

STRAT 7



Consumer Attitudes to the Timely Provision of Material Information in Ads

Qualitative Research Report

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MAKING SENSE
OF HUMAN
COMPLEXITY

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1 Executive summary

1.1 Background to the research

The Advertising Standards Authority (ASA) is the UK's independent regulator of advertising. It applies the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing and the UK Code of Broadcast Advertising (the Advertising Codes) written by the Committee of Advertising Practice (CAP) and Broadcast Committee of Advertising Practice (BCAP). The ASA ensures ads across all media are legal, decent, honest and truthful, and takes action where advertising is misleading, harmful, offensive or otherwise irresponsible.

The Codes require that ads must not materially mislead or be likely to do so, by action or omission - the latter being the omission of material information or information required to be included by law. This includes providing such information in a way that is unclear or untimely, or in a way that the consumer is unlikely to see or hear it.

'Material information' is information that the average consumer needs to take an informed transactional decision. This does not need to be an actual transaction – the concept is broader and includes decisions on whether to do something or not to do something in response to the ad. Transactional decisions may occur before a consumer has made a decision as to whether to purchase a given product or service.

When assessing whether an ad is likely to mislead, the ASA will consider how the average consumer will interpret the ad and whether it is likely to cause them to make a transactional decision they otherwise wouldn't have. In circumstances where an ad, for example, an online display ad appearing in paid-for space (henceforth, a paid online ad), is limited by space, it might be acceptable for material information to be provided by means other than the ad. This might include presenting the information on the landing page to which the ad links. Whether it is misleading to provide material information in this way is situationally dependent, including on factors relating to the materiality of the information and the context/content of the ad itself.

When judging whether an ad is misleading, the ASA does not need to conclude that the majority of consumers will likely be misled by the ad. It makes a qualitative judgement about whether the average consumer would be misled by it, and that test is not a quantitative or statistical one. The average consumer is deemed to be 'reasonably well-informed, reasonably observant and reasonably circumspect', and it is sufficient for a significant minority of the 'average consumer' group to be likely to be misled in order for the ASA to find an ad in breach of the CAP or BCAP Code.

To understand consumer expectations in relation to the provision of material information in a space-constrained paid online ad, the ASA commissioned Jigsaw Research to conduct a qualitative study.

1.2 Summary of findings

Online advertising is perceived to carry more potential for consumer risk *and* opportunity compared to traditional advertising.

Participants perceive online advertising as a space where consumers can access ultimate convenience and choice; real bargains and discounts; and hyper-relevant products and services. However, this comes with a greater sense of risk in terms of encouragement of impulse purchasing; the perceived prevalence of fraudulent ads and scams; the feeling of pressurised targeting and 'bombardment' of advertising; and a lack of clarity on what is or is not an ad (particularly on social media).

In this context, participants have different levels of engagement with online ads, depending on whether they perceive greater risk or opportunity:

- *Acceptors*: who generally see online ads as more of an opportunity and are therefore more comfortable and confident engaging with them (including as a distraction from their browsing task)
- *Cautious Engagers*: who accept ads as a consequence of engaging for free with the online world but are less open to engaging with ads 'on a whim' due to concerns about scams and intrusive targeting (most participants in the research fell into the 'Cautious engagers' category, which was prevalent across age groups)
- *Avoiders*: who are highly suspicious of online ads and try to avoid engagement wherever possible.

Prior to viewing the ad stimuli used in the study, insistence of upfront provision of 'material information' was not a spontaneous concern for participants, as long as the information is clear and available before point of purchase.

This tolerance is driven by perceptions that:

- *One click away' feels familiar and congruent with the online environment* and therefore participants accept some responsibility to investigate further to discover qualifying information.
- *Consequences of revealing information later* (as long as it's before the point of purchase) *tend to feel relatively minimal* beyond a feeling of mild irritation or inconvenience.
- *Space constraints make it hard for advertisers to catch attention quickly* and participants are therefore sympathetic with advertisers needing to balance ad appeal with inclusion of key information.

However, following further consideration over the course of the research, it is possible to identify some broad categories where upfront inclusion of material information feels more and less important.

These categorisations are detailed below. **They should be taken as indicative and subject to exceptions (including, where contrary views were expressed by a minority of participants) as set out in the detail of the report.**

Most participants felt the following 'types' of material information did not feel crucial to include in initial online ads:

- *Offer end dates and timeframes*, as there was a general understanding among participants that 'offers' must exist within time limits – or else they would not be a 'deal'. Most presume an offer will still be live if it is being advertised and see limited scope for this information to influence behaviour.
- *Conditional purchase 'free delivery'*, as participants felt the concept of free delivery coming with certain conditions or caveats is highly familiar, common and widely acceptable. While participants found the omission of this conditional information irritating, it was unlikely to have an impact on a consumer's decision to engage further with the product/service advertised.
- *Where material information relates to purchases perceived to be 'trivial'* (defined as products/services being sold for a small sum of money, an 'everyday' purchase, or an item with minimal perceived tangible or psychological risk attached) and therefore the perceived impact of omitting material information is likely to be less significant.

Most participants felt the following 'types' of material information felt important (and even necessary) to be included upfront in online ads:

- *Pricing Structures*, as there is an expectation that if a price is advertised in an online ad, participants would expect there to be no undisclosed charges or caveats/conditions attached to that price (the exception to this being where the price is felt, as described above, to be trivially minimal). Four key types of pricing structures emerged through the research where upfront disclosure of material information was deemed important:
 - *Subscriptions on products/services that do not usually have a subscription model* such as clothing, skincare or travel. Participants felt omission of this information was misleading and expressed suspicion about the motivations of the advertiser - with participants

questioning whether the advertiser was intentionally hiding the 'truth' to 'trap' or 'trick' consumers into a recurring financial commitment.

- *Long-term contracts* where they would expect the initial paid online ad to be transparent about the expected price throughout the entire length of the contract, including any potential price rises within that time frame
- *Tiered or variable pricing* where it was felt that excluding material information that made clear the price is either not fixed or the same for all consumers would be materially misleading
- *In-app purchases*, particularly where an ad did not disclose the presence of in-app payments which were required to meaningfully engage with the app, for example, where a user must pay to progress beyond a certain level in a gaming app.
- *Highly regulated consumer products*, which primarily related to gambling (including a perception that loot boxes fell into this category) based on what was tested in this research. Ads for gambling products provoked the strongest reaction amongst participants, which translated into heightened sensitivity and a strong desire for material information to be disclosed as early as possible – i.e. in the initial paid online ad – to limit subsequent impact and risk.
- *High stakes products and services* where the tangible and psychological risk to the consumer not having the full picture was perceived to be greater, for example with financial and medical products or services. It felt important for paid online ads to be fully transparent about any material information pertaining to the risk and commitment required when engaging with ads for such products or services.

2 Introduction

2.1 Research background

The Advertising Standards Authority (ASA) is the UK's independent regulator of advertising. It applies the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing and the UK Code of Broadcast Advertising (the Advertising Codes) written by the Committee of Advertising Practice (CAP) and Broadcast Committee of Advertising Practice (BCAP). The ASA ensures ads across all media are legal, decent, honest and truthful, and takes action where advertising is misleading, harmful, offensive or otherwise irresponsible.

The Codes require that ads must not materially mislead or be likely to do so, by action or omission - the latter being the omission of material information or information required to be included by law. This includes providing information in a way that is unclear or untimely, or in a way that the consumer is unlikely to see or hear it.

Section 3 of the CAP Code, which covers misleading advertising requires that:

Marketing communications must not omit material information or information required to be included by law. This includes providing such information in a way that is unclear or untimely, or in a way that the consumer is unlikely to see or hear it.

Regard will be had to any limitations (e.g. as to time or space) resulting from the means of communication used and steps taken by the marketer to overcome these by providing the information by other means. "Material information" is information that the average consumer needs to take an informed transactional decision.

Rule 3.3.

'Material information' is information that the average consumer needs to take an informed transactional decision. This does not need to be an actual transaction – the concept is broader and includes decisions on whether to do something or not to do something in response to the ad. Transactional decisions may occur before a consumer has made a decision as to whether to purchase a given product or service. For example, it can include whether to click through on a website, whether to buy a product, or whether to enter a contract.

'Transactional decision' is defined in law as any decision made by a consumer relating to:

- The purchase or supply of a product (including whether, how or on what terms to make the purchase or supply);
- The retention, disposal or withdrawal of a product (including whether, how or on what terms to retain or dispose of it);
- The exercise of contractual rights in relation to a product (including whether, how or on what terms to exercise such rights).

When assessing whether an ad is likely to mislead, the ASA will consider how the average consumer will interpret the ad and whether it's likely to cause them to make a transactional decision they otherwise wouldn't have. Marketing communications which omit material information, making it difficult for consumers to make informed decisions about a marketer's product or service are likely to be in breach of Code rules.

In circumstances where an ad, for example, a paid online ad, is limited by space, it might be acceptable for material information to be provided by means other than the ad. This might include presenting the information on the landing page to which the initial paid online ad links. Whether it is misleading to provide

material information in this way is situationally dependent, including on factors relating to the materiality of the information and the context/content of the ad itself.

When judging whether an ad is misleading, the ASA does not need to conclude that the majority of consumers will likely be misled by the ad. It makes a qualitative judgement about whether the average consumer would be misled by it, and that test is not a quantitative or statistical one. The average consumer is deemed to be 'reasonably well-informed and reasonably observant and reasonably circumspect', and it is sufficient for a significant minority of the 'average consumer' group to be likely to be misled in order for the ASA to find an ad in breach of the CAP or BCAP Code.

Therefore, the ASA commissioned Jigsaw Research to conduct a qualitative study to understand consumer expectations in relation to the provision of material information in a, space-constrained, paid online ad. Specifically, they wanted to explore whether consumers react or respond differently when material information is presented in the initial paid online ad and when it is presented only on the landing page to which the paid online ad directly links, i.e. when that information is presented 'one-click away'.

2.2 Research objectives

Given the particular space constraints of different types of paid online ad formats, the specific objectives of this research were to:

- Explore whether consumers react or respond differently when material information is presented in the initial, space-constrained, paid online ad and when it is presented only on the landing page to which the paid online ad directly links
- Understand if consumers consider the initial paid online ad to have misled them by omitting the material information, and the reasons they give for feeling misled – regardless of the space-constrained nature of the ad – and would likely cause them to take a transactional decision they would not have taken had the information been in the ad. The ASA wanted to understand whether their reasons had regard to the materiality of the information, and the content and context of the ad in forming the overall proposition of the ad.
- Examine whether consumers consider it was acceptable (i.e. not misleading) to place the material information in the landing page to which the paid online ad directly linked – and why they think it was acceptable. Again, the ASA wanted to understand if consumers' reasons had regard to the materiality of the information, and the content and context of the ad in forming their understanding of the overall proposition of the ad.
- Look at the extent to which these expectations vary across:
 - Ads for different products
 - Different types of propositions/claims
 - Demographic groups (including vulnerable groups)
 - The design, constraints or placement of the initial ad

2.3 Research methodology

A qualitative approach was considered most appropriate given the complex topic and overall objectives of this project. A qualitative methodology allows for the sharing and the discussion of subjective viewpoints and exploration of underlying attitudes. Qualitative research can identify prevalent opinion and even strong dissenting voices within the included participants, but these are not necessarily representative of the population, although arguably indicative of it.

A complementary combination of in-depth interviews and groups discussions was used. The initial depth interviews explored individual attitudes to online advertising and responses to specific ad examples in detail. The subsequent group discussion phase allowed us to test and refine hypotheses emerging from the depth stage and distinguish between good practice and instances when omissions were considered 'unacceptable'.

The research programme began with 25 online in-depth interviews, followed by four online focus groups. Participants who took part in the in-depth interview stage also completed an online survey task prior to their interview.¹

Fieldwork took place between October 6th and December 3rd, 2025.

2.3.1 Pre-task

All participants taking part in the in-depth interview stage took part in an online task either held on the STRAT7 Whycatcher digital research platform or accessed through WhatsApp. The medium through which participants took part depended on their self-reported online behaviour; participants who spent more time interacting online through a laptop or desktop computer took part on the Whycatcher platform, whereas participants who spent more time on their mobile devices took part via the Whycatcher integration with WhatsApp.

The task lasted no more than 30 minutes, and was split into two stages:

Stage 1: General browse

In this stage, participants were asked to browse online in whatever manner felt most natural to them for a period of 10-minutes, ideally avoiding long-form video content or uninterrupted video-game play to ensure the focus was on browsing behaviour. Participants were then invited to tell us about their experience, highlighting any advertising they noticed (and/or engaged with) during the session and why.

Stage 2: Targeted search

In this stage, participants were asked to take part in an online mission for a period of 10-minutes, in which they were asked to actively search for a product/service of their choosing, including engaging in both information gathering and comparison shopping. Participants then told us about their experience, highlighting any advertising content that stood out to them during their browse and how they felt about the material available.

This pre-task was designed to capture:

- Current consumer experiences with online advertising
- Spontaneous consumer sentiment regarding information provided in online advertising
- Any differences across consumer experiences depending on nature of mission (i.e., general browse vs. mission-based mentality)

2.3.2 Online in-depth interview structure

The in-depth interview phase of this research set out to understand the personal views and experiences of participants – including their own relationships with online advertising – and spontaneous reactions to the stimulus tested. By completing the in-depth interview stage first, researchers were able to see core issues and similarities between forms of material information emerging, enabling development of a more informed viewpoint by the end of the session.

Conversations with participants followed a consistent structure, whilst still allowing for natural exploration of different experiences and interests:

- After ground rules and warm up, participants discussed their experiences and perceptions of the online advertising space overall, followed by a detailed reflection of their pre-task and any ads they reported on.

¹ The pre-task was conducted primarily via STRAT7 Jigsaw's survey-based Whycatcher platform. However, participants were allowed to opt into an email or postal survey, to allow for any participants who had low digital confidence to take part.

- Most of the session then focused on reviewing a range of example paid online ads (rotated across interviews) – exploring expectations and views toward information provided in the initial ad and that provided on the landing page (to which the paid online ad directly linked through to) and the potential for the information to influence transactional behaviours.
 - For each ad, moderators showed the initial paid online ad on a screen-share, allowing participants to spontaneously react to the content of the ad. Moderators took particular care to ask about expectations surrounding the product/service being advertised, as well as how participants felt about the level of information included (e.g. was it sufficient, vague, missing, or unexpected?).
 - Moderators then showed the landing page linked to the paid online ad and again allowed participants to spontaneously reflect.
 - Where relevant, moderators specifically probed on how expectations of the product/service, or enticement or understanding of the offer may or may not have changed having seen the landing page. If not otherwise mentioned, moderators would also prompt with the potential area of 'omitted information' to explore resonance.
- Having reviewed each ad in turn, the ads were discussed in summary. Moderators revealed the ASA as the research sponsor to contextualise the review, so participants shared views with regulation and acceptability in mind.
- The sessions wrapped up with a brief discussion of the types of information participants felt should be deemed as necessary to include in initial paid online ads, when information could acceptably be provided only on the landing page to which the ad directly linked, and where they perceived differences across industries, products/services, audiences and so on.

2.3.3 Online focus group structure

The focus group phase set out to understand the broader citizen perspective on the research topic, in particular where appetite may or may not exist for the ASA to require certain information be provided in an initial ad, as opposed to further along the purchase or fact-finding journey. Researchers also tested and refined hypotheses that had developed during the in-depth interview stage.

As with the in-depth interviews, conversations followed a set overall structure, whilst still allowing for natural exploration of different experiences and interests:

- Following warm-up and introductions, participants reflected on their typical online habits and behaviours before discussing the overall impressions of and attitudes towards online advertising. This included an exploration of the types of advertising they tend to come across, and any positive/negative associations they have with certain types of ads.
- The ASA was then revealed as the research sponsor to contextualise the review and gave participants the opportunity to spontaneously reflect on what information they felt to be fundamental to include in paid online ads, as well as what the ASA's role in mandating this information should be.
- Most of the remaining session was spent reflecting on many of the same ads as shown in the in-depth interview stage. Ads were organised by subsection (which were themselves organised based on preliminary analysis of the in-depth interview stage) and tested with focus group participants in a similar manner as had followed during the in-depth interview stage:
 - For each ad, moderators showed the initial paid online ad on a screen-share, allowing participants to spontaneously react to the content of the ad. Moderators took particular care to ask about expectations surrounding the product/service being advertised, as well as how participants felt about the level of information included (e.g. was it sufficient, vague, missing, or unexpected?).
 - Participants were then shown the landing page the paid online ad would lead to, where additional information was presented. Moderators highlighted that additional information (that was missing from the initial ad). Moderators then explored with participants how they felt about the location of the relevant material information.

- After reflecting on all of the categories of material information reviewed, participants were invited to share their views on whether the preliminary categories accurately grouped ads together, and whether the ASA should treat different categories of material information differently. The sessions then wrapped up with general views on the ASA's regulation of material information.

2.4 Research sample

The objective of qualitative research is not to generate statistically valid findings but to ensure the sample is designed to capture the range and variety of potential responses. The appropriate sample size and make-up in a qualitative study should be sufficient to allow for confirmatory findings without generating overly repetitive data (saturation).

This project consisted of 25 online in-depth interviews as well as four online focus groups each with between six and seven participants, with a total of 49 participants being included across the scope of research. A qualitative sample of 30 participants or more is generally viewed as robust by market research experts.

The structure of the sample was designed to include participants who engage online through a variety of mediums (tablet, smartphone, laptop, desktop computer).

2.4.1 Online in-depth interviews

Twenty-five participants took part in the online in-depth interview stage, completing both a 15-minute pre-task, as well as a 45-minute interview.

The participant sample structure of the in-depth interview stage was comprised of a:

- Mix of ages across the 16-70-year-old age group
- Mix of gender
- Mix of socio-economic groups
- Minimum of five participants from an ethnic minority background
- Mix of locations:
 - 14x England (spread across North, South East, South West and Midlands)
 - 4x in Scotland
 - 4x in Wales
 - 3x Northern Ireland

2.4.2 Online focus groups

Twenty-four participants split across four, 90-minute online group sessions took part in the focus group stage. Groups were defined by age as follows:

- Group 1: 18–29-year-olds
- Group 2: 30–44-year-olds
- Group 3: 45–64-year-olds
- Group 4: 65+-year-olds

The participant sample structure of the focus group stage comprised a:

- Mix of gender
- Mix of socio-economic groups
- Minimum of five participants from an ethnic minority background
- Mix of locations:
 - 12 x England (spread across North, South East, South West and Midlands)

- 4 x in Scotland
- 4 x in Wales
- 4 x Northern Ireland

2.5 Stimulus material

The ASA provided a range of paid online advertising stimulus, covering a variety of:

- Products/services being advertised
- Platforms – e.g., Google sponsored search ad, Facebook/Instagram post, banner ad
- Types of material information omitted, such as;
 - Significant conditions qualifying the headline claims for promotional offers (e.g. significant limitations on availability, location of purchase, etc.)
 - Omission of information from promotions/competitions ads (e.g. entry dates)
 - Delivery restrictions/guarantees
 - Mandated 'health or wealth' information

Twenty-seven pieces of stimulus were used in total. A rotation was designed to ensure balanced coverage across the sample. Each in-depth interview participant was shown between 5-6 ads, rotated across categories. The ad selection was then revised for the online focus groups to explore hypotheses from the depths, with each group viewing at least three 'categories' of ads.

To stress-test where the 'boundaries' or 'lines' could or should be drawn, some ads were edited for the purposes of the research. Participants were informed of this at the start of the research to ensure transparency and avoid singling out of individual brands where ads may have been edited. All ad examples have been de-branded in this report given some were edited for the purposes of this research.

The stimulus is referenced throughout this report, and a summary of each ad can be found in Section 5 - Appendix. References to specific ads are denoted by the product or service sector and a number corresponding to the ad in the stimulus table, for example, 'Home Services¹' refers to the home services ad listed as number 1 in the Appendix.

3 General perceptions of online advertising

Participants view online advertising as presenting both significant opportunities and risks compared to traditional advertising. While online ads offer convenience, more relevant products, easier product discovery, and genuine discounts, participants also raise concerns about scams, intrusive marketing tactics, and the potential to encourage regretted impulsive purchasing.

The research identified three broad audience groups with varying levels of online ad engagement and confidence: *Acceptors* who view ads positively as helpful, *Cautious Engagers* (the largest group) who see ads as both useful and annoying but approach them with some suspicion, and *Avoiders* who claim to actively resist engagement due to concerns about scams and perceived manipulative targeting.

3.1 Perceptions of online advertising vs traditional advertising

Engagement with online advertising is perceived to carry a different set of expectations compared to 'traditional' advertising (i.e. on billboards, radio, television). Participants felt online ads carry an often-conflicting set of opportunities and risks.

On the one hand, participants were appreciative of the opportunities online advertising enabled, for example:

- **Consumers have ultimate choice and ultimate convenience at their fingertips:** online ads expose consumers to products across a wide range of options and can facilitate purchases in the moment, without having to travel anywhere, see anyone, or carry out any independent research.
- **There are real discounts and bargains to be found:** this choice also offers the chance to encounter a broader range of offers and discounts that the consumer may have otherwise missed.
- **Online ads are increasingly personalised and relevant:** for some participants, the targeting of online ads is not only 'clever' but also 'helpful', exposing consumers to useful and relevant products that they may otherwise not be aware of.



I probably wouldn't find information or products that are very suitable for me without advertising.

Female, 45-64 yrs



Ads almost remind me, 'oh, actually I do want that.'

Female, 18-29 yrs

On the other hand, participants felt online ads carry a sense of risk, for example:

- **Greater potential for scams or fraudulent ads:** in the crowded and dynamic online context, many felt the sheer volume of ads would make it 'impossible' to sufficiently regulate *every* online ad – therefore, many felt the prevalence of 'scam' or 'fraudulent' ads would be greater in the digital space.
- **Permission for advertisers to use intrusive or borderline practices:** for some participants, the online context enabled what participants described as the 'wild west' of advertising, where online advertisers could 'get away with' borderline practices (e.g. exaggerated claims or headlines to catch attention) and pressurising techniques (e.g. 'bombardment' of ads to pressure consumers to purchase).

- **Regretted impulsive purchasing behaviour:** while participants felt traditional advertising has, in effect, a built-in delay between a consumer encountering an ad and acting, the online environment facilitates instant action (i.e. ability to click into the ad and buy the product immediately) which could encourage regretted impulsive purchases.
- **Difficulty distinguishing ads from wider content:** some participants felt that online ads (particularly on social media) blurred the boundaries between advertising and editorial content, potentially impairing consumers' ability to recognise whether they are engaging with an ad or not.



I see the same adverts all the time. I must have had the same ad three times this morning alone. I don't need to see the same woman trying to sell me a potato cutter for the third time today!

Female, 18-29 yrs



I literally googled a pair of trainers, and now every app that I go on the ad is trainers.

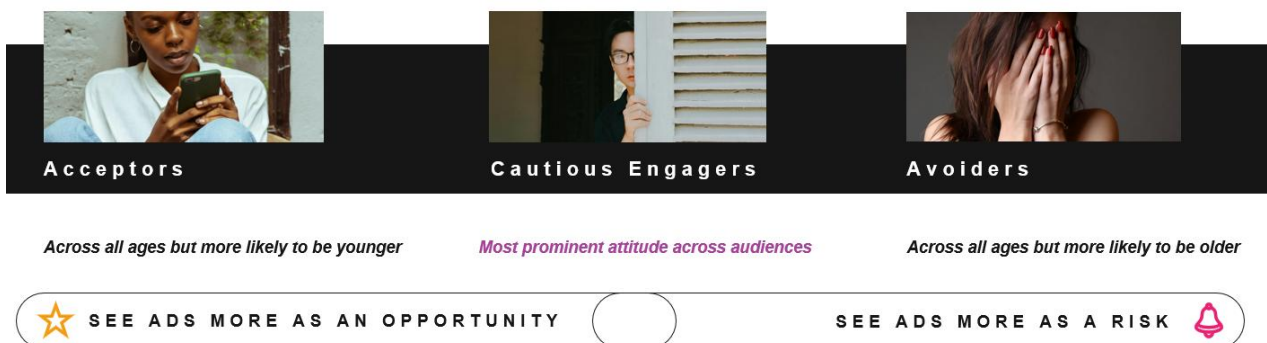
Female, 35-44 yrs

3.2 Audience engagement with online advertising

Participants claimed different levels of engagement with online advertising. These differences often aligned with whether they generally saw online ads as more of an opportunity or risk, as well as their age. Three overlapping groups emerged in the research: Acceptors, Cautious Engagers and Avoiders.

These different groups emerged from initial discussions about online advertising in general, and their responses to the stimulus was broadly consistent. Where there were differences of note, these have been referenced in the research findings.

The scale below illustrates how the groups fell depending on their attitudes to ads, with any consistencies by age found in this research explicitly mentioned.



These groups are explored in greater detail in sections 3.2.1, 3.2.2 and 3.3.3.

3.2.1 Acceptors

Across all ages, and particularly amongst the younger cohort, there were participants who perceived ads to be a generally positive part of being online. For these participants, online ads carried more opportunity than risk, enabling helpful exposure to genuinely useful and relevant products.

These participants were generally more comfortable with the perceived tailored and personal aspect of online advertising, seeing it as more of a 'game', which they felt confident playing. The 'game' analogy came from participants' perceptions of online ads as:

- A strategic contest between two sides – advertisers and consumers – with different objectives.
 - For advertisers, the objective is to make a profit by persuading consumers to engage with their ad and ultimately purchase their product/service.
 - For consumers, the objective is to *only* engage with ads for products/services that are genuinely relevant, relatively good value, low risk, come at a fair price and so on.
- Evoking an element of cat (the ad) and mouse (the consumer)
 - Both 'sides' are strategically working towards their objective, with consumers inevitably having to navigate through advertisers' marketing tactics, and potential 'catches'.

Overall, 'Acceptor' participants expressed greater openness to being 'distracted' by an ad and therefore potentially may be more likely to make a transactional decision in response to it even when online for a specific reason or task.



You want my email? Sure. Take it. Send me the coupon. Any ad that is going to have a tangible impact or outcome, I'm a sucker for those.

Male, 30-44 yrs



I like them [online ads]. A lot of the things that come up are things that I've been looking at or I'm interested in, so I don't mind them because it gives me ideas.

Female, 65+ yrs



All of my ads, they're so tailored to me that like, I think the ads are great because I can click on them and buy from them. It knows what I want to see.

Female, 18-29 yrs

3.2.2 Cautious engagers

Most participants in the research fell into the 'Cautious engagers' category, which was prevalent across age groups. For these participants, ads were both 'annoying' *and* 'useful', and targeting was sometimes 'useful' and sometimes 'unnerving'. Some saw online ads as a trade-off for being able to access and browse the internet for free – and felt therefore that ads should be accepted by consumers as 'part of being online'.

These participants were more cautious than 'Acceptors' in how they engaged with online ads, expressing varying levels of confidence with playing the 'game' as referenced above. There was some nervousness about the perceived prevalence of online scams (and difficulties regulating ads in this context), with some claiming to approach ads with some suspicion to avoid being 'caught out' by a scam or false claim.

Overall, 'Cautious Engagers' expressed less openness to being 'distracted' by an ad. Most said they would need an ad to be relevant to the task they were completing in order to feel willing to engage.



It is a bit weird, I think, the idea of them using your information like that. I think my thought is, if you're taking that kind of info, what else is being taken from my behaviour on these apps?

Male, 18-29 yrs



I've been stung a couple of times with things that look great. You know, cheap clothes or whatever it is. Then it says free returns. They turn up half the size they are meant to be and there's no address to send it back to. One time there was an address, but I paid a lot of money to send it back and then it got returned because that address didn't exist.

Female, 65+ yrs

3.2.3 Avoiders

A proportion of the participants in the research claimed to try to avoid online ads as far as possible. This group included participants across all ages, with a skew towards older cohorts.

Avoiders claimed refusal to engage with the 'game' by avoiding clicking into ads they see, purposively scrolling past the sponsored search ads in Google or swiping up on any social media content with the 'ad' or 'sponsored' tag.

For these participants, online ads carried more risk than opportunity, in terms of perceptions around potential scams and fraud, as well as a nervousness about brands 'bombarding' consumers by tracking or targeting them based on their digital footprint. For example, one participant expressed a frustration that online ads aimed to entice consumers on to the landing page so advertisers could gather cookies and later 'bombard' them with advertising.

A small number of participants in the 'Avoiders' group felt targeting of online ads could tip into something more sinister and, even, dangerous. For these participants, the perceived encouragement of 'impulsive' behaviour via online ads could tempt consumers to spend beyond their means.



I'm frustrated that they keep showing me ads when I've been on a website once. I've decided I don't want them, so it's repetitive. I actively avoid them.

Female, 30-44 yrs



You can always just ignore them, and they eventually stop inundating you with that type of product [...] I tend to ignore most of them.

Female, 65+ yrs



I'm quite ad averse. I only click on something if it's really something I've been considering getting for a long while. [...] on YouTube, ads are now long videos. Even when you skip the video, I notice on my phone add that there is still a little box advertising something. It just annoys me so much.

Male, 18-29 yrs



Online ads are more focused. Things are being pushed upon you. I think it's quite dangerous to be honest. With the Cost-of-Living crisis, a lot of people are struggling so having these things thrown into your face all the time when you open an app...there's no wonder people are getting themselves into trouble.

Male, 30-44 yrs

4 Attitudes towards the Provision of Material Information in Ads

Before viewing any advertising stimuli, participants had limited views about when material information should be included in online ads and were generally tolerant of information being 'one click away,' viewing this as consistent with online 'norms'. However, once exposed to examples, participants started to form clearer views on where 'one click away' felt more and less acceptable.

Participants identified three categories where upfront disclosure mattered less: offer end dates (assuming active ads are still live), conditional purchase 'free delivery' (expected to have stipulations), and 'trivial' purchases (low monetary value or everyday items with minimal risk).

Conversely, upfront disclosure was deemed more important for pricing structures (subscriptions, contracts, variable pricing, in-app purchases), highly regulated products (particularly gambling and loot boxes), and 'high stakes' services (financial products and medical services) where the lure of financial, health and/or psychological benefits may lead to impulsive purchases with less perceived opportunity to pause and reflect on whether the purchase is suitable, appropriate or worthwhile.

These areas should be taken as indicative based on participant feedback and are subject to exceptions. Where relevant, majority and minority views on each area are set out in this section.

4.1 Spontaneous views of the provision of material information

The issue of when and where material information is disclosed in online ads was not something participants had considered prior to this research study. Before participants reviewed examples in detail as part of this research, participants across the sample and with different levels of engagement were generally tolerant of material information being 'one click away', primarily driven by the following three perceptions:

1. **'One click away' feels familiar and congruent with the online environment:** the concept of an online ad using a headline or 'hook' to entice the consumer felt familiar. Participants accepted consumers needed to investigate further to discover qualifying information. For example, participants made assumptions that 'free delivery' is unlikely to come without a condition, such as a spend threshold or time limit, or that offers will have time limits attached, otherwise they would not be an 'offer'



I think it's part of everyday life nowadays. Things have add-ons, buy-ins and extras.

Male, 30-44 yrs

2. **Consequences of revealing information later (as long as it's before the point of purchase) felt minimal:** overall, participants struggled to initially and spontaneously conceive of situations or circumstances where hosting material information on a website landing page, one click away from the paid online ad, would have significant impacts, beyond a feeling of mild 'irritation' or 'inconvenience'.



For me, it wouldn't bother me [for the information to be on the page I click through to] because I haven't parted with any money. So, it's still my choice whether I go with them or not. Personally, it wouldn't bother me.

Female, 65+ yrs

3. **Space constraints make it hard for advertisers to catch attention quickly:** participants were sympathetic to advertisers needing to compromise between creating an appealing, eye-catching ad and the need to include certain pieces of information. Participants expressed a feeling that advertisers were 'forced' to limit information to create effective ads.



I think sometimes there's a lot of words in these adverts and so it can be a bit overwhelming. And I understand why that three-line sentence would be hard to fit in.

Female, 30-44 yrs

Overall, participants' spontaneous views were that the most important aspect in relation to the placement of material information was that it was clearly and transparently disclosed 'at some point' prior to purchase.

It is worth noting that this belief was consistently held across the sample, including across the different levels of engagement and loose segments previously defined in Section 3.

This suggests that levels of confidence and familiarity were not key drivers of perceptions in determining when material information should be revealed. The main drivers tended to be what was fair and reasonable in the specific circumstances of the advertising.

The process of stimulus exposure² and discussion raised further awareness and discussion around the topic. Loose categories of where participants felt upfront disclosure of material information was more or less important started to emerge. The following sections explore these loose categories in depth.

4.2 **Categories where upfront disclosure of material information felt less important**

Based on the stimulus explored, there were three broad areas where participants felt upfront disclosure of material information was less important, namely:

1. Offer end dates and timeframes
2. Conditional purchase 'free delivery'
3. Where material information relates to purchases perceived to be 'trivial'

Sections 4.2.1, 4.2.2 and 4.2.3 explore each of these areas in detail.

These areas should be taken as indicative based on participant feedback and are subject to exceptions. Where relevant, this report explains the majority and minority views on each area.

4.2.1 Offer end dates and timeframes

When exploring examples of ads promoting limited time offers and competitions, there was a general understanding amongst participants that 'special prices' or 'offers' must exist within time limits, or else the price would not be a 'deal' but would instead be the standard price. Most participants also assumed that if a

² All references to ad stimulus in Sections 4.2 and 4.3 relate to paid online ads

'deal price' or competition is still being advertised, then it is still live. This deduction felt sufficient enough, without a need for the initial ad to explicitly state, upfront, the timeframe.

For example, in the Online Retailer⁷ ad which advertised 10% off showers, participants saw no issue with the timeframe relevant to this offer (i.e. the material information) being disclosed on the landing page to which the paid online ad directly linked to, as they assumed the offer would still be live if it was being advertised.

There were a few participants that felt there were exceptions depending on the product category, and therefore whether an ad had potential to influence behaviour. For these participants, for some types of purchase, if the time frame is not disclosed upfront, it was felt that consumers could potentially make plans based on the information provided in the initial ad, only to later discover the offer no longer applies and they were therefore misled.

For example, the Food Delivery⁵ ad advertised 20% off orders on the initial paid online ad and then explained on the landing page that this only applied to a particular day in the week. Participants imagined a consumer could see the initial ad and make plans to return to the offer on another day, only to discover when they came back to order, that they could not take it up because the offer was only available on certain days. This could feel misleading due to the potential impact on their actual behaviour.

To overcome this, participants felt it would be useful and sufficient for the ad to at least signpost to the material information (e.g. 'Terms & Conditions apply'), so that consumer expectations are set, i.e. there are likely to be conditions around the offer.



It's a bit misleading because there's nothing worse than clicking onto something like that... and then you find out that you can't get it. Then you spend another 20 minutes searching around for other offers or things you can do before you actually go ahead with something.

Male, 30-44 yrs

Overall, though, there was little appetite to insist on the end date or offer timeframes to be included in the paid online ads. A majority of participants felt comfortable with seeing the offer price in the initial ad and then finding out more information about the time frame on subsequent pages.



I don't think it matters because if, if they're still advertising, then it's still live.

Male, 45-64 yrs

4.2.2 Conditional purchase 'free delivery'

Participants felt it was standard (and therefore expected) that 'free delivery' would not be offered without stipulations or requirements that the consumer must meet to 'unlock' this benefit.

At most, participants found the omission of the relevant conditional information slightly irritating but unlikely to have any impact on a consumer's decision to engage further or to buy a product/service, as one would expect there to be conditions attached

For example, one Sports Retailer⁶ ad stated 'free delivery' in the headline. When clicking through to the landing page to which the paid online ad directly linked to, there was a banner at the top that read 'free standard delivery on orders over £80'. Most participants felt this was acceptable and expected.

A minority of participants did feel this ad could be potentially misleading. While the 'Over £80' restriction may not necessarily change material purchase decisions, some felt by a matter of principle, this caveat should be mentioned in the initial ad to ensure transparency.



I don't really mind that it tells you on the second page because I'm sceptical anyway. I'm expecting something like that.

Female, 65+ yrs

This was one area where the identified segments in Section 3 and therefore levels of online engagement and confidence, may have had a bearing on perceptions. The less engaged, 'Avoider' segment seemed less aware that free delivery offers on online were usually conditional, and therefore potentially more likely to be misled where the relevant material information is not disclosed upfront.

4.2.3 Purchases perceived to be 'trivial'

Based on examples explored in this research, most participants generally felt it was less important for material information to be disclosed in the initial ad when the ad was for an item perceived as relatively 'trivial'. 'Trivial' items were defined as products/services being sold for a small sum of money, an 'everyday' purchase, or an item with minimal perceived tangible or psychological risk attached.

For these products, most participants did not feel misled when discovering material information on subsequent pages as they felt the impact of not having all the information upfront was limited. For example, in circumstances where they were likely to proceed with the purchase of the product/service, the disclosure of material information on the landing page did not feel like a major inconvenience. At most, participants found it a bit irritating but nothing more significant.

An example of this was a Supermarket ad³ promoting a yoghurt, where the landing page revealed the price advertised in the initial paid online ad only applied to consumers who were signed up to the supermarket's loyalty scheme (the price applicable to non-loyalty scheme customers was circa. £1.25 more expensive).

While slightly irritating, most participants said they would be fine with the price discrepancy given the monetary value was perceived as small and the item felt 'trivial'. For these participants, the discounted price was unlikely to have any real influence over their decision to continue shopping at, or engaging further with, the retailer.

For some participants, it is likely that familiarity with this supermarket and their loyalty scheme played some role in these perceptions. For these participants, they were familiar with the brand and aware that this supermarket's loyalty scheme often meant they promoted discounted prices (many recognised the distinctive loyalty scheme colours in the ad), and therefore assumed the advertised price was likely to be part of the loyalty scheme.

Further, for several participants, the fact that the loyalty scheme is free to sign up to, made it more acceptable as there was no financial barrier to accessing the advertised price.

That being said, there was a minority of participants who took a different view. For these participants, the principle was more important than the financial value of the item, and therefore it felt misleading not to make clear in the initial ad that the price only applies to those who are part of the loyalty scheme.

The idea of hidden fees is explored further in Section 4.3.1.1 of this report.



You might be a tiny bit annoyed, but it's not going to cause you to miss your rent or mortgage payments.

Male, 30-44 yrs



[Loyalty scheme] is completely free, so if people choose to not have one, then it's their own fault. So, it's not like if you didn't have one, it'd be an issue to get one. Whereas some adverts you see, you have to be like a member, and you have to pay for these benefits.

Male, 65+ yrs



I'm not a regular [supermarket name] shopper so I didn't know that was the [loyalty scheme] price straight away. I would have preferred it to have said '[loyalty scheme] price' or shown the comparison with the normal price. It'd be the morally right thing to do.

Male, 65+ yrs

4.3 Categories where upfront disclosure of material information felt more important

Based on the stimulus³ explored, there were three broad areas where upfront disclosure of material information felt more important, namely those featuring:

1. Pricing structures
2. Highly regulated consumer products
3. 'High stakes' products and services

Sections 4.3.1, 4.3.2 and 4.3.3 explore each of these areas in detail.

These areas should be taken as indicative based on participant feedback and are subject to exceptions.

4.3.1 Pricing structures

Overall, participants expressed an expectation that if a price is advertised in a paid online ad, they would expect there to be no 'hidden' fees, additional costs or undisclosed charges (i.e. there should be no caveats or conditions attached to that specific price). The exceptions to this rule are in cases in which the price differences feel trivially minimal (as explained in section 4.2.3) or in cases where the barrier to accessing the advertised price is low and easily achievable (such as signing up to a 'free' loyalty scheme).

In this context, there were four key types of pricing structures that emerged as important for upfront disclosure of material information in this research:

1. Subscriptions
2. Contracts
3. Variable or Tiered pricing

³ All references to ad stimulus in Sections 4.2 and 4.3 relate to paid online ads

4. In-app purchases

The below sections look at each of these in turn.

4.3.1.1 Subscriptions

Numerous participants spontaneously raised subscription models as an area where it felt important, even necessary, for the pricing structure to be disclosed in the initial online ad.

Several participants shared first-hand experiences of what they perceived to be 'hidden' recurring fees and subscriptions. These participants had engaged with ads for products or services under the impression they were a one-off purchase, and later discovered the advertised price only applied if the consumer signed up to a paid-for subscription.

Participants felt these types of ads were misleading and expressed suspicion about the motivations of the advertiser. For example, participants questioned whether the advertiser was intentionally hiding the 'truth' to 'trap' or 'trick' consumers into a recurring financial commitment.

This felt particularly critical when the product or service being advertised was in a category or industry where the use of subscription models does not feel 'typical' or 'familiar', for example clothing, skincare, and travel.



You probably don't even realise that you're signing up to something that's going to be reoccurring. So massive red flags there.

Male, 30-44 yrs

Several participants spontaneously mentioned a sports clothing brand they saw as a 'bad actor' in this area. These participants had seen an online ad stating a certain price, clicked into the ad and completed a questionnaire about their attitudes and behaviours. At the end of the questionnaire, it became clear that the advertised price in the initial ad only applied if the consumer became a 'member' of the brand and paid a monthly fee. The addition of a questionnaire exacerbated participants' view of the ad as misleading as it required extensive time-commitment before the price structure was revealed.



If I'm looking for sports gear, sometimes I've accidentally clicked on [BRAND NAME] which I would never buy from because I've clicked on, like the leggings that's come up on Instagram and it's like, oh, you've got to subscribe for like a year to get these leggings for that price.

Female, 18-29 yrs

A similar sentiment was felt across participants when looking at the Travel Service²⁵ ad promoting fast-track services at an airport. The vast majority of participants who viewed this ad felt it was misleading as the initial paid online ad included no indication or reference to the fact that consumers would have to commit to a recurring payment or subscription in order to access the advertised price and service. This sentiment was exacerbated by the fact that participants did not expect the service, which was unlikely to be used on a regular basis by most people, to adopt a subscription model.



I feel like they should be forced to say that cost is part of a subscription. The price is only that price if you subscribe to regularly paying that, which is different.

Female, 18-29 yrs

For online ads promoting products or services where it felt common for the consumer to have to pay for a subscription or membership (with longer-term, recurring price commitments), participant expectations were slightly different. This included products such as gym memberships and music or TV streaming services.

Participants felt it was less important for these types of products to explicitly state that the advertised price was part of a subscription or recurring financial commitment, as most people associated these types of purchases with monthly or periodic payment models. For some, it felt important to signpost to material information by, for example, stating any exceptions ('new memberships only', 'first month only') or using the phrase 'terms apply'.

For example, when exploring the Gym⁸ ad, some participants felt the initial paid online ad should have made clear that the '50% off' offer only applied to the first month. This was more to overcome a sense of irritation, rather than concerns that omitting this information would be outright misleading.



To be honest, I assumed the 50% off would be for the first month only because they aren't going to offer it beyond that. But I'm familiar with these sorts of deals on gym memberships so they should probably just add that to the initial ad so every knows that the 50% off would only apply for the first month.

Female, 18-29 yrs

4.3.1.2 Contracts

As with 'hidden' subscriptions, if a product or service requires consumers to commit to a long-term contract or price commitment, participants said they would expect the initial ad to be transparent about the expected price throughout the entire length of the advertised contract, including any potential price rises within that time frame. If this information is not clear in the initial ad, participants felt it could be misleading as they would likely use the initial information to plan, compare and research against other providers or services, potentially not exploring further to discover the additional costs.

For example, in the Telecoms⁹ ad promoting the advertiser's 'Summer sale', while many were impressed by the transparency of the initial paid online ad as it explained there would be a price increase in the contract term, some felt it would have been best practice to display both price rises in the initial ad.



If the price changes at any point in the contract, this should be included [in the initial ad] so it doesn't mislead the consumer on the price.

Male, 18-29 yrs

Participants did not feel it was necessary to disclose when a price rise may occur *after* the end of a contract term, for example after a 12- or 24-month contract ends and the consumer is automatically rolled onto a higher cost, as this was outside of the agreement or terms the consumer signed up to.

4.3.1.3 Variable or Tiered pricing

Participants felt it was important for paid online ads to make it explicitly clear where a product or service entailed tiered or variable pricing, rather than a fixed price. Participants felt excluding material information that made clear the price is either not fixed or the same for all consumers would be materially misleading.

For example, in the Package Holidays¹⁹ ad, participants felt it was misleading for the initial paid online ad not to make clear that the advertised discount would not be £240 for *everyone* purchasing the trip as the saving was based on a booking for four people. Most participants felt the ad should have included the

material information ‘from’ or ‘up to’ to set clear expectations. Without this, it is likely a consumer would engage under false pretences that they would be eligible for the benefit.

Likewise, most participants felt the Insurance¹⁴ ad was misleading as it implied the £23/month price applied to all consumers. While participants appreciated it would not be realistic to provide a list of costs, or costs relevant to each individual, in the initial paid online ad owing to the nature of the financial product being advertised, they felt it was important to include the material information of ‘from’ to signal the price may vary. For a few participants, ideally the ad would meaningfully contextualise the material information, for example ‘from £23, *based on age and circumstance*’.

On the other hand, in the Home Services¹ ad advertising boiler cover, the initial paid online ad says ‘up to’ before disclosing the price. Participants felt the ‘up to’ sufficed as sufficient material information and would therefore not mislead. A few participants felt this could be strengthened even further by including meaningful context, for example, ‘up to 6 months free *based on choosing X package*’ or similar.



At least they should say ‘from £23’. Something to make it clear it’s based on age and circumstance would just be more honest and set expectations upfront. Just a couple of words could make it much clearer.

Male, 45-65 yrs

4.3.1.4 In-app purchases

Some participants spontaneously mentioned personal experiences relating to in-app purchases. They felt disclosing that an app included in-app purchases that were essential or advantageous for the consumer’s use of the app was an important and relevant piece of material information that, if not disclosed in the initial ad, could feel misleading.

There was general understanding that some apps may require purchase to initially download, and that some apps may offer in-app purchases that are *not* required to engage meaningfully with the app.

However, participants felt it was misleading where an ad did not disclose the presence of in-app payments which were *required* to meaningfully engage with the app. For example, where a user must pay to progress beyond a certain level in a gaming app.

Several participants shared first-hand experiences with this perceived issue. For example, one participant explained how they felt misled by an online ad for an app that provided support to lose weight. In this case, the initial ad appeared to offer the app for free. However, on downloading the app and completing a questionnaire about their personal goals and behaviours, it became clear that accessing further content would require payment. This participant felt misled; a feeling that was exacerbated by the time commitment required to complete the questionnaire.



You go into it and find out that it’s then talking about doing it for free for 7 days, but after that you have to pay. So, I didn’t bother with it. If you knew you had to pay beforehand, I wouldn’t have clicked on it in the first place.

Female, 45-64 yrs

Participants with younger children were particularly vocal about the omission of ‘in-app purchase information’, especially where they felt ads were omitting this information *and* targeting younger people, for example in gaming apps.

These participants felt younger people and children would be more at risk of making an impulse purchase to engage once in the app, without parental permission, potentially using the parent's payment card where the phone or app was linked to the card.

One participant, who experienced this first-hand with a gaming app, felt the omission of material information ultimately ended up putting pressure on them as a parent. They explained that when discovering the app required payment for their child to meaningfully engage, they risked disappointing their child or spending the money, which put them in a difficult position. This participant felt misled by the initial ad as it was not clear that the app required payment to meaningfully engage past a certain level.



I've got a daughter, she's three years old, so I download games for her. I thought they were all free, but they're not. She can only use three of the little basic things on there, anything else I have to pay for. That's really annoying... She's a daughter, she's a girl, she's young. I've downloaded something for her. She's expecting it to be good and it's not that good. It's not as good as I thought it was going to be. And then she's thinking, well dad, you're going to give me more. I'm thinking, I have to pay for this. Now I'm saying I don't want to pay for it, I'll get you something else. But now I feel bad for her. She's looking at me thinking, why is dad not paying for it, the cheapskate? So, I think for certain things, they need to keep the information at the front. Especially with things like that... I'm making a joke of it, but I remember at the time thinking, well you know, just tell me that it wasn't free. I wouldn't have shown it to my daughter.

Male, 45-64 yrs

Overall, participants felt that including material information of 'in-app purchases' in paid online ads was important where apps require payment to meaningfully engage; this information felt important for setting expectations and avoiding users feeling misled.

4.3.2 Highly regulated consumer products

Participants felt it was particularly important for material information to be included in initial paid online ads when advertising a highly regulated product.

It is difficult to unpick what is driving participant views here. It may be that participants call for greater upfront transparency *because* the products are highly regulated, or it may be that there is a desire for transparency on these types of products independent to their regulated status. In either case, participants expressed a strong desire for highly regulated products to be fully transparent with as much material information as possible in initial paid online ads.

Based on the ads tested in this research, gambling (which is explored below) was the primary area of focus. However, there may be other products or services that fall into this category (e.g. alcohol) though this research is unable to comment on this in detail.

4.3.2.1 Gambling

Of all the categories explored in this research, ads for gambling products provoked the strongest reaction amongst participants, which translated into heightened sensitivity and a strong desire for material information to be disclosed as early as possible – i.e. in the initial paid online ad – to limit subsequent impact and risk.

This reaction was driven by participants' concern that online gambling ads may have greater potential to encourage harmful behaviours and tap into addictive behaviour 'in the moment' compared with ads on traditional media. This came from the perception that there is little 'pause and reflect' time between ad engagement and behaviour (i.e. no break from ones' phone, laptop, tablet). So, for example, a person could shift from viewing a gambling ad to participating in gambling behaviour almost immediately.

As a result, there was consensus amongst participants that any ad for a gambling product or service (whether the entire product is gambling or the product has gambling elements/aspects), should include clear and upfront information about any offers, deals, and the fact that the ad is for a product or service that involves gambling.



Anything that has gambling within it I think should have some kind of warning on it. That would be my expectation as a parent is that there should be something on there to say this is gambling.

Female, 30-44 yrs

For example, the Gambling²¹ ad promoting a 'bet builder' was felt to be a positive example of transparent disclosure of sufficient material information in the initial paid online ad. While the ad did not set out the specific terms and conditions, participants perceived this ad as responsible and transparent because it disclosed age warnings, clearly signposted material information (i.e. 'T&Cs apply'), and included the 'Please gamble responsibly' warning.



It [the gambling ad] does tell you everything you need to know before you decide to click in.

Male, 65+ yrs

4.3.2.2 Loot Boxes

The discussion about gambling also emerged when exploring the Games Provider²⁷ ad for a gaming app that included loot boxes.

Some participants considered the random-item purchasing nature of loot boxes to amount to gambling, irrespective of the fact that loot boxes are not – in Great Britain – considered to be 'gambling' in the legal sense. It is important to note however, that loot boxes were not widely recognised as a concept amongst participants, so this association emerged most strongly once a description of a loot box was provided.

When explored, a majority of participants perceived a link between loot boxes and gambling so, given the potential negative impacts of gambling, felt strongly that the initial paid online ad should have disclosed that the app included loot boxes. Not disclosing this felt misleading, but also potentially harmful in terms of encouraging perceived 'gambling' behaviours.



I think they have a big responsibility to disclose what's involved in the game or in whatever they're advertising.

Female, 18-29 yrs

4.3.3 'High stakes' products and services

Through the exploration of stimulus in this research, participants felt that the need for transparent and upfront disclosure of material information is generally higher when advertising 'high stakes' products or services, for example, a financial product or medical service.



When there's money at risk or there's a potential significant additional amount of money that you'd be paying for, then I think you need to know... they should definitely be upfront.

Female, 30-44 yrs

Sections 4.3.3.1 and 4.3.3.2 explore some potential 'high stakes' products or services where this principle could apply based on the views of participants, and the examples explored in this research.

4.3.3.1 Financial products and services

Participants generally felt ads for financial products and services should be treated with additional caution due to the perceived 'risk' these products may carry compared to other categories or industries (e.g. clothing).

Some participants felt that if something went wrong or a consumer was misled with respect to a financial product or service, there is greater potential for more significant, tangible and psychological impact(s), such as not being able to make rent/mortgage payments or the potential to fall into debt.

Based on this, some participants wanted initial paid online ads to be fully transparent about any material information pertaining to the risk and commitment required when engaging with a financial product or service.



I do think there should be something on there that kind of highlights that there is a risk.

Female, 30-44 yrs

For example, participants felt excluding the statement about investments having the potential to go up or down in the Financial Services¹⁰ ad promoting investments in whisky casks could mislead consumers, as the initial paid online ad may give the impression or set an expectation for greater financial reward than may be possible.

Concerns about excluding the material information in this example in particular was exacerbated by the wider framing and language used in the ad. Participants perceived the ad to be acting in bad faith, attempting to build a 'guise' of credibility by using key words that may falsely signal financial security or authority (e.g. including language such as 'HMRC' and 'Regulated' in the initial ad text).



I wouldn't understand why HMRC would be looking at like [financial product]. To me, there's a lot of buzzwords being thrown around. To me, that would be setting off all sorts of alarm bells.

Male, 30-44 yrs

However, some participants felt the requirement to disclose this type of material information somewhat depends on the perceived potential opportunity a consumer might have to pause and reflect on a purchasing decision.

For example, the financial decision to purchase or rent a property is 'high stakes.' However, potential renters or buyers are required to go through several stages before they proceed with a purchase or rental agreement, reducing the associated level of risk.

Some participants discussed this when exploring the Real Estate²⁰ ad promoting shared ownership apartments. The participants who viewed this ad did not feel the exclusion of the service charge in the initial

paid online ad was misleading because they expected to (and felt they would be required to) go through several more steps before they were able to make the purchase. For example, independent research, forms, conversations and checks with a solicitor and the provider, and so on.

In this instance, most participants were therefore comfortable with disclosure of this type of material information at a later stage in the process and did not feel the initial ad was misleading by omitting this detail.



If it's something I don't purchase all the time, if it's a large purchase and it's quite expensive, if there's a lot at stake for it, yeah, I'm gonna put more time and effort into it.

Female, 30-44 yrs

4.3.3.2 Medical services

Medical services were another area which participants felt could fall into the 'high stakes' category, therefore requiring closer attention to the need for upfront transparency of material information in the initial paid online ad.

Some participants felt (like financial products), ads for medical services could carry real and tangible financial and/or psychological risk, and on top of this could be engaging a consumer in a moment of vulnerability. As a result, participants were more sensitive to the need for transparency about price points and conditions surrounding ads for medical services.



Majority of people who are going to click on a [medical insurance] ad are going to be 65- or 70-year-old people that are going to be less tech savvy, and more gullible. I think all the information should 100% be on the front page.

Male, 65+ yrs

Two spontaneous examples were raised by participants in the research. Both participants had seen online ads promoting a price and/or claim about the potential results of a medical procedure (namely, laser eye surgery and teeth-straightening). Both participants decided to engage further based on the advertised information, clicking through to the landing page on the website and starting the process to apply for/access the procedures.

The participants later discovered (through independent research) that the claim and price in the initial ad would likely change based on their individual assessments and circumstances. In both cases, participants felt misled by the omission of material information indicating that the price and/or results may vary for different people.



I saw an offer for [teeth straightening] saying it will take three months to get my teeth straight. It felt too good to be true. I went to my dentist and ended up needing proper braces for two and a half years. I almost got sucked into it. I'm just glad I didn't.

Female, 30-44 yrs

Most participants who discussed medical services at an overall level, appreciated that it may be difficult for advertisers to be specific in the material information provided when it comes to highly personalised medical advice or services. In these instances, participants felt including material information such as 'from' or 'up to' when disclosing prices or signposting to material information (e.g. 'Terms & Conditions apply') would be

important for setting clear expectations that there may be differences in price or results depending on the individual.

Several participants also associated medical services with more frequent and 'built-in' pause and reflect stages, and therefore more of an opportunity to find out more information and therefore diminish the impact of omitting material information in the upfront ad.

5 Appendix

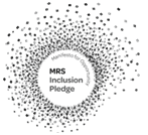
No.	Platform	Advertiser sector	Description of initial paid online ad	Description of landing page	Omitted Information
1	Facebook	Home Services	A home services provider offers up to six months free boiler cover for users who sign up before a specified date	The landing page displays four plans and the ongoing costs that apply after the promotional period for each	The cost of each plan after the promotional period for each is not stated until the landing page
2	Facebook	Online Retailer	A video ad shows an online retail platform promoting an electric scooter at a discounted price	The landing page shows a selection of electric scooters, with a promotional coupon displayed at the top	Information that e-scooters are not legal on public roads and parks in the UK is not shown on either the initial ad or landing page
3	Display ad	Supermarket	A supermarket offers a multi-pack yogurt at a discounted price	The landing page displays the yogurt with the discounted price that is only available to customers using the retailer's loyalty card	The initial ad does not reflect that the discounted price is only available to loyalty card holders
4	Google	Wine Retailer	A wine company offers 25% off for new customers who purchase a selected white wine	The landing page features a bottle of the wine, with a banner at the top highlighting 25% off when spending £90	The initial ad does not set out the minimum spend of £90 for the discount to apply
5	Google	Food Delivery	A food delivery company advertises a 20% off discount	The landing page details the 20% discount on meals ordered on a certain day of the week	The initial ad does not show that the 20% discount only applies on a certain day of the week
6	Google	Sports Retailer	A sports retailer advertises a particular brand of shoes with free delivery	The landing page displays a selection of shoes, with a banner at the top highlighting several ongoing offers, including free standard delivery on orders over £80	The initial ad does not show that free delivery only applies to orders over £80
7	Google	Online Retailer	An online retailer advertises an extra 10% off on showers	The landing page displays a selection of showers, with a banner at the top promoting 10% off using the code "XX". The banner also emphasizes that the offer ends on Tuesday and features a countdown clock	The initial ad does not state the offer ends on Tuesday

No.	Platform	Advertiser sector	Description of initial paid online ad	Description of landing page	Omitted Information
8	Google	Gym	A gym advertises an offer of 50% off and no joining fee	The landing page reaffirms the no joining fee offer and highlights the 50% off offer applies to the first month	The initial ad does not show that the 50% off only applies to the first month
9	Google	Telecoms	A broadband provider advertises a summer sale deal starting from £X per month, noting that prices will increase to £X from March the following year	The landing page features an image of a broadband device at a promotional price of £X a month. It notes that the monthly price will increase to £X in March the following year and then to £X in March the year after	The initial ad does not show the price will increase twice
10	Google	Financial Services	An investment company advertises ownership of whisky casks as an investment opportunity	The landing page features reviews from two customers. At the bottom of the page, it is noted that investor capital is at risk, as whisky values can go up and down	The initial ad does not feature this risk warning
11	Google	Ferry Service	An international ferry service advertises a free case of wine for customers booking a day trip to a European country	The landing page features three wine collection points, illustrated through a list and a map at the centre of the page	The initial ad does not state that the free case of wine is collection-only from specific retailers in the destination town (in France)
12	Google	Non-Profit/ Charity	An online prize platform promotes the opportunity to win a coastal property and £250,000 in cash.	The landing page shows a picture of the coast and a statement summarising the prize. A countdown timer in the top right corner of the page shows the offer ends in three days	The initial ad does not state the closing date for the draw
13	Facebook	Gambling	An online betting company advertises X number of free spins for new customers	The landing page shows three welcome offers, with X number of free spins available for 14 days after signing up	The initial ad does not state the free spins must be used within 14 days of sign up

No.	Platform	Advertiser sector	Description of initial paid online ad	Description of landing page	Omitted Information
14	Banner ad	Insurance	An insurance company advertises private health insurance for UK residents at £23 per month	The landing page outlines what customers can claim under the insurance policy and allows quote comparisons. Text at the bottom of the page explains that the £23 price is '...based off a 30-year-old individual, mid-level, 200 excess outside London'	The initial ad does not show that only a specific demographic profile is eligible to receive the stated price per month
15	Facebook	Toy Retailer	A toy retailer promotes a themed in-store tour. Families are invited to visit stores in September for a day of activities and special offers	The landing page displays the dates and participating stores for the tour	The initial ad does not show the tour only covers selected stores on specific dates
16	Facebook	Retail	A retailer offers double points on its rewards card when customers spend £45 online	The landing page features an image highlighting the double points offer and notes that the promotion is an online exclusive for a limited time, running between specific dates	The initial ad does not show set dates for the double points offer
17/18	Facebook	Meal Kits	A meal kit company offers next-day delivery on orders. There is the option to click on '...' within the initial Facebook ad to read more (under the fold) as well as clicking through to the landing page.	The landing page features images of different meals, notes that 500 new recipes are added each month, and highlights that next-day delivery is available for orders placed by 12pm on certain days of the week and is location-dependent.	Two versions of the initial online ad were tested in this research: The first version of the ad tested included clicking on '...' to find the next-day delivery conditions (under the fold) as well as being available on the landing page. The second version of the ad tested omitted the next-day delivery conditions when clicking on '...' (under the fold) – that information was only available on clicking through to the landing page
19	Facebook	Package Holidays	A holiday company promotes a 'free child places and infants go free' offer and a saving of £X on all bookings	The landing page shows resort photos, lists some amenities and notes that the £X savings offer is based on bookings for four people	The initial ad does not state that the £X discount is based on bookings for four people

No.	Platform	Advertiser sector	Description of initial paid online ad	Description of landing page	Omitted Information
20	Facebook	Real Estate	A property company advertises new apartments available through shared ownership	The landing page shows the exterior of the building and an overview of the available properties. A link on the landing page brings up a 'monthly cost calculator' which includes a breakdown of the costs, including the potential service charges.	The initial ad does not include additional charges such as service charge
21	Facebook	Gambling	A gambling operator offers a free bet builder	The landing page includes more detailed terms and conditions, including that the bet builder is subject to specific terms and conditions	The initial ad states 'T&Cs apply' but does not state the specific Terms and Conditions for the free bet builder
22	Facebook	Airline	An airline promotes a holiday package, including flights and accommodation	The landing page shows four different holiday packages, with text below noting that the prices shown exclude local taxes and fees that may be payable at the accommodation	The initial ad does not state that local taxes or fees are excluded
24	Facebook	Home Services	A company promotes switching from a boiler to a heat pump. The ad highlights several benefits of switching to the system including access to a grant	The landing page outlines the eligibility criteria that must be met to receive the grant	The initial ad does not make it clear that the grant is only available to customers who meet the eligibility criteria
25	Google	Travel Service	An online travel service promotes fast-track services at an airport	The checkout section of the landing page shows the payment details required and a summary of the purchase. Text below explains that the service operates on a subscription basis, and unless cancelled, membership will automatically renew at £X every three months	The initial ad does not make clear that this is a subscription service

No.	Platform	Advertiser sector	Description of initial paid online ad	Description of landing page	Omitted Information
26	Google	Financial Services	A financial services company promotes a Married Tax Relief checker for couples	The landing page states that there is no charge for completing the initial eligibility check, but charges may apply if a solicitor takes up the case, and it is successful. The text also notes that customers can choose to make a claim for themselves for free either directly to the lender or via a statutory scheme	The initial ad does not make clear that there is an alternative, free route available
27	Facebook	Games Provider	A gaming company advertises a golf gaming app	The app store preview includes general information such as device compatibility and age rating, and notes that the game contains loot boxes	The initial ad does not state the existence of loot boxes



Thank you

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