



# Research on Regulation of Internet Advertising Platform

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**Abstract:** As advertisement publishers, Internet advertising platforms are the main media and channels for Internet commercial paid advertisements. Management norms and control mechanisms act are the first barrier in actual governance activities. Interest-oriented Internet platforms have natural defects in the process of regulation. The Internet advertising platform has multiple identities such as participants in the public governance of Internet advertising, rule-makers, discourse system builders, advertising publishers, product development and operators, platform owners, and service providers. Internet advertising platforms need to strengthen their own regulations to improve advertising content review rules, advertising qualification access rules, operations and channel management mechanisms, and also need to strengthen their own self-discipline<sup>[1]</sup>. At the same time, government regulatory agencies and industry organizations need to strengthen the supervision of the platform, and the society and the media also need to strengthen supervision and participation.

**Keywords:** Internet advertising platform; Regulation; Supervision

**Publication date:** March, 2021

**Publication online:** 31 March, 2021

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## 1 Introduction

The construction of China's Internet advertising platform regulatory system is an important component of China's Internet advertising governance system, and the construction of Internet advertising platform regulatory capabilities is an effective

component of China's Internet advertising governance capabilities<sup>[2]</sup>. Internet advertising platform regulation is an important way of market participation in the field of Internet advertising governance, the forefront of governance activities, and an important area for participating in government collaborative governance. The practical research on the regulation of Internet advertising platforms is of guiding significance for the research of the Internet advertising governance industry. At the same time, it is closely related to the theories of the Department of Public Administration, governance theory, public governance theory, collaborative governance theory, system theory, and has a certain meaning for the theoretical development of the Internet advertising governance field.

Internet advertising platforms usually refer to the media, media owners, or the aggregation of related advertising resources. As far as the actual situation of the industry is concerned, in addition to large-scale platform advertising resources, there are large-scale portals such as local portals, Weibo and WeChat public accounts, mobile APP and other Internet advertising media. Among all the online advertising of advertisers, the advertising of Internet advertising platforms accounts for a relatively high proportion, and some even serve as the main advertising channels.

Massive Internet advertising information and a very large number of advertisers force government regulators to rely on Internet-based advertising platforms to conduct the first check on advertisers' advertising content and advertising qualifications. Strengthening Internet advertising platform regulations is conducive to purifying the Internet advertising ecological environment. A sound and orderly and fair competition environment protects the

rights and interests of consumers and forms a good social morality.

## 2 Functional analysis

The structure describes the overall nature of the system from the inside of the system, while the function describes the overall nature of the system from the outside of the system. Function is the behavioral characteristic of all systems. It is manifested in the relationship between a certain system and surrounding objects, objects and environments. Social systems also have functions<sup>[3]</sup>.

Qian Xuesen proposed: "The extremely complex research object is called a system, that is, an organic whole with specific functions is combined by several components that interact and depend on each other"<sup>[4]</sup>. The role of Internet advertising platforms in the entire Internet advertising governance system is still more diverse<sup>[5]</sup>.

Give full play to the regulatory function and participate in the public governance of Internet advertising in a collaborative role. In addition to the regular review of the advertising content and qualifications of advertisers, advertising platforms and advertising media also accept the supervision of advertising audiences, media, and government regulatory agencies. In terms of governance behavior, both platforms and media parties spontaneously control advertisements, advertisers, and agencies. At the same time, they are also affected by public opinion, moral values, and government laws, regulations, and management requirements to passively conduct advertising governance.

The rule maker is the builder of the discourse system. The Internet advertising platform strengthens platform regulation by formulating advertising review regulations, advertising content review rules, advertising qualification admission rules, operation and channel management mechanisms. The advertising content review and advertising qualification review not only reflect the requirements of national laws and regulations, the rules and regulations of various competent departments, but also combine the requirements of each platform itself, and reflect the platform's own interests, business philosophy and value appeals<sup>[6]</sup>.

Advertisement publishers, product development and operators, platform owners, and service providers

act as service providers. In addition to assisting the relevant government regulatory authorities and industry associations to implement advertising governance rules, Internet advertising platforms also have commercial attributes. It is necessary to participate in the advertisement release of advertisers, the R&D and operation of the platform itself, and manage the platform itself as the platform owner, provide advertising services for advertisers, and play the role of server.

The diversification of functions means that the inherent attributes of Internet advertising platforms also have diversified characteristics. There are multiple interest demands and affiliations, and multiple roles coexist. The analysis of its relationship with other governance subjects requires specific screening and determination. The analysis of the effectiveness of the regulation of Internet advertising platforms and the analysis of regulations also need to be carefully considered.

## 3 Current status

### 3.1 Pre-advertising regulation

Before the Internet advertising platform is launched, the regulation first conducts access regulation, formulates channel policies, and plans market strategies to achieve the purpose of pre-regulation. Access regulations mainly include qualification access, industry access, and content access. Advertising is a market behavior. Advertisers need to have the identity of market entities, that is, they need to apply for administrative license certificates in accordance with relevant national laws and regulations and government regulations. The platform needs to verify whether the advertiser has the relevant administrative license certificate to determine whether it is qualified as a market entity; the advertising platform will conduct a risk assessment, determine the risk level based on government regulatory requirements, industry and market risks, and classify the industry accordingly. Implement industry access. The specific operation is based on the requirements of the relevant government departments in charge and relevant national laws and regulations to determine whether some special industries have certain administrative license qualifications and license certificates, such as food safety production license, electronic product 3C certification, medical

and health license, etc. Advertising platforms need to review whether advertisers have these two qualifications. In addition, they need to clarify whether the advertiser's industry can advertise on designated Internet advertising media in accordance with relevant national laws and regulations to determine whether to provide advertisers advertising service. As a manufacturer of advertising products, advertising platforms influence the way advertisers purchase advertisements, prices, and scope of licenses by formulating channel policies and planning market strategies. When determining advertising cooperation, it should be between advertisers and agencies or between advertisers and advertising platforms. Sign an advertising agreement to clarify the rights and legal responsibilities of both parties. In this way, the overall market environment of the platform is regulated, and the relevant situations of advertisers' participation in the market involving advertising behavior are controlled.

### **3.2 Advertising regulation**

On the one hand, the advertising platform uses AI technology to periodically scan the advertiser's website pages to diagnose whether the advertiser has modified the advertising landing page information and whether there is any non-compliant content update; on the one hand, the advertising material, including advertising pictures, Manual random inspections of audio, video, animation, text information, etc., and general inspections of specific types of advertisements in specific industries in response to government regulatory authorities. On the other hand, the advertising platform will take some measures to deal with the problematic advertisements. For serious violation advertisements, they will be taken offline immediately and will not be displayed to users. In addition, during the advertising process of advertisers, if corresponding national policies and regulations change, stricter industry regulations are imposed on certain industries, and industry standards are improved, the advertising platform will also require existing advertisers in the industry on the platform, or adjust the corresponding advertising information, or supplement the corresponding industry qualifications required by the government and laws.

### **3.3 Post-advertising regulation**

After the advertiser's advertising information is delivered to the audience, because of the adverse

consequences of the advertising information, depending on the severity of the situation, the advertising account will be closed or the advertising account balance will be further deducted. The platform conducts advertising inspections and advertising censuses and finds illegal advertisements, also applicable This penalty measure may cause legal consequences to the advertisers to be held accountable; certain penalties will also be taken for agents, fines or termination of the agency partnership. When the problematic advertisements accumulate to a certain amount or cause serious impact, the platform will urge the agency to check the advertiser-related advertisements it serves, and communicate with the advertisers to rectify the illegal advertisement information in a timely manner. The post-advertising regulation is also manifested in the fact that the platform, based on the advertising regulation experience and collected information, promptly revises the advertising review specifications and channel management measures to adapt to the rapid changes in the Internet advertising industry and the entire market environment.

## **4 Existing problems**

### **4.1 Inadequate advertisers**

As advertisement publishers, Internet advertising platforms are the main media and channels for Internet commercial paid advertisements. Both at home and abroad, it plays an important role in Internet advertising governance. Its own management standards and control mechanisms act as the first checkpoint in actual governance activities, allowing many illegal and non-compliant advertisements. It cannot be released through the platform, and the filtering and self-correction effect is significant. However, the corporate-operated Internet advertising platform itself is a chaser of interests. Driven by interests, the control of advertisers and advertising content will be loosened; platform owners will adjust advertising regulations and policies according to the market environment and their own revenue. Market downturns, impeded revenue growth, or declining revenue levels may all be deregulated. For example, substandard advertising content can be reviewed and published, and advertisers without relevant qualifications can open accounts to make them eligible for advertising. In addition, the platform

itself has some problems that need to be solved, such as the clarity of the main body information of the advertising information carrying media, so that the audience is not clear about who publishes the advertising information. When product and service quality problems occur and consumer rights are lost, it is not conducive to the preservation of evidence, and it is also not conducive to the establishment and traceability of the responsible party.

#### **4.2 Advertiser collateral effect**

There are also many problems caused by advertisers, and there are collateral effects that involve the participation of advertising companies and advertising agencies. The state has clear requirements on qualifications for commercial advertising promotion in industries such as finance, medical care, education, and health care products, as well as requirements for industry access, and relevant regulations have been extended on Internet advertising platforms. Under this circumstance, some advertisers may embezzle or forge the qualifications of other enterprises or individuals for advertising. In this process, advertising agencies, advertising companies and even advertising platforms have also participated, which has harmed the legitimate legal rights and interests of the users. It also has an impact on its public image, and it is also not conducive to the supervision of such advertisements and the products and business activities of advertising publishers. If there are problems with products and services, it may also affect the rights and physical and mental health of consumers.

### **5 Countermeasures and suggestions for perfecting regulations**

To improve the effectiveness and efficiency of the regulation of Internet advertising platforms, it is necessary to further improve the advertising content review rules, the admission rules of advertising qualifications, operation and channel management mechanisms. Stick to the bottom line, adhere to the control of advertiser qualifications and advertising content, and maintain the continuity and stability of advertising regulatory policies. Advertisers are

strictly required to clarify the attribution information of advertisements, strengthen the guidance of advertisers' content creativity, and avoid legal risks. Attach importance to legal work, do a good job of reviewing the legality of platform rules and policies, and avoid legal risks in platform advertising. It is necessary to establish a professional dispute handling team, optimize dispute handling procedures, and improve handling efficiency. It is necessary to increase the success rate of consumer mediation and effectively protect the legitimate rights and interests of consumers.

In the future, while Internet advertising platforms strengthen regulation, they also need to further strengthen self-discipline. Strengthen self-correction and self-inspection, self-filtering and self-cleaning, advertising platforms must properly import and export, and prevent illegal and non-compliant advertisements from being reviewed and put online. Advertisers with qualifications and business compliance are required to open an account, and only advertisements that comply with the regulations can be launched online. On this basis, government regulatory agencies and industry organizations need to further strengthen the supervision and supervision of the platform, and the society and the media also need to strengthen supervision and participation.

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