



The Impact of High Risk Advertising on Thai Social Values

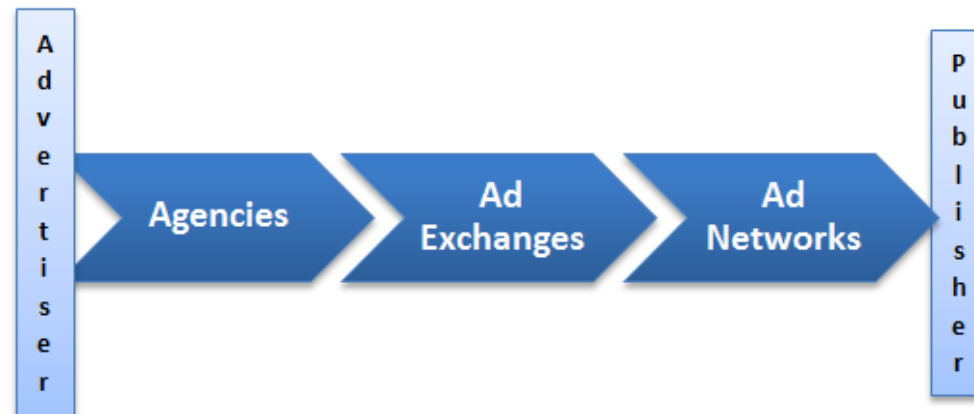


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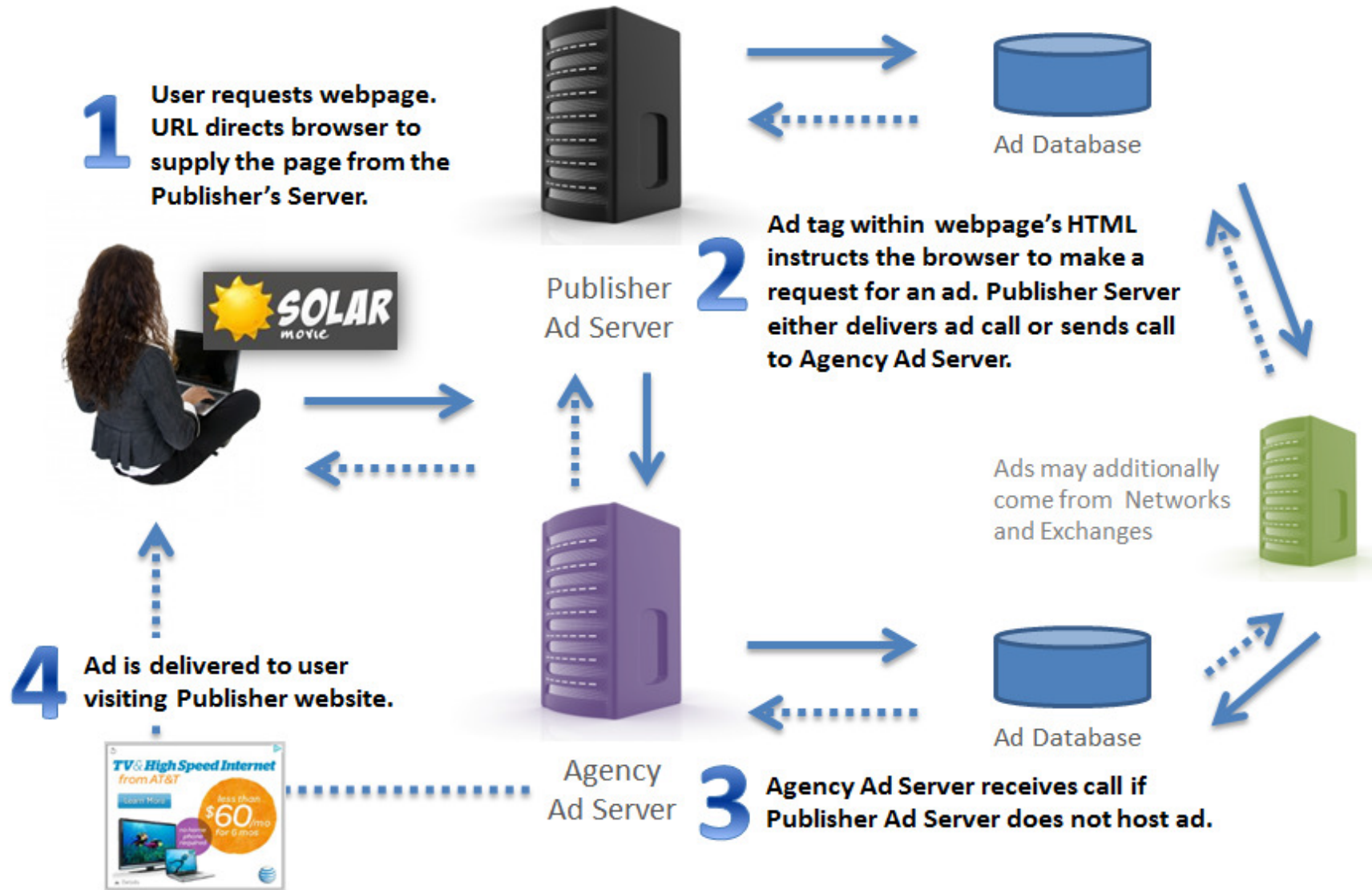
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How Online Advertising Works

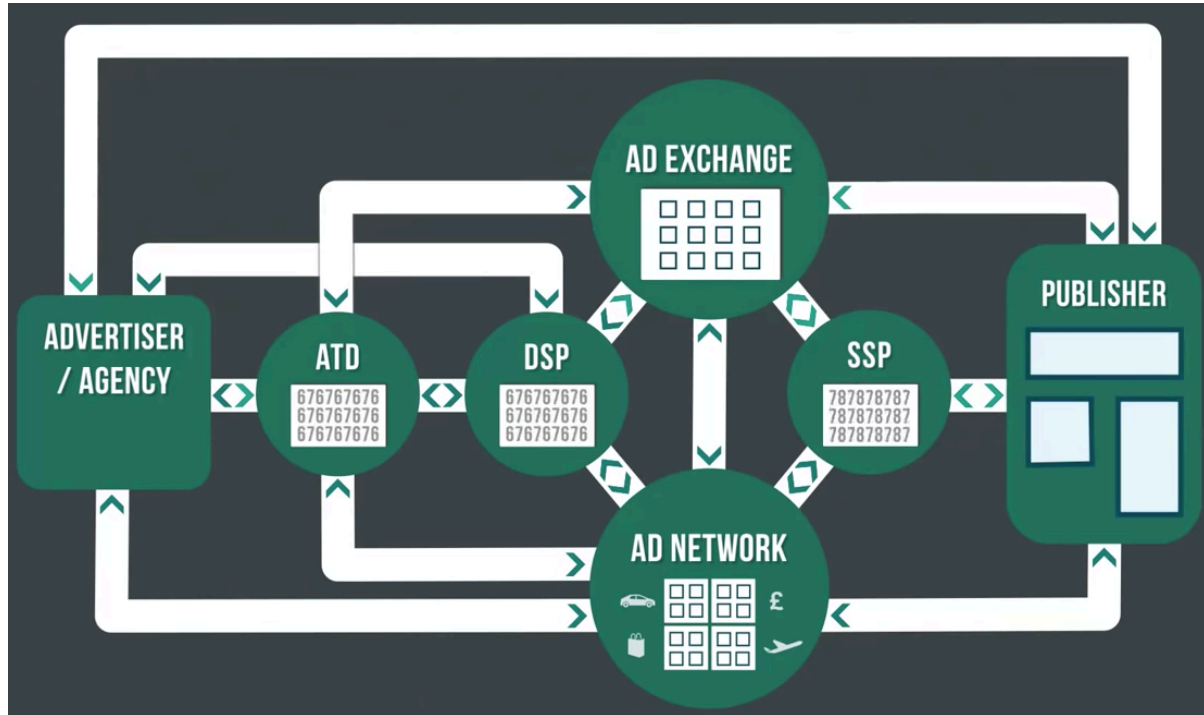
- ◎ Online advertising involves a publisher (website), which **displays** advertising messages to visiting users; and an advertiser, which supplies the advertisements to be shown on the website
- ◎ Most often the path to get an advertisement from an advertiser to a publisher will also include intermediaries such as Agencies, Ad Exchanges, Ad Networks, and Ad Servers



How Online Advertising Works



How Online Advertising Works



Today, online advertising is a very complicated system

https://www.youtube.com/watch?v=IC0n_9DOlwE

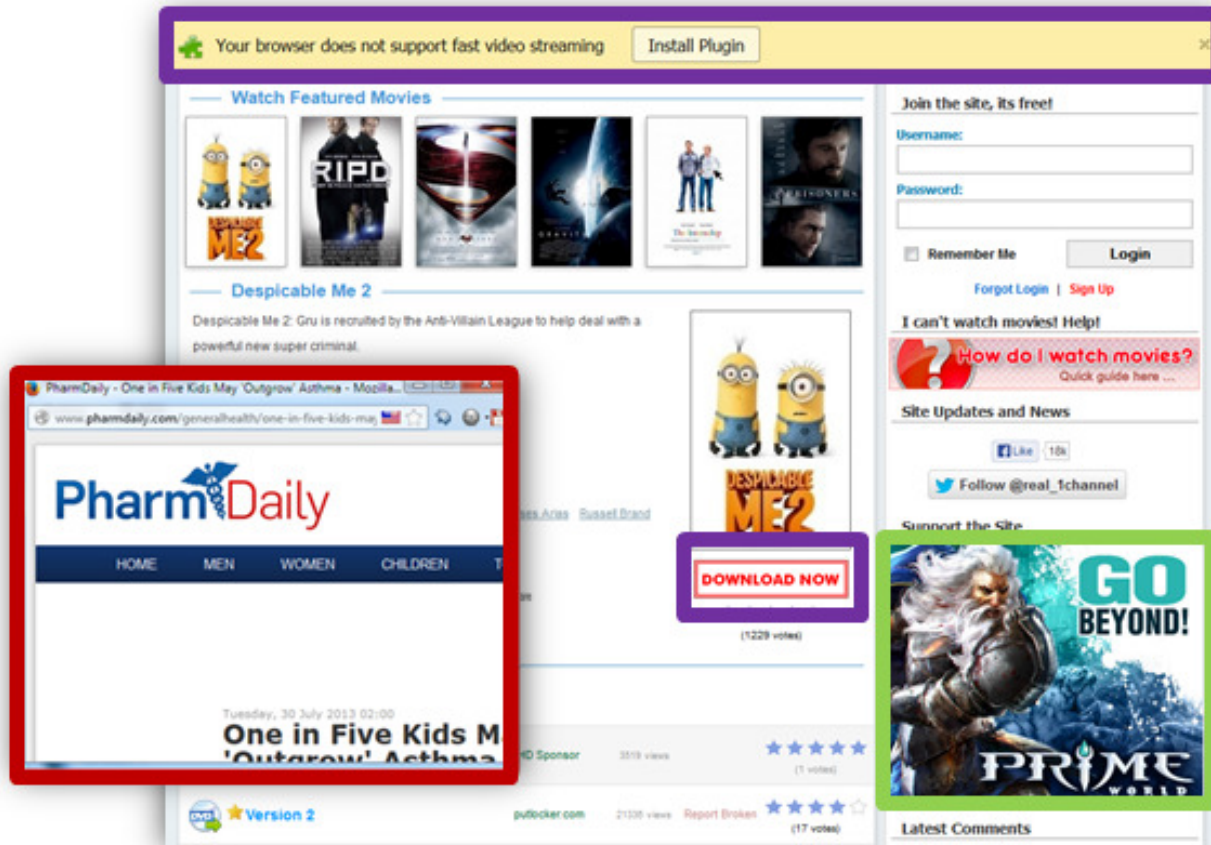
<https://www.youtube.com/watch?v=-Glg9RRuJs>

- ⊙ Owner of a website cannot control what sort of advertisements offered by the advertiser
- ⊙ Advertiser does not know what advertisements are delivered to a website

Display Formats of Online Advertising

- ◎ Banner – a graphical image advertisement displayed on a website
- ◎ Pop-up/Pop-under – advertising that is opened in a new browser window, either on top or behind the user's initial browser window
- ◎ Interstitial – transitional or interruption advertisement which display before a user can access requested content or between two content pages
- ◎ Affiliate – involves a publisher receiving payment for generating potential customer for an advertiser (e.g. downloads or installations of files from the website)

Display Formats of Online Advertising



Pop-up



Affiliate



Banner



Interstitial

How Revenue is Generated

Payments are calculated in a number of different ways. The most commonly used are:

- ⦿ **CPM (cost-per-mille)** – an impression-based model, based on the cost of 1,000 impression. For example, an advertising network may value a publisher ad space at a \$10 CPM. That means, if there were 1,000 users browsed and saw the advertisement, advertiser has to pay \$10 to the publisher
- ⦿ **CPC (cost-per-click) and CPA (cost-per-action)** – performance-based model. The advertiser pays for the number of users who perform a specific activity. CPC is the cost of advertising based on the number of clicks an ad receivers. CPA is the cost of advertising based on an action such as completing a sales transaction



How Much They Earned

It is difficult to estimate the advertising revenue for any particular website. Most are estimated by the advertiser models and the traffic of the website.

- ◎ In the 2009 trial of the operators of ThePirateBay, advertising revenue was estimated to be \$1.4 million
- ◎ The 2012 indictment of megaupload.com noted that advertising on Megaupload and its associated websites had earned more than \$25 million



Types of Online Advertising

Mainstream Ads

- ⊙ Placed by legitimate businesses that operate within the formal economy
- ⊙ Do not operate in the black market, grey market or underground economy

High Risk Ads

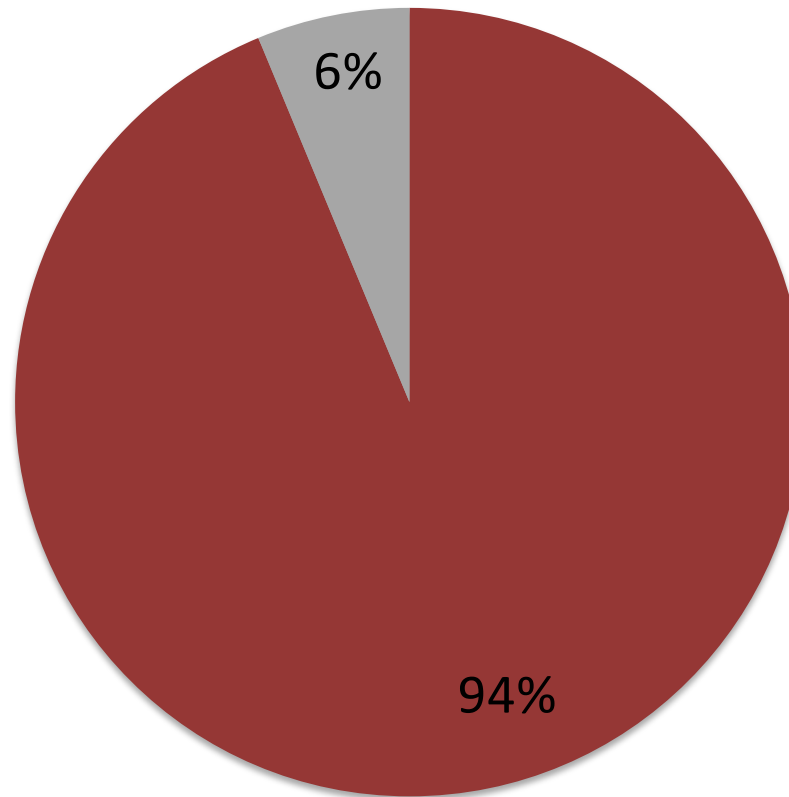
- ⊙ Promoting goods or services which fall outside the legitimate economy of white market
- ⊙ May be illegal or restricted within certain jurisdictions, or may be fake or counterfeit such as sex industry, online gambling, fake medicine, malware, etc

Online Ads Situation for Thai Website

- ◎ 43 rogue websites in Thai language were identified using Google search on the terms: หนัง ดาวน์โหลด (download film), online download film (ภาพยนตร์ ดาวน์โหลด ฟรี), online (ออนไลน์) and dare (ลองของ)
- ◎ 10 pages sampled for each site = 430 pages
- ◎ A total of 462 advertising items and 751 visible ads were identified
- ◎ 6% of the ads were mainstream, and 94% were high-risk, of which 62.22% were sex ads, and 16.05% were gambling ads

Online Ads Situation for Thai Website

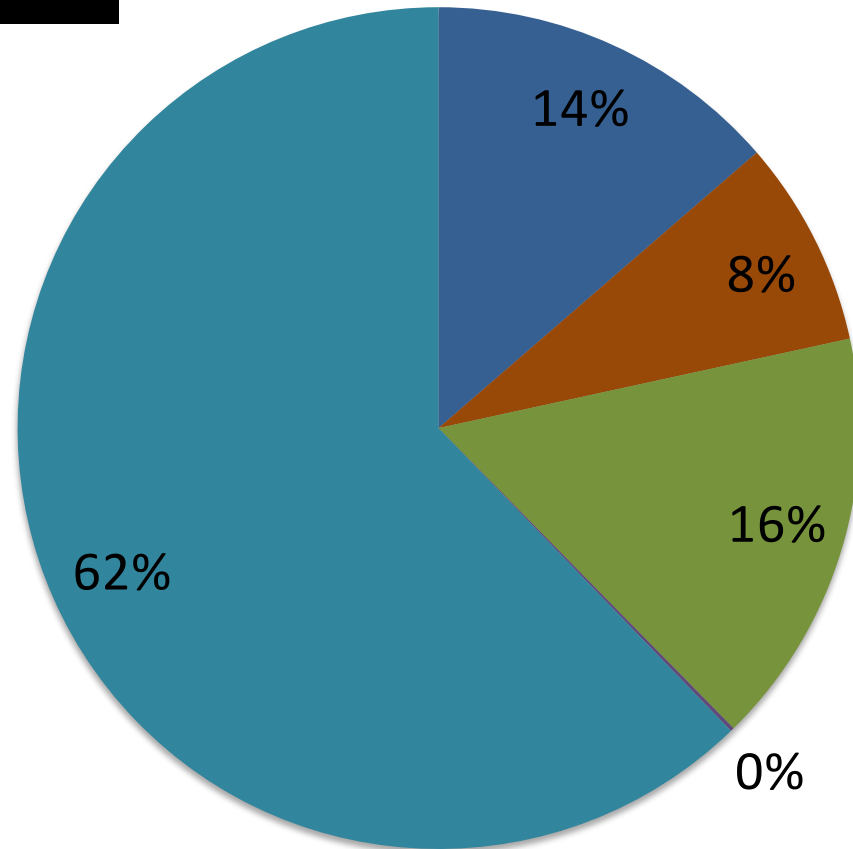
■ High Risk
■ Mainstream



Online Ads Situation for Thai Website

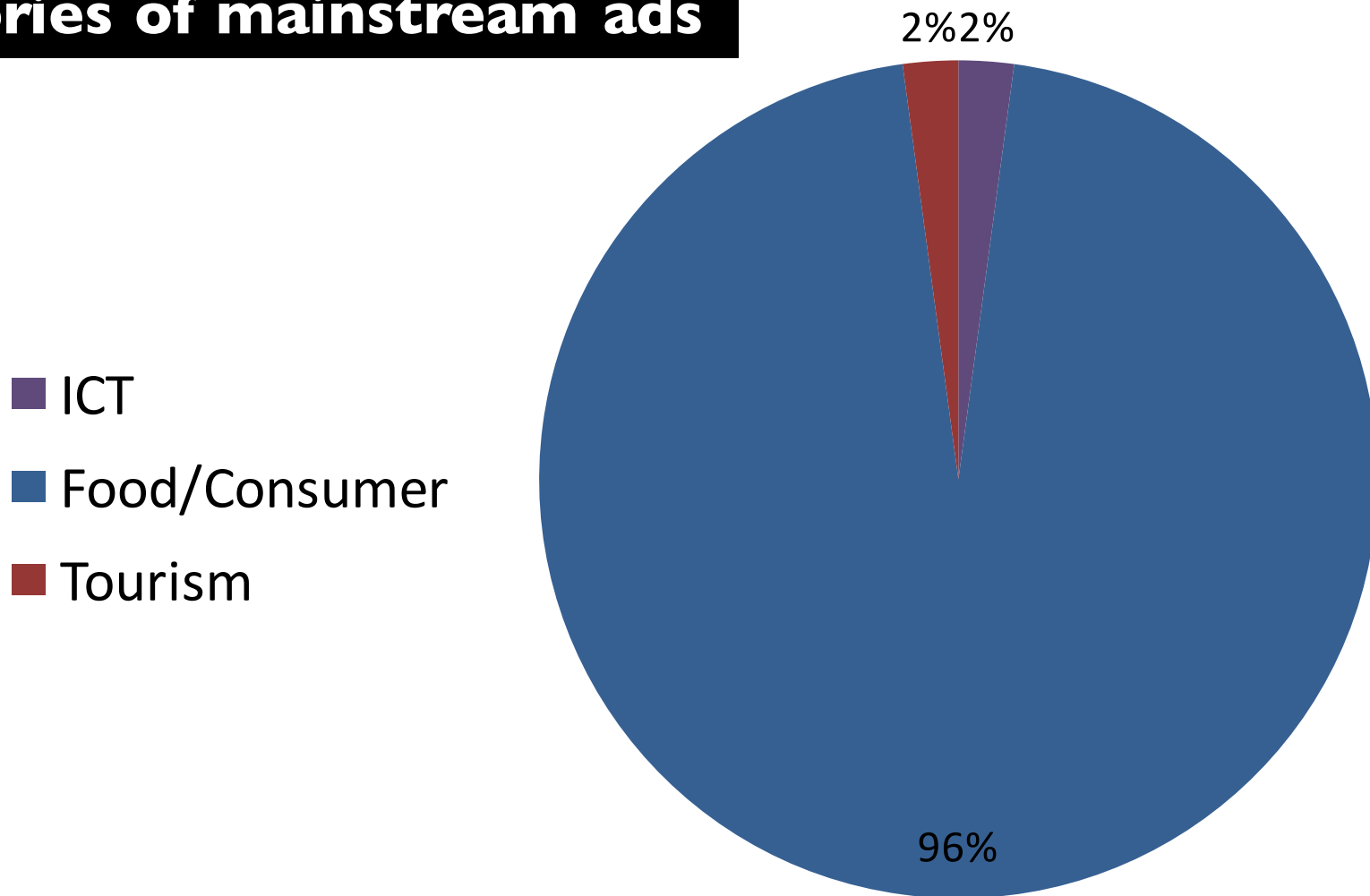
Categories of high risk ads

- Malware
- Downloading Sites
- Gambling
- Scams
- Sex Industry



Online Ads Situation for Thai Website

Categories of mainstream ads





Conclusions and Way Forward

- ⊙ Thai ads on local rogue sites are predominantly high risk in nature, in particular sex or adult ads
- ⊙ Parents need to be aware of what their children are viewing
- ⊙ Policymakers need to consider ways to block high risk content
 - ⊙ Malware can steal banking credentials
 - ⊙ Sex industry and gambling are unregulated online
- ⊙ Mainstream brands need to be made aware of where their ads are placed
- ⊙ Innovative approaches needed – public/private partnerships



Overseas Experience

- ◎ US – Trustworthy Accountability Group (TAG) and the Digital Advertising Assurance Providers (DAAPs)
- ◎ UK – Operation “CREATIVE”



TAG and DAAPs

- ◎ The United States Association of National Advertisers (ANA), Interactive Advertising Bureau (IAB) and American Association of Advertising Agencies (4As) came together to create the Trustworthy Accountability Group (TAG), a cooperative industry effort to tackle some of the toughest problems in the digital ad supply chain, including ad-supported piracy, digital advertising fraud, malware, and lack of transparency
- ◎ The Brand Integrity Program Against Piracy is a voluntary initiative through which TAG will validate select technology companies – known as Digital Advertising Assurance Providers (or DAAPs) – to help advertisers and their technology partners identify and screen out Web sites that do not meet each advertiser's brand standards for risk of infringement

Operation CREATIVE

Anti Piracy – Op CREATIVE

- Collaboration with:



THE **PUBLISHERS**
ASSOCIATION

- Tactics include:

- I. Restorative Justice
- II. Domain suspension
- III. Restricting advertising revenue
- IV. Payment service removal
- V. Enforcement

Op
Creative



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Operation CREATIVE

Restricting Advertising Revenue

All of the sites that have failed to respond or legitimise their functions are entered onto the Infringing Website List (IWL)

- The IWL is accessible by a number of partners, including the advertising industry
- Adverts are restricted to the sites on the IWL
- Reduction in revenue for the infringing websites
- Advert replacement technology is being used to replace adverts with police messages



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Questions?