

### ADVERTISING TICKET PRICES

Notes from a presentation given by the Committee of Advertising Practice for STAR - 20 June 2013, Charing Cross Theatre, London.

**Bridie Creely**, Copy Advice Executive (<u>BridieC@cap.org.uk</u>), and **James Craig**, Code Policy Executive (<u>JamesC@cap.org.uk</u>), from the ASA gave an overview of the ASA and the CAP codes of practice (with particular reference to presentation of seat prices) and responded to questions from the floor.

### I ASA and CAP

The **Advertising Standards Authority** (ASA) is the one-stop shop for advertising complaints. It is self- and co-regulatory, funded by advertisers, agencies and media through a levy on advertising spend and Mailsort contracts (Royal Mail bulk postage agreements). It issues two codes of practice designed to protect consumers and maintain competition and is committed to being transparent, proportionate, targeted and evidence-based. The ASA is run by an independent Council, comprising industry and non-industry figures, with lay members predominant.

The **Committee of Advertising Practice** (CAP) writes and enforces the *UK Code of Broadcast Advertising* and the *UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing.* ASA administers these rules: TV and radio ads are regulated under contract from Ofcom, non-broadcast ads are regulated independently of Ofcom.

The Codes set standards that ensure that ads are legal, decent, honest and truthful; they cover the content and placement of ads, as well as sales promotions, database practice and distance selling, and are administered in the spirit as well as the letter of the law.

### 2 ASA services

ASA services include newsletters, guidance and online advice, case studies, events and bespoke advice.

The **ASA copy advice service** – a comprehensive range of services to help advertisers, agencies and media owners to comply with the rules – has eight advisers who provide free expert advice on the compliance of campaigns; normal turnaround 24 hours. Also available are an express service (4-hour turnaround) and a website audit service (turnaround up to 10 days), both fee-charging. All services are confidential. In 2013, advice and training was provided on more than 97,160 occasions.





Details and sign-up available at www.cap.org.uk

# 3 ASA: remit and scope

The ASA's remit includes

- Mandatory advertising codes
- · Training and advice
- Active monitoring of compliance
- · Complaints and investigation
- Effective sanctions
- Transparent communication

# The ASA covers

- · Print and press ads
- Posters
- Direct mail
- · Television and radio ads
- Teleshopping
- Sales promotions
- · Email and text messages
- Cinema commercials
- Internet (banners, pop-ups, virals)
- · Online marketing

In 2011 and 2013 the ASA remit was extended to cover online advertising, including

- Advertisers' own marketing communications on their own websites
- Marketing communications in other non-paid-for space under their control, such as social networking sites like Facebook and Twitter
- And (from 2013) notifying the public of, and controlling, online behavioural advertising (collection and use of information for marketing purposes)

# 4 Misleading advertising

The general principles on misleading ads are

- · Ads must not materially mislead or be likely to do so
- Ads must not mislead by omitting material information, hiding it or presenting it in an unclear, unintelligible, ambiguous or untimely manner





- Advertisers must hold documentary evidence to support objective claims
- · Ads must be obviously identifiable as ads

# 5 Complaints

When a complaint is made, the ASA decides if it is within its remit and if a code breach may have occurred. Following formal or informal investigation, the ASA Council decides whether to uphold a complaint and publishes its decision (weekly update at <a href="www.asa.org.uk">www.asa.org.uk</a>).

The ASA aims to persuade an advertiser to comply or reach a consensus with them. However, if a complaint is upheld but the advertiser doesn't amend or withdraw its ad the file is passed to CAP's compliance and monitoring team for enforcement. Available sanctions are

- Adverse publicity
- Media refusal ASA can instruct publications to refuse an advertisement unless it is compliant
- Disqualification from industry awards
- Enforced poster and press ad pre-vetting through the ASA copy advice team
- · Withdrawal of trading privileges, including Mailsort contracts
- No fines are levied, but referral to Office of Fair Trading/Ofcom is possible, primarily for repeat offenders

The ASA maintains a "wall of shame" of persistent offending advertisers on its own website. Through links with Google, it can also ensure that an ASA adjudication ranks higher in search results than an advertiser's own site if an advertiser refuses to comply with an ASA ruling.

# 6 2012 figures

- 31,298 complaints received about 18,990 ads (approx 25% up on 2010)
- 17,366 non-broadcast complaints, 12,781 broadcast complaints
- 3,700 ads changed or withdrawn

Complaints must be seen in the context of the placement of many millions of ads each year. Monitoring surveys show high levels of compliance with the CAP codes.

# 7 Specific CAP Code rules applicable to pricing

- 3.17 Price statements must not mislead by omission, undue emphasis or distortion. They must relate to the product featured in the marketing communication.
- 3.18 Quoted prices must include non-optional taxes, duties, fees and charges that apply to all or most buyers. However, VAT-exclusive prices may be given if all those to whom the price claim





- is addressed pay no VAT or can recover VAT. Such VAT-exclusive prices must be accompanied by a prominent statement of the amount or rate of VAT payable.
- 3.19 If a tax, duty, fee or charge cannot be calculated in advance, for example, because it depends on the consumer's circumstances, the marketing communication must make clear that it is excluded from the advertised price and state how it is calculated.
- 3.20 Marketing communications that state prices must also state applicable delivery, freight or postal charges or, if those cannot reasonably be calculated in advance, state that such charges are payable.
- 3.21 If the price of one product depends on another, marketing communications must make clear the extent of the commitment the consumer must make to obtain the advertised price.
- 3.22 Price claims such as "up to" and "from" must not exaggerate the availability or amount of benefits likely to be obtained by the consumer.

# 8 Examples of recent adjudications and the general principles outlined in them

Examples of four recent ASA adjudications were given; full details can be found at <a href="https://www.asa.org.uk/Rulings/Adjudications.aspx">www.asa.org.uk/Rulings/Adjudications.aspx</a>

# AKA

The ASA ruled that as a per-transaction fee was charged, and therefore couldn't be incorporated into individual seat prices, advertisement text should be amended to show if the fee applied or not (eg no fee for personal bookings at the box office) at the first reference to seat prices a customer would see.

# ATG

The ASA ruled that reference to the existence or amount of a booking fee must be included at the point where a customer was first shown the price of a ticket.

### **Old Vic Productions**

The ASA ruled that prices in a hover box on an interactive seating plan must include a reference to the per-transaction fee and a link to its specific cost.

# **Charing Cross Theatre**





The ASA ruled that a per-ticket fee should be included in seat prices at the point where a customer would first see them; the face-value and fee could be itemised separately as long as they had equal prominence.

### General principles from these adjudications are:

#### Per-ticket fees

Should be made clear when the ticket price is first displayed on a website. For example, if a ticket is priced at £25 with a £2.50 booking fee per ticket then the ticket should be advertised as an inclusive price of £27.50 or as "£27.50 (£25 ticket + £2.50 online booking fee)". The same reasoning applies for tickets offered at a range of prices (eg £27.50 - £87.50).

#### **Per-transaction fees**

The first time a ticket price is quoted on a website, it needs to be qualified with a reference to the existence and amount of transaction fee if the fee is a one-off charge and a link with an asterisk to information that includes the amount of the fee (eg "£25 plus transaction fee\*"; "\*Fee is £3 per transaction"), or, if they are variable (eg "£25 plus transaction fee\*"; "\*Fees are £3 for delivery by post, £2 by email", etc).

The same reasoning applies for tickets offered at a range of prices (eg "£25 - £85 plus transaction fee\*"; "\*Fee is £3 per transaction")

If the first time a consumer is given the ticket price is in a hover box over an interactive seating plan, then the ticket price needs to be immediately qualified with a reference to the existence and amount of a transaction fee.

### **Box office counter sales**

Prices exclusive of booking fees can be quoted, provided

- a) it is made clear if these prices are only for customers using a certain payment method (eg buying in person at the box office) and
- b) they are clearly targeted at those customers (for example, this information could be clarified with a sentence that advises consumers that this price is only available via purchase of the tickets in person at the box office).

## 9 Questions from the floor

A digest of responses to individual questions from the floor:





# A Advertising of ticket prices

- i) Venues are not obliged to advertise ticket prices at all. However, CAP rules state that the existence of a booking fee must be made clear at the point when a customer is first shown the ticket price. (In some cases, this could in fact be at the actual transaction point.)
  - CAP Code rule 3.18 applies to the first instance of a price being quoted during a sales process, so it would in theory be possible in an online sale for no price to be quoted until a customer reaches the "book now" screen. However, if a price is shown in a hover box on a seating plan before this point, then any per-ticket fee must be included in the price shown or notification of a per-transaction fee must be given at the same point.
- ii) ASA makes allowance for short-form advertising such as Twitter, where words or characters are limited technically. It is allowable to state "booking fees apply" with a one-click hyperlink to details. (Alternatively, the "worst-case" price, including maximum seat price and fee, could be shown, if the advertiser still felt this was a competitive price-point.)

### B Face-value sales

i) Although the concept of the face value of a ticket is extremely important within the ticketing industry, it is not explicitly covered by the CAP Code. (For example, a stated price of £100 including booking fee would not differentiate between a ticket with a face value of £20 or £85, either of which might be included in the total price.)

Statement of a ticket's face value is not a requirement of the Consumer Protection from Unfair Trading Regulations (CPR), but the *Pricing Practices Guide* from the Department for Business Innovation and Skills (BIS) emphasises that sellers should show the face-value ticket price and booking fee as separate amounts. ASA doesn't enforce this as a requirement but encourages advertisers to follow it. ASA adjudications cannot go beyond the CPR rules but ASA supports the "best practice" approach.

STAR suggests that it is better to manage this point at the outset rather than waiting until a customer sees the face-value price on an actual ticket.

ii) If showing the total price of a ticket (including a per-ticket fee), it is not compulsory to itemise the amount of the specific booking fee included.





- iii) It is not compulsory to allow customers to buy tickets at face value with no booking fee (at a box office counter, for instance) eg tickets could all be sold only online, with a booking fee included as part of the advertised price.
- iv) If a per-transaction fee is levied for online and phone sales, but tickets are always available at face-value (with no fee) for personal sales at the box office, it is permissible to advertise "seats from £x...", provided it is made clear that this is the price for box office sales only.

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### C Per-ticket fees

As with online pricing, in printed brochures or publicity per-ticket fees must be included in the ticket price, while per-transaction fees must be identified next to the ticket price as applying, with an asterisk showing where details can be found.

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#### **D** Per-transaction fees

The answers in this section were given as shown in response to individual questions at the meeting and some appear to be ambiguous. STAR has attempted to clarify with the CAP team whether the existence of an identical per-transaction fee applying to different events shown on the same page of a printed brochure can in fact be summarised, as answers (i) and (iv) suggest, or must be stated against each individual price, as answer (ii) suggests, but has been unable to do so.

In the absence of simple generic advice on this matter, STAR and CAP recommend that all brochure copy involving prices should be submitted before printing to the CAP's Copy Advice team, using their free service at <a href="https://www.cap.org.uk/Advice-Training-on-the-rules/Bespoke-Copy-Advice.aspx">www.cap.org.uk/Advice-Training-on-the-rules/Bespoke-Copy-Advice.aspx</a>

- i) Where multiple events (with different seat prices) are shown on the same page of a brochure, the existence of a booking fee must be made clear next to each price; an asterisk can be used to provide a link to where the actual fees are itemised.
- ii) A venue which charges a per-transaction fee and advertises multiple shows, at different prices, on each page of its printed brochure must state against each price that a transaction fee applies. For online sales, the venue must state the existence of such a fee against each price and before a customer clicks on the "book now" button.
- iii) A concert venue showing different events at different prices in its brochure, and charging a





per-transaction fee, must state "plus transaction fee" next to each price, with an asterisk link to details of the fee.

iv) If a brochure shows multiple events on the same page, all subject to an identical per-transaction fee, it is permissible to refer once only on the page to the existence of the fee, providing the reference is clear and unambiguous.

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# E Credit card and other charges

- i) Debit and/or credit card fees must be disclosed next to the seat price.
- ii) If credit card charges vary depending on type of card (eg Amex) or country of origin (for overseas cards) and are not always predictable in advance, a table of charges using best estimates if necessary should be shown to give customers sufficient information to decide on their method of payment.
- iii) Optional postage charges can be itemised in separate terms and conditions and need not be shown as prominently as ticket prices.

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# F Links to charges and exceptions

- On a website, a hyperlink is an acceptable equivalent to an asterisk in a printed ad or brochure to take a customer to details of a per-transaction fee, provided it requires only one click to do so.
- ii) If per-ticket booking fees are included in seat prices advertised in a brochure but do not apply in specific circumstances eg for group bookings or as a member concession the exceptions must be stated on the same page as the advertised prices, perhaps by means of two separate pricing columns.

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# **G** Software and systems

- i) If a ticketing supplier offers a "white label" service to a venue, it is the venue's responsibility to make booking fees clear next to seat prices, as it has editorial control of the advertising.
- ii) ASA will allow leeway for venues where external software or system suppliers have not yet implemented changes to pricing display. In light of the recent adjudications, ASA will monitor the sector for Code compliance from July 2013 onwards, taking sanctions against advertisers where breaches are found.





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### **H** General

ASA is currently working with the letting agent sector, where charges and fees are more complex than in the entertainment industry, and may use this experience to help in steering the ticketing industry.

CAP will publish a new *Help Note* on ticketing (to supersede the current one, published in 2004) after the 31 July ASA Council meeting if the draft changes are approved or later if further changes are required.

Notes by Don Keller for STAR, July 2013

