of adult obesity, 2010 by Country. Percent of adult population with body mass index (BMI) of 30 or higher, ranked from highest to lowest % of adult female population.

Rank	Country	Male %	Female %
1	Papua New Guinea	74.8	79.5
2	Tonga	46.6	70.3
3	Samoa	32.9	63.0
4	Nauru	55.7	60.5
5	Nicaragua		48.0
6	Cook Islands	40.6	
7	Egypt		46.6
8	Niue	15.0	46.0
9	Qatar	34.6	45.3
10	French Polynesia	36.3	44.3
11	Saudi Arabia	26.4	44.0
12	Palestine	23.9	42.5
13	Lebanon	36.3	38.3
14	Dominican Republic		38.0
15	Panama	27.9	36.1
16	Paraguay	22.9	35.7
17	Albania (urban)	22.8	35.6
18	USA	32.2	35.5
19	Mexico	24.2	34.5
20	Seychelles	14.7	34.2
21	Bahrain	23.3	34.1
22	UAE	17.1	31.4
23	Barbados	10.0	31.0
24	Marshall Islands	21	31.0
25	Kuwait	27.5	29.9
26	Turkey (Urban)	16.5	29.4
27	Chile	19.6	29.3
28	St Lucia	8.4	28.7
29	Bahamas	13.9	28.0
30	South Africa	8.8	27.4

APAC COUNTRY RANKINGS

Rank	Country	Male%	Female%
35	New Zealand	24.7	26
47	Australia	19.3	22.2
53	Fiji	7	21
104	Cambodia	-	9.6
114	Malaysia	4	7.6
115	Pakistan	4	7.3
116	Singapore	6.4	7.3
119	Hong Kong	5	7
120	Vietnam	4.4	6.6
124	Taiwan	2.4	5.9
130	Indonesia	1.3	4.5
133	Philippines	2.1	4.4
136	China	2.4	3.4
137	Japan	2.3	3.4
140	South Korea	1.6	3
141	India	1.3	2.8
147	Bangladesh	-	1.7
150	Nepal	-	1.1

In conclusion there seems to be little pattern in the high ranking countries. While all sorts of conclusions can be drawn, most would be speculation. However, the reasonable conclusion is that advertising is not a prime cause as many of the countries have relatively low rates of advertising. If we examined the World Advertising Trends data for 2008 issued by WARC - only four of the top 30 countries ranked by Per Capita Advertising Expenditure were in the top 30 obesity rankings - i.e. Qatar, USA, UAE and Kuwait. No correlation is evident between advertising levels and obesity rankings.

For the full report see FAR ALERT 9/11.

For total list of rankings visit: http://www.allcountries.org/ranks/global_prevalence_of_adult_obesity.html

JUNK FOOD AD BAN TO TACKLE CHILD OBESITY

In Australia a group called the Obesity Policy Coalition (OPC), which is backed by the World Health Organization and Diabetes Australia has called for restriction to be placed on unhealthy foods advertising, which it claims is the cause of childhood obesity. It has also been highly critical of self-regulation for being "utterly ineffective" in protecting children from junk food advertising.

An "evidence-based blueprint" has been sent to state and federal governments, strongly advocating for new rules to be imposed on TV ads during peak children's viewing and the introduction of key marketing definitions, such as "unhealthy food" and advertising "directed to children."

If these new rules are approved junk food advertising would be banned on Australian TV on weekdays between 6-9am and 4-9pm and even longer hours on week-ends and public holidays.

Likewise, the Cancer Council of NSW, backed by the Obesity Policy Coalition and The Parents' Jury are seeking a ban on promotional characters, cartoon characters, movie tie-ins and athletes who promote foods high in sugar, fat and salt as reported by the high circulation Sunday Telegraph newspaper.

Regulated packaging has been proposed by these groups (per recently passed legislation for plain paper packaging for tobacco products) as the next step in these calls for advertising bans of "unhealthy" foods.

In a 44 page advertising legislation blueprint, the OPC authors claim that children do not have the cognitive capacity to understand and resist the influence of advertising, and that their proposal offered an effective, fair and proportionate strategy "for reducing children's exposure to junk food ads."

Interestingly, the newspaper article entitled "Ban Coco Pops monkey and Paddle Pop Lion, Cancer Council says" caused strong reaction from consumers and 50 comments were received immediately in response to the online edition of the story. 47 of them were highly critical and only 3 could be seen as lukewarm support. There was frequent mention of "nanny state" and some stated that they would no longer donate to the Cancer Council. There is

reference to "morons". "Stupidity", "wally's banning all & sundry" and "political correctness gone mad".

There is frequent reference to parental responsibility, e.g.:

"The parents are the ones shopping, if kids have obesity problems blame the parents, full stop."

"...Do gooders at it again. Please start thinking with logic. Get the technology out of the kids hands and get them out into the real world, then you will find obesity rates start to fall. It's a computer generated world that the kids live in, not a real world that requires some form of exercise to communicate. These kids need to get off their phones and ipads, go for a walk up the street to talk to your mate instead of a txt message. Unfortunately these children would not survive without their gadgets... and to blame cartoon characters for this is just dumb. Blame mum and dad, this is the weak link."

"How about you stop blaming the advertisers and the companies for making the kids eat unhealthy food and start blaming the people who actually purchase it for the kids. The Parents!! I'd rather see a campaign on how to teach parents to say no."

For full document see FAST FAR 14/11.

STOP PRESS!

UN HIGH LEVEL MEETING 19-20 SEPTEMBER 2011 A SATISFACTORY RESULT FOR THE INDUSTRY

(Report courtesy of Glen Wiggs, Foundation for Advertising Research FAR ALERT 13/11)

The UN High Level Meeting of 19/20 September was anticipated to significantly affect regional and country-level policies on a range of issues that affect the food and alcohol industries with strong implications for advertising regulations and bans (APAC News #2).

The health lobby saw it as an opportunity to promote legislative bans and restrictions.

It did not succeed and it was hugely disappointing for the health lobby. It had invested a huge amount of time and resource in preparation with coordinated global lobbying, Lancet issues devoted to academic articles of support and sending an army of representatives to the New York Meeting.

In the end the call for ad bans, special taxes and trade restrictions were brushed aside. It was not the expected media event with minimal reporting in many countries and totally ignored in some.

The outcome of the meeting is contained in a Political Declaration. It is a satisfactory result for industry with no dramatic changes. The value of Self-Regulation is recognized but there are challenges to industry and these will need to be faced. This ALERT discusses the Declaration and what it means to industry.

The 13-page Political Declaration adopted by the Meeting is a

typical political document written in officialese with high ideals and few specifics—not surprising as teams of delegates from various countries had been negotiating for some weeks and no doubt did not want to commit their governments to specific policies.

The document dealt with a number of issues - tobacco, breast-feeding, medicines, obesity and alcohol.

- Virtual war is declared on tobacco. Paragraph 38 says:

“38. Recognize the fundamental conflict of interest between the tobacco industry and public health”

- Support is given for breastfeeding
- Access to medicines is encouraged

There is considerable discussion on obesity and to a lesser degree on alcohol.

Role of Industry

Industry is recognized as being part of the solution throughout the document. Clause 37 states:

“37. Acknowledge the contribution and important role played by all relevant stakeholders, including individuals, families, and communities, intergovernmental organizations and religious institutions, civil society, academia, media, voluntary associations, and, where and as appropriate, the private sector and industry, in support of national efforts for non-communicable disease prevention and control, and recognize the need to further support the strengthening of coordination.”

Alcohol

Clause 43 is the action clause and is almost two pages in length. Subclause (e) states:

“Promote the implementation of the WHO Global Strategy to Reduce the Harmful Use of Alcohol, while recognizing the need to develop appropriate domestic action plans, in consultation with relevant stakeholders, for developing specific policies and programmes, including taking into account the full range of options as identified in the global strategy, as well as raise awareness of the problems caused by the harmful use of alcohol, particularly among young people, and call upon WHO to intensify efforts to assist Member States in this regard”

The WHO Global Strategy was adopted at the WHO Assembly on 21 May 2010 after policy development and consultation over two years. It focused on alcohol abuse and listed various policy options in 10 different areas.

In the area of marketing the options were:

“(a) setting up regulatory or co-regulatory frameworks, preferably with a legislative basis, and supported when appropriate by self-regulatory measures, for alcohol marketing by:

- (i) regulating the content and the volume of marketing;*
- (ii) regulating direct or indirect marketing in certain or all media;*
- (iii) regulating sponsorship activities that promote alcoholic beverages;*

- (iv) restricting or banning promotions in connection with activities targeting young people;*
- (v) regulating new forms of alcohol marketing techniques, for instance social media.”*

In effect there are three options - regulatory, co-regulatory and self-regulatory with individual states to determine which option to adopt. It is not uncommon for countries to adopt a mix with legislation covering such issues as where, when and to whom alcohol can be sold, with self-regulation dealing with such issues as advertising. The UN Declaration merely endorses the WHO Global Strategy so in effect there is no change. With relation to price the intervention options are taxes and setting of minimum prices. Taxes are common throughout the world and minimum pricing is being considered in a number of jurisdictions.

Obesity

It is a similar story for food and beverages. Clause 43(f) states:

“(f) Promote the implementation of the WHO Set of recommendations on the marketing of foods and nonalcoholic beverages to children, including foods that are high in saturated fats, trans-fatty acids, free sugars, or salt, recognizing that research shows that food advertising to children is extensive, that a significant amount of the marketing is for foods with a high content of fat, sugar or salt and that television advertising influences children’s food preferences, purchase requests and consumption patterns, while taking into account the existing legislation and national policies, as appropriate.”

The WHO Assembly, also on 21 May 2010, adopted the WHO Set of Recommendations on the Marketing of Foods and Non-alcoholic Beverages to Children. The objective of the Recommendations is to reduce the exposure of children to the marketing of HFSS foods. On the key issue as to the regulatory method of achieving the objective the document leaves it to individual states to decide. Clause 22 states:

“22. The defined policy may be implemented through a variety of approaches. Statutory regulation is one approach through which implementation and compliance are a legal requirement. Another approach is industry-led self-regulation, which covers whole industry sectors, for example the advertising sector, and can be independent of government regulation. This approach may still be mandated by government in some form such as the setting of targets and monitoring implementation using key indicators. Other approaches include various co-regulatory mechanisms, comprising statutory, self-regulation and/or voluntary industry initiatives which either exist within the framework of a government mandate or are not formally linked. Governments or mandated bodies can also issue or implement guidelines.”

It is interesting to note that IFBA were very active in the WHO negotiations and supported the wording of the final Recommendations. IFBA was also active in the UN negotiations. As the UN merely endorsed the original WHO recommendations the IFBA senior management must be pleased. The UN has recognized the value of industry participation in solutions and has challenged industry to be proactive.

Clause 44 says: "44. With a view to strengthening its contribution to non-communicable disease prevention and control, call upon the private sector, where appropriate, to:

- (a) Take measures to implement the WHO set of recommendations to reduce the impact of the marketing of unhealthy foods and non-alcoholic beverages to children, while taking into account existing national legislation and policies;
- (b) Consider producing and promoting more food products consistent with a healthy diet, including by reformulating products to provide healthier options that are affordable and accessible and that follow relevant nutrition facts and labeling standards, including information on sugars, salt and fats and, where appropriate, trans-fat content;...
- (d) Work towards reducing the use of salt in the food industry in order to lower sodium consumption."

We believe that this is a significant development as industry has been challenged to implement the WHO recommendations, reformulate products on a large scale and to reduce sodium use. It is a challenge that must be met to prevent Government regulation. Furthermore the health lobby is likely to continue and even increase their monitoring and criticism. Therefore not only must industry perform but also have monitoring systems and research.

The clause may be of practical advocacy value where industry is threatened with Government regulation as Australia where there are a number of industry initiatives. It is of value in countries where Self-Regulatory initiatives are in their infancy as in some Asian countries. Industry can ask Governments for more time to implement the initiatives citing Clause 44 of the UN Declaration.

The Sting in the Tail

There are no targets included in the Statement, which was subject to severe criticism from the health lobby. There is significant risk that unrealistic targets could be set for industry in relation to the challenges in Clause 44 outlined above. However targets will be set for the myriad of recommendations in the UN Declaration by WHO before the end of next year. Clause 62 states:

"62. Call upon WHO, in collaboration with Member States through the governing bodies of WHO, and in collaboration with United Nations agencies, funds and programmes, and other relevant regional and international organizations, as appropriate, building on the work already under way, to prepare recommendations for a set of voluntary global targets for the prevention and control of non-communicable diseases, before the end of 2012"

The next 12 months will involve intense negotiations by participating WHO countries, industry and the health lobby. Additionally the UN requires a full review and assessment of progress by 2014.

Health Lobby Reaction

The health lobby is intensely disappointed with the outcome from the UN Meeting. Consumers International said:

"The declaration was met with disappointment by consumer and public health campaigners. Despite recognising the severity of the threat from non-communicable diseases (NCDs), the declaration

does not contain any time bound goals or targets. Instead, the WHO has been requested to submit "options for strengthening and facilitating multisectoral action" by the end of 2012, and to prepare a review in 2014.

Private sector role

The declaration also fails to clearly define the role of the private sector in prevention and control of NCDs, recommending throughout the document cooperation "as appropriate."

There were moans from the health lobby during the lead-up negotiations prior to the UN Meeting that industry organizations were part of the 'civil society' sector. It was of the view that only NGO's could be considered 'civil society' and their industry equivalents should be excluded. An organization called the 'Conflicts of Interest Coalition' has issued a statement that is endorsed by 143 health lobby organizations. It proposes:

"The policy development stage should be free from industry involvement to ensure a "health in all policies" approach, which is not compromised by the obvious conflicts of interests associated with food, alcohol, beverage and other industries, that are primarily answerable to shareholders."

This would be included in a Code of Conduct for industry. It does not advocate an equivalent Code of Conduct for the health lobby.

Conclusion

The result of the UN Meeting can be considered satisfactory from an industry viewpoint. Self-Regulation remains intact and industry initiatives have been recognized as legitimate.

Early fears of regulation in a number of areas have not been eventuated. But the game is not over but adjourned and will continue next year at WHO and then over the next two years at the UN.

Industry has been given the opportunity to continue with its Self-Regulatory initiatives. Indeed industry can be proud of the changes it has already achieved.

On the other hand communicating the benefits of the improvements has been unsatisfactory. Often the battle is being lost to questionable research by health academics. In the meantime industry can enjoy the moment.

For further information regarding the papers referred to in the above report please contact **Glen Wiggs, Foundation for Advertising Research** at gwiggs@ffar.org

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