Q. Why is digital inclusion important in today's society?

A. The internet is an essential utility, empowering the things we do in our everyday lives. It enables us to communicate, work, shop, learn, share and access information and entertainment. And – with 66% of the UK population now accessing the internet via a mobile device – it is now possible to do these things whenever, however and wherever we like.

An increasing number of government and public services are also delivered online (e.g. benefit payments and registering to vote). And, increasingly, everyday appliances (e.g. heating controls and smart meters) are connected to the internet, enabling them to 'talk' to other appliances and devices such as smartphones and tablets (known as the 'Internet of Things'). This introduces new efficiencies and benefits to our lives, for example being able to manage energy consumption in real time.

> **It is important that everyone who wants to or needs to is able to use the internet in order to access the opportunities it provides and engage in society, regardless of who they are or where they live.**

Q. What role does advertising play?

A. Today, advertising is predominantly delivered via the internet, complementing the marketing that we see on TV, hear on the radio or see in newspapers and magazines. Internet or 'digital' advertising comes in many different forms, such as on search engines, on webpages and on social media, and in many different places such as smartphones and tablets, smart TVs and games consoles.

As with commercial broadcast TV and radio, many of the businesses that develop and provide online content, services and applications can only do so because they are able to generate money from hosting advertising. This, in turn, means that people can access their services for little or no cost. For example, 'traditional' media such as newspapers have always carried advertising to help fund their journalism and continue to rely on advertising revenue to be able to operate online.

> **Case study: social media**
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> **Social media (e.g. Facebook and SnapChat) are prevalent in our everyday lives, enabling people to communicate, discover and share with friends or join global networks with mutual interests and concerns. In 2016 93% (39.4m) of online adults in the UK used a social network; 72% of 12-15 year olds have a social media profile. Social media are usually free to access and use because they are funded by advertising, for example by revenue derived from display adverts and from sponsored or promoted content (e.g. promoted posts).**

Q. How could online content and services be paid for without advertising?

A. In the UK, £10.3bn was spent on internet advertising in 2016 (including on smartphones and tablets), and it helped pay for a wide range of content and services that have become part of our everyday lives – from search, webmail, social media and price comparison sites, to video- and photo-sharing tools and the majority of news, information and entertainment sites.

Without advertising, businesses would have to charge people (or charge more than they currently do) to access content and services, and some of these businesses may even cease to exist as their business models would no longer be sustainable. This would also come at the expense of digital inclusion as the cost of accessing the many things online that people rely on as part of their everyday lives, that are currently free or low-cost, may be more than people are willing or able to pay.

> **In funding content, services and applications, digital advertising helps to make them widely available at little or no cost to anyone with internet connectivity, regardless of who they are or where they live. Policy-makers should explicitly recognise the role advertising plays in helping pay for online services and therefore helping to foster digital inclusion.**

Q. How is IAB UK promoting digital inclusion?

A. There are still some barriers and challenges to UK citizens realising the full benefits of the internet, such as access to super-fast broadband, digital education, literacy and skills, and issues surrounding safety, security and privacy.

IAB UK supports the UK Government's Digital Strategy and the UK advertising sector – as a whole – is helping to promote digital inclusion as follows:

- Media literacy: the UK advertising sector supports MediaSmart, a media literacy programme to help children (7-16 year olds) and their parents/carers to understand and critically evaluate today's advertising and its role in society.
- Trust: the sector is spearheading efforts to be more transparent and offer greater control over the use of personal data in targeted advertising, which helps customise marketing to make it more relevant to people, more efficient for advertisers and more valuable to content and service providers.
- Business: encouraging SMEs to have a strong digital presence, for example by creating sites that are mobile enabled.

Q. How is the UK Government supporting digital inclusion?

A. Digital inclusion is at the very heart of the UK Government's 2017 Digital Strategy. Among other things, the Strategy includes proposals to build a world-class digital infrastructure for the UK; to provide everyone with access to the digital skills they need; and to help every British business become a digital business.

Q. What else is being done to promote digital inclusion?

A. There are several organisations that aim to develop UK citizens' understanding of the internet and help deploy technology in a way that benefits everyone. These include Doteveryone – "Making the internet work for everyone" and the Good Things Foundation. Public libraries work with charities and private partners to help local people who are digitally excluded and run digital learning initiatives that aim to encourage young people to develop their digital skills in practical ways. Some UK businesses also run initiatives to support digital inclusion. The Government has committed to setting up a Digital Skills Partnership to coordinate and help share knowledge and best practice between these various programmes. Read more here.

Case Study: Price Comparison Websites

71% of online adults have used a price comparison website (e.g. MoneySupermarket) in the last year*. These sites allow people to compare a product, such as home insurance, or select or switch to the most competitively-priced service (e.g. gas or electricity supplier), helping them make significant savings to their household budget. The sites are funded by three different types of advertising: revenue received from advertisers paying for display adverts on the site; revenue from clearly labelled 'sponsored listings' whereby companies pay to have their products appear at the top of search results; and commission when a customer clicks through to a provider's site and buys the product. Without these revenue streams, price comparison sites would not be able to operate or people would have to pay for the services they offer. *(*research conducted October 2016-January 2017)*

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