



**Asia-Pacific  
Economic Cooperation**



**DIGITAL ADVERTISING GUIDE:**

**Recommendations  
on advertising standards  
in the digital economy**

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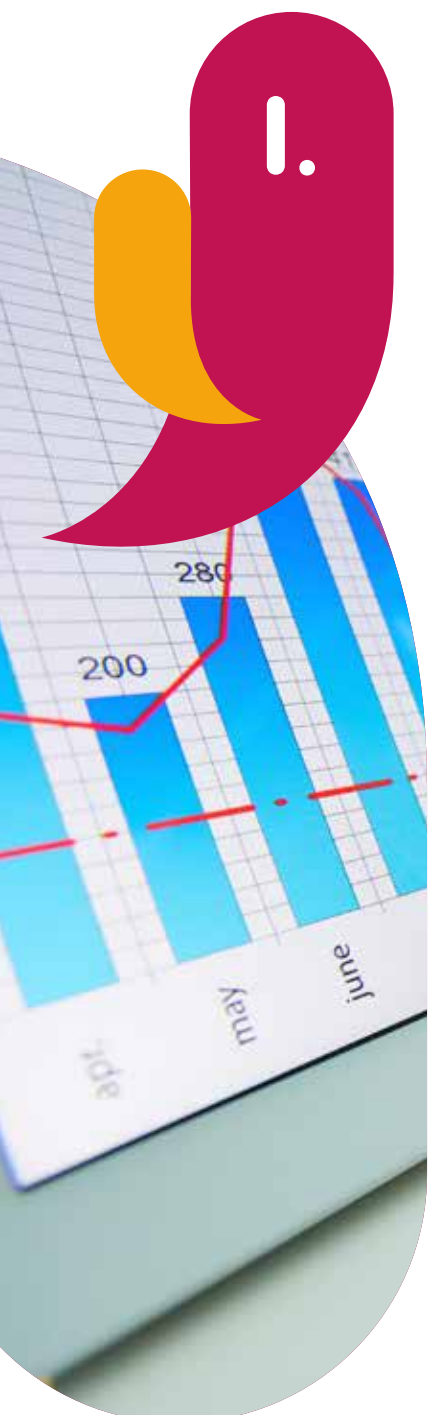
## EXECUTIVE SUMMARY

The Digital Advertising Guide: Recommendations on digital advertising standards in the digital economy collects the proposals expressed by APEC economies at the Private Public Dialogue on Advertising Standards in the Digital Economy (CTI 05 2019T) held on August 23, 2019, in Puerto Varas, Chile at the margins of the Third Meeting of Senior Officials and Related Meetings (SOM 3).

This Guide has been prepared considering the interests and main instruments developed by APEC economies in commercial advertising matters.

It should be noted that the Guide addresses the main advertising practices developed in the market, recognizing that the cross-border nature of digital advertising demands constant review of the applicable provisions, both of regulation and of self-regulation in advertising matters.

Finally, this paper is presented as a living document, which will allow all APEC economies to participate in its continuous update, considering the advances in technology and the development of new advertising practices.



# INTRODUCTION

In the last decade, the impact of technology and the use of the Internet has changed the advertising paradigm<sup>1</sup>. It has gone from a one-way communication to an eminently interactive medium that generates a closer relationship among brands and consumers.

This change has led advertisers to continuously adopt new formats energizing the industry and allowing greater interaction with the target audience. Perhaps this is the main reason why advertising through digital media is preferred, to achieve a greater advertising performance, in comparison with traditional media, such as radio, television, media written, among others.

Thus, it is observed that advertising campaigns have migrated to a digital format, where social networks generate a better setting for a direct interaction between a brand and a consumer. Through social platforms such as Facebook, Instagram, Twitter, YouTube, LinkedIn, among others, the advertiser displays a greater number of advertising content every day.<sup>2</sup>

Peru has also been part of this phenomenon. In effect, during the last years, there has been a notable increase in investment in digital advertising and in the number of

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1 In this regard, a Growth from Knowledge (GFK) report has highlighted that when asked: do you use the internet or not? Sixty-one percent of the respondents answered affirmatively (average age between 18-24 years). This figure was 57% the previous year (2018). Black Market, March 2019, p. 54. This study shows that the use of internet (which includes social media and many other platforms) has increased exponentially.

2 This migration is supported by the fact that the number of users of social networks in the world in 2017 was 3,196 million, 13% more than the previous year. Similarly, almost half of the world's population, 42%, are active users on social networks.  
Recovered from: <https://wearesocial.com/special-reports/digital-in-2017-global-overview>

active users on social networks, as well<sup>3</sup>. According to the study carried out by “Compañía Peruana de Estudios de Mercado y Opinión Pública” - CPI (Peruvian Company for Market Studies and Public Opinion), in 2018, internet advertising got 17.3% of the total advertising investment in the Peruvian economy.<sup>4</sup>

Likewise, according to a study carried out by the Interactive Advertising Bureau (IAB) of Peru, in 2017<sup>5</sup>, investment in advertising in Peruvian economy was ranked in the second place in participation in the media mix<sup>6</sup> with 14.4% national advertising investment in all forms of media. For 2018, total digital ad spent was \$ 109 million, representing approximately 18% ad spent in all forms of media for the year.<sup>7</sup>

In response to this deployment of advertising in digital media, the National Institute for the Defense of Competition and the Protection of Intellectual Property (Indecopi) developed the project: Private Public Dialogue on Advertising Standards in the Digital Economy (CTI 05 2019T), being its main objective the exchange of experiences between the public and private sectors, on the advertising practices used in the digital economy, in order to address the challenges posed by the dissemination of advertising within the *framework* of fair competition; and with the aim to develop a Digital Advertising Guide containing Recommendations on advertising standards in the digital economy.

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3 ComScore informed that Peru is the Latin American economy with more social media reach.  
Recovered from: <https://elcomercio.pe/tecnologia/redes-sociales/facebook-utilizan-redes-sociales-peruanos-noticia-620588>

4 Peruvian Company for Market Studies and Public Opinion. Advertising Investment 2018.  
Recovered from: [https://cpi.pe/images/upload/paginaweb/archivo/26/mr\\_inversion\\_publicitaria\\_2019.pdf](https://cpi.pe/images/upload/paginaweb/archivo/26/mr_inversion_publicitaria_2019.pdf)

5 Recovered from: <https://app.box.com/s/gy2psfhe1igefchpt3ugnmv9jv9f84cn>

6 Media Mix refers to the combination of communication channels, a company uses in order to achieve its marketing objectives. This can include digital channels, different schedules, and many other strategies to draw attention from consumers.  
Recovered from: <https://semeve.es/mix-de-medios-como-elegir-el-adecuado-para-mi-marca/>

7 Interactive Advertising Bureau - Peru. Advertising investment on the Internet - annual 2018.  
Recovered from: <https://iabperu.com/wp-content/uploads/2019/08/Reporte-de-Inversi%C3%B3n-Publicitaria-Digital-IAB-2018-Informe-Definitivo.pdf>

Also, according to “IAB Internet Advertising Revenue Report, conducted by Price Waterhouse Coopers (PwC), digital advertising revenues increased by 12.2% in 2020 compared to 2019.  
Recovered from: <https://www.iab.com/news/iab-internet-advertising-revenue/>

The first stage of the project was developed at the margins of the Third Meeting of Senior Officials and Related Meetings (SOM 3) during APEC Chile 2019. In that occasion, in cooperation with the National Council of Advertising Self-Regulation (*Consejo Nacional de Autorregulación Publicitaria - Conar*), Indecopi carried out an international academic and public-private sector event in order to collect different experiences among APEC economies on advertising standards in the digital economy.

As the second stage of the project, Indecopi and Conar have developed this Digital Advertising Guide containing the Recommendations on Advertising Standards in the digital economy proposed and discussed at the 2019 event.

These recommendations on advertising in the digital economy will positively impact APEC economies, since it contributes to improve consumers' welfare (considering the information that is transmitted through digital advertising), promote innovation, enhance competitiveness, and contribute to economic growth.



## OBJECTIVES

### a) **1<sup>st</sup> objective: Establish general recommendations**

This Guide aims to propose general recommendations about the application of regulation and self-regulation mechanisms developed by public and private sector organizations, which will allow the optimal and transversal application of international guidelines and principles in the field of digital advertising.

### b) **2<sup>nd</sup> objective: Promote cooperation among APEC economies**

Likewise, the purpose of the Guide is to promote international cooperation between and among APEC economies, including the public and private sector organizations, considering the continuous challenges of digital advertising. In that sense, the promoted synergy among APEC economies will look to develop joint actions to promote fair competition in the market. The cross-border nature of digital advertising demands close communication between and among public and private agencies of the APEC economies, in order to establish standards in advertising.

### c) **3<sup>rd</sup> objective: Create a base instrument that is continuously updated**

The Guide is developed as a living document that will allow APEC economies to participate in its continuous updating, considering the development on technology and new advertising practices in the digital economy.





## INTERGOVERNMENTAL INSTRUMENTS FOR DIGITAL ADVERTISING

During the Private Public Dialogue on Advertising Standards in the Digital Economy, it was highlighted the application of intergovernmental principles collected in several instruments on advertising in the digital economy. It was mentioned that they have been used by APEC economies as a basis for the development of domestic/internal documents (Guides, Guidelines, Guidelines, among others), both by the public and private sectors.

The application of intergovernmental principles in advertising matters allows to establish a similar ground across all economies, on which it is proposed to develop any regulation or self-regulation mechanism, considering the cross-border nature of digital advertising.

These intergovernmental principles have been collected in the following instruments:

### a) **United Nations Guidelines for Consumer Protection (UNGCP)**<sup>8</sup>

Through this instrument, certain principles of good commercial practices have been approved: (i) Fair and equitable treatment; (ii) Business conduct; (iii) Disclosure and transparency; (iv) Education and awareness;

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8 UN (2015). United Nations Guidelines for Consumer Protection (UNGCP)  
Recovered from:  
<https://unctad.org/es/node/2833#:~:text=The%20United%20Nations%20Guidelines%20for%20formulating%20and%20enforcing%20domestic%20and>

(v) Protection of privacy and (vi) Disputes and complaints from consumers. These principles seek to maintain and promote consumer protection in electronic commerce.

It is under these good commercial practices that a guideline has been established on the role of the public sector with respect to the advertising that is disseminated in the market.

In the document's paragraph 31, it is established that the public sector, in cooperation with the private sector (companies, consumer associations, etc.), must promote, through codes of good practices for marketing, adequate consumer protection, as well as promoting the signing of voluntary self-regulation agreements, by the interested parties (companies, consumer associations, etc.).

#### **b) Good Practice Guide on Online Advertising. Protecting Consumers in e-commerce (OECD)<sup>9</sup>**

This instrument establishes specific principles for the dissemination of digital advertising. It is focused on specific areas of online advertising: misleading marketing practices; ad identification; endorsements; and protection of children or vulnerable consumers. The principles have been developed in attention to the previously recommendations articulated on the Recommendation of the Council on Consumer Protection in E-Commerce (E-commerce Recommendation)<sup>10</sup>.

##### **1. Misleading marketing practices**

Related to avoid the circulation of misleading advertising, it is established that advertisers:

- *Pay due regard to the interests of consumers and act in accordance with fair business, advertising and marketing practices. (para.3)*
- *Not make any representation or omission or engage in any practice that is likely to be deceptive, misleading, fraudulent or unfair. (para.4)*
- *Ensure that advertised prices do not misrepresent or hide the total cost of a good or a service. (para.16)*

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9 OECD (2019). Good Practice Guide on Online Advertising. Protecting Consumers in e-commerce.  
Recovered from:

[https://www.oecd-ilibrary.org/science-and-technology/good-practice-guide-on-online-advertising\\_9678e5b1-en](https://www.oecd-ilibrary.org/science-and-technology/good-practice-guide-on-online-advertising_9678e5b1-en)

10 OECD (2016). Recommendation of the Council on Consumer Protection in E-Commerce.

Recovered from: <https://www.oecd.org/sti/consumer/ECommerce-Recommendation-2016.pdf>

## 2. Ad Identification

Related to avoid the dissemination of advertising that does not clearly advertise its commercial nature, it is established that:

- *Advertising and marketing should be clearly identifiable as such. (para.13)*
- *Advertising and marketing should identify the business on whose behalf the marketing or advertising is being conducted where failure to do so would be deceptive. (para. 14)*

## 3. Endorsements

Related to disclosing payments or other commercial arrangements (money or not), the advertiser must clearly inform about de contracted advertisement to generate credibility of the information in the ad. It is settled that:

- *Endorsements should be truthful, substantiated, and reflect the true opinion or honest view of the endorsers. (para.17)*
- *Any material connection between businesses and endorsers, which might affect the weight or credibility that consumers give to an endorsement, should be clearly and accurately disclosed. (Ibid.)*

## 4. Protection of children or vulnerable consumers

Related to the protection of children or vulnerable consumers against misleading or fraudulent information through advertisements, the following practice is promoted:

- *Take special care in advertising or marketing targeted toward children, vulnerable or disadvantaged consumers, and others who may not have the capacity to fully understand the information that they are presented. (para.18)*

The paper develops guidelines and principles, based on the E-commerce Recommendation proposed by OECD. In that sense, some recommendations have been highlighted as guiding principles for public sector (policy makers and consumer enforcement agencies) and private sector (advertisers, social media influencers, advertising companies) among other stakeholders related to advertising activity.

### c) **Online Advertising. Trends, Benefits and Risks for Consumers (OECD)**<sup>11</sup>

In this instrument, mechanisms are highlighted to improve the dissemination of advertising in digital media, influencing the performance of advertisers and influencers, either using social networks, emails or text messages. This paper highlights the importance of:

1. Recording clearly and precisely the information (and the prices). Consumers must be able to clearly assess the key benefits and costs / prices involved in the products or services being advertised, and they must be able to clearly and easily identify that it is an advertisement.
2. Do not depend on the terms and conditions to convey important information. Online advertisements must not mislead consumers about any restrictions, limitations, or conditions associated with an offer.
3. Ensure the express consent of the consumer. Consumers must be able to clearly understand what they are subscribing to (in terms of cost or data) when they interact with or respond to online advertisements.
4. Use simple information. The content that is circulated as advertising should be simple, and prominently include the important features or limitations of the offer.
5. Use images, audio and video, not just text. Images or icons can be used to identify online advertisements.
6. Seek immediacy in the information. Consumers must get the right information, at the right time. They must also be able to immediately identify advertising content and understand the key features and limitations of an offer.

It should be noted that these recommendations have been developed based on empirical work, using consumer behavior experiments, in order to test the scope of the problems identified in online advertising and in this way, evaluate the possible solutions.

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<sup>11</sup> OECD (2019). Online Advertising. Trends, Benefits and Risks for Consumers.  
Recovered from: [https://www.oecd-ilibrary.org/science-and-technology/online-advertising\\_1f42c85d-en](https://www.oecd-ilibrary.org/science-and-technology/online-advertising_1f42c85d-en)

**d) Online Reviews & Endorsements. International Consumer Protection and Enforcement Network Guidelines for Digital Influencers. (ICPEN)<sup>12</sup>**

ICPEN is an international organization that gathers authorities from the public sector in charge of the protection of consumers rights. This organization develops guidelines on good practices about cross-border commercial activities that could affect consumers' welfare. ICPEN also, boosts global cooperation among law enforcement agencies.

Through this instrument, general guidance for social media influencers is provided and it addresses basic truth-in-advertising developed by its members. This tool is part of many documents<sup>13</sup> related to online reviews and endorsement that are used by consumers and companies in e-commerce.

On one hand, these tools allow consumers to easily access a variety of opinions about products and brands, so that consumers can make more informed consumption decisions.

On the other hand, for companies, these tools represent the opportunity to make use of native advertising<sup>14</sup> and working with influencers, as well as having feedback to improve their products or services.

The benefit of using these tools is evident, but if they are not based on authentic experiences or do not disclose the relationship between the influencer and the company when the content is paid for, they can have a negative impact on consumers' decision and in the competitive process. In consumers' welfare, because they will not be able to differentiate between a paid content or a genuine opinion so their consumer decision is based on unreal experience using the product or service; since there is a specific influence on the content of the advertisement. And it has a negative impact on competition, because the profits obtained are based on unfair practices, through acts of deception to consumers, as result of the lack of transparency in the opinion provided.

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12 ICPEN (2016). Online Reviews & Endorsements. ICPEN Guidelines for Digital Influencers. Recovered from

<https://icpen.org/sites/default/files/2017-06/ICPEN-ORE-Guidelines%20for%20Digital%20Influencers--JUN2016.pdf>

13 Such as: ICPEN Guidelines for Review Administrators; ICPEN Guidelines for Traders and Marketing Professionals and ICPEN Guidelines for Digital Influencers.

14 In accordance with the provisions of the ICPEN Guide for Influencers, Native Advertising resembles the content of the platform to which it is integrated. For example, an advertisement that appears in search results that looks like the format of search results, or an advertisement on a news website that looks like the format of news.

It is in this context, the ICPEN Guide for Influencers aims to provide clear principles for the activity of bloggers, tweeters and, in general, social media influencers. The three fundamental principles are as follows:

1. Disclose clearly and prominently if the published content has been contracted.
2. Openly manifest about business relationships that may be relevant to the content.
3. Provide genuine opinions about markets, businesses, goods or services.

On the first principle, ICPEN points out that influencers must ensure that all content they publish, for which payment has been received, is clearly identifiable to consumers as such, a paid content. On this point, it should be noted that the paid content is not limited to a monetary payment but can include the shipment of free clothing, tickets to events or any other provided good or service.

On the second principle, ICPEN indicates that influencers must inform their followers or consumers about the commercial relationships they maintain with companies that are presented in their content. For example, if they are ambassadors for a brand.

Finally, on the third principle, ICPEN points out that if the influencer presents an opinion or experience as his own, his followers or consumers will assume it as such. If for some reason, the influencer is not providing their own opinion, this must be clearly evidenced to consumers. Likewise, they should not pretend to be experts or authorities in any matter (mainly, health issues, for example) and if they are, they should explain how.

## IV.

# DIGITAL ADVERTISING AND CLASSIFICATION

To develop advertising standards in the digital economy, it is relevant to address the definition of digital advertising, as well as its classification. For this purpose, the definitions set out in the Guía de Publicidad para Influencers (Advertising Guide for Influencers) prepared by Indecopi have been considered.<sup>15</sup>

### a) Digital advertising

Digital advertising consists of those commercial strategies developed by advertisers that involve the use of digital tools enabled by the Internet.<sup>16</sup> In this sense, this form of commercial advertising has as its main component the use of new digital technologies and interactive digital media, and it is mainly intended to promote products or influence consumer behavior<sup>17</sup>.

### b) Classification of digital advertising

According to the Advertising Guide for Influencers developed by Indecopi, there are various formats for issuing advertisements and they can be classified into three large groups: search engines, websites and social networks.

15 Indecopi (2019). Guía de Publicidad para Influencers (Advertising Guide for Influencers).

Recovered from: <https://www.indecopi.gob.pe/documents/1902049/3749438/Gu%C3%ADa+de+Publicidad+para+Influencers+VF+13.11.19.pdf/66da0113-9071-36a8-da91-a81d123c6a42>

16 Indecopi (2019). Guía de Publicidad para Influencers (Advertising Guide for Influencers).

Recovered from: <https://www.indecopi.gob.pe/documents/1902049/3749438/Gu%C3%ADa+de+Publicidad+para+Influencers+VF+13.11.19.pdf/66da0113-9071-36a8-da91-a81d123c6a42>

17 ICC (2018). ICC Advertising and Marketing Communications Code.

Recovered from: <https://iccwbo.org/publication/icc-advertising-and-marketing-communications-code/>

1. In search engines: According to the Interactive Advertising Bureau (IAB), advertisers pay to rank their keyword sponsored links ahead of their competition in search engines such as Google, Yahoo, Bing, among others.<sup>18</sup> For example, GoogleAds offers the advertising service for companies to promote their products and services, showing the ad when people search for products or services such as those offered by the company.<sup>19</sup>
2. On websites: It consists of the dissemination of advertisements through banners which combine text with images or interactive videos that are placed on websites and appear conspicuously separated from the non-advertising content of the website, making it easy for consumers to identify its commercial nature<sup>20</sup>.
3. In social networks: For the European Union<sup>21</sup>, online social network providers are platforms that enable and encourage the exchange of content generated by their users or other content, between individuals through social interaction. In these media, native advertising can be used, which consists of displaying advertisements in the same format, adopting the same characteristics, space and position as the content generated by users. Some of the most popular and used social media providers are Facebook, Instagram, YouTube, LinkedIn, among others.

Finally, influencers according to what is stated in the Advertising Guide for Influencers, there are people who have a certain credibility on a certain topic and who, given their ability to convince or reach their followers, can become a determining component in the decisions that consumers make in the market<sup>22</sup>.

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18 IAB. SEO: Website optimization for search engines. Good practices and results.

Recovered from:

[https://es.slideshare.net/IAB\\_Spain/seo-optimizacin-de-webs-para-buscadore-buenas-prcticas-y-resultados](https://es.slideshare.net/IAB_Spain/seo-optimizacin-de-webs-para-buscadore-buenas-prcticas-y-resultados)

19 Recovered from: [https://ads.google.com/intl/es\\_PE/home/faq/](https://ads.google.com/intl/es_PE/home/faq/)

20 European Union (2018). Behavioral study on Advertising and marketing Practices in Online Social Media - Final Report.

Recovered from: [https://ec.europa.eu/info/sites/info/files/osm-final-report\\_en.pdf](https://ec.europa.eu/info/sites/info/files/osm-final-report_en.pdf)

21 Idem

22 Indecopi (2019). Guía de Publicidad para Influencers (Advertising Guide for Influencers).

Recovered from:

<https://www.indecopi.gob.pe/documents/1902049/3749438/Gu%C3%ADa+de+Publicidad+para+Influencers+VF+13.11.19.pdf/66da0113-9071-36a8-da91-a81d123c6a42>





## ADVERTISING STANDARDS ON MARKETING OF SOCIAL MEDIA INFLUENCERS

Due to the new forms of advertising dissemination, Self-regulation organizations (SROs) and Competition Agencies worldwide have focused their efforts on analyzing the commercial practices by which social media influencers participate. That can be translated into the “Influencers’ Marketing”, since it has been noticed that the advertising disseminated by these actors are not necessarily in line to the rules on advertising activity, for example: transparency in communication (e.g., informing that it is a commercial communication), comply with the mandatory information that digital advertising must contain, depending on the type of product or service, among others.

In that context, it has been developed some guidelines about marketing done by a social media influencer to guarantee that advertising is carried out in a legal, honest and responsible manner. This harmonizes with the regulations and self-regulations codes.<sup>23</sup>

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23 In 2017 the United States, FTC published a Guide for Influencers: “The FTC’s Endorsement Guides”. In Latin America, Chile, in its 6th Edition of the Code of Ethics (2018), added an article referring to digital, interactive and social media. Likewise, it addresses, with special relevance, the issue of Influencers. Moreover, Brazil (2017) has “10 Princípios da Publicidade Responsável nos Meios Digitais” (10 Principles of Responsible Publicity in Digital Means). In Australia, the document “Ad Standards Guidelines for Influencers”, in Spain the document prepared by the IAB “Guía Legal-Influencers”, in Belgium (2018) the document “Advertising Council Recommendations for Online Influencers”, among other documents contained in the comparative matrix.

In the carried out Private Public Dialogue on Advertising Standards in the Digital Economy, it was analyzed government's guidelines on advertising and self-regulation documents on advertising developed worldwide<sup>24</sup> in relation to the communication disseminated by social media influencers as advertising.

To understand social media influencers' advertising, it is necessary to identify the main characteristics of this commercial activity, which depends on the role of the social media influencers in the dissemination of digital advertising.

### **a) Social media influencer**

The social media influencer (also known as influencer or digital influencer) is a character who has the potential to influence others, thus becoming a reliable advocate for a product or service for his followers and the public. In some cases, his opinions are highly valued due to the reliability and trust that his followers place in him. A social media influencer usually becomes known for its publications on digital platforms such as blogs, social networks, or other media.

The classification globally used, considering an influencer's reach in social media is macro, micro and nano social media influencer (as a measure of audience size, that they can be expected to engage with), but it is important to consider that every platform has different standards, so the number of followers does not necessary reflect the actual influence of them.<sup>25</sup>

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24 Advertising guide analyzed:

1. Ad Standards Guidelines for influencers (Australia)
2. Clearly Distinguishable Advertising Industry Practice Note (Australia)
3. Advertising Council Recommendations for Online Influencers (Belgium)
4. Ad Standards Influencer Marketing Steering Committee Disclosure Guidelines (Canada)
5. Advertising Code of Ethics (Chile)
6. FTC Guide on the Use of Endorsements and Testimonials in Advertising (USA) USA)
7. Legal Guide: Marketing Influencers IAB (Spain)
8. Legal Guide: Children Influencers IAB (Spain)
9. ASC Digital Guidelines for Regulated and Non-Regulated Categories (Philippines)
10. ARPP Recommendation on Digital Communication Ads (France)
11. ASAI Guidance Note on the Recognizability of marketing communications (Ireland)
12. Social Network and Content Sharing Section of the IAP Digital Chart (Italy)
13. Social Media Code & Influencer Marketing (Netherlands)
14. An Influencer's Guide to making clear that ads are ads (United Kingdom)
15. Code of Advertising Practice (definition of influencer & Art. 4) (Romania)
16. The Swedish Consumer Agency's Guide to Marketing on Blogs and Other Social Media (Sweden)
17. Best Practice Recommendation on Influencer Marketing (EASA)
18. Good Practices Guide (Brazil)

25 IAB SA Digital Influencer Marketing Committee. Document on definitions. (2021)

Recovered from: [https://www.iabsa.net/assets/Usedebbieiabsanet/Digital\\_Influencer\\_Marketing\\_Committee\\_Definitions.pdf](https://www.iabsa.net/assets/Usedebbieiabsanet/Digital_Influencer_Marketing_Committee_Definitions.pdf)

## b) Social media influencer's marketing

Marketing by influencers is a form of advertising that has emerged from a variety of recent practices, which focuses more on individuals than in the target market. It identifies the influencer's impact on potential buyers and on the marketing activities<sup>26</sup>. In this marketing tool, an influencer is employed as an advertising medium, which allows the advertiser to connect in a faster and more impactful way.<sup>27</sup>

## c) Principles in advertising by social media influencer

The analysis of the 18 documents referenced in note 24, has led to the identification of the main principles in social media influencer advertising:

1. Principle of Authenticity, Transparency, and / or recognition of the advertising nature of a communication.

This principle requires brands and social media influencers to present advertisements in a way that these advertisements can be recognized as such by consumers, that is, it must be clearly perceived as a commercial message.

2. Principle of truthfulness, honesty, loyalty and / or integrity regarding the quality and information that is communicated to consumers.

This principle requires that the information included in the advertisement, which is disseminated by social media influencers, must be based on true facts.

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26 In a report prepared by IAB advertising on social networks is the one with the highest demand, with 48% of the total, followed by display that occupies 15%. For this reason, marketing and advertising companies must choose their strategies well and work hand in hand with experts.  
Recovered from: <https://iabperu.com/wp-content/uploads/2021/04/IAB-Peru-Inversion-Publicitaria-Digital-2020-v2.pdf>

14 In this regard, Urpi Torrado, leading Peruvian expert on market research, in an interview for "Management" commented that new trends in marketing have led many brands to venture in employing influencers. They are often successful with young people as they connect directly with them and make them feel part of their lives.  
Recovered from: <https://gestion.pe/tendencia/61-seguidores-influencers-toma-cuenta-recomendacion-269352-noticia/?ref=gesrt>

#### **d) Opinions by social media influencers**

In relation to personal expressions or opinions, the social media influencer is protected by his freedom of expression, but the limits of this is to not affect third parties' rights such as dignity, honor, reputation and non-discrimination.

In turn, when the social media influencer issues an opinion about a product or service based on his personal experience, without a material connection or agreement with the advertiser, it would not be necessary to place a disclaimer to clarify that it is an opinion.

To be considered as advertising, the content disseminated by a social media influencer should include the following elements:

1. there is a commercial link, contractual commitment or some relationship of interest between the brand and the social media influencer;
2. the advertiser must have a reasonable degree of control over the content; and,
3. content must have the purpose, directly or indirectly, to promote the acquisition of a product or service by its recipients

#### **e) Payments for advertising disseminated by social media influencers**

As a result of the commercial link between the advertiser and the social media influencer, a payment is generated. This can be monetary or can be through free products or services, benefits, discounts, gifts, participations, contests, giveaways, among others that reward the social media influencer.

#### **f) Content control in social networks**

By content control we understand the advertiser's ability to validate the content of the social media influencer, in other words, the company must exercise reasonable control over the message. Among some of the ways to exercise this control is (i) the provision of a script mentioning the brand, the use of phrases, clothing, accessories; (ii) the order of diffusion before, during or after certain content; and (iii) camera technicalities, video location, interiors, etc.

This factor is extremely relevant, because if there is no control over the content disseminated by the social media influencer, Advertising Authorities will not be faced with commercial advertising.

The advertiser must ensure that the content can be clearly identified as a commercial communication. As such, it must be transparent. If there is a payment committed for the publication, if a product or service has been received as a gift or a discount, the consumer must understand that the social media influencer responds to an interest.

#### **g) Role of social media influencers in advertising activity**

The communication made by a social media influencer is considered an adequate strategy that allows the advertiser to reach their target audience. However, in some cases, this type of activity must be distinguished from its own personal publications, which are not commercial activities.

In these cases, the advertisers are responsible for the advertising content that social media influencers make to promote their products. This means, if misleading advertising were incurred, for example, the advertiser could be sanctioned for that and not the influencer, since his communication is considered as an advertising medium (like radio, TV, internet communications).

In other cases, when is the social media influencer himself who communicates about the product or service, and promotes their acquisition, then the social media influencer will assume the role of an advertiser instead of an advertising mean.

#### **h) Responsibility of the social media influencer**

When the social media influencer is the advertiser himself and promotes products, brands or services of his property, it must be borne in mind that he will be responsible for the advertising content and may be sanctioned for breaching of the rules that regulate advertising.

For example, in Peru, in the case of non-compliance with the aforementioned parameters, the advertiser will be responsible as the beneficiary of the advertising. Furthermore, in Sweden, Belgium or in the United Kingdom the responsibility is shared between the social media influencer and the advertiser in cases of misleading advertising.



## VI.

# RECOMMENDATIONS ON ADVERTISING STANDARDS IN THE DIGITAL ECONOMYS

The main recommendations made in the Public Private Dialogue on Advertising Standards in the Digital Economy are set out below, considering the perspectives of the private and public sector, regarding the performance of the advertiser, social media influencer, consumer, and authority, as appropriate.<sup>28</sup>

These recommendations are developed as a general basis in advertising practice which might be implemented according to the internal provisions of each economy; to avoid unfair conduct that affects competition. It should be noted that this Guide constitute a living document and as such it is proposed to continue to discuss these recommendations at the proper fora's.

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<sup>28</sup> Public-Private Dialogue (PPD) on Advertising Standards in the Digital Economy  
Recovered from: [https://www.apec.org/Publications/2019/11/Public-Private-Dialogue-on-Advertising-Standards-in-the-Digital-Economy#:~:text=The%20Public%2DPrivate%20Dialogue%20\(PPD,marketing%20for%20a%20fair%20competition](https://www.apec.org/Publications/2019/11/Public-Private-Dialogue-on-Advertising-Standards-in-the-Digital-Economy#:~:text=The%20Public%2DPrivate%20Dialogue%20(PPD,marketing%20for%20a%20fair%20competition)

## a) ADVERTISER

- Indicate the total price of the advertised product or service (mandatory and unavoidable rates).
- Establish exact information on the validity of commercial promotion.
- Highlight that it is an advertisement when there is doubt about its commercial nature (clearly identifiable as such).
- Duly comply with the mandatory information that digital advertising must contain, depending on the type of product or service:
  - Food advertising warnings
  - Drug warnings and precautions
  - Terms and conditions in financial services
  - Alcohol advertising warnings, among others.
- Only give testimonials that are authentic (it must express the specific experience of the consumer using the product or service).
- Avoid stereotyping in advertising.
- Use 'hashtags' such as #ad, #partner or #sponsored, or others that allow you to understand that it is paid content.
- Ensure the effective protection of personal data of the digital consumer: transparency and consent in the use of personal data.
- Gain a "trust mark" as good practice in advertising (that provides transparency, security and confidence in online shopping and digital advertising).

## b) INFLUENCER

- Use 'hashtags' such as #ad, #partner or #sponsored, or others that allow you to understand that it is paid content.
- Clearly disclose any other commercial relationship that is maintained with companies that you mention in the content shared on networks.
- Avoid practices that diminish the importance and visibility of the disclosure or label, such as (i) placing the name of the advertiser mixed with the label or hashtag (ii) mix the tag or hashtag with a large number of other hashtags or (iii) place the tag or hashtag at the end of the post.
- Avoid ambiguous references and abbreviations such as placing only "Thank you company X!", "Ambassador", "Partner", "Company X" or "#Ad".
- Be transparent with followers by providing genuine opinions or reviews about the products or services they advertise in networks.
- If the content you post do not correspond to personal opinions or genuine reviews, report it clearly.
- Do not appear to be an expert or authority on a subject in your content if you're not and if you are, you should explain the basis and experience for it.
- Ensure that the publication contains the advertising warnings applicable to the type of product or service.



## c) CONSUMER

- When making a purchase through digital means, make sure you have completely reviewed the conditions of the product or service you are going to purchase.
- If you frequently base your purchase decision on recommendations from influencers or content creators, make sure they are trusted and knowledgeable about what they are recommending.
- Verify if the content that is observed in digital media corresponds to genuine opinions or content paid for by companies.
- Acquire products or services through accounts that are formal and recognized.
- Do not provide sensitive information through digital means that are not reliable.
- In the event of any doubt or observation in the advertising content, use the consultation mechanisms provided by the advertiser, prior to the acquisition of the good or service.
- Use the conflict resolution mechanisms proposed by advertisers for the attention of claims, as a first action.
- Be aware when your personal information is being collected and used (data) for advertisement purposes.

## VII.

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