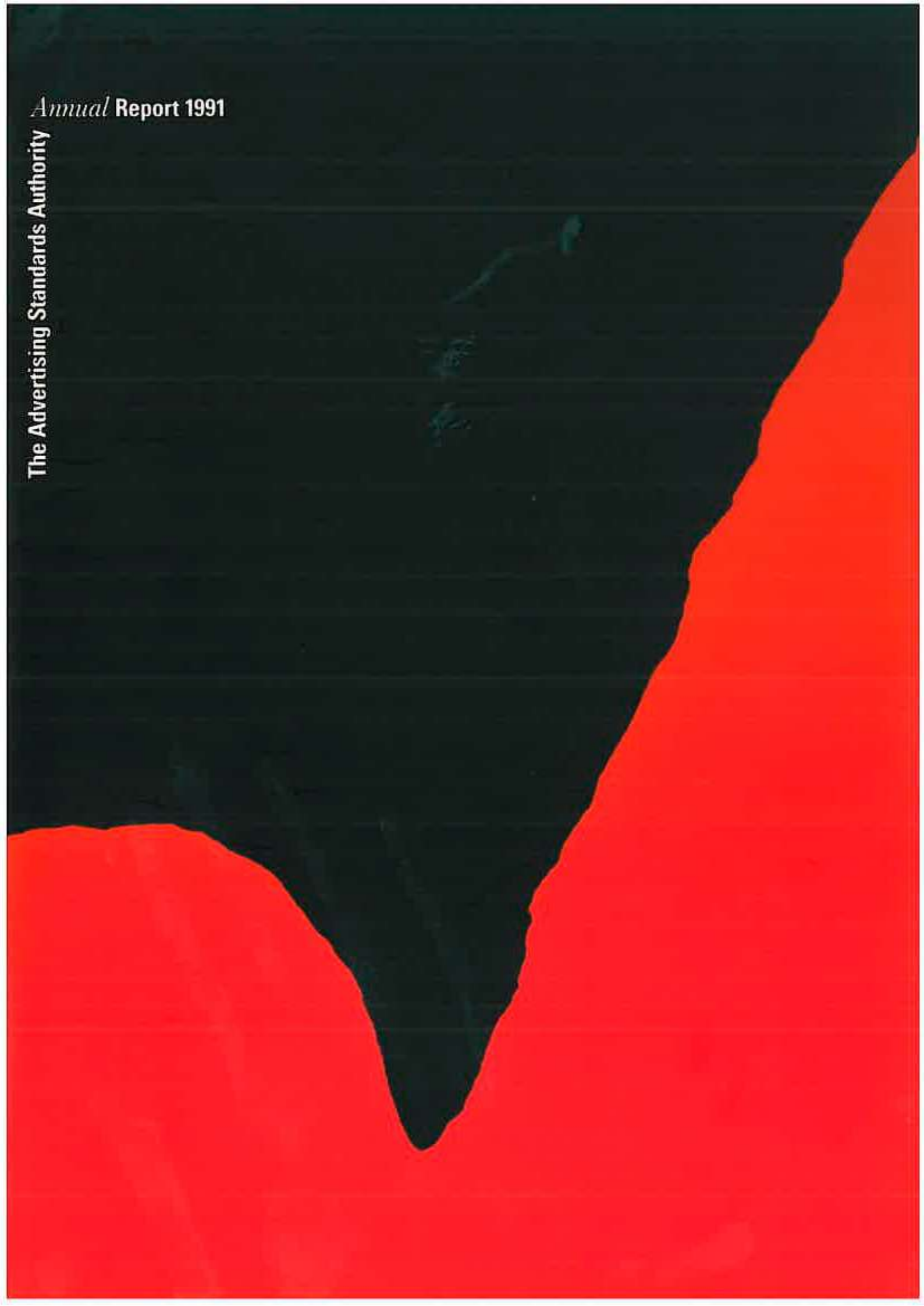


*Annual Report* 1991

The Advertising Standards Authority



## Annual Report 1991



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Former Government Minister, MP for 21 years, journalist, publisher and founder editor of *New Society* magazine – Rt Hon Sir Timothy Raison MP became Chairman of the Advertising

Standards Authority on 1st January 1991.

Here, Sir Timothy examines the issues of his first year in office and the Authority's effectiveness in curbing undesirable advertising.

# CHAIRMAN'S REPORT

As I write my first Report as ASA's Chairman, I do so in the clear knowledge of the distinguished leadership over a decade of my predecessor, Lord McGregor of Durris. His notable intellect, his understanding of our institutions and law and his imagination make him a formidable man to follow.

I am, however, very happy to have done so. The year since I took over on 1st January 1991 seems to have galloped by, and I have thoroughly enjoyed my association with the ASA, its Council and its Director General and staff. I am grateful for the crucial financial support given to us by the Advertising Standards Board of Finance under its Chairman, Brian Nicholson, and through its Secretary, John Robinson; and I am equally grateful to all our other partners in the independent self-regulatory system which embraces the Advertising Standards Authority and the Committee of Advertising Practice.

There has been plenty for me to learn about the existing system, but it has also been a period full of new developments.

As to the existing system, I will only say that my experience has strengthened my commitment to the view of my predecessors that self-regulation offers to complainants a system that (normally) handles complaints quickly and at no cost to the complainant, and



that there is a flexibility about it that makes for a more commonsense approach than could easily be found under a more formalised legal system. We are able to have regard to the spirit as well as the letter of our Codes of Practice.

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*"Our verdicts are not simply imposed on advertisers from on high"*

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But perhaps particularly important is the fact that the advertising industry, having in a sense created us, is committed to the success of our work. Our verdicts are not simply imposed on advertisers from on high; they are something in which they participate, and which they know they must support.

But of course the system will only work if the industry does participate in it; and we have to be constantly on the look-out to see that our rulings are accepted. There *are* cowboys around; we *do* have to keep up the pressure and ask ourselves constantly whether our requirements are being accepted. Fortunately we have the Director General of Fair Trading as an understanding backstop in cases where advertisers persist in publishing misleading advertisements.

The system does not only depend on the co-operation of the industry in its implementation. It also depends on adequate funding. The traditional 0.1% levy on display

advertising has served us reasonably well over the years; but it has in effect been postulated on buoyancy in the advertisement 'take'. 1991 saw something different – a significant real terms fall in advertising revenue, and thus in the levy; and we had to respond to that. We had regrettably to make some redundancies and cuts in our general spending, for instance on external relations. This has not been easy and we have asked ASBOF to see if additional sources of revenue can be found, so that we can not only carry out our bedrock tasks of handling complaints and monitoring advertisements in a thorough fashion, but also maintain and develop the educational and preventive role which is an important part of our commitment to high standards in advertising.

As to the bedrock task, I am very much aware of the careful, indeed meticulous, work which is involved in handling complaints, as well as the good sense needed. We must never relax *our* standards in this respect.

Inevitably, the complaints which are most difficult to decide often involve judgements of

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*"The Benetton poster attracted more complaints than we have ever previously known"*

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taste and decency. The most publicised case of 1991 undoubtedly concerned the Benetton poster showing a bloodied new-born baby in lurid colour. It attracted more complaints than we have ever previously known. There *were* some people who said that they could see nothing wrong in the depiction of one of the great moments in human life; but the clear overall evidence of shock given by these very prominent posters led the Council to uphold the complaints, and the posters duly came down.

We have also had to give some careful thought to 'political' advertising. Though we do not of course condone dishonesty, our

Codes of Practice have exempted 'political' advertising from being subject to the requirements for truthful presentation. As a politician myself (until the 1992 general election), I hope this is not just based on the proposition that no one anyway believes what politicians say! I think it has been in a sense an acknowledgement that it is questionable whether a self-regulatory body can set itself up in judgement over those who are accountable to the electorate. It could be very difficult for the Authority to be required in the middle of an election campaign to start pronouncing on the competing claims of the different parties.

But the political exemption goes wider than party politics: it can cover advertisements

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*"Should pressure groups, lobbies and charities be exempt from the requirements of the Codes?"*

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putting forward the claims of pressure groups, lobbies and indeed charities. Should they all be exempt from the requirement for truthful presentation? This can be a particularly knotty problem with charities whose aim may seem wholly admirable but whose advertisements may sometimes be held to breach the normal rules in our Codes of Practice. We are thinking hard about all this – of course in the context that we should not undermine free speech.

At the same time the phrase 'freedom of commercial speech' is being heard more often. This is particularly so in the context of developments in the European Community, where there are moves to control, or even ban, advertising in fields such as tobacco, alcohol, children's toys, the speed and performance of motor cars, and so on. It is not the ASA's job to defend or condemn such moves: in particular, we are not spokesmen for advertising interests. But we do have a legitimate role in safeguarding self-regulation as a means of controlling standards in advertisements. An important precedent was set when the Community accepted in its 1984

Directive on Misleading Advertising that complaints could be handled not only by courts or administrative bodies, but also by 'other established means' – to wit, bodies like the ASA.

But what was achieved then may have to be safeguarded in the future, and to this end we are participating actively in the creation of

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*"Our independence from the industry and from Government is crucial"*

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the European Advertising Standards Alliance. Again, we have to stress that our participation in this must be kept clear of any perception that we are involved in the defence of



advertising in general. The independence of our Council and of the whole Authority from the industry and indeed, from Government, is crucial.

Can we justify our claims in this respect? It is, of course, for others to decide; but at least the signs are that the political parties feel that we are doing a competent job. During this past year the Conservative Secretary of State for Trade and Industry, Mr Peter Lilley, has said, "I congratulate your industry on making self-regulation work". For the Labour Party, their frontbench spokesman on advertising, Mr Nigel Griffiths, said that the ASA "does a good job". It looks as if the Labour Party is no longer resolutely committed to introducing a

statutory system of advertising regulation.

Perhaps it is worth adding that Mr Lilley also accepted our view concerning the Sadler Report on cross-media promotion. Mr Sadler suggested that the ASA should have a policing role in his proposals concerning what newspapers should do about handling advertisements from their competitors: we persuaded the Secretary of State that we are simply not equipped to fulfil such a role.

But this does not mean that we resist expanding our work where appropriate. One important activity over this past year has been the preparation of a new scheme for the regulation of lists and databases in the still growing field of direct marketing. The scheme, including a code of practice, comes into effect at the beginning of 1992. It will be funded by a levy collected from the industry by the Royal Mail, and the code has the approval of the Data Protection Registrar. It is an important development.

We have also worked closely with ICSTIS, the body that has the responsibility for regulating premium rate telephone services. Some of the advertisements for these services have caused great offence; we are pleased that ICSTIS has taken firm action about them.

Regulation – self or statutory – in a free society will never be easy; and no doubt some of our judgements will always be criticised. But I like to think that we are doing a good job in an important and sensitive area. Certainly I am impressed by the support we receive from many quarters and by the general recognition of our status by the public, officialdom and media alike. Our Council are conscientious and understanding. One of them, Lady Elizabeth Cavendish has retired after sterling service, to be replaced by Mrs Sheila Hewitt. And our Director General, Matti Alderson, is the very lively leader of an excellent team. My thanks to them, and to all who back us.

*Timothy Rain*

*At the launch of National Consumer Week, Sir Timothy with Trading Standards Chairman David Hughes*

# WHAT IS THE ASA?

The Advertising Standards Authority (ASA) supervises the system of regulation over the content of advertisements in all non-broadcast media in the United Kingdom.

Formed in 1962, the ASA's role is to protect the interests of the consumer by setting and sustaining the highest standards of advertising.

To do this it supervises the *British Code of Advertising Practice* and the *British Code of Sales Promotion Practice*. Together, the Codes require that advertisements and sales promotions should be

- legal, decent, honest and truthful
- prepared with a sense of responsibility to the consumer and to society
- in line with the principles of fair competition

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

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

If an advertisement breaches either Code, advertisers are asked to amend or withdraw it. If they do not, the media may implement their terms and conditions of business which require adherence to the Codes, and may

ultimately refuse further space to advertise.

Both advertiser and agency may also jeopardise their membership of trade or professional organisations, resulting in loss of trading privileges and financial incentives, if they persistently break the Codes' rules.

If the ASA has used all means at its disposal to prevent a misleading advertisement from appearing, and it continues to be published, the Authority can invoke the final legal



backstop of the Control of Misleading Advertisements Regulations 1988. Although rarely needed, these empower the Director General of Fair Trading to obtain an injunction against the advertiser.

The ASA is independent of both Government and the advertising industry. It has a Council of 12 members, the majority of whom must have no previous connection with the advertising industry. Its Chairman is also an independent appointment.

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

# REVIEW

1991: the year that public complaints topped the 10,000 mark for the first time. Problematic health claims in advertisements increased, though there were fewer overblown claims for the environmental merits of products. Charity advertising grew, and was matched by increased ASA activity in this sector. Recession tempted some in the advertising industry to cut corners, but the vast majority stayed within acceptable limits.

In all, the *Review* offers a mixture of the good, bad and ugly of 1991.

survey revealed some significant problems: unacceptable health and slimming claims, important conditions of promotional offers which were either absent or unclear, over-emphasis on speed and power in car advertisements, improbable earnings claims in advertisements for jobs or business opportunities, unqualified 'environment friendly' claims.

Given the nature of the survey, a good many of the breaches were technical faults (the omission, for example, of a full postal address

**The continentals  
love freshly butchered  
horsemeat.  
When are we going to  
supply it?**



**New advanced hair stimulant speeds up growth rate by a remarkable 400%**

**TRESS** HAIR GROWTH STIMULANT

REVEALS A NEW, SUPERIOR hair growth stimulant... TRESS... HAIR GROWTH STIMULANT... **12.95**... **£21.90**

**Green and pleasant.**

New Continental Ford Escort... **Pursif**... **How is the great? Pursif... Pursif will save you the parking...**

## CLICK! A snapshot of national press advertising

Were advertising standards in the national press slackening in 1991? In the middle of May, we took a snapshot of all the major titles to find out.

Following increased concern at some of the advertising we had been monitoring, the Authority undertook a survey of all advertising in the main UK dailies and Sundays over a period of two weeks. From a list of 31 publications, we cut and counted 35,000 display and semi-display advertisements.

After careful checking and analysis, we found that between 0.2% and 9.6% of the total for each title could be criticised. The

from a mail order advertisement). Much of our routine work is however concentrated on efforts to eliminate those sorts of irritating faults.

We followed up the results with a series of discussions with newspaper executives – dialogue that we intend to continue with the long-term aim of increasing awareness of the Codes by the national press and improving the relationship between publishers and the ASA.

## A healthier year?

The year was marked by an intensification of health claims by advertisers for their products. Because of the scope for improper exploitation of fears over health, a number of statutory controls exist to protect the consumer against being harmed or defrauded. For the same

**UPHELD IN '91:**  
the Authority's concerns over the year included charity advertising, spurious health claims and green issues

reason, the Authority has always taken on investigations of these advertisements as one of its top priorities.

Healthcare advertising is a multi-million pound business, encompassing the cosmetics industry at one end and pain-relief products at the other. The list grows each month to cover the latest health fad: pills, tablets, ointments, electrical devices, 'health foods', dressings, surgery and the like.

Most of the advertising is quite proper, the claims substantiated and the products well researched, but some companies are sadly not so ethical.

Spurious claims for Royal Jelly and Slimming Tea have become part of the sorry history of advertising, but their passing has left a vacuum swiftly filled by others.

The Authority and the Committee of Advertising Practice will continue to expose publicly those behind misleading or unsupported health claims. Media who accept such advertisements would do well by their readers to review their vetting procedures and to help put a stop to this pernicious practice.

### Green survey shows progress

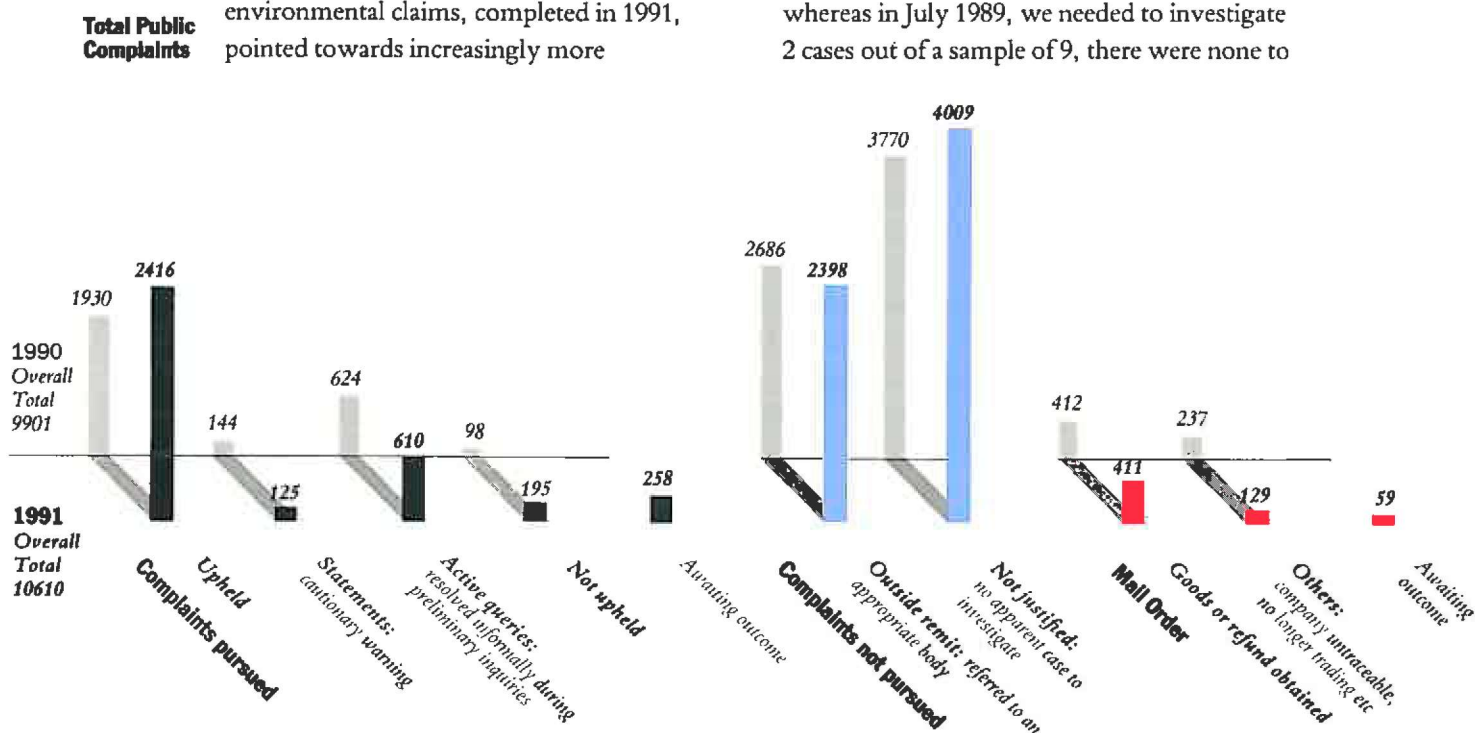
A two-year monitoring survey of environmental claims, completed in 1991, pointed towards increasingly more

responsible attitudes among advertisers.

We began the survey in spring 1989 at a time when advertisers had begun to discover the green merits of their products. Many claims were of the sweeping or absolute variety: 'the green battery'; 'the environment-friendly detergent'; 'the non-polluting fuel'. Environmentalism as a subject was still new enough to the public that most felt ill-equipped to assess the claims. Along with consumer groups, environmental organisations and others, we were concerned by the scope available for exaggeration and misrepresentation.

In all, the monitoring project covered 241 green advertisements culled from national and regional press and magazines. We completed some 35 investigations ranging from 'greener photocopiers' to '100% environment friendly plant food'. Some offered genuine benefits, others were entirely spurious. Since it is hard to find any product which is harmless in every way to the environment, we advised that advertisements should make clear the exact nature of any environmental advantage, and claims should not be made in absolute terms.

The Authority is pleased to report positive progress over the course of the survey; whereas in July 1989, we needed to investigate 2 cases out of a sample of 9, there were none to



(All figures include duplicate complaints and are correct as at end January 1992)



investigate in the same month two years on. As in other areas, a more informed public has had a healthy influence on the advertising industry.

### Spotlight on charities

In 1991, we put the spotlight on charity advertising.



With a new charity being registered every 30 minutes, competition among charitable appeals for a diminishing pool of funds was clearly intensifying. Many charities were increasing their use of shock tactics to attract attention. The question was: how far would they go?

The Authority was concerned that these methods could cause undue distress or could mislead the public. We became especially watchful when the context was a direct appeal for donations.

We published an editorial, *All in a Good Cause*, in our January case report to draw attention to the inappropriate use of shock tactics in charity advertising. Whilst recognising that the public are generally more open than usual to shocking or distressing images where they feel that the cause is a socially important one, we cautioned charities not to over-exploit this goodwill.

In order to provide positive assistance, we issued a guidance note specifically for the charity and voluntary sectors and offered our pre-publication service on demand.

Our monitoring department conducted two special surveys, the first in January–February and the second in May. Of the 189 different advertisements we examined, we



*Cutting edge: the ASA monitors 150,000 advertisements every year*

*Ad agency KHBB gets advice from Marcella Gange of the copy advice department*

were pleased to report no undue cause for concern. We look forward to closer links with the charities' world in 1992.

### Clampdown on work-from-home operators

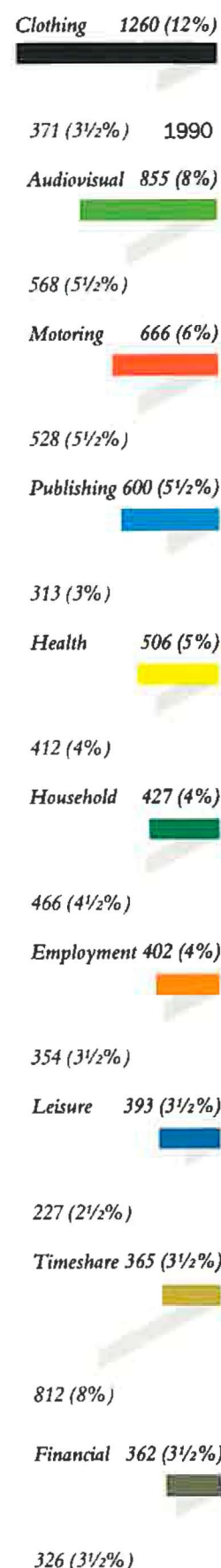
*WORK FROM HOME. Earn £50 per 100 mailing envelopes. Simply send a stamped addressed envelope to...*

An old problem which continued to exercise the Authority was that of homework schemes.

Advertisements are placed typically in local press or the newsagent's window. Respondents receive a letter inviting them to pay a registration fee – anything from £10 to £40 – in order to join the scheme and receive the work instructions. Having made the payment, only then do they learn the catch: to earn a commission, they are required to place similar advertisements to the one that lured

## Top Ten Complaints

1991



Percentage is of total public complaints for the year

them. Each time they do so, they are paid a derisory sum.

The victims of homework schemes are usually those who can least afford to be duped: the housebound, the unemployed, the young single parent.

Does anyone benefit financially from the scheme? Only the instigator, whose earnings increase handsomely with every new non-refundable registration fee that arrives.

In 1991, the Authority received 111 complaints against advertisements for homework schemes. We publicised our concern through the press, through our own editorials and through advice to the media to exercise caution. Newspapers have become increasingly wary of accepting these advertisements, and the problem has begun to diminish.

There was a notable success in November when the High Court issued a permanent injunction against homework advertiser, Alan Blinkhorn. Mr Blinkhorn was a persistent offender who chose to ignore the Authority's warnings. We asked the Director General of Fair Trading to intervene, and he agreed to use his powers under the Control of Misleading Advertisements Regulations 1988. The resulting injunction set a powerful precedent against future offenders.

### A question of taste

Complaints on taste and decency matters doubled in 1991, although numbers relating to the portrayal of women in advertisements were slightly down on the previous year.

We received 2,421 complaints over the year, of which 1,361 were upheld. This was a sharp rise on 1990, when the total number was 1,241 and we upheld 200. The rise is largely attributable to complaints about Benetton's advertising, which accounted for some 27% of the 1991 total for this sector.

Problems over the portrayal of women were still in evidence in 1991, with complaints

numbering 373 all together, of which 101 were upheld. This represents a marginal improvement on 1990 when the total was 397, and 109 were upheld. In the national press, these problems were often the result of inept innuendo or humour. More blatant examples came to light in trade and specialist publications targeted at men.

Publishers should bear in mind the potential for offence to *all* their readers – men, as well as women – when accepting advertisements.

### Good results, or your money back

Shopping by post does not always run smoothly. Things can, and do, go wrong: a birthday present that arrives too late for the day or a dress that turns up in the wrong colour.

Wherever possible, the Authority intervenes to ensure that either the ordered goods or a cash refund are sent to the complainant. Sometimes we are unable to trace the company concerned or it has ceased trading, but more often than not, our efforts prove successful.

In 1991, we received 599 complaints arising out of mail order transactions. In over two thirds of these cases, we secured a successful result.

### No strings attached?

Special offers, timeshare and charity-linked promotions – all gave us cause for concern in 1991.

"Special offer promotion: see inside for more details," ran the legend on many a magazine front cover. Nothing wrong with that, except when the inside pages exhorted the purchaser to buy further issues of the publication as a condition of eligibility. Or where only after purchase was it apparent that entry to the promotion was by (costly) means of a premium rate telephone number. We clamped down firmly on these and similar devices which regrettably grew in popularity last year.

Timeshare promotions are a perennial problem for the Authority. Despite the publicity generated by our previous criticisms and the prodigious advice given to promoters, a minority persisted in ignoring their responsibilities under the Codes. The nature of complaints remained the same – failure both to reveal the true nature of the promotion and to make clear the conditions and costs of receiving awards.

One area for future change will be the rules governing charity-linked promotions. In some of the cases reported to the Authority, consumers felt misled about the extent of their contribution to charity from each purchase of the advertised item. At present, the Codes place no requirement on advertisers to disclose this kind of information. The Committee of Advertising Practice has been studying the matter in detail, and plans to make some early changes.

### **Prevention, not cure**

Overall inquiries for pre-publication copy advice remained at about the same level as 1990: some 3,500 in total.

Traditional areas of concern – money-making and pyramid selling schemes, health, slimming, baldness cures – continued to provide the bulk of publishers' inquiries. Alcohol advertising featured heavily again this year, indicating a desire by advertisers and their agencies to work within the terms of the Codes. Sales promoters used the pre-publication service widely, as they had done in the previous year.

World events generated inevitable problems: bogus job advertisements for work in the Middle East followed the Gulf War, in much the same way that 1990 saw us handling advertisements for bogus bricks from the Berlin Wall.

The most disturbing growth area during the year was the increased appearance in national newspapers of mail order

advertisements for food supplements and quasi-medicines. The Committee of Advertising Practice has taken a number of steps to encourage these advertisers to comply with the Codes: warnings to media, meetings with newspaper representatives, liaison with government bodies and discussions with the advertisers and agencies involved. This activity has all helped to reduce the problem, but we will be keeping a close watch on developments in the year ahead.

### **Business to business**

As recession bit deeper, businesses turned to the Authority to ensure that they and their competitors were abiding by the same set of rules and standards. As in previous years, industry complainants – usually informed by specialist knowledge – helped identify instances where competitors had overstepped the mark and where misleading information had been offered to consumers.

Altogether, we received 1,112 industry complaints over the year. We pursued 247 and of these, required amendments to 159. 1990's figures by comparison were 1,216 complaints in total, 500 pursued and 192 requiring amendment.

As a result of Government tax changes, 1991 ushered in an explosion of tax-free and gross interest savings accounts. Consumers can easily be bamboozled by the complexity of investment proposals, and we have always required advertisers to spell out clearly the nature of their schemes. The Committee of Advertising Practice took to task a number of advertisers who failed to do so.

A new development in 1991 was the proliferation of companies offering 'will kits'. We voiced criticism of those who exaggerated the likely distress which would result from the problems of a death intestate. To reinforce our concern, we circulated a guidance note within the advertising industry on this subject in December.



**IT WAS A NAKED BLOOD-SMEARED BABY, IT CAUSED A MEDIA FURORE AND IT GENERATED A RECORD NUMBER OF COMPLAINTS TO THE AUTHORITY.**

Preceded by a well orchestrated publicity campaign, Benetton launched a trio of advertisements for its *United Colors* range of clothing in August last year. The images were designed to arrest: a new born baby complete with umbilical cord, a black and white child portrayed as devil and angel respectively, and a nun and priest kissing.

As is common practice with controversial advertising, Benetton's agency – charged with space booking, rather than the creative work which was produced by Benetton in Italy – sought our advice prior to publication. The advice was promptly given and unequivocal: all three advertisements were likely to cause widespread offence and should not run.

It soon became clear that client pressure was forcing the pace; our advice was not to be heeded. We issued an immediate alert to all members of the Committee of Advertising Practice, urging publishers to exercise their discretion over the provocative campaign.

But the campaign began. Within days, the 'baby' was appearing across the UK on 48 sheet posters. Complaints from the public, as anticipated, poured in: over 800 in total. We sent out a further alert to CAP members and made a direct request to Benetton and

their agency to stop the offending advertising. Regrettably, they failed to respond.

The ASA Council was contacted as a matter of urgency to adjudicate on the case. It found all three advertisements to be in breach of the Code and directly notified those involved. The effect was swift: poster contractors began to blank out or post over the 'baby'; those print media which had not already gone to press elected to drop the other advertisements in the campaign; and Benetton's agency declared its intention to stop any further space buying.

We had meanwhile been advising fellow members in the European Advertising Standards Alliance of our action, and had sought concerted action on a pan-European basis. In France, Germany, Holland, Italy and Ireland, the self-regulatory authorities all took steps to secure the withdrawal of the Benetton campaign.

As events drew to a close, Code compliance had been achieved but only after an unnecessary delay. The advertising trade press reflected that the industry had done itself no favours with the Benetton case. General press coverage of the ASA's action was on the whole favourable.

On this and on every other occasion, we offer the advertising business a pre-publication advice facility that is based on our experience of some thirty years of operation. It is there as a service, and to help avoid expensive mistakes.

# *the* **BENETTON AFFAIR**

The Committee of Advertising Practice is the guardian of the Codes of Practice. It reviews and amends the Codes, gives advice on their interpretation and acts to secure compliance with them. Enforcing its controls on an industry in recession, while completely overhauling its own structure, marked 1991 as a tough but satisfying year. CAP Chairman **Frank Cokayne** explains.

# THE CAP YEAR



For a new Chairman, 1991 was a year at the deep end. The advertising business was plunged into its all-time worst recession, Brussels' scrutiny of EC advertising controls became ever closer, and the Committee conducted the most extensive overhaul ever – of itself.

In more than 30 years since its establishment, CAP's role has grown in proportion to the increasing size and scope of the advertising industry. We perform functions today which were never imagined at the time of our inception.

## 'Time to see if all was well'

The present arrangement of the main Committee, Sub-Committees and Copy Panel – as well as our relationship with the ASA – had evolved *ad hoc*, rather than systematically. It was time to see if all was well.

Almost my first act as Chairman was to initiate a full-scale review of the Committee and its structure: how it worked; where the weaknesses lay; and how it could be improved.

We made some interesting discoveries. The Committee had become unduly bureaucratic, parts of its structure were redundant and, as a result, it was too detached from the broader issues that arise out of the ASA's everyday work.

One heartening fact however emerged at once: CAP's most precious asset was still the commitment, time and energy of its members.

- So, after much discussion, we agreed in December to modernise our structure. The changes have since proceeded apace. In short,
- the existing four Sub Committees and the Copy Panel to be replaced by two Review Panels;
  - A General Media Review Panel for copy, adjudication appeals and issues arising from advertisements in general media;
  - A Sales Promotion and Direct Response Review Panel for mail order, sales promotion and direct marketing;
  - A Direct Marketing Steering Group to see through at least the first year of operation of the new direct marketing rules;
  - Additional working groups to be convened when required.

## A streamlined operation

Until last year, CAP had investigated industry complaints while ASA had investigated those from the public. Conclusions to CAP and ASA complaints were published in separate reports.

This we have now streamlined. All complaints, irrespective of their origin, are to be investigated by the ASA and published in the Authority's Monthly Report. CAP is left free to examine the issues arising from individual complaints and to take appropriate action.

The benefits of this new arrangement have not been slow coming: reduced duplication of staff organisation; greater clarity in our procedures; wider publicity for adjudications of industry complaints; and of course, financial savings.

## Direct marketing crackdown

1991 will be memorable for another reason: as the year that we took on the supervision of direct marketing and list management. Our new rules came into operation on 1st January 1992, and will be monitored for their first year by a Steering Group under the able chairmanship of Kevin Holland of *Reader's Digest*.

### CAP Members

Advertising Association  
Association of Household Distributors  
Association of Mail Order Publishers

British Direct Marketing Association  
British List Brokers' Association  
Bus Advertising Council  
Cinema Advertising Association

Direct Mail Producers' Association  
Incorporated Society of British Advertisers  
Independent Television Association  
Institute of Practitioners in Advertising

Through the new rules we hope to crack down on some of the major problem areas – one of the biggest being timeshare mailings.

We were helped in drawing up the rules by the Advertising Association and by the direct marketing industry as a whole. I thank them for their advice and support. I pay particular tribute to the Royal Mail for its determination to ensure that implementation of the new rules will be properly funded.

### Informing the industry



*PEER PRESSURE: Kenneth Miles of ISBA, the advertisers' representative body, addresses a CAP seminar for advertising practitioners*

An industry in recession will always be tempted to cut corners. So we redoubled our efforts to inform advertisers, agencies and media alike of their obligations under the Codes.

We have run seminars to explain the system to a variety of industry audiences. These range from groups of newspaper advertising directors to agency account directors. Our staff have made similar presentations to Trading Standards Officers throughout the UK.

With the dramatic growth of charity advertising in recent years, I am pleased that we started the first set of educational programmes with the charity and general voluntary sector. This work will continue and, I hope, grow in 1992.

In June, we launched an advertising campaign aimed at the industry and using space donated by trade press publishers. The ASA has run similar campaigns, but this is a new venture for CAP. Our aim is to achieve greater compliance with the Codes, and wider

use of our fast, free and confidential pre-publication advice service.

### Changes in membership

1991 saw the demise of one CAP member organisation and the addition of two new ones. We were sad to lose the Association of Free and Weekly Newspapers when it folded, but delighted to welcome the Mailing Preference Service and the Association of Household Distributors.

My personal thanks to Mike Hopkins, George Shiells and Philip Town, who all retired from the Committee during the year. We will miss their friendship, as well as their collective knowledge and expertise.

Looking a little ahead, we wait expectantly for the UK Direct Marketing Association to come into operation in March. I very much hope that this new body – the result of a merger among four current CAP members – will play a key role in the effective self-regulation of its industry.

### For the new year

What of our own plans for 1992? We have two main tasks ahead.

First, a full review of our Codes. We want simpler language and more accessibility for users. We are intent upon removing at least one major confusion: the now separate Sales Promotion Code is to be absorbed within the main Code of Advertising Practice.

Second, a drive to increase Code compliance. For self regulation to continue to thrive, the industry must observe CAP and ASA rulings. We will look hard at our sanctions – how effective are they? – and at our services – how well used, for example, is our copy advice facility?

Recession or not, the Codes are there to be followed. The CAP members will play their part with vigour, remembering that the most effective pressure is almost always peer pressure.



Institute of Sales Promotion  
Mailing Preference Service  
Newspaper Publishers' Association  
Newspaper Society

Outdoor Advertisers' Association  
Periodical Publishers' Association  
Proprietary Association of Great Britain  
Royal Mail Letters

Scottish Daily Newspaper Society  
Scottish Newspaper Publishers' Association  
Videotex Industry Association

# 1992 THE YEAR AHEAD

## *direct marketing comes of age*

“How do I get my personal details corrected?”

“Can I control the flow of direct mail through my door?”

“Where did they get my name?”

From January 1992, the ASA acquires a welcome new responsibility: to regulate the direct marketing industry and to ensure that consumers can receive as much or as little direct mail as they want.

The new rules – drawn up last year by the Committee of Advertising Practice – require advertisers to give consumers a choice before transferring their names to other companies; to remove names from their lists on request; and to correct personal details immediately upon notification.

### **From travel to charity**

In recent years, direct marketing has grown enormously both in scope and in volume. It was traditionally the preserve of mail order companies who would advertise products for delivery by post. These days, direct mail is used by virtually every industry – from travel firms to registered charities – that wishes to communicate its message to the public.

As the use of the medium has grown, so too have consumer concerns. The press,

politicians and the public have all been exercised by the potential for misuse of personal information. For many people, shopping from the convenience of their armchair is a pleasure or a necessity, but for others, unwanted mail causes irritation.

### **A blueprint for good practice**

The industry itself began the process with a blueprint for good practice. Its aim was to establish guidelines on how information was obtained, and how wrong information could be corrected, unwanted mail stopped, and sensitive information protected.

This valuable work prepared the way for the Committee of Advertising Practice to step in – and in the space of a few months, the *Rules for Direct Marketing including List and Database Practice* were agreed.

Crucially, the Committee designed a strong set of teeth to accompany the rules. Sanctions include adverse publicity from the ASA's Monthly Report, withdrawal of privileges by trade associations, and loss of commission entitlement from the industry's recognition scheme.

In the case of persistent and intentional breaches, companies could find that their contract with Royal Mail's Mailsort is suspended or even cancelled.

The Data Protection Registrar, who has welcomed the advent of the new rules, will provide the legal backstop in conjunction with the ASA's activities.



## The first year

With 1992 as the first year of operation, we intend to reinforce the rules through information programmes for consumers and for the industry.

January sees the launch of *Personally Yours*, a leaflet which explains to consumers what the rules are and how the safeguards will work.

In 1991, we ran training seminars in London and Manchester, press advertisements and advice sessions for practitioners. Throughout 1992, we will continue to inform the industry and advise on its new obligations.

Industry commitment and support, together with consumer comprehension and confidence, will prove the value of this welcome addition to the ASA's armoury.

## into Europe

Austria, Belgium, France, Germany, Greece, Holland, Ireland, Italy, Portugal, Spain, Switzerland – and the United Kingdom.

The twelve members of the European Advertising Standards Alliance will celebrate the fledgling's first birthday in early 1992.

The Alliance – made up of organisations in Europe that operate self regulatory codes of advertising practice – has set itself a number of ambitious objectives for the coming year.

Its first priority is in many ways the most obvious: it will co-ordinate the activities of a diverse and disparate membership.

Self-regulation means different things in different European countries, and the organisations that make up the Alliance have many structural differences. What we all share however is goodwill and enthusiasm about the benefits of speed, flexibility, consistency and self-restraint that are inherent in all self-regulatory systems.

The Alliance does not intend to be a central organisation destined to depose those estimable national self-regulatory bodies; instead, it will act as a focal point for

consultation from any source and will promote good practice among European advertisers.

An early challenge to tackle will be that of complaints about advertisements that appear in one country but emanate from another. Alliance members plan to introduce a practical mechanism for dealing with cross-border complaints so that no matter where advertisements are prepared and subsequently appear, consumers can feel confident that their complaints will be dealt with fairly.

Differences in cultural and commercial practice mean that it will not be viable to introduce a single code of practice for the whole of Europe. To do so would lead to a dulling or domination of all our national characteristics and interests. But European consumers should be able to have confidence in the controls imposed by all members while accepting that there may be some differences between them.

So, the organisation will seek to discover sectors of consensus and draw up guidelines for its members to aim towards. It will establish a centre for documentation and advice and will pool together the cumulative experience and knowledge enjoyed by the domestic organisations that are its members. Already, members exchange information, and regularly assist each other on a practical level.

The development of the Alliance comes at a timely moment. As the Single Market approaches, Community law-makers are keen to ensure that advertising regulation operates at the same consistently high standard throughout member states. The Alliance intends to work closely with the Commission, the European Parliament and national governments to achieve this common aim. And as the Community looks eastwards to new markets and – maybe – to future new members, so too will the Alliance.



# GETTING THE MESSAGE ACROSS

For the public and the advertising industry to use our services, they must first know about them. Good external relations are vital to the Authority's work.

In 1991, we promoted our role through



steady coverage in national and regional press, trade journals, consumer publications, television, national and local radio, through our literature, videos and our programme of seminars and presentations.

We garnered wider and more in-depth media coverage than in previous years. On television, the ASA was the subject of detailed features for BBC's *Watchdog*, Channel 4's *Business Daily* and *Checkout*, and ITV's *This Morning* programme. We participated in national and local radio broadcasts on subjects as diverse as political advertising, the portrayal of women, racist advertising and the use of shock tactics.

Seminars and public presentations played a key part in communicating our message. On the industry side, we began a joint venture with the Newspaper Society of seminars directed specifically at senior management in regional newspapers. We continued to train advertising agencies in the whys and

wherefores of the Codes, and initiated an intensive information programme for the whole industry on the new direct marketing rules. We talked to public audiences all over the country.

Another way we reached our audiences was through advertisements in space donated by publishers to the Authority. In July, we launched a new series of advertisements for use in the general press to publicise our services. Earlier in the year, we targeted trade and industry publications with a similar campaign, designed to encourage greater use of the copy advice service.

The new ASA Chairman, Sir Timothy



Raison, rounded off the year with the keynote speech at the launch of National Consumer Week. His emphasis was on the partnership between the Authority and the week's sponsor, the Institute of Trading Standards Administration, in sustaining the highest possible standards in advertising and the sale of goods and services.

Our aim in 1991 was to simplify, as well to widen, our appeal. Monthly Report No 1 was issued in June as a replacement for the more old-fashioned Case Report. It presents our adjudications and editorial comment in a clearer and more accessible form than before. In April, we launched a new consumer video, *ASA Investigated*. Again, its purpose was to explain our work in as concise and straightforward a way as possible.

In 1992, the Authority will commission a new video for the industry to explain the Codes and the copy advice service. We will also update our consumer and industry leaflets.

*Left to right: ASA's Director General Matti Alderson in Milan; Christopher Ogden, Deputy Director General (on the right) in conversation with Noel McMahon of ASA Ireland; Press Officer Caroline Crawford in mid-broadcast*

## CHAIRMAN

**Rt Hon Sir Timothy Raison MP**

**Dame Josephine Barnes** DBE FRCP FRCOG FRC Hon DSc Hon MD is a consulting obstetrician and gynaecologist at Charing Cross and Elizabeth Garrett Anderson Hospitals. She is President of the Women's Nationwide Cancer Control Campaign and a former President of the BMA.

**Prof the Revd Gordon Dunstan** CBE MA Hon DD Hon LLD FSA is Professor Emeritus of Moral and Social Theology in the University of London.

**Elizabeth Filkin** BSocSc is Assistant Chief Executive of the London Docklands Development Corporation. She is also Chairman of the Legal Aid Advisory Committee. Previously, she was Director of the National Association of Citizens Advice Bureaux.

**Tony Fisher** MA is a marketing consultant. He is a Director of the Advertising Standards Board of Finance and a former Chairman of the Committee of Advertising Practice. He became a Member of ICSTIS, the premium rate telephone services regulatory body, in 1987.

**Winston Fletcher** MA FIPA FRSA is Chairman of advertising agency Delaney Fletcher Slaymaker Delaney and Bozell. In 1990-91, he was President of the Institute of Practitioners in Advertising. He has written a number of books on advertising.

**Christopher Hawes** MA FIPA is Chairman of Television Sales and Marketing Group Ltd. He was formerly Chairman of advertising agency Davidson Pearce Group PLC. He is a Past President of the Institute of Practitioners in Advertising.

**Sheila Iffat Hewitt** JP BSc (Econ) AIB is a mental health manager and member of a local authority adoption and fostering panel. She sits on the London Rent Tribunal and the Surrey Magistrates Bench. Born in Pakistan, she has lived in the UK since 1971.

**Sir Gordon Linacre** CBE AFC DFM is President of Yorkshire Post Newspapers and Chairman of Chameleon Television Ltd. He is also

# ASA'S COUNCIL



Chairman of the University of Leeds Foundation and of Opera North.

**Baroness Lockwood** DL Hon DLit Hon LLD has been a Deputy Speaker of the House of Lords since 1989. She was Founder Chairman of the Equal Opportunities Commission. She is Pro-Chancellor of Bradford University and a Member of Leeds Urban Development Corporation.

**Patricia Mackesy** JP is the former Chairman of Oxford Magistrates Bench and of Camden Juvenile Court. She was also Deputy Chairman of North Westminster Court and a Member of the Home Office Magistrates' Committee.

**Prof Robert Pinker** BSc (Soc) MSc (Econ) is Professor of Social Work Studies at the London School of Economics. He is a Member of the Press Complaints Commission and of the Direct Mail Services Standards Board.

**John Wells** OBE FRPharmS was formerly Executive Director of the Proprietary Association of Great Britain and Vice-Chairman of the World Federation of Proprietary Medicine Manufacturers. Between 1987 and 1989, he was Chairman of the Committee of Advertising Practice.

## The Advertising Standards Authority

# FINANCIAL REPORT

### Expenditure Account for the Year Ended 31st December 1990

REGISTERED OFFICE  
The Advertising Standards Authority Limited  
Brook House, 2-16 Torrington Place  
London WC1E 7HN. Telephone 071-580 5555  
Registered in England No 733214

<i>EXPENDITURE</i>	<i>1990 £</i>	<i>1989 £</i>
<i>Salaries and staff costs</i>	<i>1,280,681</i>	<i>1,086,192</i>
<i>Rent and accommodation costs</i>	<i>191,305</i>	<i>242,071</i>
<i>Office refurbishment costs</i>	<i>—</i>	<i>258,546</i>
<i>Travel, subsistence and entertaining</i>	<i>58,095</i>	<i>51,529</i>
<i>Consultancy and professional fees</i>	<i>255,548</i>	<i>259,189</i>
<i>Council honoraria and expenses</i>	<i>34,844</i>	<i>29,169</i>
<i>Depreciation</i>	<i>78,578</i>	<i>51,256</i>
<i>Telephone, postage, printing, stationery, furniture and other general expenses</i>	<i>359,179</i>	<i>292,662</i>
<i>Provision for doubtful debt</i>	<i>37,155</i>	<i>—</i>
	<hr/>	<hr/>
	<i>2,295,385</i>	<i>2,270,614</i>
 <i>Advertising and promotion</i>	 <i>365,836</i>	 <i>381,429</i>
	<hr/>	<hr/>
<b>TOTAL</b>	<b>2,661,221</b>	<b>2,652,043</b>
	<hr/>	<hr/>
<i>Excess of income over expenditure for the year</i>	<i>33,814</i>	<i>52,235</i>

# UPDATE

## *financial report*

### **YEAR TO 31st DECEMBER 1991**

At the time of publication of this Report, audited income and expenditure figures for the year following that shown on the facing page were not available. The following provisional indications for the year to 31st December 1991 can, however, be given prior to the completion of the 1991 audit.

#### **Income**

The effects of the recession produced a reduction in the income provided by the Advertising Standards Board of Finance Limited. This income declined against the 1990 figure by some 6.4% to approximately £2,445 million.

Bank interest earned in 1991 also declined against the previous year by some 44% to approximately £46,900.

There was a recovery of 67% of the bad debt provision made in 1990.

#### **Expenditure**

This also declined in 1991 when compared to 1990 by 3.4% to approximately £2,522 million. This included the initial set up costs for the adoption and introduction of the new Code rules on list and database practice.

Staff costs increased by approximately 11% including the cost of some necessary redundancies. So did the cost of premises due to a rent review effective from 4th November 1991. There was a large increase in depreciation following the purchase of a new database, wordprocessing and other essential equipment.

Headings showing reduced expenditure in 1991 included a large reduction in the cost of the production of reports and Codes, much lower External Relations Department costs, a reduction in outside consultancy fees because of the completion of the design and installation of new office technology and a lowering of general office expenditure as a result of 'good housekeeping'.

#### **Profit/Loss**

It is anticipated that the audited accounts, when finalised, will show a loss for the 1991 financial year of approximately £30,000.

#### **Finalised Accounts: Year to 31st December 1991**

When they are ready, finalised accounts will be presented to the ASA Council at the Annual General Meeting of the Company, scheduled for May 1991, and subsequently lodged in the normal way at Companies House. A 1991 year statement in the form of that on the facing page will appear in the next Annual Report.

## publications

### General

**The British Code of Advertising Practice** (8th Edition, 1988). Known as BCAP, this is the body of general rules governing all non-broadcast advertisements in the UK.

**The British Code of Sales Promotion Practice** (5th Edition, 1990). Sister to BCAP, the Code sets out the rules for the operation of sales promotions in the UK.

**NEW Rules for Direct Marketing including List and Database Management.** Effective from 1st January 1992, the rules extend the scope of the existing Codes to include the use of personal data in direct marketing.

**Monthly Report.** Features the latest complaint adjudications, together with editorial comment on current issues and concerns.

**Advertisement Monitoring Programme.** The work of ASA's Monitoring Department described.

### For the consumer

**Can you Believe All the Advertisements You See?** A succinct guide to the ASA and its work.

**NEW Personally Yours.** Outlines the new rules on direct marketing and the safeguards available to consumers.

**Who Checks that Special Offers are Special?** A synopsis of the scope and rules of the British Code of Sales Promotion Practice.

**Shopping by Post – Convenience or Nightmare?** How we can help with mail order problems.

**ASA's Complaints Procedure.** What happens to your complaint once it arrives? With the aid of a flow diagram, this leaflet explains.

### For the industry

**Brilliant Advertising But...** A guide to our confidential pre-publication advice service for those in the advertising business.

**NEW User Guide: Rules for Direct Marketing including List and Database Management.** An accompaniment to the new rules, describing their scope, purpose and the industry's obligations.

### Wrong Promotions Cost Money.

A summary of the sales promotion rules, plus how to check your copy before publication.

## newly available on video

**"ASA Investigated"**. What the ASA does, how it works and what makes an advertisement acceptable or not. A 15-minute video produced in 1991 and available on free loan.

For more details, ask for our leaflet.



## the Secretariat

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

<b>Director General</b>	Matti Alderson
<b>Deputy Director General</b>	Christopher Ogden
<b>Company Secretary</b>	Ronald Dewar
<b>Deputy Director</b>	Gwenan Williams
<b>Press Officer</b>	Caroline Crawford

## how to make a complaint

- All complaints need to be in writing
- Send us a copy of the advertisement and as much relevant detail as possible
- Write to: Complaints Dept, Advertising Standards Authority, Brook House, 2-16 Torrington Place, London WC1E 7HN
- For further guidance, phone our inquiry desk on 071-580 5555





