

## **Goverifyit response to:**

### **Guidance on digital marketing practices and promotions in support of the PhonepayPlus Code of Practice**

**Issued by PhonepayPlus on 16th May 2013**

#### **Q.1: Do you agree with our assessment of digital marketing in the PRS context and our overall approach for dealing with it? If not, why not?**

I agree with the assessment but would like to input into shaping the approach for solutions by clarifying some misapprehensions and touching upon possible solutions.

##### **Difficulties we face:**

1. As L1 or L2, it is currently impossible to track pre landers or trace user journey backwards as Affiliate does not want to reveal their sources. They employ various techniques such as unforwarding and proxy servers to make it impossible.
2. Affiliates may present compliant pages for approval – and then switch to non-compliant pages when live- as they are solely motivated to either ‘scaring’ or ‘juicing’ the user by employing, for instance ‘time critical’ techniques to coerce.
3. Recent common practice has involved affiliates using their Facebook a/cs to encourage friends to act (e.g. ‘like’ a particular link/page/website). In reality, there is a different offer behind the link than expected but origins are impossible to trace back as FB pages are private.
4. Currently, effective affiliate monitoring tools do not exist. Additionally, even if they did, the use of Adware and toolbars can make the user journey specific to that user’s computer.
5. Whilst money withholding may sound effective in theory as a stick to ensure compliance, it is difficult in practice as Networks are generally paid weekly (if not in advance) – but any malpractice may not be discovered for a few months.
6. Due Diligence on the affiliates themselves is difficult – and while sites like Alexa are useful, they don’t differentiate between international and UK traffic.
7. Push marketing: Users may have consented to have ads displayed on their computer via adware in return for free software on their computer. So to say that ads are displayed without customer's consent is not accurate.
8. L2s do not necessarily get access to tools and techniques via affiliate marketing, they get access to traffic. The tools and techniques are not always visible or known to them - and it is very difficult to monitor these techniques from the start of the customer journey through to the PRS promotion.

##### **Potential Solutions:**

1. Both Affiliates and Networks must register with PPP. Registered entities then could be recognised by the industry as being acceptable to do business with.
2. Referral checks: White listing at an affiliate level as well as a network level. All affiliates must pass the referrer of the page that delivered a click to L2 and these pages are checked daily to ensure they match what was approved prior to white listing them.
3. A dynamic Best Practice document published and update regularly
4. Industry forum to bring new malpractice to the attention of everyone and to feed into 3 above.

5. PPP must make industry aware of new malpractices as soon as they become aware of them. Additionally they must not view L2s as feeding the problem or being complicit (unless they have proof) but – rather, as a victim to co-operate with. Otherwise, all that will happen is the large, professional players (L1s and L2s) will exit the market – leaving smaller, more devious players to fill the void and cause even more consumer harm. It will not help, in this regard, for PPP to impose standards that require 100% conformance - this is not going to be attainable. Fines, additionally, should only be brought to bear in the case of L2s refusing to engage with the above ethos.

6. L2's contract an independent 3<sup>rd</sup> party to monitor live UK web traffic, including traffic generated through toolbars. Additionally, 3<sup>rd</sup> party monitors CS calls for 'left field' comments from complainants (e.g. where are my £100 Tesco vouchers?). In order to detect and correct malfeasance by the affiliates, PPP are uniquely positioned to facilitate a **digital rouges gallery** of the most contemporaneous 'scams' on a near real-time basis. PPP should then actively encourage L2s to add recent cases to the gallery.

7. By informally feeding into (via customer care data) and encouraging the same from L2s from their own customer care resource, as well as encouraging malfeasance bounties from L2s to their clients ('send us your user journey where you were scammed'), the affiliate issue can be rendered manageable. So, incentivising customers who report a questionable customer journey with cash rewards to recreate it so we can review it and deal with the source as appropriate (essentially crowd sourcing).

8. Monitor traffic spikes by Affiliate by using unique Alias/ID and relate back to specific complaint by adding (part of) the ID into the sms receipt.

**Q.9: Are there any other potentially misleading digital marketing practices that we have not identified? If so, then please suggest any, including appropriate evidence.**

Adware installation: makes customer journey unique and is very difficult for L2 to replicate. Adware is here to stay, large brands have their ads displayed via adware but it is the manner in which this advertising tool is used that needs to be monitored – not the mechanic itself.

Search term re-directing via the installation of toolbars on a user's computer is another area that needs to be addressed.

-----  
Send to: jlevack@phonepayplus.org.uk on June 26th. 2013

