Guidance on advertising in-game purchases

Advertising Guidance (broadcast and non-broadcast)



Foreword

The Committee of Advertising Practice (CAP) offers guidance on the interpretation of the UK Code of Advertising (the CAP Code) in relation to non-broadcast marketing communications.

The Broadcast Committee of Advertising Practice (BCAP) offers guidance on the interpretation of the UK Code of Broadcast Advertising (the BCAP Code) in relation to broadcast marketing communications.

Advertising Guidance is intended to guide advertisers, agencies and media owners on how to interpret the Codes but is not a substitute for those Codes. Advertising Guidance reflects CAP's and/or BCAP's intended effect of the Codes but neither constitutes new rules nor binds the ASA Councils in the event of a complaint about an advertisement that follows it.

For pre-publication advice on specific non-broadcast advertisements, consult the CAP Copy Advice team by submitting a written enquiry via our <u>online request form</u>.

For advice on specific radio advertisements, consult <u>Radiocentre</u>, and for TV advertisements, <u>Clearcast</u>.

For the full list of Advertising Guidance, please visit our website.

Background

This guidance is about the way in-game purchases should be marketed in order to prevent harm or consumer detriment. It applies to all forms of advertising for in-game products, from the in-game storefronts to advertisements for games that feature in-game purchasing.

BCAP Code rules

- 1.2 Advertisements must be prepared with a sense of responsibility to the audience and to society.
- 3.1 Advertisements must not materially mislead or be likely to do so.
- 3.2 Advertisements must not mislead consumers by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.
 - Material information is information that consumers need in context to make informed decisions about whether or how to buy a product or service. Whether the omission or presentation of material information is likely to mislead consumers depends on the context, the medium and, if the medium of the advertisement is constrained by time or space, the measures that the advertiser takes to make that information available to consumers by other means.
- 3.3 For advertisements that quote prices for an advertised product or service, material information [for the purposes of rule 3.2] includes:
- 3.3.3 the price of the advertised product or service, including taxes, or, if the nature of the product or service is such that the price cannot be calculated in advance, the manner in which the price is calculated.

CAP Code rules

- 1.3 Marketing communications must be prepared with a sense of responsibility to consumers and to society.
- 3.1 Marketing communications must not materially mislead or be likely to do so.
- 3.3 Marketing communications must not mislead the consumer by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.
 - Material information is information that the consumer needs to make informed

decisions in relation to a product. Whether the omission or presentation of material information is likely to mislead the consumer depends on the context, the medium and, if the medium of the marketing communication is constrained by time or space, the measures that the marketer takes to make that information available to the consumer by other means.

- 3.4 For marketing communications that quote prices for advertised products, material information [for the purposes of rule 3.3] includes:
- 3.4.3 the price of the advertised product, including taxes, or, if the nature of the product is such that the price cannot be calculated in advance, the manner in which the price is calculated.

Definitions

For the purpose of this guidance, the following definitions apply:

Random item purchasing in-game purchases containing an element of chance, in

which the consumer does not know what they will receive until the transaction is completed (commonly known as

'loot boxes')

Virtual currency fictionalised currency used within a game or system, often

with a name such as 'credits', 'gold', or 'points', which may

or may not be purchasable with real money

Cosmetic items in-game items whose only value is aesthetic

Functional items in-game items that affect more than the look of the game,

such as weapons, extra abilities, or power-ups

Downloadable content downloadable purchases that add further gameplay or

functionality to the standard game (also called 'DLC' or, in

some cases, 'expansion packs')

Battle/season passes purchasable access (often time-limited) to extra game

content or ability to collect seasonal items

Odd pricing when increments of two types of related purchase do not

match each other. For instance, virtual currency available in units of 50 credits, and items available in increments of 20

credits.

Guidance

Remit

The majority of this guidance relates to in-game advertising and associated online or ingame 'storefronts' through which digital items can be purchased. Other aspects of this guidance apply to advertisements for in-game purchases that are external to the game (e.g. an email announcing new items for sale) or for games that include in-game purchasing (e.g. a TV ad for a game).

The Scope of the CAP Code includes in-game advertisements, as well as e-commerce. As such, although in-game inducements to purchase and the mechanics for procuring items are part of an app or game, where they relate to transactional decisions involving real money they are also marketing communications under the Code. In some instances, in-game storefronts (i.e. specific areas within a game where virtual currencies are exchanged for in-game items) and inducements to purchase may fall within the scope of the CAP Code. In others, these game areas are to be considered editorial content that does not fall within our scope. This is largely differentiated by the role of the virtual currency:

If the virtual currency is only obtained by purchasing it in a real-world transaction then the storefront and any inducements to purchase items ¹ with that currency will be considered advertising for the purposes of the CAP Code. This is because the purpose of the virtual currency is to enable players to exchange it for in-game items, and the decision to spend it is fundamentally a decision to spend real money. However, if that virtual currency can be earned in the game, then it is considered an ingame resource in its own right, regardless of whether players can also pay to 'top up'. In this case, it is no longer a direct substitution for real money and any inducement to or presentation of purchase with the virtual currency would not be considered advertising.

As the implementation of purchase mechanics varies from game to game, any consideration of remit will be on a case-by-case basis. Factors making it likely that a storefront or part thereof will be considered in scope include:

 Use of a virtual currency that can only meaningfully be obtained through direct, real-world purchase. Provision of a 'sample' of virtual currency during the introductory elements of a game, or occasional gifting of the currency by the platform or other parties, is unlikely to be sufficient to negate this if that is the only point at which currency can be obtained without purchase by the player;

¹ E.g. pop-up messages offering extra lives in exchange for virtual currency.

- Branded or otherwise promotional items from a third-party advertiser that result from a marketing agreement; and
- Purchase of goods that hold a tangible value outside of the game environment or are linked to real-world promotional marketing activities.

For the avoidance of doubt, this means that in-game storefronts using virtual currency that can be **earned in-game as well as purchased** are very unlikely to be considered advertising for the purpose of the CAP Code. On the other hand, storefronts using virtual currency that can **only be purchased** are very likely to be considered advertising.

Where there are multiple types of virtual currency featured in the same in-game storefront, all parts which meet the remit test above will be considered in scope.

Storefronts selling virtual currency for real-world money will fall within the scope of the Code, as well as console or platform-based storefronts that use a credits system to purchase games or other digital items and subscriptions.

In scope	Out of scope
In-game storefronts and inducements to buy, where items are purchased with: • real money, or	General game content and mechanics, such as gameplay imagery and whether or not ingame purchases are available.
 virtual currency that can only be obtained by purchasing. 	In-game storefronts where items are purchased using virtual currency that can be earned in-game (including where that currency can also be purchased).
Mobile and console app/game stores.	
Online game stores, including e- commerce sites and purchasing platforms.	
Influencer/advertorial content.	
Websites selling virtual currency.	
Other forms of advertising for the game or in-game purchases which fall within the remit of the CAP or BCAP Codes, for example press, TV, or billboard ads.	

Pricing of in-game purchases

The CAP and BCAP Codes require that marketing communications do not mislead consumers by omitting or hiding material information, or by presenting it in an unclear, unintelligible, ambiguous or untimely manner. Where a price is stated for an item, material information includes the price of the item or, if this cannot be calculated in advance, the manner in which the price is calculated. CAP and BCAP are concerned that some ways of presenting prices for in-game purchases may have the effect of obscuring the price of an item.

For the purposes of the Codes, a statement of an item's price in virtual currency is considered to be a price statement in the same way as an ordinary price claim. However, in some circumstances this statement alone may not fulfill the 'material information' aspect of the Codes' requirements.

Virtual currency purchases

Where consumers can buy virtual currency to use for in-game purchase, the cost of this currency must be clear. This is particularly important when currency is 'bundled' and sold in a way that means the price-per-unit varies according to the size and price of the bundle (e.g. 100 credits for £5 and 200 for £7).

Where advertisers make comparisons between different bundles, the basis should be clear and not likely to mislead. For example, the basis of claims like "best value" and "cheapest" should always be clear to consumers. If the basis is not already clear from the context of the ad, the claim should be clearly qualified. Ordinarily, 'best value' should be used in a context that makes clear that this relates to the cost-per-unit price and not the overall cost of a bundle. General 'cheapest' claims should relate to the overall price of a bundle, unless the ad makes clear that it relates to the per-unit-price.

For further information, see CAP's guidance on the use of qualifications.

In-game purchases paid with virtual currency

As noted above, in-game storefronts are considered advertising where the items are purchased with virtual currency that can only meaningfully be obtained with real money. Where that is the case, the following principle applies:

The value of an item should be clear to consumers; they should be able to determine easily both what the equivalent real-world price is for the item, and whether they will need to spend money on more virtual currency in order to purchase it.

In most instances, the following is likely to be sufficient:

- · a clear statement of the digital currency price; and
- an easily accessible, clear, and intuitive signpost to both how much of the currency the player currently holds, and the storefront area where this currency can be purchased.

Other approaches may be acceptable if they achieve the same end and will be assessed by the ASA on a case-by-case basis.

Marketers should take care not to imply that purchase for real-world money is the only way to obtain this currency or item if that is not the case (e.g. if the items can be accessed through wait timers or free-to-play game mechanics).

Odd pricing

Odd pricing occurs when the increments of currency bundles do not match the increments of the virtual currency price for items, meaning that players have to purchase more currency than they need to spend on the items. In some instances, this can make it difficult for consumers to work out what they will need to spend on virtual currency in order to purchase a specific item, meaning that they may make a transactional decision that they otherwise would not have done, had they had more information. This approach may be particularly likely to mislead in an ad external to the game (e.g. in a press ad) where the advertised cost of an item is lower than the cost of the smallest currency bundle that can be used to obtain it, as it would not be clear that players must spend more than the advertised item price to obtain the currency needed.

In advertisements external to the game and where a virtual currency price is stated for an item, advertisers whose products are affected by odd pricing should include sufficient information about the costs of their currency bundles to allow consumers to determine the real-world cost of the item when the virtual currency purchase is taken into account. A footnote such as "Minimum currency purchase is X" is likely to be sufficient.

In storefronts and product pages, where customers have immediate access to information about the amount of virtual currency they already own, it is likely to be enough to display prominently the costs of different currency bundles on the currency purchase page.

Savings claims on bundled items

Where a variety of items is sold as a bundle for a relative discount, advertisers should take care to ensure that any savings claims made for that bundle are generally representative of the savings experienced by players. They should not, for instance, inflate claims by calculating them on the basis of the most expensive price-per-unit equivalent.

Presentation of in-game purchases

In-game purchasing and advertising happens within a unique context of gameplay, time pressure, and (in some cases) chance, and therefore brings with it specific risks of misleading consumers. The below section is intended to limit this risk by ensuring that the marketing of in-game purchasing is sensitive to contexts where the potential for being misled is particularly high, and to take account of those players who might be particularly vulnerable to time-limited or chance-based purchasing. It should be considered in conjunction with the above section relating to price information.

For the avoidance of doubt, the guidance in this section applies to messaging for items and virtual currencies that are purchased either with real money or with virtual currencies that are only obtainable through purchase.

Immersive marketing messages

Because some in-game purchasing happens within immersive gameplay itself, there is a natural sense of urgency that may accompany decision-making to a degree that is uncommon in other forms of media. For ads within gameplay, such as pop-up offers to purchase extra resources to complete or retry a failed level, or to skip waiting times, marketers should avoid the use of mechanics that may place undue pressure onto players and prevent them from making an informed choice or mislead them as to the nature of the purchase. Depending on the context of the game and the specific events surrounding the messaging, this may include:

- short countdown timers
- implications that a purchase will lead to success
- complex offers
- significant sums of money

What constitutes (e.g.) a short countdown timer and a significant sum of money will vary depending on the style of game and the usual cost of items for that game, so marketers intending to use these techniques should be prepared to justify them in relation to the context of the game.

Advertisers are reminded that, where an ad is directed at children, there should be no direct exhortation to purchase or ask a parent/guardian to purchase (further guidance linked below).

Messaging relating to random item purchasing

Because random-item purchasing can contain an element of chance and, often, opportunities for immediate response, marketers should take care when developing messaging for these items that consumers are not likely to be misled about the chances of receiving different types of items, including rare items, especially where multiple purchases are concerned, and should consider whether consumers have sufficient information to understand the types of items they might receive. The following treatments are examples of those that are unlikely to be acceptable:

- Suggestions, whether direct or implied, that the next purchase will result in a rare/specific item, where that is not the case.
- Where the probability of receiving an item does not vary with multiple purchases, claiming or implying that the next purchase(s) have an increased likelihood of obtaining rare/specific items.
- Where the outcome is based on chance rather than skill, suggestions that the player almost obtained a rare/specific item.

Time-limited purchases and offers

It is not uncommon for in-game purchases to be time-limited, such as the offer of seasonal cosmetic items or a battle pass covering a set amount of time. If consumers are likely to understand, from an ad, that an item or items will only be available for a limited time or through a specific purchase route when that is not the case, the ad is likely to mislead. Advertisers should take care not to imply that an item is only available for a specific time or through a specific purchase route if it will later be made available again or more generally.

Some advertising may take the form of limited time offers on more long-term items, such as a temporary discount on bundled currency or a specific cosmetic item. These types of offers are a form of promotional marketing, which is subject to specific rules in the CAP Code (see Section 8: Promotional Marketing).

Advertising games that feature in-game purchasing

Presence of in-game purchasing

For some consumers, particularly those with specific vulnerabilities, the presence of ingame purchasing (and especially random-item purchasing) may be material to their transactional decision, for example, the decision to purchase or download a game. As such, marketers should ensure that advertising for the game makes clear that the game contains in-game purchasing and, if relevant, that this includes random-item purchasing. The prominence of this messaging will depend on several factors, such as the format of

the ad and other claims made within it. As a rule of thumb, while this information does not need to be especially prominent, it should be easily accessible by consumers and straightforward to find. Mention of random-item purchasing should be immediately next to (or part of) information about in-game purchasing more generally. In most cases use of the relevant PEGI content descriptor, which states 'In-Game Purchases (Includes Random Items)' is likely to be an appropriate way of disclosing this information, providing the label is sufficiently clear, although advertisers may provide it through other means. For TV advertising, marketers should ensure that this disclosure, including where the PEGI content descriptor is used for this purpose, satisfies the requirements in CAP guidance on the use of <u>superimposed text</u>.

In addition, while not required to do so, marketers are encouraged to provide further information about the type of in-game purchasing that the game involves. For instance, whether purchasing is entirely cosmetic, whether it is limited to 'big ticket' purchases such as DLC or season passes, or whether it includes functional purchases such as inplay features.

Advertising featuring in-game purchased content

Similar to trailers for films, advertising for games often aims to give an overview of a whole game and may, therefore, feature elements that are not immediately available to players. Although it is legitimate for advertisers to include optional extras as part of their marketing, ads must not mislead consumers about the content they can expect in the basic game.

If content is only available when purchased, ads must not imply that it is included in the basic game, or available for free.

Where content is available to purchase but can also be 'unlocked' through a significant investment of time, there is an additional need to ensure that marketing does not give the impression that this content is available for free, or easily or immediately obtained through ordinary play. As such, if this content is featured in a manner likely to affect a consumer's decision to purchase or download the game, it should be made clear that the content is only available if paid-for (including whether it is only available through random-item purchase) or unlocked by players. The ad should not otherwise imply that the content will be available straight away.

More broadly, advertisers should ensure that ads do not mislead consumers about the gameplay they can expect in game, and gameplay shown in an ad should generally be representative of the game itself. If an ad features images or sounds that are not representative of actual gameplay, these should not be used in a way which is likely to mislead. Advertisers could, for example, ensure that any non-gameplay footage is clearly identifiable as such.

Further information

Guidance on direct exhortation to children

Guidance on advertising films and video games responsibly

Guidance on the use of qualifications in ads

Guidance on promotional marketing

Guidance on the use of superimposed text

Published: 20 September 2021

Updated: 21 May 2024

Committee of Advertising Practice
Castle House, 37-45 Paul Street
London EC2A 4LS
Telephone 020 7492 2200
Email enquiries@cap.org.uk
@CAP_UK

