Indonesian Advertising Ethics:
Guard of Industry & Protector of Advertising Consumer in Indonesia
(Study Case of the Role and Function of the Advertising Regulatory Agency on the 2020
Indonesian Advertising Ethics Amendment)

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ABSTRACT. Advertising is often considered to bring bad impact on society, ranging from consumerism to fraud against consumers. Therefore, Indonesian Advertising Ethics (EPI) becomes a control function to Indonesia’s advertising industry. Since its presence in 2007, which is a refinement of Indonesian Advertising Code of Conduct and Procedures (TKTCPI), there are still lots of violations done within the advertising industry players. The presence of Indonesian Advertising Ethics was due to answer the development of the very dynamic marketing communications world. The purpose of Indonesian Advertising Ethics (EPI) is “self-regulation” to maintain the authority of advertising industry and to protect consumers. For this reason, Indonesian Association of Advertising Companies (P3I) formed a tool to supervise the implementation of Indonesian Advertising Ethics, namely Advertising Standards Committee (BPP) that works right under the central of Indonesian Association of Advertising Companies (P3I). The function of Advertising Standards Committee (BPP) is to supervise advertisings that are considered violating Indonesian Advertising Ethics (EPI) and give reprimands to the perpetrators of these violations. In addition to that, to answer the dynamic of advertising industry, which since ten years ago has widely spreaded to digital platforms, two amendments has done to Indonesian Advertising Ethics (EPI), namely in the year of 2014 – which generated Indonesian Advertising Ethics (EPI) 2014 – and also in the year of 2020 – which generated Indonesian Advertising Ethics 2020. This research aims to find out changes in Indonesian Advertising Ethics 2014 and Indonesian Advertising Ethics (EPI) 2020 to answer the dynamic of advertising industry in Indonesia. This research use advertising concepts related to the relationship between advertising and social condition of society. This research use study case method by extracting data through in-depth interview with the head of Advertising Standards Committee (BPP). The result of this research is expected to become input for Indonesian Advertising Council (DPI) that is currently revising Indonesian Advertising Ethics in the realm of digital advertising.

KEYWORDS: advertising, Indonesia advertising ethics, marketing communication, advertising standard committee

1. INTRODUCTION

Advertising in Indonesia is growing from year to year. In the year of 2021, it was recorded that the advertising spending in Indonesia reached IDR 259 trillion (Zuraya, 2022). As the oldest marketing communication tool, advertising is facing a change of form. Despite this, the main goal of advertising as communication tool namely, to sell item, service, and idea, has never changed (Moriarty, Mitchell, Wood, & Wells, 2019, p. 35). In one hand, advertising has become a part that has helped a lot in the process of marketing, but in the other hand advertising also has negative impact to the society. Since a long time ago, advertising has been getting critics from the society ranging from dishonesty, bad taste, selling sensualities, to advertisments that are not on target and consumed by children (Belch & Belch, 2018, pp. 737-743).

In order to minimize the negative impact from advertising, Indonesia since 1981 has had Indonesian Advertising Code of Conduct and Procedures (TKTCPI) – that’s later know as Indonesian Advertising Ethics
(EPI). To adapt with the current trend, Indonesian Advertising Ethics (EPI) in 2020 underwent its third amendment after the year of 2007 and 2014. The amendment is urgently needed due to the rapid growth of advertising industry and digital world. Indonesian Advertising Ethics (EPI) is not only applied to advertising agency, but also binds all member of Indonesian Advertising Council (DPI), which include advertisers, advertising maker, to media as the tools where the advertisements are broadcasted.

Indonesian Advertising Ethics (EPI) was arranged with self-regulation principle which means that it is arranged, agreed upon, and enforced by the perpetrators themselves and has the aim of limiting the role of the government through laws and regulations (Belch & Belch, 2018, p. 670). However, Indonesian Advertising Ethics (EPI) was arranged based on several existing laws and regulations that already such as UU No.8/1999 on Customer Protection and UU No.32 on Broadcasting. Indonesian Advertising Ethics (EPI) does not dispute existing laws, but instead, it becomes a kind of technical guide for the content of advertising that can be broadcasted to the society.

The implementation of Indonesian Advertising Ethics (EPI) in Indonesia is done by Advertising Standards Committee (BPP) that works under Indonesian Association of Advertising Companies (P3I). Advertising Standards Committee (BPP) acts on people’s report and its members’ observation of advertisements circulating in the society. Ethical implementation in Indonesia is done based on social norms that takes place and adjusted dynamically from time to time. This shift unable Indonesia Advertising Ethics (EPI) to stay stagnant and has to adapt accordingly to the social condition of the community.

This research aims to determine the role and function of Advertising Standards Committee (BPP) in the implementation of Indonesian Advertising Ethics (EPI) in Indonesia and aims to find out about the changes exist in the 2020 Indonesian Advertising Ethics (EPI) amendments. This research use advertising concepts related to the relationship between advertising and social condition of society. This research use study case method by extracting data through in-depth interview with the head of Advertising Standard Committee Susilo Dwihatmanto and content analysis that compares Indonesian Advertising Ethics (EPI) 2014 with Indonesian Advertising Ethics (EPI) 2020. This research is expected to present an overview the role and function of Advertising Standards Committee (BPP) also provide information about changes in Indonesian Advertising Ethics (EPI) 2020 to minimize ethical violations in the future.

2. ADVERTISING & SOCIETY

Advertising is often accused of giving bad influence on the society. However, it is necessary to understand that advertising is influenced by variety of elements in the society itself. Advertising grows in an environment and if the environment changes, the advertising will also change. Advertising is part of that particular environment, and that environment is the society itself. As one of the economic tools, advertising has evolved for hundreds of years (Weigold & Arens, 2018, pp. 12-19). That evolution has been occurring throughout the ages, from pre-industrial era to digital era. From using the most traditional media to using complex digital media.

Throughout the evolution, advertising has been intersecting with a wide variety of environment, ranging from economic power, technology, to politics. Every time there is a shift in the environment, the shift in advertising also happens as a form of adaption. In the study of advertising, various issues arise in the dynamic of pros and cons. Advertising: A Mirror of Society, or an Agent of Change (Pollay, 1986); Advertising lowers prices for consumers (Hollifield, 2014) or Advertising makes products more expensive (Abernethy, 2014); Advertising to Children (Smith, 2014) (Panici, 2014); and some other pro and cons. The advertising maker – in this context are advertiser and advertising agency – respond to the shift in two ways, namely reactive and proactive (Lee & Johnson, 2005).

Reactive respond will be done when the advertising maker feels as if they cannot control elements of change. These responds result in adjusting to the current condition, as well as not imposing old ways. This kind of respond is done to avoid turmoil in the society and to make the brand or company not hated and abandoned. For example, when a rule arises that alcoholic beverages are no longer allowed to advertise on the mass media,
the creators of the advertisements will replace these methods in a way that is allowed and focus on certain segments only.

On the other hand, proactive respond will be done when the advertisement makers feel like they have some such of control in the shift. This respond will result a conducive environment for the business and is not impossible that it will turn into an opportunity. For example, mild cigarettes actually appeared in the late 80s when people began to realize the negative effects of cigarettes. The cigarette industry is declining, advertising is also declining. Then with the emergence of mild category cigarettes which are considered lighter the cigarette industry is growing again as well as its advertising.

For decades, advertising has been attacked with a lot of issues circulating within the society. Especially the ethical issues whose boundaries are still blurry and multi-interpretation. Some critics in advertising include (Andrews & Shimp, 2018, pp. 77-81):

1. **Advertising is considered dishonest and deceptive;** a lot of people consider dishonest and commit fraud in their activities. The fact is that some advertisings commit fraud and plays with regulations both from government and the advertising association itself. Lying, committing fraud, and other foul play can happen anywhere, not just in advertising industry.

2. **Advertising is manipulative;** this critic shows that advertisings have power to persuade and affect people to act accordingly to the advertising’s goal. There is no denying that advertising persuades consumer to buy product and brand. But it must be underlined that persuasion is not equal as manipulation. Persuasion is a common and legitimate activity that is done in communication activities between people and can be done not only in advertising.

3. **Ads are offensive and bad taste;** some of the things on which this criticism is based on advertisings with stupid ideas, sex in advertisings, as well as disgusting product demos. advertisements also often show vulgar visuals that are generally insulting to human intelligence. However, bad images and ideas also not only appear in advertisments but also appear in other visual forms such as movies and television shows. This means that the offensive presentation and bad taste that should be criticized is its use in the mass media, and not only in advertising.

4. **Advertising creates and reinforces stereotypes;** advertisings are thought to often feature certain groups with predictable traits. Such as the depiction of stingy Arabs, Javanese or Papuans who are still primitive. Female figures are also often depicted only as housewives or sexual objects. This display is considered to be stereotyping without being based on data and facts in the field.

5. **Advertising makes people buy unnecessary goods;** with its persuasion element in advertising, this is considered to influence the consumer to do things that he does not need. But this is still a matter of debate because people have an absolute decision whether to buy or not.

6. **Advertisements take advantage of fear and insecurity;** some advertisements show negative consequences if consumers do not use advertised products such as rejection from the opposite sex, bad breath, or even families who suffer when left behind by the head of their family. Some certain category products such as insurance do use a lot of communication approaches like this. There is no denying that this approach is indeed a creative approach to advertising and can be carried out on any type of product.

For this reason, Indonesian Advertising Ethics (EPI) is needed and intend to become the guard of the advertising industry and the keeper of consumers in Indonesia. Regulation is important to protect consumer and competitor from fraudulent, deceptive, and unfair business practices. Whatever the reason is, regulation brings significant impact in advertising industry of a country. Regulation is considered to be able to save the industry from public distrust to the advertising itself (Andrews & Shimp, 2018, p. 66)

3. **ADVERTISING REGULATORY AGENCY**

Advertising Standards Committee (BPP) was established by the Indonesian Association of Advertising Companies (P3I) and the goal is to supervise the circulation of advertisements in Indonesia. Advertising Standards Committee (BPP) runs according to the guidelines contained in the Indonesian Advertising Ethics
(EPI) which is currently the Advertising Ethics (EPI) 2020 amendment. Currently, Advertising Standards Committee (BPP) is chaired by Susilo Dwheldtanto and consist of advertising practitioners and academics in the field of advertising studies. Advertising Standards Committee (BPP) received input from the public, including the Indonesian Consumer Foundation (YLKI), the Indonesian Broadcasting Commission (KPI), the National Agency of Drug and Food Council (BPOM), and also the general public. Advertising Standards Committee (BPP) is an advertising industry initiative to run a business in accordance with existing social norms in Indonesia.

Every month, Advertising Standards Committee (BPP) holds a meeting to discuss various cases of advertisements that violate the Indonesia Advertising Ethics (EPI). In addition to that, the discussions also took place through the WhatsApp Group. Susilo mentioned that Indonesia Advertising Ethics (EPI) runs in accordance with socio-cultural conditions in Indonesia. For example, in Indonesia, the regulations on the alcohol category are very strict – where the majority of the Indonesian population is Muslim who prohibit alcohol consumption – while on the other hand, cigarette category products in Indonesia has looser regulations when compared to other countries. Susilo also said that politeness is a reflection on Indonesia Advertising Ethics (EPI), for example, competition relating to the use of brand names.

According to Susilo, Indonesia Advertising Ethics (EPI) the course of the advertising industry in Indonesia, with government interference, is considered lacking understanding within the context of advertising itself. The internal parties of the advertising industry are considered to be the parties who understands the best about the real conditions of the advertising industry. Advertising Standards Committee (BPP) also provides input and an overview of the advertising industry to regulators – in this case the Ministry and the House of Representatives of the Republic of Indonesia (Indonesian Parliament). With these inputs, Advertising Standards Committee (BPP) can provide legitimacy that the course of the advertising industry is within the corridors of Indonesian socio-cultural norms and conditions. With the existence of Indonesian Advertising Ethics (EPI), it can actually provide space for advertising industry players to do practices within the appropriate conditions and dynamics in the society.

From the consumer side, Advertising Standards Committee (BPP) also ensures that there will be no misinformation in advertising messages, including ensuring that existing regulations run. Susilo gave an example that Advertising Standards Committee (BPP) makes sure that the message of the dangers of cigarettes must be included in every advertising message in accordance with the Regulation of the Minister of Health of the Republic of Indonesia No.28 of 2013 concerning the Inclusion of Health Warnings and Health Information on Tobacco Product Packaging (2013).

If an Indonesian Advertising Ethics (EPI) violation is found, then Advertising Standards Committee (BPP) will send a letter of reprimand to the advertising agency from the violating advertisement. Advertising Standards Committee (BPP) also provides an opportunity for the advertising agency to give the right to answer the letter of reprimand filed. This process can often last for more than a few months and is one of the obstacles to Advertising Standards Committee (BPP) work. Another obstacle that often occurs is that Advertising Standards Committee (BPP) has to trace who the advertising creator is violating Indonesian Advertising Ethics (EPI). This often happens when the creator of the advertising is unknown as it is not a member of Indonesian Association of Advertising Companies (P3I). Advertising Standards Committee (BPP) is also in charge of mediation in the event of a cross-section of opinions between two competing brands and there is a report Indonesian Advertising Ethics (EPI) violation from one of those brands.

Susilo said that in the future Advertising Standards Committee (BPP) must further increase socialization to advertising industry players, especially to Indonesian Association of Advertising Companies (P3I) members. Socialization is considered important because many young advertising practitioners haven’t been exposed to the information about the existence of Indonesia Advertising Ethics (EPI). For this reason, Advertising Standards Committee (BPP) involves academics so that Indonesia Advertising Ethics (EPI) problems can also be included in the curriculum of advertising studies. According to Susilo, one of Advertising Standards Committee (BPP) challenges in carrying out its duties is the lack of participation from advertising
agencies to assign their employees to become Advertising Standards Committee (BPP) members, so Advertising Standards Committee (BPP) must be proactive to invite practitioners and academics.

During its duty period, Advertising Standards Committee (BPP) conducted performance reports at each Indonesian Association of Advertising Companies (P3I) Congress. The report contains the number of advertising violations that occurred during the Advertising Standards Committee (BPP) work period. Currently, cannot be known by the general public, but aims to evaluate the internal evaluation of Indonesian Association of Advertising Companies (P3I) members. Susilo said that Advertising Standards Committee (BPP) does not have a positive legal standing, hence if the report is published in general, this could harm the good name of a brand. With the dynamics and development of the advertising business, currently Advertising Standards Committee (BPP) can also give reprimands to advertising violators who are not members of Indonesian Association of Advertising Companies (P3I).

4. **INDONESIAN ADVERTISING ETHICS (EPI) 2020 AMENDMENT**

Advertising Ethics (EPI) 2020 amendment 2020 was ratified on 20 February 2020 by the Chairman of the Presidium of the Indonesia Advertising Council (DPI) – signed by eleven stakeholders under the Indonesia Advertising Council (DPI) – which are all elements of Indonesia's advertising stakeholders. Indonesia Advertising Ethics (EPI) 2020 is the fourth refinement of a similar document originally called the Indonesian Advertising Code of Conduct and Procedures (TKTCPI) – pledged on September 17, 1981. Later, on August 19, 1996, improvements were made to the Indonesian Advertising Code of Conduct and Procedures (TKTCPI) book. Subsequently, Indonesian Advertising Code of Conduct and Procedures (TKTCPI) changed its name to Indonesia Advertising Ethics (EPI) on August 26, 2005 which was the second refinement. Prior to the 2020 amendment, a third refinement of the EPI was made on October 1, 2014 (Indonesia Advertising Council (Dewan Periklanan Indonesia, 2020)

Susilo said that so far, more than 60% of Indonesia Advertising Ethics (EPI) violations have occurred in the use of the word superlative. However, the 2020 EPI amendments are stated to keep up with the development of the digital advertising industry. Susilo also said that the 2020 Indonesia Advertising Ethics (EPI) 2020 amendment provides room for the growth of the halal product industry in Indonesia. Susilo said that Indonesia Advertising Ethics (EPI) is dynamic in adjusting to the needs of the industry and the issues circulating in society. This causes further amendments to be made if needed.

From the data obtained by this study from Advertising Standards Committee (BPP), several Indonesia Advertising Ethics (EPI) violations were obtained that were most often committed. These violations include:

- **The use of superlative words in advertising messages**: such as the use of the words “the”, "most", "100%", and other words that mean the same.
- **Exploitation of religion and culture**: such as the use of religious leaders as advertising stars with the words of his religious expertise.
- **Advertising of drugs that are not registered with National Agency of Drug and Food Control (BPOM)**: there is a message that promises instant healing. There are also supplement products that are considered medicinal and give the impression of a necessity.
- **Exploitation of fear and superstition**: some advertisements use ghost figures even though they are wrapped in humorous stories.
- **Exploitation of violence**: featuring scenes that can stimulate violence in the absence of warning. This scene is prone to being modeled by young audiences.
- **Neglect of safety**: featuring a dangerous scene that was actually an engineered scene.
- **The use of endorsers representing the health profession**: featuring a figure who can be considered a health worker in an advertisement.
- **Price comparison and disparage competitors**: featuring more expensive, uglier, or worse competitors.
• **Impersonation of advertising concepts**: intentionally or unintentionally similar concepts, stories, icons, attributes in an ad that has previously been used by competitor.

• **The use of asterisk marks**: not equipped with a complete and clear description, hence it hides the real message.

• **Sexual exploitation and sensuality**: featuring scenes that exploit eroticism as well as displaying and accentuating certain body parts that can also be considered gender harassment.

• **Narrative advertising**: obscuring an ad as if it were part of the event’s content without mentioning that it was a form of promotion.

From the data obtained by this study comparing between Indonesia Advertising Ethics (EPI) 2014 and Indonesia Advertising Ethics (EPI) 2020, several additional things were found and changes that became amendments:

<table>
<thead>
<tr>
<th>EPI 2014</th>
<th>EPI 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.7 Culture</strong>&lt;br&gt;Advertising must respect and preserve Indonesian cultural values.</td>
<td><strong>1.7 Religion and Culture</strong>&lt;br&gt;1.7.1. Advertising is prohibited from exploiting religious rituals and other matters related to religion. 1.7.2. Advertisements must respect Indonesian cultural values.</td>
</tr>
<tr>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>2.2. Cigarettes and Tobacco Products</strong>&lt;br&gt;2.2.2 Cigarettes and tobacco products may only be advertised on television and online media at 21.30 – 05.00 West Indonesian Time. 2.2.3 Advertising broadcasting of cigarettes and tobacco products must meet the following conditions: h. Must not offer product samples. i. Must not trigger to add to the purchase of cigarettes e.g. discounts, direct prizes, sweepstakes, quizzes related to the purchase of products.,</td>
<td>None</td>
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<td>None</td>
<td>None</td>
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<tr>
<td><strong>2.5. Vitamins, Minerals and Supplements</strong>&lt;br&gt;2.5.2 Advertising should not promise the ability to prevent diseases.</td>
<td>None</td>
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<tr>
<td>None</td>
<td>None</td>
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<tr>
<td><strong>2.8. Medical Devices and Supplies in the Household</strong>&lt;br&gt;2.8.4 Tools and/or software that provide health benefits must be accurate, not misleading, not neglecting side effects, and have been tested by competent third parties.</td>
<td>None</td>
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<tr>
<td>None</td>
<td>None</td>
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<td><strong>2.10. Healthcare Services (see explanation)</strong>&lt;br&gt;2.10.5 Healthcare Advertisements may not offer treatment or treatment diagnoses without a physical examination. (see explanation)</td>
<td>None</td>
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<td>None</td>
<td>None</td>
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<td><strong>2.11. Alternative Healing Services</strong>&lt;br&gt;2.11.3. Alternative healing ads should not promise healing.</td>
<td>None</td>
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<td>None</td>
<td>None</td>
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<tr>
<td><strong>2.18. Social Funds and Charitable Funds</strong>&lt;br&gt;2.18.1. Social funds or charitable funds must obtain permission from the authorized institution.</td>
<td>None</td>
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<td>None</td>
<td>None</td>
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<tr>
<td><strong>2.32. Advertising of Financial Service Institutions (PUJK)</strong>&lt;br&gt;Advertising of Financial Service Institutions (PUJK) advertisings must be accurate, honest, clear, and not misleading.</td>
<td>None</td>
</tr>
<tr>
<td>None</td>
<td><strong>3.1. Children</strong></td>
</tr>
</tbody>
</table>
3.1.5 Children under the age of five may not be casted in commercials without a parent.

4.6. Media Digital
Some articles don't exist yet

4.6.7. Withdrawal of visitor data through cookies and data collection must be informed to visitors.

None

4.6 Online Media
4.6.1 Online Media means any media encoded in a machine-readable format. (see explanation)
4.6.2 Creatives that are exactly the same, must not be displayed reconnected more than twice.
4.6.9. Withdrawal of visitor data through cookies and data collection must be informed to visitors. If the use of cookies is related to personal data, it is mandatory to obtain the visitor's consent in advance.
4.6.10. The delivery of advertisements by e-mail must clearly state the following:
   a. Obtaining prior approval from the owner of the email if you want to send an advertising.

2.3. Business Partners
2.3.4. Event Organizer
Event implementers must have sufficient competence, facilities, and organization to organize the event, in accordance with the profile and number of audiences to be targeted. The competencies referred to include:
   a. Have your own, or available access to functions floor director and stage director.
   b. Able to design event flows (run down).

2.3. Business Partners
2.3.4. Event Organizer
Event implementers must have sufficient competence, facilities, and organization to organize the event, in accordance with the profile and number of audiences to be targeted. The competencies referred to include:
   a. Have your own, or access to the functions of floor director and stage director.
   b. Able to design event flows (run down).
   c. Responsible for security and safety during the event.

5. CONCLUSION
From the findings of this study, the amendment of Indonesian Advertising Ethics (EPI) 2020 seeks to answer various violations that often occurs. Indonesian Advertising Ethics (EPI) 2020 adds unregulated aspects that hasn’t been regulated before or change some aspects that are considered as loopholes of violations.

From the findings, it is concluded that Advertising Standards Committee (BPP) has roles and function from two sides. The first side, Advertising Standards Committee (BPP) is in charge to protect the practice of the advertising industry by conducting self-regulation to avoid government intervention in the form of positive laws. However, Advertising Standards Committee (BPP) is also in charge of overseeing the implementation of laws and regulations that are required for certain product categories. In carrying out this task, Advertising Standards Committee (BPP) experienced internal obstacles and challenges from Indonesian Association of Advertising Companies (P3I) members themselves – relating to the lack of contribution and involvement and the occurrence of Indonesian Advertising Ethics (EPI) violations by Indonesian Association of Advertising Companies (P3I) members themselves. Meanwhile, on the other hand, Advertising Standards Committee (BPP) is tasked with protecting consumers from misguided advertising information that is displayed – so that the public is not deceived or get misinformation about a product.

The study also concluded that the Indonesian Advertising Ethics (EPI) 2020 amendment was not the final amendment. In the future, Indonesian Advertising Ethics (EPI) can be amended according to industry needs and socio-cultural dynamics that exist in society. The Advertising Ethics (EPI) 2020 amendment have accommodated some things that were previously absent or incomplete in the Indonesian Advertising Ethics (EPI) 2014, such as religious and cultural issues; advertising about the environment; cigarette and tobacco advertising; advertising of vitamins, minerals and supplements; advertising of Medical Devices and Supplies in the Household; advertisements for Health Services; advertisements for Alternative Healing Services; advertisements of Social Funds and Charitable Funds; advertisements of Financial Service Institutions (PUJK); the use of children in advertisements; online media advertisements; as well as the responsibility of business partners from advertising agencies that are vendors.

381
6. ACKNOWLEDGEMENTS
This research is done as a form of responsibility of researcher who is also a member of Advertising Standards Committee (BPP) for the 2018-2022 period. The publication of this research becomes a form of socialization of Indonesian Advertising Ethics (EPI) 2020 that was done by Advertising Standards Committee (BPP) within an academic framework.

7. REFERENCES


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