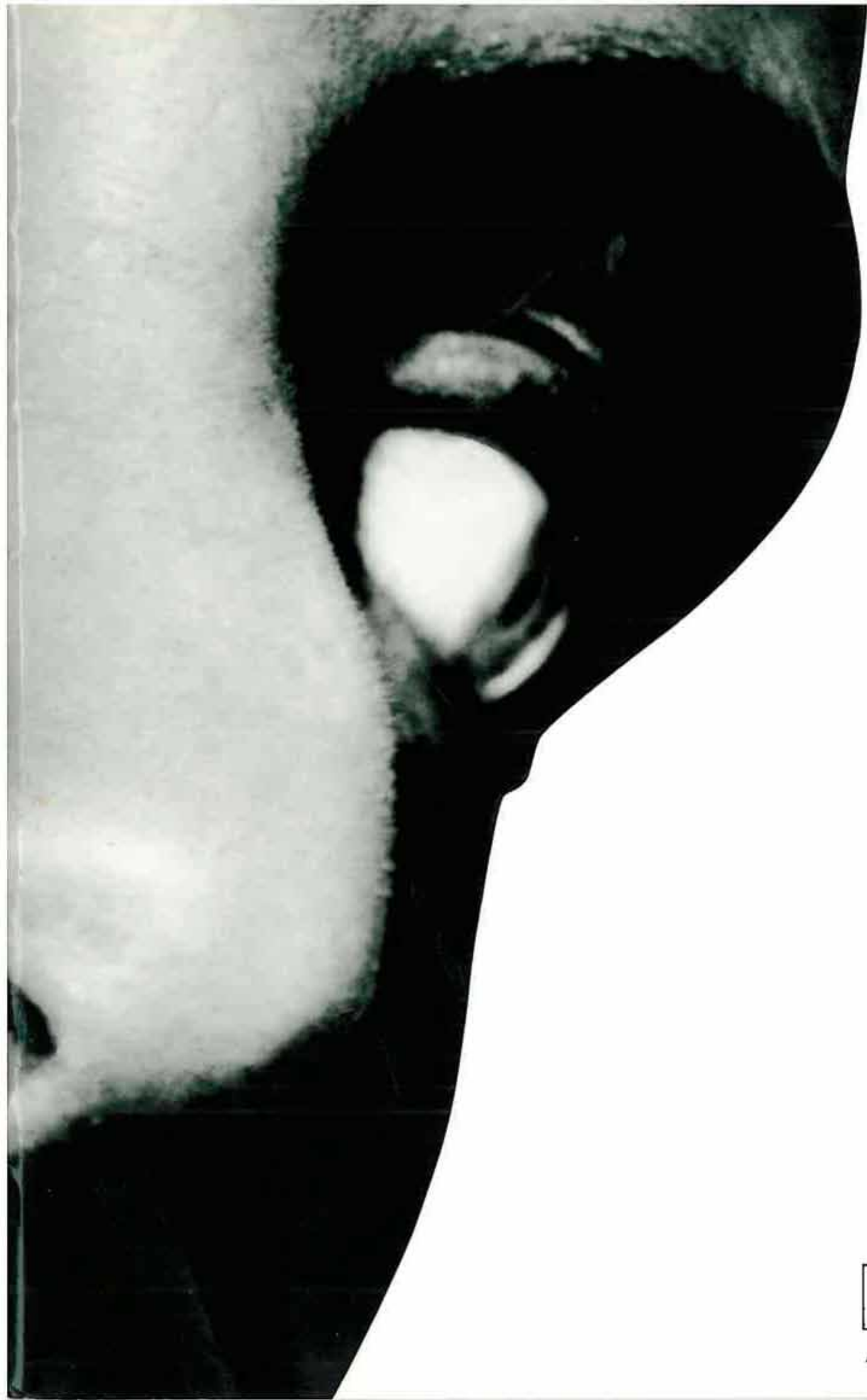


Annual Report 1994



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ASA continues to censure
slimming advertisements
containing exaggerated
and untruthful claims

The Advertising Standards Authority promotes and enforces the highest standards in all non-broadcast advertisements in the UK.

It does so in the public interest and in co-operation with the whole of the advertising industry by ensuring that everyone who commissions, prepares and publishes advertisements observes the British Codes of Advertising and Sales Promotion. The Authority acts independently of both the government and the industry.

**NOW
IN BRITAIN!**

SLIMMERS! NEW CELLULITE CREAM AVAILABLE NOW!

THIS AMAZING CREAM IS A DREAM COME TRUE FOR WOMEN EMBARRASSED AT WEARING SHORTS OR SWIMSUITS.

Youth Glow Retinol Products introduce a exciting new concept in the ongoing battle for shapely, slimmer, firmer thighs.

**THIGHS BECOME
THINNER, TIGHTER
AND SMOOTHER!**

Now this exciting new discovery is available to women in Britain, direct from the Youth Glow Retinol products, so send the coupon now and take advantage of our special introductory offers.

**FOR ORDER DETAILS TELEPHONE:
0534 38204**

Post to: Youth Glow Retinol Products Ltd, 17a York Street, St. Helier, Jersey, Channel Islands, JE2 2RQ. Please send me full details on the New A.P.L. Cellulite Removal Cream.

Name: _____

Address: _____

Postcode: _____ Telephone: _____



Review of 1994



1994 has been an eventful year, faced as we were with a comprehensive portfolio of pan-European challenges and the emergence of new media. The Authority tackled issues as diverse as the use of speed claims in car advertising, the persistently misleading claims made by certain slimming advertisers and the emotive art of comparative advertising. The sensitive topic of advertising aimed at children was explored, as was the clarification of what actually constitutes an advertisement. We investigated the protection of religious sensitivities and kept a watchful eye on the ever-developing information superhighway. Copy advice was made more accessible than ever before with dedicated phone and fax lines in order to ensure an effective flow of communication to the industry to achieve advertisements which are legal, decent, honest and truthful.

Car Advertising

Car advertising has always been covered by the general rules in the Codes but the revised version introduces a section specially devoted to this sector. The rules have been put together and clarified by car manufacturers as a result of concern expressed by the public and some law enforcement and road safety organisations about references to speed.

The issue of car advertising is currently under scrutiny in Europe too and the ASA is advising a European Working

Party established by the European Commission who are assessing advertising in the context of road safety. The Working Party has carried out a survey of national regulatory systems with the aim of promoting best practice in car advertising throughout Europe.

At the beginning of 1994 the ASA's Monitoring Department carried out a one month spot check of speed and power claims in car advertising. Of a total of 108 advertisements checked, 10 were potentially troublesome. This is a significantly lower figure than those for similar surveys carried out in 1992 and

1993. The ASA received 363 complaints about car advertising and 75 requests for copy advice in 1994. The corresponding figures for 1993 were 508 complaints and 50 copy advice requests. This drop, coupled with the results of the monitoring survey, shows that the motoring industry achieved a significant improvement in Code compliance.

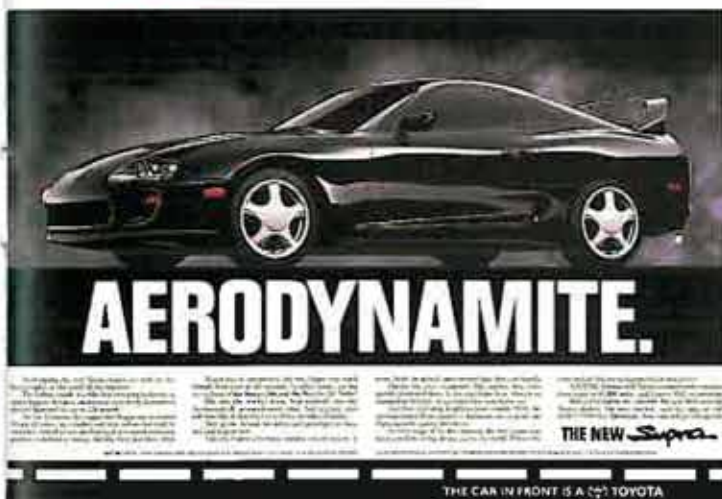
The ASA is keen to prevent direct mailings to the deceased

Slimming Advertisements

The ASA has kept a special watch on slimming advertisements. The target audience is particularly vulnerable and our research in 1994 shows that advertisers and publishers have not been playing fair.

In January, we tested 124 advertisements appearing in a wide variety of publications for Code compliance. The rules for slimming advertisements are particularly strict, but the results were nonetheless disappointing - 64% had problems.

The Codes prohibit the use of speed as the dominant message in a motoring advertisement



The main issue was the persistent use of claims such as 'Overnight Miracle Slim' and 'No Dieting, No Exercise!'. Most advertisers failed to show that their 'wonder-pill' worked and assured us that the advertisement would not appear again. Unfortunately, in some cases, other equally unacceptable advertisements replaced them, so constant vigilance was, and is, needed.

Other areas of concern included advertisements for cosmetic surgery, exercise equipment and methods such as body-wraps. While some methods can help individuals lose very small amounts of weight, they should not be promoted as the only way or the best means of doing so. Permanent weight loss can only be achieved by burning more calories than you take in.

Positive action is required by advertisers, agencies and the media in this sector to ensure self-regulation works in the public interest.

Comparative Advertising

A powerful and often controversial tool, comparative advertising can be risky and must

be handled with care. Some marketing experts believe that 'knocking' advertisements are a mistake because they give publicity to rival products. The ASA takes a different view. If they are properly handled, comparative advertisements stimulate vigorous competition and can help consumers to make an informed purchasing choice.

A draft European Directive aims to lower the barriers to comparative advertising throughout the single market. At home, a new Trade Marks Act allows companies to mention rival products by name as long as this is done honestly and is not detrimental to - and does not take unfair advantage of - the distinctive character or repute of the trade mark.

The Codes' rules remain straightforward amid these changes. Comparative advertising should be clear and fair and should not give the advertisers an artificial advantage.



Participants in the seminar went away with a greater understanding of each others' points of view

Protecting Children

In April 1994 the ASA held its second invited seminar on the subject of advertising and children - a sensitive but lively topic and a fertile ground for discussion. The seminar, like the Codes' rules on children, covered two distinct types of advertisement and promotion: those directed at children and those featuring images of children. It had been carefully planned as an extra-mural event to bring people together from advertising, manufacturing, consumerism, health services, politics and education, as well as regulatory bodies like the Independent Television Commission and the British Board of Film Classification.



Advertisers should be careful not to portray children in potentially hazardous situations

Early on, the complexity of the subject was demonstrated by a professional analysis of 'The Youth Market' which broke it down into six age groups, each with different characteristics and aspirations. Opinion on where ultimate responsibility for the effect of advertising on children

lies is polarised: with parents or advertisers? Views on how deeply children are influenced by advertising were aired and the potential of new media such as computer games was underlined. There was also much debate on the best attitude to be adopted - laissez-faire or nanny state - and on whether government policies should be promoted through the regulatory process or by means of information and education.

Participants in the seminar went away with a greater understanding of each others' points of view and with the conviction that self-regulation is working well in this area of advertising. They also agreed that such a dynamic and constantly changing market needs careful watching - a task the ASA will continue to undertake with vigour.

The ASA is keen to prevent direct mailings to the deceased

When is an Ad not an Ad?

In recent years the media and advertisers have devised new routes for promoting products. One method is to produce editorial style advertising. Readers should however be able to tell at once if they're reading an ad or an editorial. It is particularly important therefore that features of this kind are clearly flagged as advertisements, announcements, features or promotions.

But what actually constitutes an advertisement? When a company issues a press release and a newspaper bases an article on the facts contained in it, this is public relations rather than advertising; or a car manufacturer might lend

a car to a motoring journalist who then writes an article about the vehicle. This is not advertising if the car manufacturer has no say in the finished article.

It became obvious during 1994 that guidance was needed on the dividing line between editorial and advertising. The Committee of Advertising Practice asked its General Media Review Panel, which includes specialists from the three main press media, to consider the issue. The panel concluded that two key criteria must be satisfied before an editorial becomes an advertisement and falls within the scope of the Codes. Firstly, either money has to change hands or some sort of 'consideration' has to be involved; secondly, the company must have control over the finished article.

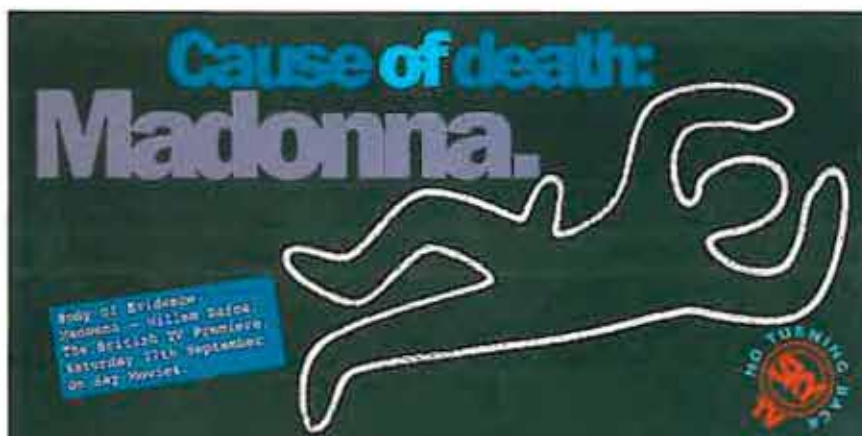
Good Direct Marketing Practice

During 1994 the Authority continued to build on the firm foundation of good direct marketing practice established in new rules two years ago, by publishing a review of our work in this area. Entitled 'Direct Response', this report was widely circulated to opinion formers. Additionally, the new research department conducted an extensive survey of direct mail and direct response ads in the press which showed a high level of compliance with the rules.

Despite the huge number of communications made by direct mail, the complaint level was low in comparison with other media - 343 during 1994.

The Authority has run several specialist seminars and workshops on direct marketing and our stand at the UK Direct Marketing Fair was well attended. Good working relationships with the Direct Marketing Association and the Royal Mail were enhanced by our new projects team; the industry seems to be taking its responsibilities seriously.

Our commitment to the establishment of a 'Deceased Persons' Index', to deal with the distressing problem of mail addressed to those who have died, will be in progress during 1995.



The ASA received 1,705 complaints on matters of decency during 1994, of which 697 were upheld. This was up on 1993's 1,297 complaints of which 144 were upheld. Advertisers need to be responsive to public sensitivities - particularly when using posters.

Religious Imagery

"If I professed Islam, I would be greatly distressed by this picture"

"If this is the start of advertisers using well-loved biblical phrases in advertising, I for one shall be very sorry"

These were two of the comments made by complainants that prompted the Authority to look closely at the use of religious imagery in advertisements during 1994.

Although small in number compared to total complaints received (87 out of 9,657 in 1994), advertisements employing a religious theme presented special difficulties because what may seem harmless to some people may be extremely offensive to those with strong convictions.

The Authority does not act as a result of unreasonable idiosyncratic pressure from any quarter; it does, however, aim to provide protection for minority groups who would be gravely offended by an advertisement.

So, in July, we issued a timely warning to the industry that creative treatments in advertisements should not ignore religious sensitivities. Advertisers may of course use religious themes, but the wrong kind of allusion, however light-hearted in its intent, can raise justifiable complaints of offence.

In order to drive home the message to the industry, the new Codes specifically remind advertisers that they should not offend on grounds of religion. The Authority will continue to ensure that any advertisement likely either to offend the majority of readers, or to offend a minority deeply, is swiftly withdrawn.

The Future

Love it or hate it, the buzz phrase of 1994 was 'the information superhighway'. Throughout the year the debate raged as to whether or not the promised explosion of new media, and associated services for consumers, would take off.

The technology now exists for an enormous range of new services which are likely to be developed over the coming years. This will have a visible effect on advertising practices. Advertising is already seen on non-broadcast electronic media such as video games, CD-Rom, the Internet, on-line newspapers and diskette and is likely to continue to expand. New forms of media such as screens on buses, home shopping and video-on-demand will produce further opportunities for advertisers in 1995.

It is clearly important that self-regulation does not fall behind the technological leaps and bounds that are currently underway. The ASA has been

keeping a close eye on developments. We are taking part in the Advertising Association's working party Project 2000, which is discussing new media and analysing its likely impact on the advertising industry.

The ASA has also been working with the European Advertising Standards Alliance on the subject of new media. A questionnaire was sent to all Alliance members asking what action they were taking to expand their regulation in this area and what developments they expected to see in 1995.

The new Codes have already been adapted so that new forms of media can be incorporated into the ASA's scope whenever appropriate.

The ASA is ready to ensure full protection for consumers as new advertising media are introduced into the market.

| Total Complaints | | |
|----------------------------------|-------------|-------------|
| | '94 | '93 |
| Pursued | | |
| Upheld | 1611 | 1268 |
| Statement | 4 | 22 |
| Resolved informally | 1047 | 782 |
| Not Upheld | 300 | 456 |
| Awaiting Outcome | 83 | 77 |
| Not Pursued | | |
| Outside Remit | 1622 | 1854 |
| Not Justified | 4238 | 4329 |
| Mall Order | | |
| Goods Received or Refunded | 339 | 393 |
| Others | 37 | 33 |
| Awaiting Outcome | 33 | 26 |
| Database | 343 | 363 |
| Total Complaints Received | 9657 | 9603 |



The advertisers withdrew this advertisement following 164 complaints to the ASA that it encouraged promiscuity and that it was denigratory to the European Union flag



The Codes do not inhibit creative advertising. Nevertheless, advertisers should avoid causing undue distress

Top 10 Complaint Categories

| | '94 | '93 |
|----------------------------|-----|-----|
| 1. Leisure | 655 | 430 |
| 2. Clothing | 546 | - |
| 3. Publishing | 492 | 562 |
| 4. Computers | 474 | 428 |
| 5. Health | 388 | 569 |
| 6. Travel & Transportation | 372 | - |
| 7. Motoring | 363 | 508 |
| 8. Audio-visual | 342 | 450 |
| 9. Household | 336 | 317 |
| 10. Employment | 317 | 386 |

Copy Advice

Copy advice was more accessible than ever before in 1994, thanks to the introduction of dedicated telephone and fax lines. These were necessary to cope with the rising demand for guidance on the finer points of the Codes. More and more agencies in particular recognised that ironing out problems at the preparation stage can avoid the embarrassment and expense of having to scrap an advertisement in mid-campaign.

Health advertising was the category that cropped up most regularly but this was not only related to the touting of pills and potions. A number of advertisers were offering health-related publications - those that encouraged readers to diagnose, even treat, their own symptoms of ill health and some of these took the concept of self help a little too far.

Slimming advertisements generally showed a considerable improvement, but those extolling

certain beauty treatments did give us cause for concern. In the early part of the year advertisements for liposculpture, where subcutaneous fat is surgically removed, misleadingly suggested that the operation was as straightforward as having a haircut. Come the Autumn, the fad was for 'non-surgical facelifts' in the form of electrical pulses delivered to the face. However, the description exaggerated the modest effect of the treatment.

Something that did receive a facelift was the Ad Alert, a warning to the media drawing their attention to unacceptable advertisements. This was not just a cosmetic change. The distribution channels were also revamped to ensure that it reached its target audience more quickly in the newspaper advertisement departments.

The 9657 complaints received during 1994 related to 7334 advertisements - a small drop on 1993 when the 9603 complaints received related to 7773 advertisements.

Intra-industry complaints totalled 996 during 1994, as against 1149 in 1993.

All 1994 figures quoted were calculated as at 29th January 1995 and were correct at that time.

Changing the Focus

In the past the ASA has monitored advertising by examining individual advertisements taken from a statistical sample. For some years we have also carried out spot checks on specific sectors of advertising such as motoring, alcoholic drinks or children. This latter method proved significantly more effective and we have now changed the emphasis of our work so that we look in some depth at the issues relevant to a category of advertising or media type. The Research Department was specifically set up for this purpose.

Research projects have arisen from various sources:

Public Debate - Nutrition

Claims: Some people believe that food and soft drink advertising increases the consumption of particular food types: others argue that it simply creates brand awareness. Since the government published 'The Health of the Nation' setting targets for improving the population's health, the debate has intensified.

The ASA has taken a keen interest, meeting consumer groups, industry bodies, individual companies and the government's Nutrition Task Force in order to understand their concerns. In May, we examined food and drink advertisements, taken from a wide variety of publications, which contained nutrition claims.

The results proved interesting; 11% of the advertisements contained questionable claims though fewer - 4% - appeared to break the rules.

Two particular areas gave rise to questions. Some breakfast cereal advertisements contained claims that were not themselves unreasonable but that played down the importance of factors other than diet in maintaining good health. A few vitamin advertisements exaggerated the need for, and effectiveness of, dietary supplements.

The Codes recognise the vulnerability of children to advertising messages. The survey, however, confirmed the limited incidence of food advertising directed at children in the non-broadcast media; advertisements in comics and teen magazines are more frequently for computer games and music.

As usual, the ASA must steer a sensible path between groups which hold strong and diametrically opposed views. Our aim is to ensure that food

manufacturers advertise responsibly but not to interfere with an individual's right to determine what they eat.

ASA Complaints - Basket of Goods Comparisons:

Supermarkets are battling to attract customers and some list a 'basket' of regularly bought goods showing how their prices are lower than those of their rivals. A complaint to the ASA highlighted concerns that the method of comparison and choice of goods could be questionable. We wrote to all supermarket multiples and with the help of their responses were able to issue guidance on an acceptable method for employing such comparisons to ensure the public are neither confused nor misled by this approach.

Industry Organisation Concerns - Credit Repair:

If someone fails to pay a debt promptly, their creditors can apply to the courts to issue a

Around 5,000 advertisements have been obtained for analysis



Focusing on a wide array of advertising in the past, the ASA has now developed its research programme to look in depth at specific categories of advertising or types of media

County Court Judgement against them. This judgement is then taken into account by future creditors when considering whether to give that person credit. Some advertisements claim to be able to re-establish an individual's creditworthiness.

The ASA found that many of the concerns that had been raised related to the service itself. We did, however, pinpoint some areas of concern in advertisements. For example, judgements can be cancelled if the proper court procedures are not followed. Some advertising included a list of reasons that had previously satisfied the courts, sometimes tempting individuals to use one of these reasons even when it did not apply to their particular circumstances. Other advertisements exaggerated the likely success of the service. The ASA brought these concerns to the attention of the industry.

Vanity Publishing: Some advertisements offer a service where individuals pay to have their novels or poems published. When the ASA scrutinised this practice, it was clear that some of these advertisements erroneously implied that the cost of producing the work was shared by the author and the advertisers. Others suggested that the author was likely to profit from the venture. If books are produced irrespective of their merits, financial gain on the part of the author is unlikely. The ASA ruled that the industry should take these concerns on board.

To ensure that the ASA retains an overview of compliance levels and trends in advertising generally, we are currently conducting a National Advertising Review, a statistically valid trawl of advertising appearing on posters, in magazines and in the national and regional press during October. Around 5,000 advertisements have been obtained for analysis and our findings will be widely publicised.



At a time of widespread concern in the news that children were not safe, complainants felt this image was distressing.



The first overhaul of trademark law was announced in February so bringing comparative advertising under the spotlight.

The CAP Year



1994 was a year of dogged groundwork for the Committee of Advertising Practice culminating in what was, without a shadow of doubt, its greatest achievement - the complete revision of the British Codes of Advertising and Sales Promotion. It is a great tribute to everyone involved that a process spanning nearly two years and involving input from countless organisations from the industry and interested parties could result in a document which everyone would agree is concise, user-friendly and eminently workable. The fruits of the industry's labours are examined in detail on pages 14/15 of this Report.

Not only do the new Codes underline the responsibility shared by the industry in maintaining the highest standards, but they also remind us of the benefits of industry action, co-operation and consensus. These are among the most important qualities in keeping self-regulation strong and effective. A priority this year has therefore been to focus on areas where major, tangible benefit could be gained from greater industry co-operation and commitment.

The national press is only too aware of the significance of its role in the self-regulatory process and 1994 saw the development of a much closer working relationship between CAP and the national press. This has yielded very positive benefits, particularly with the reaffirmation of the press commitment to Code compliance which has

enabled us to put procedures in place that will ultimately be to the advantage of consumers.

These procedures will make life difficult for any advertiser who refuses to abide by the Codes. Advertisement directors have agreed to act swiftly if they receive Ad Alerts issued by CAP warning that a specific advertisement has broken the Codes. They will require recalcitrant advertisers to toe the line and take copy advice before they agree to publish their ads. The possibility of targeting specific areas of advertising for CAP certification before publication has also been agreed and this will be in place during 1995.

Another example of media co-operation was seen in the willingness of the national press, magazine publishers and poster companies to donate space for the 'Keeping Tabs On Ads' campaign. Thanks also to

Burkitt Weinreich Bryant Clients and Co. who designed and produced the campaign, and the London Media Group (now CIA Medianetwork) who secured nearly a million pounds worth of free space during the year, both of whom donated their services to us.

However, the picture was not all rosy. CAP has tackled the difficult area of front page flashes for newspaper promotions this year. It is encouraging to see that the latter stages of the year bore witness to far fewer Code breaches. Complacency needs to be avoided if this pattern is to be maintained. It is worth bearing in mind that OFT referral or intervention will not simply remain an idle threat if publishers continue to ignore the rules.



An issue which featured on many CAP and sales promotion industry agendas throughout 1994 was the difficulty experienced by the public in obtaining their free flights in the Hoover promotion. The sales promotion industry is largely agreed that this particular offer has had a damaging effect on the credibility of other sales promotion schemes. Consumer confidence and the future reputation and success of the industry depends on there being no repetition of schemes that cause such a level of public disquiet. The industry was therefore quick to condemn any promotion where consumers' interests appeared to have been compromised.

The work of the review panels continues to serve a valuable function. Discussions by the

General Media Review Panel, ably led by Hugh Burkitt, resulted in the drawing up of guidelines for 'advertisement features'. The Sales Promotion and Direct Response Review Panel, under the knowledgeable Chairmanship of Colin Hall, dealt with issues as diverse as newspaper front page flashes and what constitutes an 'instant win'. My thanks to both Chairmen for their time, expertise and energy.

The end of 1994 saw not only the departure of Sir Timothy Raison who, as Chairman of the ASA, was consistently supportive of CAP's self-regulatory role, but also Ken Miles who, for so many years, has been the Incorporated Society of British Advertisers' representative on the Committee. His knowledge and wisdom will be greatly missed. It also marked the end of my immensely enjoyable and fulfilling two year period as Chairman and gives me the opportunity to wish my

successor, Martin Runnacles, who heads up marketing at BMW GB, all the very best for his period in the chair. I feel confident he will make an enormous contribution to the vital role of CAP within our self-regulatory system.

The events of the year demonstrate the importance of what can be achieved by an industry willing to co-operate and take responsibility for its actions. 1995 presents us all with a challenge and at the same time a great opportunity to demonstrate our ability to comply ourselves, as well as encouraging others to comply, with the new Codes. No less should be expected from a mature industry.

John Hooper

Chairman 1992-1994

OFT referral or intervention will not simply remain an idle threat if publishers continue to ignore the rules

The New Codes



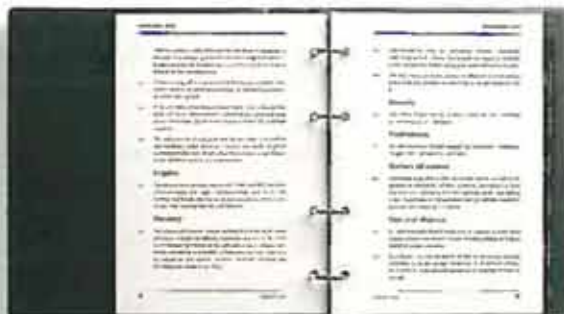
1995 began for us with the launch of the rewritten and re-designed British Codes of Advertising and Sales Promotion. The new Codes were unveiled on 16 January to come into effect on 1 February.

CAP, the Committee of Advertising Practice, consists of advertisers, promoters, agencies, the media and service providers and is responsible for writing the Codes. The first Code appeared in 1961 and was four pages long with just two pages of 'Recommendations'. Subsequent revisions were made every four or five years as more sections and rules were added. The first Code of Sales Promotion Practice was introduced in 1974, the Alcohol Code was appended in 1975 and the Cigarette Code in 1976.

The New Format

This review is different: there has been a radical re-think of the way the Codes are worded and put together:

- a ring binder has been used so that the Codes can be updated with new rules when needed, without waiting for a full reprint
- legal jargon has been excised in favour of shorter, more readable rules in clear language
- unnecessary detail has been deleted
- the layout is sharper and the structure and numbering have been simplified
- rules come first - the section on how the self-regulatory system works has been moved to the back
- the index has been expanded
- the Advertising and Sales Promotion Codes have been



The Prime Movers

The Code Review Working Group met regularly between March 1993 and October 1994. Its Chairman, John Hooper, was also CAP Chairman during the period of the review. Matt Alderson, ASA's Director General who wrote the new Codes, attended every meeting.

united in one document, hence 'The Codes'

- a section has been added giving details of legislation related to advertising and promotions

What Else Has Changed?

Of course, there have also been a number of additions to the Codes. Probably the most significant are the new sets of rules on motoring and environmental claims. The rules on list and database practice introduced in December 1988 in leaflet form have also been incorporated, as have the changes made to the political section.

Here and there individual new rules have been added. For instance, in the Specific Rules on slimming, advertisements should not appeal to anyone under 18, nor should they suggest that it is desirable to be underweight.

The scope of the Codes has been expanded to include advertising in non-broadcast electronic media such as videos, facsimile transmissions and computer games. (Broadcast advertising is covered by the Independent Television Commission and the Radio Authority).

Consulting

Another first for this review was the extent of outside consultation.

In order to encourage as broad a range of views as possible, we consulted a list of organisations which eventually grew to 158. At the outset, we invited comments and suggestions on what the review should aim to achieve. Then, when a complete first draft had been put together, it was sent out to all those on the list for their comments. We were delighted with the response, which was largely positive.

The Group also benefited from 'guest appearances' by delegates from the Direct Mail Services Standards Board, the Newspaper Society, Institute of Sales Promotion, Direct Selling Association and the Incorporated Society of British Advertisers and held special sessions on the Sales Promotion Code, the specific rules for alcoholic drinks and newspaper promotions. We are not able to name everyone but we, and the industry as a whole, are indebted to all those who contributed their time and brainpower to this considerable task.

Group members:

Tony Blin-Stoyle & David Pollock
Newspaper Publishers Association

Andrew Brown
Advertising Association

Hugh Burkitt
Institute of Practitioners in Advertising

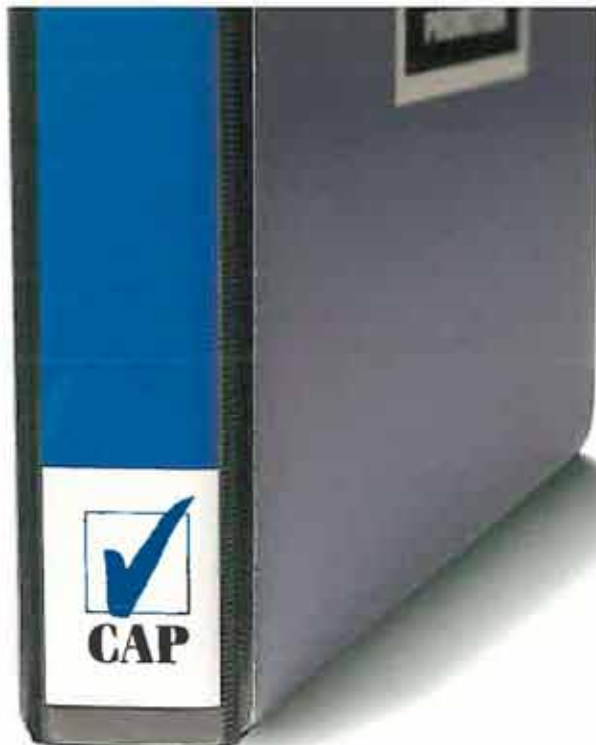
Peter Dear
Periodical Publishers Association

Kevin Holland
Direct Marketing Association

Norman Jack then Sarah Girling
Institute of Sales Promotion

David Newell
Newspaper Society

Christopher Ogden & David Poley
ASA/CAP Secretariat



**EASA Member
Countries**

UK
Ire
France
Germany
Italy
Greece
Holland
Belgium
Spain
Portugal
Denmark
Luxembourg
Austria
Sweden
Switzerland

The Year in Europe

Europe has not been quite the sticky issue for the ASA that it has been in some other quarters over the last twelve months. In fact, quite the opposite. 1994 saw the establishment of the European Advertising Standards Alliance in its permanent offices in Brussels and Dr Oliver Gray installed as the new Director General. The ASA is a founder member of the Alliance and is playing an increasingly active role in helping to consolidate advertising controls for the individual markets that form its membership. The Authority's Deputy Director General, Christopher Ogden, is also the Vice Chairman of the Alliance.


With Luxembourg completing the circle earlier in the year, the twelve European Union states are all now members of the Alliance. In addition Austria, Sweden and Switzerland are also members and with increasing interest from Central and Eastern Europe, self-regulation can truly be said to exist across Europe.

So why does the Alliance exist and why is it necessary to strive for closer integration with our European partners? The Alliance is an umbrella organisation that co-ordinates advertising controls and promotes best practice among its membership; it does not control them. Through its office in Brussels, it is able to liaise with members to spread news and essential information and, in doing so, assists the members to further fulfil their individual roles.

The Alliance has also been successful in launching a system of cross-border complaints. This enables consumers in any Alliance member state to have complaints investigated against advertisements originating from other member states. From September 1993 to December 1994, 25 European consumers have had their cross-border complaints investigated. In addition, frequent information exchanges have taken place between member organisations. The Alliance also helped advertisers and agencies who are looking to create pan-European campaigns by putting them in touch with the relevant regulators for advice.

In June, the ASA received a large number of complaints concerning an advertisement for Inter-Rail which depicted a European Union flag with the twelve stars replaced with yellow condoms. The advertisement was headed 'Inter-Rail. You've got the rest of your life to be good' and referred to the European Commission's year of 'Europe Against AIDS' campaign. Numerous U.K. complainants said the advertisement encouraged promiscuity among the young and was denigratory to the E.U. flag. The ASA also investigated complaints from France and Belgium through the cross-border complaints system. When the ASA had made its ruling to uphold the complaints the complainants were advised via their national regulatory body of the outcome.

To further illustrate the system in practice, in May of this year the Alliance issued its first European Ad Alert. This occurred after the ASA had been unable to locate a U.K. company, operating in Spain. It had been less than clear in explaining the terms and conditions of a prize draw which lured two German holiday makers for advice.



into entering. This meant that in every Alliance member state, regulators were alerted to look out for any activity from the company concerned and to guard against it repeating the advertisement.

During the year the European Union took the initiative to develop a coherent policy on commercial communications. Advertisers, agencies, media and regulators have all been consulted by the European Commission on any perceived disparity in the functioning of commercial communications within the single market. This will result in the Commission producing a Green Paper in 1995 to determine whether more or less regulation is required. The Alliance has led its members in demonstrating to the Commission that self-regulation within the existing legal framework is functioning effectively.

One of the objectives of the Alliance in 1995 is to continue and broaden its work on promoting self-regulation in Central and Eastern Europe.

The ASA, along with its Alliance partners, will be in the forefront by helping to furnish other countries with the necessary expertise to achieve a wider European self-regulatory bloc. Success in this goal will encourage a uniformity of marketing opportunities, while securing strong consumer protection.

The Alliance publishes a quarterly report giving details of the cross-border complaints it has handled, as well as features on self-regulatory systems in other countries. The ASA will be featuring periodical reports on European issues and complaints in its Monthly Report to help to develop an awareness of the existing facilities available to consumers across Europe.

The ASA's advertising campaign may have played its part in keeping the ASA in the public eye this year but the Authority continued to develop its communications in other ways too. Talking to and advising the public, the advertising industry and the media remained a top priority throughout 1994.

Keeping the ASA and its adjudications in the headlines is one of the cornerstones of self-regulation. After all, adverse publicity against advertisers who mislead or offend is a significant deterrent. During 1994 the Authority expanded its press activities in order to ensure an effective flow of information to the media and maximum coverage in the press and on TV and radio.

The ASA also improved its own standards of service in giving advice and information to the

public. As well as receiving thousands of written requests for information, the Authority now operates a dedicated telephone enquiry service between 10am and 4pm.

Industry awareness of the rules is another vital factor in the success of the system. The Authority ran 65 seminars throughout 1994 keeping advertisers as far afield as Aberdeen and Southampton in touch with the Codes' rules.

Special subject seminars covered sectors such as cigarette advertising and travel advertisements. High attendances underlined the industry's commitment to high standards.

The Authority's seminar to introduce new guidelines for 'advertisement features' was so well attended that a larger venue was frantically sought.

Marketing Week commented "The publishing world has welcomed ASA rules clarifying what is an advertising feature."

The Authority has also made many presentations at the request of commercial companies, government departments, consumer groups, students and charities.

The introduction of the new Codes means that bookings for our industry seminars will be in particular demand in 1995; health and beauty ads, environmental claims, financial advertisements, public relations, incentives and promotions, will all be the subject of seminars.



The Year at a Glance

The Authority answered 2,807 enquiries from the press. It was the subject of 320 articles in the national press, 988 in the regional press, 174 in the consumer press and 559 in the advertising and trade press.

The ASA was also featured 18 times on TV and 103 times on national radio. Regional radio features totalled 163, many of which included interviews with the ASA.

Altogether, the Authority conducted 65 seminars and presentations.

The Authority handled 17,647 general enquiries.

The Authority's 'Keeping Tabs On Ads' campaign will be reissued and the ads will now include a contact address. Not only will their appearance remind the public and the industry that we are actively ensuring the highest standards in advertisements, they will also serve as a useful point of reference should anyone have a grievance against a specific advertisement. Space will once again be donated by publishers and poster site owners, underlining media support for the self-regulatory system. The Authority is indebted to Burdett Weinreich Bryant Clients & Co, for their creative work and sound advice and to CIA Mediasetwork and Portland Outdoor Advertising for co-ordinating the donated space.

The Codes

The new Codes have presented the Authority with many challenges for 1995. Our seminar programme will be stepped up to help the industry become familiar with the new requirements and to publicise the Codes to as wide an audience as possible. Our literature will be updated so that the public can be kept informed of the high standards they can expect from advertisers and how to complain when an advertisement falls below those standards.

Further Education

Responding to the many thousands of enquiries we receive each year from teachers and students, the Authority is developing a Teacher Resource Pack. Media studies is an area of increasing interest in schools and the pack will be an invaluable contribution to classroom debate. Tackling issues such as how advertising works, showing the difference between advertising and editorial, discussing the point at which harmless 'puffery' is displaced by blatant dishonesty, the pack will be available later this year.

List of Publications

Legal Decent Honest Truthful - A consumer guide to the ASA

Advertising Under Control - The rules at a glance

Good Advertising - Guide to our pre-publication advice service

Complaints Procedure - Stages of complaint investigation

Background Briefings - A series of summary sheets on specific areas of ASA activity

Direct Response: the ASA and Direct Marketing - Review of the ASA's regulation of the direct marketing industry

British Codes of Advertising and Sales Promotion - The rules

Monthly Report - Features the latest ASA complaint adjudications

On Video

ASA Investigated - How does the ASA deal with offensive or misleading advertisements? A fifteen minute video available on free loan. Ask for our video leaflet for more details.

New for late 1995 - ASA Teachers Resource Pack



ASA Council



1. Chairman Sir Timothy Ralson, who retired at the end of the year, is a Privy Councillor, a former Home Office and Overseas Development Minister and was Conservative MP for Aylesbury for 21 years. He was founder editor of New Society magazine.

2. Richard Bradley is Vice-Chairman of both L'Oreal (UK) Ltd and the Cosmetic, Toiletry and Perfumery Association and is UK delegate to COLIPA, the industry's European body. He is also Chairman of both the Cosmetic Industry's Education Trust and its charitable foundation.

3. Catherine Peckham is Professor of Paediatric Epidemiology at the Institute of Child Health and Hon Consultant at Great Ormond Street Hospital, London. She heads the European Union Concerted Action on HIV/AIDS in mothers and children and has written extensively on health issues relating to pregnancy and childhood.



4. Tony Fisher is a marketing consultant, a Director of the Advertising Standards Board of Finance and a former Chairman of the Committee of Advertising Practice. He is also Chairman of the Trustees of the Advertising Bodies Pension Fund and a trustee of the CBI Education Foundation.

5. Elizabeth Filkin is the Adjudicator for the Inland Revenue and Customs and Excise, a Director of Britannia Building Society and Hay Management Consultants. Previously she was Chief Executive of the National Association of Citizens Advice Bureaux.

The Secretariat

Comprises 60 staff and carries out the day-to-day running of ASA and CAP.

Director General

Mathi Alderson

Deputy Director General

Christopher Ogden

Director of Finance

Phil Griffiths

Director of Investigations and Copy Advice

Roger Wisbey

Director of Communications

Philip Rubenstein (until Dec '94)

Operations Manager

Joanne Poots

Complaints Managers

Niamh McGuinness

Mark Whitbread

Projects Manager

Ailsa Chater



6. Dr Ian Markham is a lecturer in theology at Exeter University, specialising in the philosophy of religion, comparative religion, Christian ethics and British theology. He has published on the area of Christian ethics and culture.

7. Len Sanderson, who was appointed to the Council in 1994, is Advertisement Director and Deputy Managing Director of the Daily Telegraph and is a Telegraph plc board member.

8. Patricia Mackesy was formerly Chairman of Oxford Magistrates Bench and of Camden Juvenile Court. She was also Deputy Chairman of North Westminster Court and a member of the Home Office Magistrates' Committee.

9. Robert Pinker is Professor of Social Administration at the London School of Economics. He is Privacy Commissioner for the Press Complaints Commission and is a board member of the Direct Mail Services Standards Board.

10. Shella Iffat Howitt is a Non-Executive Director of Mid Surrey Health Authority, a member of the Immigration Appeals Tribunal and the London Rent Tribunal, as well as a JP. Born in Pakistan, she has lived in the UK since 1971.

11. Sylvia Heal is a National Officer for Carers National Association. Appointed as a JP in Surrey in 1973, she was Deputy Chair of Chertsey Division Domestic Panel. She is a former Labour MP for Mid-Staffordshire and Opposition spokesperson for health and women's rights.

12. Christopher Hawes was Chairman of TSMS Group Ltd from 1989-94 and was also Chairman of Davidson Pearce Group plc from 1972-1988. He is a past President of the Institute of Practitioners in Advertising.

Jackie Dickens (not shown) is Regional Director of planning for Leo Burnett (Asia). Now based in Hong Kong, she left the ASA Council at the end of 1994. She has written extensively on advertising and market research topics.



Research Manager
Dominic Kellet-Bowman

Information Manager
Linda Wheeler

Copy Advice Manager
David Poley

Systems Manager
Laura Fishman

Head of External Affairs
Caroline Crawford

Office Manager
Christine Wood

Financial Report 1993

Expenditure

| | 1993 £ | 1992 £ |
|--|--------------------|---------------------|
| Salaries and staff costs (excluding direct marketing) | 1,406,880 | 1,419,540 |
| Rent and accommodation costs | 248,285 | 238,669 |
| Travel, subsistence and entertaining | 48,841 | 42,496 |
| Consultancy and professional fees | 124,003 | 153,332 |
| Council honoraria and expenses | 44,123 | 38,366 |
| Depreciation | 111,570 | 119,010 |
| Telephone, postage, printing, stationery and other general expenses | 277,763 | 262,854 |
| Advertising and promotion | 151,230 | 151,794 |
| Direct marketing function | 138,836 | 112,004 |
| TOTAL | 2,551,531 | 2,538,065 |
| Excess of expenditure over income for the year | (3,654) | (25,472) |

Expenditure account for the year
ended 31st December 1993.

Registered office:
The Advertising Standards
Authority Limited
2 Torrington Place
London WC1E 7HW
Telephone 0171 580 5555
Registered in England
No 733214

Update 1994

Year to 31st December 1993

Last year's financial statement predicted expenditure of £2,548,200 and anticipated a break-even position of income and expenditure. The audited figures for 1993 reflect actual expenditure of £2,551,531 and a pre-tax loss of £3,654. Details of expenditure are shown on the facing page.

Year to 31st December 1994

At the time of preparing this Report, audited income and expenditure figures for 1994 are not available. The following provisional indications can, however, be given:

Income

Income received from the Advertising Standards Board of Finance Ltd rose by 8.7%, compared with 1993, to £2,737,198. Interest received was similar to 1993 and produced additional income of £30,052. The total income was £2,767,250.

Expenditure

Overall expenditure in 1994 rose by 6.9% to £2,726,702 compared with 1993. General and direct

marketing advertising expenditure increased by 33% as a result of the 'Keeping Tabs On Ads' campaign. Having been held at similar levels in 1992 and 1993, staff costs increased by 8%, two thirds of which were recruitment and retention costs; nonetheless, total staff costs were still lower than in 1991. Premises costs rose by 5.7% because of essential plant maintenance and replacement. Continued economy measures enabled office and other general operating expenses to be held at levels similar to 1992 and 1993 and expenditure on consultancy and professional fees fell by 8.9%.

Profit/Loss

It is anticipated that the audited accounts for 1994 will show a pre-tax profit of approximately £42,000.

Finalised Accounts: year to 31st December 1994. Finalised accounts for 1994 will be presented to the Council of the Authority at its Annual General Meeting scheduled for June 1995 and will subsequently be lodged with Companies House in the normal way. A breakdown of expenditure for 1994 will appear in next year's Annual Report in the form shown on the facing page.

About the ASA



The Advertising Standards Authority promotes and enforces the highest standards in all non-broadcast advertisements in the UK.

It does so in the public interest and in co-operation with the whole of the advertising industry by ensuring that everyone who commissions, prepares and publishes advertisements observes the British Codes of Advertising and Sales Promotion.

The Codes require that advertisements and promotions should be: *legal, decent, honest and truthful; prepared with a sense of responsibility to consumers and to society; and in line with the principles of fair competition.*



The Codes are drawn up by the Committee of Advertising Practice. CAP comprises the trade and professional organisations of the advertising industry, including those representing the media, advertisers and agencies.

CAP provides a free and confidential pre-publication advice service. The service is widely used by publishers and advertising practitioners to ensure as far as possible and in advance of publication that advertisements conform with the Codes.

If an advertisement breaks the Codes, advertisers are asked to amend or withdraw it. If they do not, the media may invoke their terms and conditions of business which require adherence to the Codes, and may ultimately refuse further space to advertise. Both advertiser and agency may also jeopardise their membership of trade or professional organisations if they persistently break the Codes' rules, resulting in the loss of financial and other trading incentives.

If the ASA has used all self-regulatory means at its disposal to prevent a misleading advertisement from appearing, and it continues to be published, the Authority can ask the OFT to invoke the final legal backstop of the Control of Misleading Advertisements Regulations 1988. Although rarely used, these empower the Director General of Fair Trading to apply for an injunction against advertisers, agencies and media to prevent further publication.

The ASA is independent of both the government and the advertising industry. It has a Council of twelve members, the majority of whom have no connection with the advertising industry. Its Chairman is also an independent appointment.

The Authority is funded by a levy on all display advertising and direct mail in the UK. A separate body, the Advertising Standards Board of Finance, collects the levy to ensure that the Authority's independence is maintained.

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