



Institute of Advertising Practitioners in Ireland

www.iapi.ie

Future of Media Commission
Birmingham Tower West
Dublin Castle
Dublin
DO2 R866

8th January 2021

Dear Sirs,

Please find below the IAPI (Institute of Advertising Practitioners in Ireland) submission on behalf of our 55 members companies. IAPI is the voice of the advertising practitioners of Ireland and its' members are made up of advertising, media, communications and creative agency practitioners that develop approximately 90% of the advertising communications in Ireland.

The following outlines our members' views, challenges and concerns relating to the remit of the Future of Media Commission and the Public Consultation document recently issued.

1 Context & IAPI's role

A strong, independent media system is critical to bring our country together, reflect our culture and represent all the people and so we welcome the setting up of the Future of Media Commission.

Media has the power to transform business, address societal issues and drive meaningful change and it is imperative to have a media system that the country trusts and one that fosters independent thinking with disparate viewpoints.

Public service media is under threat from three distinct areas; consumer behaviour, changes in the model and the technology of media operators.

In the past decade there has been a seismic change in the media landscape towards new operating models all of which have significant levels of digitisation budgets to support their ever-evolving consumer need states. Many of these international companies such as Facebook, Google, TikTok, Amazon, Disney, Apple and newer entrants continue to capitalise on changing consumer behaviour with international content deals driving ever growing numbers, alongside growing commercial revenue posing a significant threat to a vibrant public service media model that consumers trust.

To ensure a strong and thriving economy Ireland must have a public service media that is good for society, for business and for the country to support the diverse needs of the population both for today and tomorrow. The current pandemic is an example of how important public service media is to handle a crisis effectively.

IAPI members' role in the crisis is inextricably linked with that of public service media. Without the advertising sectors' understanding of media consumption, consumer insights and creativity, it would

be impossible to change public behaviours and perceptions. Furthermore, the commercial model for media means that it could not exist in the absence of advertising revenues.

As such, we believe that IAPI has a strong voice and role to play in the Commission's remit and purpose and it is worth noting that we were not asked to put forward a representative to sit on the Commission despite our request made to Minister Martin in October last year.

2 Clarifying the Commission's remit

The wording of the submission questions suggests a focus on Public Service Media. However, there is a clear need to ensure that we also support and nurture a strong local media environment in Ireland.

Our definition of local media is both Irish (vs global/UK media) as well as local as in regional media players.

IAPI believe it is essential for the Future of Media Commission to provide clarity on its remit, ensuring it extends beyond public service media to truly support a vibrant local media ecosystem as Government intervention is crucial in this area. This local ecosystem supports thousands of jobs and facilitates IAPI members in reaching potential consumers right across the country.

3 The importance of local/regional media.

Without Government support it will lead to local media owners shutting their doors and less jobs in local communities. There will be significant knock-on challenges for local business owners in developing and sustaining their own commercial objectives. Additionally, it will mean that the advertising revenue that was once generated in local media owners, will largely go to the global tech firms and the money generated will not stay within the local economy. For local economies to thrive they must have the local media to support them to solve business issues and build a sense of community.

The impact of a weaker public service media system can only lead to a lack of democracy and minorities will be under-represented at best or worst not given a voice at all.

For local regional media, consolidation in some form is inevitable but limiting self-destructive, unnecessary competition in favour of collaboration has a big part to play. We would recommend encouraging this collaboration and to provide (for example) one stop shops per region to create a more viable eco-system.

4 Ensuring Irish Media is Future proofed

It is accepted that digital adoption has accelerated faster than many businesses have been able to transform. However, IAPI believe that indigenous Irish media have been slower than most to respond to changing customer demands and adapt their product offerings.

And with the proliferation of global digital platforms, consumers have an equally high expectation of local media providers in terms of content, platform usage and service levels.

IAPI believe that the Commission should address what Irish print, online and broadcast media need to do to compete with big tech. There should be an emphasis on collaboration and co-operation to offer local solutions that are true viable alternatives to big tech black box walled gardens.

4.1 Investment in technology

To secure the viable future of local Irish media IAPI would urge the Commission to ensure that future supports are utilised to effect digital transformation of our local media. This support might take the form of “digitisation subsidies” or a digital transformation fund for local media.

Arguably the most critical need is that media companies are given technical funding for platforms like players/subscription models which are government funded for public service media and other media organisations to achieve parity in terms of customer experience. The Irish radio player app is a good example of what has worked but this should extend to all media. Unless other incentives are made available to local media owners to fund digitisation of their product, there will be less media owners which will have a negative impact on local communities to champion local issues in an impactful manner.

4.2 To meet future public service media needs we must have access to the following:

- Independent journalism (across all platforms) governed by the rules and ethics of best practice in journalism.
- Choice of media owner catering for a diverse nation and differing audience needs.
- Independent local media supporting local employment and businesses.
- Government regulation that protects consumers and businesses to ensure that all media including social media platforms are abiding by the same regulations, which is currently not happening as regard the social media platforms (where they are not categorised as media companies).
- A public service media system that has a combined high daily national reach to generate sufficient advertising revenue for businesses in order to trade effectively.

5 Levelling the playing field

IAPI supports a strong and competitive media landscape in Ireland to ensure a maintenance of standards in media, but this is also critical for the future of the marketing and advertising industries to ensure choice and opportunity in the market.

The size and dominance of global players facilitates a move towards a monopolistic media market, with its associated pricing and media choice issues. This will have a direct impact on advertisers and brands seeking to cost effectively reach Irish audiences in order to grow their businesses. There is a growing global voice calling for a digital tax or payment to be applied to the large global platforms who use local content to deliver their business model.

5.1 Global tech contributions towards advertising regulation

For example, a global tech platform has acknowledged their role in maintaining responsible advertising standards by agreeing a sizeable levy fee arrangement with EASA (European Advertising Standards Authority). IAPI believe that all global advertising platforms should acknowledge this responsibility and equally contribute to maintaining a quality service in handling consumer complaints on advertising.

5.2 Regulation of local content

The EU have been successful in terms of enforcing quotas of local content. In 2018, the EU’s Audio-visual Media Services Directive stated that streaming services including Disney+ must offer a 30% quota of European content to European subscribers starting in 2021.

For this to happen effectively the film, production and advertising industry must work together to develop this so that arts and culture in Ireland realise the benefit of this.

<https://whatsondisneyplus.com/european-union-to-force-disney-other-streamers-to-produce-more-local-content/> To build on this regulation more support could be given to support local advertising production which would encourage more spin-off industries and lead to more direct and indirect employment in Ireland.

We believe that content that is generated from national and local media should be treated in a fair manner. We would propose changes to the law so that social media companies pay fairly for the content that is posted that is nationally or locally generated.

Case reference: Australia v Facebook

<https://www.theguardian.com/media/2020/dec/09/australia-is-making-google-and-facebook-pay-for-news-what-difference-will-the-code-make>

5.3 Reform in libel laws

Media owners in Ireland are under strict libel laws however the social media companies are not categorised in the same manner.

6 Supporting businesses who invest in Irish media

The lifeblood for all media in Ireland is advertising support and so, the growth and success of advertisers in the market has a direct impact on media support and funding. An incentive to support businesses who invest in indigenous Irish media would have the dual benefit of supporting business while simultaneously supporting the media.

In July 2020, IAPI formed the first ever **cross-media group representing advertising** to provide Government with a broad point of contact for the media and advertising industry during the crisis. Following this group meeting, IAPI wrote to Minister Martin on 8th July on this subject to request stimulating advertising spend in order to support Irish Media.

The group was made up of leading names in the Irish media and advertising sector:

- Charley Stoney, CEO, IAPI
- David Field, CEO, The Marketing Institute of Ireland
- Liam Kavanagh, The Managing Director, The Irish Times Group
- Abi Moran, CEO, Folk Wunderman Thompson & Board Director, IAPI
- Alan Cox, CEO, Core Media Group
- Paul Farrell, CEO, Virgin Media Ireland.
- John Purcell, Chairman, Independent Broadcasters of Ireland
- Geraldine O’Leary, Group Head of Commercial, RTE

All these individuals signed the letter which contained the following proposals:

6.1 Introduce a tax credit for all advertising expenditure

Details: This would be a tax credit of 25% to any company against their annual advertising spend, in line with the Italian “Advertising campaign tax credit” model.

Duration: This credit would operate on a three-year basis, with a sunset clause.

6.2 Introduce a tax credit for INCREMENTAL advertising expenditure

Details: This would be a tax credit of 50% to any company increasing their advertising spend on an incremental basis, above 75% of their 2020 advertising spend – in line with the Italian “Advertising campaign tax credit” model and the old base year model of the R&D tax credit.

Duration: This credit would operate on a three-year basis, with a sunset clause.

6.3 Increase Government advertising spend with Irish Media

To further support the media industry in Ireland, we would ask the Government to ensure that all their Departments and Agencies increase their own advertising spend YOY by 25% across print, broadcast and digital Irish media.

Duration: This would involve increased advertising budgets by Government over a three-year basis.

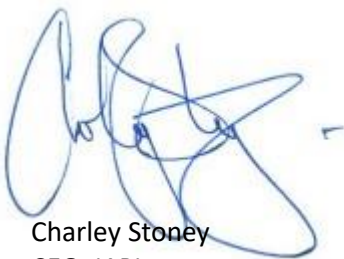
7 Post Brexit opportunities

There is an appetite with International creative and advertising industries, particularly in the US, for collaboration with the only English-speaking country left in the EU. For instance, production firms (both film and commercial), technology platforms, streaming services.

We urge the Commission to look at these opportunities for the Irish media sector and its’ business partners.

Thank you for giving our submission your attention and we look forward to seeing the recommendations of the Commission in the near future.

Yours faithfully,



Charley Stoney
CEO, IAPI

