

Dublin, 7 January 2021

IAB Ireland submission to the Future of Media Commission's Public Consultation

IAB Ireland

IAB Ireland (www.iabireland.ie) is the trade association for the Irish online advertising industry. As a not-for-profit organisation IAB Ireland works with members to ensure marketers can identify the best role for online in building their brands. IAB Ireland is licensed by IAB US and is a member of the IAB Europe network. The IAB network shares three core objectives, namely to; prove, promote and protect the online advertising industry. These objectives are fulfilled through the dissemination of authoritative research, the organisation of educational events and by promoting industry-wide best practice. IAB Ireland's members include advertisers, adtech companies, digital advertising agencies, digital platforms, publishers, research companies and vendors.

As a member of IAB Europe and a contributor to IAB Europe's Policy Committee, IAB Ireland contributes to IAB Europe's research projects and policy initiatives.

IAB Ireland welcomes this important consultation by the Future of Media Commission. IAB Ireland and our members believe that a sustainable diverse media industry is essential for democracy and civil society. Our publisher members include the major online publishers operating in Ireland.

QUESTION 2

HOW SHOULD PUBLIC SERVICE MEDIA BE FINANCED SUSTAINABLY ?

In addressing this question IAB Ireland believes that the historical view that the state broadcaster was the sole provider of Public Service media is in much need of revision to reflect the reality of content consumption in the 21st century. Irish citizens like their global counterparts now favour the consumption of content via digital media.

In order to future proof the provision of quality content for our citizens it is essential that all Irish providers of digital quality content are included in the Future of Media Commissions remit to "set media on a sound footing for the future".

Digital advertising is an essential means of enabling media companies to build more sustainable digital business models in light of an already challenging time for traditional media businesses. It can also prove instrumental to the survival of smaller publishers and those with quality content that draws visitors but not many advertisers. Providing quality news, content and services for free is a significant challenge, as internet users generally are unwilling to pay for online news, content and services.¹

Digital advertising is an umbrella term for a large range of activities. It stretches from paid-for search, over online banners, social media, video advertising, to digital audio and other emerging formats like out of home and connected TV, increasingly blending with traditional media. In Europe, digital ad spend amounts to €65b.² But digital advertising's estimated contribution to the wider EU economy exceeds €118b while the industry powers over 1 mln jobs directly and over 6m indirectly.³ Critically, Europe's content economy depends on digital advertising, with advertising accounting for over 80% of European newspaper and magazine digital revenues.

Digital advertising ensures consumers can choose what they pay for, thus democratising access to information and other online services. In fact, online users are happy for their data to be used for targeted advertising in order to get access to free content supported by advertising, and 83% would prefer free sites with ads to paying for ad-free content.⁴

Looking at digital adspend in our market the **IAB Ireland PwC Online Adspend Study 2019** reported that total digital advertising spend (Search, Display and Classified advertising) amounted to €673m in 2019.

Display advertising, is the format that monetises publishers content, Display spend in 2019 represented €326m of the total digital adspend, with €223m of display spend on social platforms. It is important to note that as a consequence of COVID- 19 industry predictions for 2020 are for an overall decrease in spend, with local publishers anticipating a decline of 5 to 10%.

While understanding that the current pandemic is a moment in time, economic downturns are a regular occurrence. Advertising spend was adversely impacted by the dot com crash and 9/11 in 2001; the financial crisis in 2008/2009; and the Eurozone crisis in 2012. The ongoing impact of COVID-19 on the Irish media industry cannot be underestimated and it is likely that some publishers will not survive the crisis which will lead to a decrease in media choice and diversity.

¹ 'Europe Online: An Experience Driven by Advertising', GfK, 2017. Available at: https://datadrivenadvertising.eu/wp-content/uploads/2017/09/EuropeOnline_FINAL.pdf.

² AdEx Benchmark 2019 study, IAB Europe, 2020.

³ The Economic Contribution of Digital Advertising in Europe, IHS Markit, 2017.

⁴ Europe Online: An Experience Driven by Advertising, GfK, 2017.

The initial marketing response to the pandemic was rooted in the first lockdown and the inability of businesses to operate, paired with supply side problems. However, rising unemployment and squeezed personal expenditure as well as the extended periods of lockdown has adversely impacting on consumer confidence resulting in advertisers and brands withdrawing their advertising investment.

While advertising revenues have declined due to COVID quality content digital media has never been more important as a source of authoritative information in respect of the COVID-19 pandemic and indeed the provision of local and international news. IAB Ireland Publisher Council members have focused their resources on meeting the challenge of updating their users with the latest information in respect of the pandemic as well as assisting users with useful guides and advice to help in their daily work and home lives.

As we work remotely and practice social distancing and social isolation, the number of Irish users and the time that they spend on Irish quality content sites has grown considerably over 2020. In a survey conducted by IAB Ireland in March 2020.

The average uplift experienced by IAB Ireland's Publisher Council members across audience numbers and engagement is as follows:

Unique Users: Average Increase **+ 49%**

Page Views: Average Increase **+ 35%**

Dwell Time: Average Increase **+ 23%**

IAB Ireland Publisher Council Members surveyed included: *Communicorp Media, DMG Media Ireland, INM, Image, Lovin Media Group, News Ireland, Packed House, Reach plc, The Irish Times* and TheJournal.ie.

The range of content provided by local publishers is of course not limited to pandemic related information rather it includes the elements of Public Service content as defined by the Future of Media Commission

- Informing on Irish culture, sport, language, other matters inhering to our country and our people
- Access to high quality independent journalism on matters of local, regional and international significance

- Highlights & celebrated Irish creativity and talent.

In summary given the consumption of digital news and quality content and the ongoing growth of digital audiences we believe that to future proof media in our country it is essential that local digital publishers are included in the funding model to be recommended by your commission to government.

QUESTION 3

HOW MEDIA SHOULD BE GOVERNED AND REGULATED?

Given the importance of digital advertising as a means for quality content publishers to build more sustainable business models it is essential that future regulations ensure that these business models are protected. The complexity of digital technologies and the rapid pace of innovation present real challenges for legislators and policy makers, this can result in the unintended consequence of regulations placing more onerous demands on local publishers and prejudicing their economic survival.

IAB Ireland and indeed our IAB network are committed to assisting in helping policy makers in understanding digital technology and its impacts on media and indeed users.

An example of IAB's commitment to good regulation and assisting our industry in compliance is the [IAB Europe Transparency and Consent Framework](#). The TCF is an open-source, cross-industry standard which has been developed to assist our members in GDPR compliance. The framework ensures that where personal data is processed in connection with the delivery and measurement of advertisements or the personalisation of editorial content, that both consumers as well as industry stakeholders benefit from data transparency and control. The TCF is the only instrument of its kind, with over 700 technology companies subscribing to its rules and hundreds of thousands of websites and apps in Europe and beyond having implemented the standard

As well as state and EU regulation, IAB is also a strong advocate for self regulation. IAB Ireland is an active member of the board of ASAI (Advertising Standards Authority for Ireland)

As the Future of Media Commission considers governance and regulation of media IAB Ireland will be very happy to engage and assist in respect of recommendations in respect of digital media regulation with a view to future proofing our digital media industry.