

## **An Examination of the European Advertising Standards Alliance: The Relationship Between Uncertainty Avoidance and Children's Online Advertising Regulation Code.**

As emerging technologies such as the Internet becomes more a part of everyday life, so too does public concern over its influence. Those who are unable to think for themselves or are vulnerable to advertising messages within such emergent media have historically been at the center of the regulatory debate. These vulnerable populations are the elderly, disabled, and of specific concern to the current study, children.

In an effort to study the forces and social implications of new communications technologies, Dutton, Blumler, and Kraemer (1987) emphasized that variations in regulatory and public policy approaches to new communications technologies require an examination of national culture and history. By focusing on national culture as a variable, the current study seeks to understand variations in advertising regulation policy across the pan-European community. Furthermore, the technological and economic influence of the Internet in the pan-European community has required special attention to the creation and revision of regulatory code. This area warrants even further attention when codes pertain to vulnerable populations such as children. Therefore, the current research seeks to examine code that addresses advertising regulation with respect to children and the Internet.

Since the purpose of this research is to examine the role that advertising self-regulatory bodies (SRO) play in regard to the protection and promotion of their respective cultures, the examination of the cultural characteristic of uncertainty avoidance (Hofstede, 2001) is imperative. Uncertainty avoidance, which has been linked with the implementation of law and policy, is a measure of society's ability to deal with ambiguity (Hofstede, 2001). For example, Yang (2007) used Hofstede's (2001) cultural value dimensions of uncertainty avoidance (UAI),

power distance (PDI), and individualism /collectivism (IDV) in explaining differences in Internet regulatory models among governments in Taiwan, China, and Hong-Kong. He found that nations with lower uncertainty avoidance scores tended to report fewer Internet regulatory measures compared to nations with higher uncertainty avoidance scores.

Singh, Svensson, Wood, and Callaghan (2011) conducted research on Australian, Canadian, and Swedish companies' codes of ethics. Their results revealed significant differences in the number of items addressed between Australian, Swedish, and Canadian companies' code of ethics. Furthermore, they found that items addressed in Australian and Canadian companies' codes of ethics changed over time in comparison to Swedish code. Since Australia and Canada were close in terms of their cultural characteristics they determined that these changes in the codes over a four-year time period were driven by culture.

Both Yang (2007) and Singh et al. (2011) highlight an important connection between uncertainty avoidance and the implementation of policy, law, and regulation whatever its form may be. The current study extends Yang's (2007) and Singh et al. (2011) findings by using Hofstede's (2001) dimension of uncertainty avoidance in order to understand its relationship to the implementation of children's online advertising regulation code. Neither of the above studies demonstrated a statistical link between uncertainty avoidance and the number of policy regulations or items within businesses' codes of ethics. The current study seeks to examine the relationship between culture and policy (i.e. self-regulation of advertising to children online) in a quantitative manner which would give weight to the contention that a nation state's cultural characteristic, in this case uncertainty avoidance, does have a relationship with the amount of regulatory measures explicated in a document.

The Internet has overwhelming capabilities with respect to the prevalence of online advertising and the possible dangers associated with children in an online environment. Uncertainty avoidance (UAI) is hypothesized to relate to the implementation of online advertising regulatory measures, which address unknown and ambiguous situations with respect to children. Therefore, this study proposes the following hypotheses:

- H1: As nation states' UAI scores increase, the number areas that regulate children's online advertising will also increase.
- H2: Nation states that have lower UAI scores are more likely to have child online advertising regulation codes that mirror the regulations areas in the ICC code.

### **METHOD**

A quantitative content analysis of 18 nation state's SRO codes was conducted. The design of the content analysis identified two main sections: 1) the presence of regulatory code addressing online advertising and children and 2) the number of regulatory areas in them.

*Sample.* The resulting sample for analysis included 18 participating nations in EASA. Each of these nations had at least one developed SRO that implemented policies and codes pertaining to advertising regulation. Eight non-European nation states are excluded from the analysis in order to reduce coding time. Though Turkey and Switzerland have functioning SROs they were not included in the analysis because of their non-participatory status in EASA. Slovenia and Lithuania were excluded from the analysis due to their lack of Hofstede's (2001) cultural data. Lastly, Sweden was excluded from the analysis because advertising to children under the age of 12 is considered illegal, therefore its lack of advertising regulation code for children indicates stricter rather than more permissive measures. Each SRO code was located through the European Advertising Standards Alliance homepage. Links to the participating

nations and their associated SRO's were used in locating the codes. After the individual codes were located, those that did not have an English version available on the website or were not English in origin were translated via GoogleTranslate.

*Procedure.* Two advertising graduate students were recruited and trained to code the presence or absence of regulation areas among all 18 European SRO's. Using a coding instrument created by the primary researcher, the two coders were trained and compensated for their time. Inter-coder reliability was 90.6% for the first 11 items on the instrument. During the initial coding period each coder was asked to indicate any other regulation area that was not captured by the instrument. In addition to the initial 11 regulation areas on the instrument eight regulation areas were identified by the pair of coders. Any disagreements of the presence and definition of the eight additional areas were negotiated and reconciled. The final coding scheme resulted in a total of 19 regulation areas.

### **PRILIMINARY FINDINGS**

*H1.* A Pearson product-moment correlation coefficient was computed to assess the relationship between uncertainty avoidance (UAI) and the number regulation areas (NRA) in individual nation states SRO policies. The analysis revealed no significant relationship between UAI ( $M=74.28$ ,  $SD=21.86$ ) and NRA ( $M=8.78$ ,  $SD=2.86$ ). There was no correlation between the two variables ( $r=.067$ ,  $n=18$ ,  $p=.792$ ).

*H2.* Independent sample t-tests were conducted to explore the relationship between UAI and the similarity of SRO code to the ICC code. Three items served as an approximate measure of the SRO code's similarity to the ICC code: 1) Does the SRO code state that it has its origins in or bases its code on the ICC code?; 2) Is there a section that looks the same or very similar to any part of section D7 of the ICC code?; and 3) Does the SRO code cover the same

types and number of areas as the ICC code? Results indicate an opposite trend than hypothesized. SRO policies coded as “yes” for each item had a higher mean UAI score compared to SRO policies coded as “no” for each item (See table 1).

### **IMPLICATIONS AND FUTURE RESEARCH**

These findings suggest that previous research may have spuriously connected uncertainty avoidance to the implementation of regulatory policy. Perhaps there are other factors at play that influence the implementation of children’s online advertising regulatory policy. Even though theory supports the contention that culture and regulation are in fact related, future research may benefit from an inclusion of industry analysis. Even further still, perhaps an analysis of cross-boarder complaints will elucidate the relationship between the protection of vulnerable populations, regulation, and culture. Future efforts will delve deeper into the data to further explore connections between policy and culture.

With respect to hypothesis two, the discovery of an opposite relationship to the one predicted indicates that nation-states with higher UAI scores tend to reproduce the ICC code as their own. It may be that nation-states with higher UAI are uncertain about modifying ICC code. Understanding the factors that determine or are related to these specific regulatory choices is an area that deserves further exploration.

Since children are considered a vulnerable population across most cultures, it is interesting to note that the countries in this sample take a varying degree of regulatory impetus when protecting them. For example, though Greece has the highest UAI score in the sample, or even the entirety of Hofstede’s (2001) data, they have the same number of regulation areas covered as does the United Kingdom, which has the lowest UAI score out of the sample.

Table 1  
Uncertainty Avoidance and SRO Similarity to ICC code

Variable	Yes	M(UAI)	No	M(UAI)	Difference	t-value	Sig.
Does the SRO code state that it has its origins in or bases its code on the ICC code?	11	81.36	6	62.0	<b>19.36</b>	1.81	.090
Is there a section that looks the same or very similar to any part of section D7 of the ICC code?	5	91.0	12	67.67	<b>23.33</b>	2.16	<b>.047*</b>
Does the SRO code cover the same types and number of areas as the ICC code?	3	94.33	14	70.29	<b>24.05</b>	1.79	.093

\*Significant at the .05 level

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