



MOBILE DATA ASSOCIATION

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Ofcom Consultation

Participation TV part 2 Keeping advertising separate from editorial

The MDA reflects the common voice of the mobile data industry. The Association promotes the use and benefits of mobile data throughout industry and business in the UK. Press, regular industry conferences and seminars, and the operation of websites (www.themda.org and www.text.it) help promote a high level of awareness amongst users and advisers, directly influencing operational management.

In addition, the Association provides a forum for members of the industry to meet and share information on technical and business issues.

Consultation Questions

Question 1

Do you have any comments on the drafting of the proposed amendments to the Broadcasting Code set out in Section 4? Please provide drafting suggestions where appropriate.

Answer 1

The MDA believes drafting is premature until an accurate assessment of the impact of the Ofcom proposals is conducted. Alternatives to the suggested rule changes could prove attractive once the true impact of the Ofcom proposals is understood.

Question 2

Do you have any comments on the draft explanatory guidance set out in Section 4? Please provide drafting suggestions where appropriate.

Answer 2

It is essential to await the results of a properly conducted Impact Assessment.

Question 3

Do you agree that the proposed rules should apply to radio as well as to Television?

Answer 3

Radio and television are similar broadcast media, so should attract similar regulatory controls.

Conclusions

The MDA believes consumers can exercise freedom of choice and enjoy effective consumer protection when they are fully informed at the point of sale. This belief is reflected in the TWF Directive, which purportedly forms the basis of the proposals made by Ofcom in this Consultation, in that it calls for removal of possible confusion for consumers regarding editorial and advertising content of interactive broadcast programmes.

The Ofcom approach of applying existing and unsuitable rules to new service types in order to meet the requirements of the TWF Directive will cause serious damage to the interactive broadcast services sector. This sector is demonstratively popular with consumers and has invested in addressing core problems over the past year. Estimated lost revenues of £60-100m, together with over 2000 lost jobs associated with many lawful services is unacceptable. There could be legal repercussions resulting from the effective prevention of these services continuing to trade, but we would wish to avoid this if at all possible.

The issue of editorial and advertising content segregation could be simply resolved by the creation of a new and properly labelled service category entitled, Advertorial. Consumers would be fully informed at all times of the nature of the service, and would have the freedom to choose whether or not to participate. There would be no confusion about content and alternate methods of payment could be presented. A transparent approach would spark enthusiastic investment and an appropriate surge of jobs, revenues and taxes, while satisfying the legitimate concerns addressed by the TWF Directive.

Consumers need not be confused regarding the nature and content of interactive services, but do need to understand when they are being exposed to a sales based proposition, its cost, the choice of payment methods and what will be delivered. A new programme category of Advertorial would be a beneficial route to avoid damaging lawful programming which exists today, and to offer clarity for future investment opportunities in this highly popular genre.

Statement of Representation

MDA confirms that this response has been compiled following a process of distribution of the relevant consultation documentation to all The MDA members. A list of MDA members can be found at <http://www.themda.org/mlc/ml.asp>.

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Close

We look forward to your response and assure you that these comments are intended to help achieve an effective, fair and proportional regulatory regime for Premium mobile data services in the UK.

If any clarification to our response is required or if we can be of any further assistance please contact Martin Ballard at 0870-2255-632 or martin.ballard@themda.org.