

EACA Monthly Newsletter - June-July 2010

EU & National News

Politics & Government



Belgium takes over EU presidency

On July 1st, Belgium took over the rotating six-month Presidency of the EU. Belgium will work within the overarching set of priorities shared with Spain and Hungary.

The 6 key priorities of the Presidency are the following:

- Implementing the Lisbon Treaty
- Launching the EU 2020 economic strategy
- Pursuing international climate and energy negotiations
- Implementing the Stockholm programme in the areas of justice, asylum and immigration
- Continuing enlargement negotiations
- Preparing the 2011 budget and mid-term review of the financial perspectives

The Belgian Presidency will also be continuing the discussions on the Information to Patients Directive and the European Digital strategy for the next five years.

EACA will be attending the following Presidency events:

October 12th: **Congress on Public Communication: EuroPCom**
 October 28th: **Electronic Commerce 10 Years after the Directive of 8 June 2000**
 November 17th: **Culture/Digital Seminar**
 November 25th: **Media & Learning**
 December 3rd: **21st Century Healthcare for Europe**
 December 8-9: Conference on nutrition, overweight and obesity related health issues

For more information on the Belgian Presidency, please visit the official website:
<http://www.eutrio.be/>

Source: EACA

Advertising

EU



European agencies see growth in 2010, but feel time & cost pressures

Following a poor year in 2009, commercial communications agencies across Europe are reporting a more stable business environment with many expecting to see their markets grow in 2010, despite difficult trading conditions, according to a pan-European survey of agency prospects by EACA, the European Association of Communications Agencies.

Based on responses from all 31 of its National Association members, the EACA survey covers 3 main topics: a business barometer for 2009, changes in client behaviour as result of the recession and development prospects for 2010.

Overwhelmingly, 2009 was a disappointing year for the sector, with 71% of respondents reporting poor results, 23% just average and only 6% (Cyprus & Switzerland) seeing any growth. The impact of the crisis was felt across the spectrum, regardless of geographical location or market size, with classical advertising the hardest hit category.

As a direct result of the recession, the key client demands are for 'more services for the agreed fee' (100%), 'lower fees for the same work' (100%) and 'extra free services' (89.7%). Other client reactions are 'creating more engagement by agencies', 'new remuneration models', 'more short term activities and last minute decisions', 'account reviews to drive down costs' and 'more pressure to decrease media tariffs, including major discounts of up to 80% on list price'.

Agencies also report deterioration in pitch conditions, with increased demand for flexible, quick, effective solutions (100%) and cost-efficient solutions (100%), but less emphasis on strategic consultancy (77.8%) and creative solutions (74.1%).

Overall, EACA's National Associations report that as a direct result of the economic climate, communication has become clearly more orientated towards price offers (100%), more aggressive in its appeal to purchasers (39%) and more competitive (25%).

Among clients, the most popular measures taken in reaction to the downturn are 'cutting investment in advertising' (100%), 'looking for cheaper communications solutions' (90%), or 'concentrating on only one, or a very few, communications disciplines' (45%) – conversely, only one country reported that clients were investing more to win market share during the recession.

For 2010, the outlook is more positive, with 32% of respondents forecasting an increase in agency turnover, 40% predicting a stable business environment and around a third still expecting a decrease. Forecasts range widely, from a high of +15% to a low of -25%, with a small majority of markets predicting growth of between 3 & 10%.

Within those overall growth predictions, the big loser is seen as mass media, with 54% of respondents expecting negative development in 2010. Elsewhere, stability is widely predicted in such diverse sectors as

brewing, small ads, special direct mail, pharmaceuticals and chocolate/confectionery, Banking, telecommunications & trade are forecast to be the biggest growth sectors this year.

EACA's members believe that integrated communications strategies (57%) and more efficient campaigns (57%) will be the most important factors for agencies in 2010, with new, interactive media (42%) & creativity (37%) not far behind. Factors such as changing consumer behaviour, strategic planning or specialisation are seen as least important.

Agencies see themselves as being most affected by cost & time pressures this year, with short term thinking by clients and expenditure on new business also of concern.

"The recession hit the agency business in Europe very hard," said Olivier Fleurot, President of EACA & CEO, MS&L Group. "We are only now beginning to see some gradual signs of recovery, although the pressure on agencies to provide more service for less remuneration is still intense. This survey underlines the shift that has occurred in the way agencies & clients work together; agencies are resilient to change, but we must ensure that the strategic thinking and creativity that are at the heart of great advertising are not buried by short term, cost-driven expediency."

Click [here](#) to see the presentation.

Source: EACA

European media business calls on politicians to ensure sustainability of creative content business in the future

On June 30th, representatives of the European media business including the European Association of Communications Agencies gathered in Brussels to discuss about the future of the media in Europe. They called on politicians and regulators to establish a regulatory environment in which free, independent, diverse and vibrant media will be sustainable in the future.

The event was hosted by Mary Honeyball, Socialist MEP from the United Kingdom, and speakers included media senior executives, several MEPs and Neelie Kroes, Vice-President EU Commission & Commissioner for the Digital agenda.

In the current changing environment advertising remains a key revenue source for the content industry, helping to ensure high quality production and the independence of media which is crucial to its role in democracy. The media industry works hard to maintain advertising revenues in order to sustain the costs of production of European content which consumers value enough to spend time with or pay for directly.

Said Olivier Fleurot, President of EACA & CEO of MS&L Group: "The big challenge from an advertising perspective is that traditional "push" marketing is being progressively replaced by conversations generated through social media. This is a bottom up, not a top down process. Brand perception is as much influenced by those conversations as by traditional campaigns. To succeed, advertisers must change the way they present themselves – they must be genuine, authentic & avoid greenwash for instance. Our role as agencies is twofold – there is clearly a quantitative role, supplying advertising revenues to media on behalf of our clients. Perhaps more importantly, what agencies also have to do is ensure that the qualitative aspect of their work reflects the new demands of the public. Themes, that are at the top of the agenda for many consumers like sustainable development, force companies to re-invent their products, their services and their advertising. Agencies need to advise their clients on CSR issues and advise on how to communicate in a digital world".

For more information, please click [here](#).

Source: EACA

European Commission requests 12 Member States to implement the Audiovisual Media Services Directive

On 24 June, the European Commission has requested 12 Member States (Austria, Cyprus, Estonia, Greece, Finland, Hungary, Lithuania, Luxembourg, Latvia, Poland, Portugal and Slovenia) to update their national broadcasting rules in order to comply with their obligations under the Audiovisual Media Service Directive. To date, the 12 Member States have either not implemented the rules or have not yet officially informed the Commission that the rules are in place, as required. Reasoned opinions have been sent. If the concerned Member States fail to inform of measures to implement the Directive in full within 2 months, the Commission may refer them to the EU's Court of Justice.

The AVMS Directive allows Member States to authorise innovative advertising tools such as split-screen advertising or product placement, giving producers and providers of TV programmes access to new forms of financing. Broadcasters also have more flexibility in programming with the removal of rules imposing a twenty minute period between advertising breaks.

The AVMS Directive was adopted at the end of 2007, Member States should have implemented the Directive by amending their national laws by the end of 2009.

For more information, click [here](#).

Source: European Commission

Impact of advertising on consumer behaviour discussed in European Parliament

MEP Philippe Juvin (Conservative, French), will present an own-initiative report on the impact of advertising on consumer behaviour in September.

On 13 of July, the Internal Market and Consumer Protection Committee of the European Parliament presented two studies commissioned to inform the own-initiative report: one on "Misleading Advertising on the internet" and the other on "The state of play of the implementation of the provisions on advertising in the unfair commercial practices (UCP) legislation"

To see the Study on misleading advertising, click [here](#).

To see the Study on the State of play of the implementation of the provisions on advertising in the UCP legislation, click [here](#).

The studies do not draw any clear conclusions as to the route Mr Juvin should be following in his report, but question the potential of the UCP Directive to adapt to new advertising techniques. The European Commission representative dealing with this issue, Mr Abbamonte mentioned that the report on the application of this Directive was due for next year and that it would help shed light on the level of enforcement. He also insisted that a mix of public & private enforcement was needed.

Mr Juvin then presented an outline of his report. He said that his aim was not to demonize advertising but that it would be naive to think that "all is well in the best of all possible worlds". He said he would be looking at the following points: vulnerable consumers, online advertising, preventing companies from being harmed by unfounded rumors on social platforms & forums and self-regulation.

The report will be discussed on September 13th and should be adopted during the last November 2010 plenary session.

Source: EACA

 Cars



European Parliament publishes study on CO2 emissions information

The European Parliament's Environment Committee commissioned a study on the implementation of the 1999 Directive on consumer information on fuel economy and CO₂ emissions of new passenger cars in the Member States.

The 1999 Directive mandates the use of a visible fuel economy label, an updated guide, the display of a poster which provides official fuel consumption and CO₂ emissions data of all new passenger car models offered for sale or lease at points of sale and the inclusion of those data in all printed promotional material. In addition, the European Commission issued a Recommendation in 2003 to expand the scope of the original Directive to all promotional material used in marketing, advertising and promoting of new passenger cars across other media formats: internet and computerizes. It does not extend to non-print media.

This study examines the implementation of 1999 Directive relating to the availability of consumer information on fuel economy and CO₂ emissions with respect to the marketing of new passenger cars and assesses potential amendments to the legislation, taking into consideration research results in the field of consumer behaviour.

In order to provide car consumers with CO₂ emissions information, the study states that policy makers must consider the significant drivers of consumer behaviour and the key car characteristics that influence purchasing in regards to the information sources that consumers choose. Fuel consumption is often considered in the second round of decision making.

The study offers various policy options such as a clearer labeling scheme, mandatory online guidance & a more detailed formulation of requirements on advertisements. The study mentions that other media which are not included in the Directive (non-print) do not necessarily need to be added as their role in the purchasing process differs from that of print media.

To see full study, please click [here](#).

Source: European Parliament

 Data protection

 EU



"Consumer protection online needs clarity, not red tape"

On 22 June, Viviane Reding, the Vice- President of the European Commission responsible for Justice, Fundamental Rights and Citizenship gave a speech at the American Chamber of Commerce to the EU. Consumer and privacy rights in the EU were discussed with US companies doing business in Europe.

Viviane Reding said she is facing two challenges:

- Regulatory barriers are still holding back the potential of a real Single Market for e-commerce. Consumer and business confidence in a truly pan-European online marketplace need to be boosted.
- 1995 data protection rules need to be updated.

Reding said she wants to ensure that Europe has clear rules for businesses and strong rights for consumers. The internet's full potential will only be realized if it is seen as a trusted and open platform. Consumers will hold back from new technologies if they are worried about privacy, the safety of payments and whether they are protected from unfair commercial practices. The European Commission's task is to build trust. Over the summer, the European Commission will launch a public consultation on various longer-term possibilities including an optional European contract law regime that would be based on a high level of consumer protection.

She concluded that she is very much aware that the online industry needs clarity, not red tape: "Anyone who works with the internet knows that users' confidence is paramount. That is why industry self-regulation could work well in this area to complete the existing rules."

For more information, click [here](#).

Source: European Commission

EU data protection watchdog claims that "opt-out" is not sufficient

On 22 June, the Article 29 Data Protection Working Party adopted an Opinion on online behavioural advertising (OBA). This group brings together the national Data Protection Authorities and can on its own initiative make recommendations on all matters relating to the protection of persons with regards to the processing of personal data.

The Article 29 Working Party Opinion calls for an **opt-in** by users for placing cookies on their computers. In a strong rebuttal, Europe's media and advertising industry united to reject the Opinion, which is out of step with the relationships that businesses and consumers are building online and flies in the face of the reality of the Internet.

Angela Mills Wade, Executive Director of the European Publishers Council said: "This is an overly strict interpretation of the ePrivacy directive. If followed by Member States, it would kill any chance of the media building viable advertising revenues online and our serious efforts to give consumers effective control over the use of cookies."

The Article 29 group is suggesting that whatever "information" is stored in cookies, it must be treated as if it were "personal" data and as such should be subject to explicit, prior consent. The Directive currently does not require an opt-in for cookies. In practice such a requirement would mean that users would have to confirm every single cookie placed on their PCs, leading to a permanent disruption of their Internet experience. The industry believes this is a gross misinterpretation of the intention of the Directive and a misrepresentation of the type of data typically collected and processed for the purposes of serving interest-based advertising to consumers on our websites. The ePrivacy Directive acknowledged that the controls in modern web browsers give users full and granular control over cookies.

"This opinion takes no account of the support we get from our consumers for interest-based advertising nor of the exchange in value they receive between effective advertising and access to high quality media content for free," said Stephan Loerke, Managing Director, World Federation of Advertisers (WFA).

"Obviously, the Internet in Europe would become less attractive to users and would significantly undermine the growth potential of the digital economy. Such strict privacy regulations would not only jeopardise the existence of European online companies but would call into question the EU's ambitious Digital Agenda, intended to increase Europeans' access to ultra fast Internet and fostering the e-commerce sector," said Stephan Noller, CEO of nugg.ad and IAB Europe Chair of the Policy Committee.

As media and advertisers develop new ways of reaching consumers through tailored, interest-based content and new opportunities in matching advertising based on users' potential interests, cookies are essential to the smooth functionality underlying these new business models.

Angela Mills Wade said "these 'data' are not personally identifiable or sensitive, and do not harm consumers' privacy. That is why at present the regulatory regime across Europe allows for consumers to control the use of cookies themselves through their browser settings and options to opt-out of receiving cookies".

"We are looking forward to a dialogue with the Article 29 Working Party to discuss the proposed concepts, their feasibility and practicability and provide our ideas on how transparency and choice for users can be increased with more proportionate measures than an opt-in. Self-regulation could be the solution that contributes to increased transparency in a meaningful way that regulation could hardly achieve," said IAB Europe Vice President Kimon Zorbas.

To view the full Opinion, click [here](#).

Source: Article 29

 Obesity



European Commission publishes report on 'Obesity' Platform evaluation

EACA is a member of the European Platform on Diet, Physical Activity and Health set up in 2005 with the purpose of creating a forum for actors at European level who can commit their membership to engage in concrete actions to tackle the problem of overweight and obesity.

On 23 June, the European Commission published an external evaluation report which looks at the solidity of the Platform's founding statement, the clarity and operability of its objectives and whether it needs a new mandate.

A majority of industry members have a favourable opinion of the Platform's objectives, agree on the founding statement and think that there is no need for a renewed mandate whereas a majority of not-for-profit members disagreed on all three counts. Therefore, the report encourages the European Commission to define a renewed mandate that recognises what has been achieved so far, sets priorities for future work, and establishes joint goals and operational objectives in order to ensure cross-sectoral buy-in to the process going forward and continued momentum.

The report suggests that the European Commission's renewed mandate should include the following points:

1. Sum up the achievements for the first five years of the Platform
2. List the objectives for the next five years
3. Focus on the content and relevance of the commitments
4. Further consider under-represented areas such as education
5. Improve the monitoring system of commitments
6. Develop a transparent communication strategy
7. Strengthen ties with Member States and national platforms

The main report is completed by two case studies on Advertising and Marketing to Children and on Reformulation. The evaluators recognise that self-regulation commitments in these areas are having an impact although it is too early to make a judgment on the health impact.

Regarding the food & drink industry's **EU Pledge**, the report concludes that self-regulation has been very effective at limiting the exposure of children to adverts for HFSS foods although "more could be done", including through review of the cut-off age & the viewership thresholds.

To view the full report, click [here](#).

To view the case study on Advertising & marketing to children, click [here](#).

Source: EACA

Pharmaceuticals



MEPs call for improved health literacy

On 23 June, the European Parliament hosted a debate on health literacy. Previous research undertaken at national level suggests that as few as 1 in 5 people fully understand all the information they receive from healthcare professionals. Adult literacy tends to be higher in northern Europe than in southern and eastern states and the literacy problem is exacerbating health inequalities. Patient groups say raising health literacy will empower patients and iron out inequalities around the European Union.

The challenge of raising health literacy is currently being measured in an EU-funded survey, which is due to report initial results in October, while in September the European Parliament will be voting on a draft report by Swedish MEP Christofer Fjellner, which will highlight the importance of providing information in a consumer-friendly format.

Source: Euractiv