



Advertising
Standards
Authority

ASA



Annual Report

1993

Contents

2 Chairman's report

Sir Timothy Raison, ASA's Chairman, examines how the Authority responded to challenges from Brussels, the government's deregulation programme and issues closer to home.

4 Review of the year

Deregulation, European Union and Hoover may have stolen the consumer and advertising press headlines, but the ASA was doing daily battle over newspaper promotions, spurious health claims and call-out charges.

11 Case study: not on my patch

ASA has become all too familiar with the sharp end of mail order advertising over the years. No case in 1993 more typified the reasons why than that of unauthorised nicotine and slimming patches.

12 The CAP year

CAP Chairman John Hooper reports on a year of reviews – the Codes, advertorials, sales promotion rules – and of redoubled determination to increase Code compliance.

14 Reviewing the Codes

Clearer, easier to read, shorter, consistent – the review of the Codes aimed to produce an updated edition for the 90s.

15 Europe opens up

The European Advertising Standards Alliance made steady but sure progress during the year.

16 At your service

The key external priority was to promote ASA services to a wider industry audience through a year-long programme of seminars.

18 ASA's Council

Who's who on the Authority's ruling body, plus a guide to the secretariat.

20 Financial report

Income and expenditure for 1992 and 1993.

22 A look ahead

ASA's new consumer advertising campaign is launched in 1994. So is a new teacher resource pack for schools.



23 Publications

Leaflets, Codes, a consumer video – and the latest addition, a set of subject-based background briefings.

24 About the ASA

How the Authority works and what it does, plus how to make a complaint.

Chairman's report



"Our main concern now is that there are still some media who have been willing to publish advertisements that ought not to be published."

1993 will, I think, be remembered as another busy year at the Advertising Standards Authority. No one grand theme dominated, but all the signs are that our reputation remained high.

There were moments in the year when self-regulation in other fields ran into difficulties, notably in the press and in some financial areas; but there seems to be little direct challenge to it in the field of advertising. Brussels now appears to recognise self-regulation's value. Our relations with politicians in all parties are good. So is our partnership with the Office of Fair Trading, whose Director General Sir Bryan Carsberg has given us valued support. In many ways the Control of Misleading Advertisements Regulations provide a valuable model for self-regulation as the basic mechanism but with the law as an ultimate back-up.

Perhaps the government's commitment to deregulation represents a new factor. In its response to the EC Pharmaceutical Directive, and also in its efforts to lighten burdens on industry, it contemplated removing the self-regulatory element in the control of non-prescription medicines, leaving their regulation exclusively to the Medicines Control Agency and the criminal law. What the government initially saw as deregulation seemed both to the Proprietary Association of Great Britain and ourselves (who work closely together in this field) to be likely to lead to a regime that would be both ineffective and heavy-handed. Fortunately we persuaded ministers to rethink this.

It is also worth noting that, as part of the government's deregulation campaign, it was suggested by the OFT that we might take back the responsibility for regulating consumer credit advertising. This is a role that we used to exercise before the introduction of regulations in 1980 within the Consumer Credit Act of 1974. There has been a good deal of questioning of the OFT's original proposals. Our view is that, if there is to be deregulation of advertisement control in this field, we should do the job; but we should need the resources to tackle it, and the industry would have to be fully behind the scheme.

We were also pleased at the end of the year to receive a favourable initial response from Health ministers to our presentation, with the Direct Marketing Association, of a scheme worked out with the Office of Population Censuses and Surveys aimed at preventing direct mail being addressed to people who had recently died. If the necessary legislation can be enacted, this will tackle a small but distressing problem.

Overall, our main concern now is that there are still some media who have been willing to publish advertisements that ought not to be published. In spite of some firm action by the OFT, advertisements making unacceptable health-related claims are still to be seen. We have also had some difficulties over certain newspaper promotions, particularly relating to the 'flashes' on front pages. Our Code review is looking into these particular rules. But it is the clear duty of media



and advertisers to uphold the existing Code, and it would be regrettable if a willingness to breach the rules in a few areas damaged the generally very good name of the system as a whole.

One or two particular events are worth recording. In January 1993 we had a valuable seminar on the perennially intricate question of taste and decency in advertising. A stimulating discussion helped shape our views on where to draw the line – though ultimately the decisions are bound to be in part subjective.

At the end of the year came a widely-publicised decision to ask Imperial Tobacco to withdraw a campaign for Regal cigarettes, featuring a character called Reg. We do not determine policy on tobacco advertising – that is decided by the agreement between the government and the industry. But we do implement the policy, vetting advertisements before publication. In this case, the advertisements were originally accepted by us. But Reg became something of a cult figure among the young, and in due course we asked Imperial Tobacco to withdraw this campaign, which they did. The ASA's role in this seemed generally well-received.

One other important activity in 1993 was the work to which I have already referred on the re-writing of our Code. The very energetic Chairman of the Committee of Advertising Practice, John Hooper, has led it and many others are contributing.

As to the ASA Council itself, we have seen a number of changes in our membership. Three greatly

respected members have retired: Dame Josephine Barnes, the Reverend Professor Gordon Dunstan and John Wells – each in their way unforgettable figures. To replace them we have Professor Catherine Peckham from the Institute of Child Health; Ian Markham, a theologian-philosopher from Exeter University, and Richard Bradley, Vice Chairman of L'Oréal in the UK. And, as I reported last year, Jackie Dickens of Leo Burnett joined us to replace Winston Fletcher at the beginning of 1993.

Both our new members and our long-standing ones have given us devoted and lively service. So have all our staff, led with continuing élan by our Director General, Matti Alderson.

To them all – and to Brian Nicholson and John Robinson at our funders, the Advertising Standards Board of Finance – my warmest thanks.

Sir Timothy Ralson PC

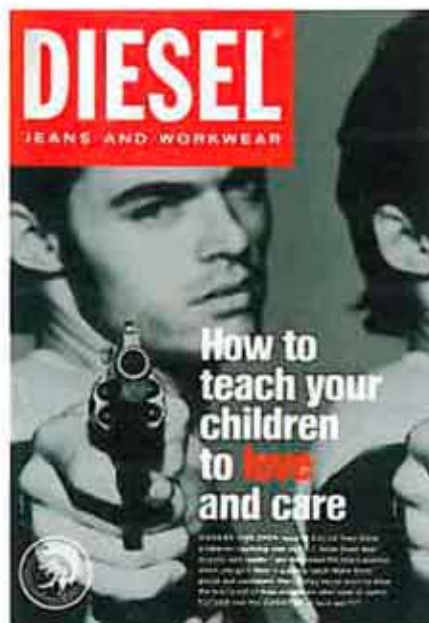
Chairman

Review of the year 1993

Deregulation, European Union and Hoover may have stolen the consumer and advertising press headlines, but the ASA was doing daily battle over newspaper promotions, spurious health claims and call-out charges.

"The work is challenging to an agency: the rules are so strict that it is difficult to create good work and get approval from the ASA."

David Shute of agency Kelly Wheedon Shute on the cigarette advertising rules, March 1993



Gun control: ASA criticised this advertisement (published in youth-orientated style magazines) in August after complaints that its approach was offensive.

Health problems for papers

1993 was the year the ASA got to grips with unacceptable mail order advertisements for health-related products in national newspapers.

Spurious claims in these advertisements were continuing to appear in spite of repeated advice. We began in February with written guidance to media asking them to contact the Authority before publishing any advertisements making therapeutic claims. This was followed up with a direct approach to advertising directors by John Hooper, Chairman of the Committee of Advertising Practice.

During the whole of July, the Authority's monitoring team carried

out a survey of 20 national press titles. It was designed to pick up Code breaches on all subjects – but particularly those related to dubious health claims.

The survey showed that, of a total of some 45,000 advertisements, 532 (including repeats) contained obvious breaches. Of these, 202 involved health claims. Muscle building capsules promised "big arms, firm chest, defined abdominals, powerful legs"; magnetic bracelets referred to therapy and pain relief; a skin lotion claimed to help the natural repair process of damaged cells. Surprisingly, very few slimming claims were netted in the survey – an encouraging development.

The Authority has been using the results of the survey as a basis for further discussion with the advertisement directors of the titles involved. There remains scope for significant improvements in this sector but already a useful dialogue is being developed through direct discussions with advertisers, agencies and media. The ultimate success of this process will rest on the industry's full and whole-hearted support.

Red tape talks

"Government goes to war on red tape" ran the DTI press release in February to announce the Prime Minister's renewed drive to cut unnecessary regulation. The aim was to help economic growth by lightening the administrative load on the wealth creating sector.

The ASA made two major inputs into the deregulation debate.

In October, the Authority responded to a DTI consultation paper on the Control of Misleading Advertisements Regulations 1988. Were the regulations still needed, the document asked. Yes, we said: they provided an important deterrent against misleading advertising and they have bolstered consumer confidence in advertising controls. Should they be changed? On the contrary, we argued; the DTI could take its supportive role one stage further by actively promoting the effectiveness of the regulations to other government departments.

In November, the Authority replied to an Office of Fair Trading consultation on the consumer credit regime. One of its questions: what would be the advantages and disadvantages if credit advertisements were subject to self-regulation by the ASA or a similar body? The Authority had in fact been responsible for credit advertisements until 1980 when statutory regulations came into force. Our submission made clear that in this, as in all other cases, self-regulatory control could only provide a satisfactory level of consumer protection if it had the total and enthusiastic backing of the industry.

Not in front of the children

Over the year, the Authority paid close attention to an increasingly lucrative market – advertising aimed at children. Given the potential vulnerability of this audience combined with the influence it can exert over parents, it seemed sensible to find out how and where young people up to the age of eighteen were being targeted.

We started with a survey of computer games magazines, analysing the age range of the target audience and the suitability of the advertising. We discovered that some publications, reaching readers as young as eight, contained advertisements for products well beyond that age group's average spending capacity.

This revived concerns about 'pester power' used on parents, a point debated at some length at the ASA's seminar on children and advertising in September. Chaired by Peter Waterman of Hasbro and attended by a specialist industry audience, the seminar looked at subjects such as price-led marketing and the dangers to be avoided when actually showing children in advertisements.

We ended the year with a monitoring survey of youth-oriented publications. Twenty five publications were used as the sample in which 10 contained advertisements that posed problems under the Code. Typically, these problems stemmed from advertisements for expensive electrical products featured in computer games magazines. But overall, we were pleased

"The best reason for expectation of growth in advertising expenditure in 1993-4 remains the expectation of economic recovery."

Advertising Association statistical yearbook, April 1993.



Private parts: ASA made a submission on the Lord Chancellor's privacy proposals in October. This poster raised a complaint when a namesake of the quote's author claimed his privacy had been infringed.

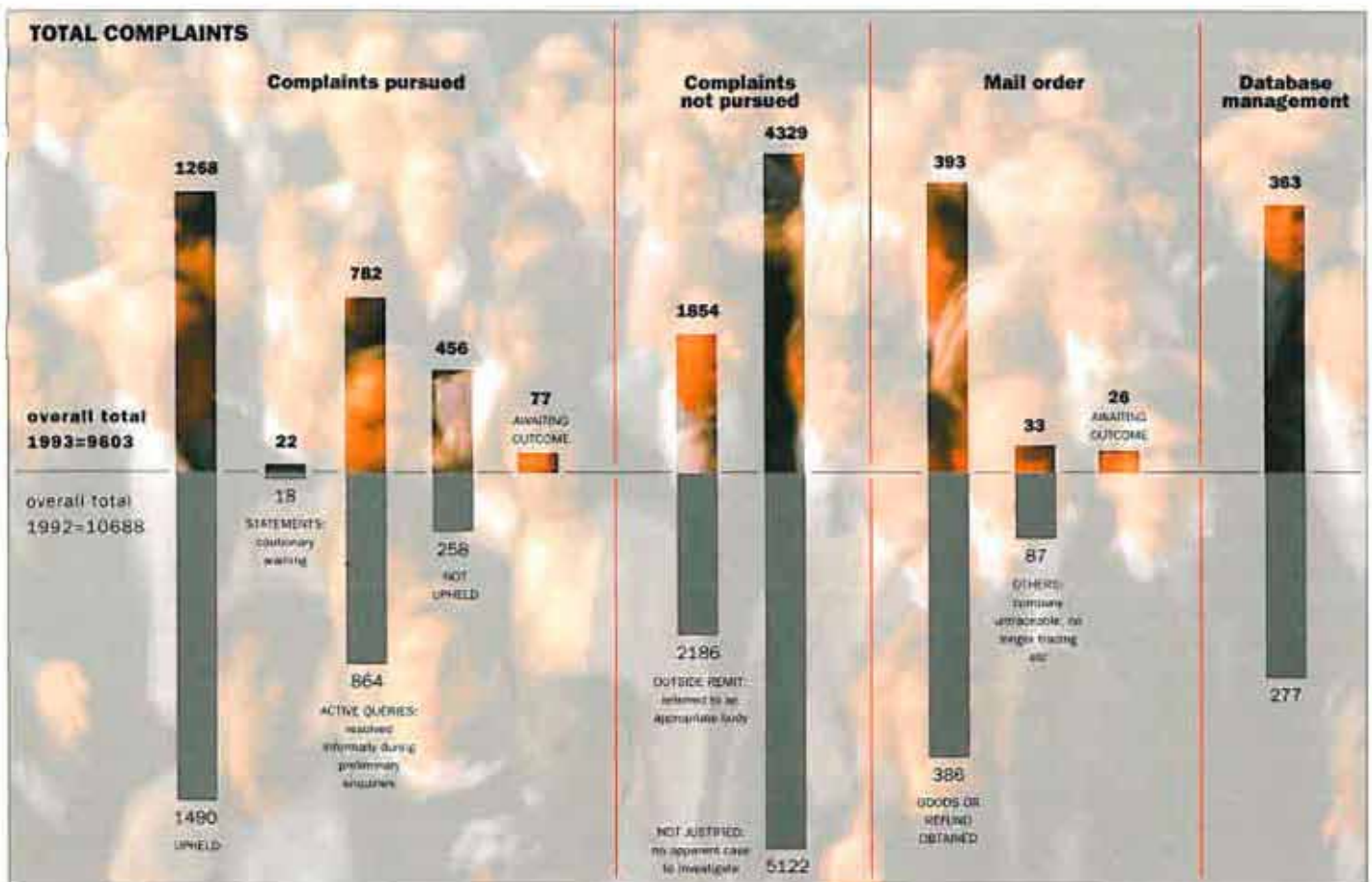
with the low incidence of Code breaches yielded by the survey. Those titles which did give rise to concern will be subject to close scrutiny in 1994.

Looking the part

Special Advertising Section, Advertisement Promotion, Advertisement Feature – all terms with which readers are becoming increasingly familiar. 1993 saw, according to industry calculations, a

growth of 47% in the use of what have commonly become known as 'advertorials'.

Their appeal? They offer publishers and advertisers a fresh approach to selling while giving consumers something attractive to read. The advertorials favoured by advertisers are those which most successfully adopt the look of the host publication; but will readers always be aware that what they are reading is an advertisement? And, if they are, might



they assume that the 'article' is objective or that the product featured has been endorsed by the publisher?

The Authority quickly recognised the need for action. In April, we began a three month monitoring survey of advertorials. The results were encouraging: only 6% were difficult to identify. The General Media Review Panel, asked to draw up a set of guidelines for the industry, concluded that there were three main points to remember: advertorials are

How the figures break down

These figures represent the total number of complaints from the general public and from industry. Total complaints pursued have stayed fairly constant over the last 2 years: 2605 in 1993, compared with 2630 in 1992.

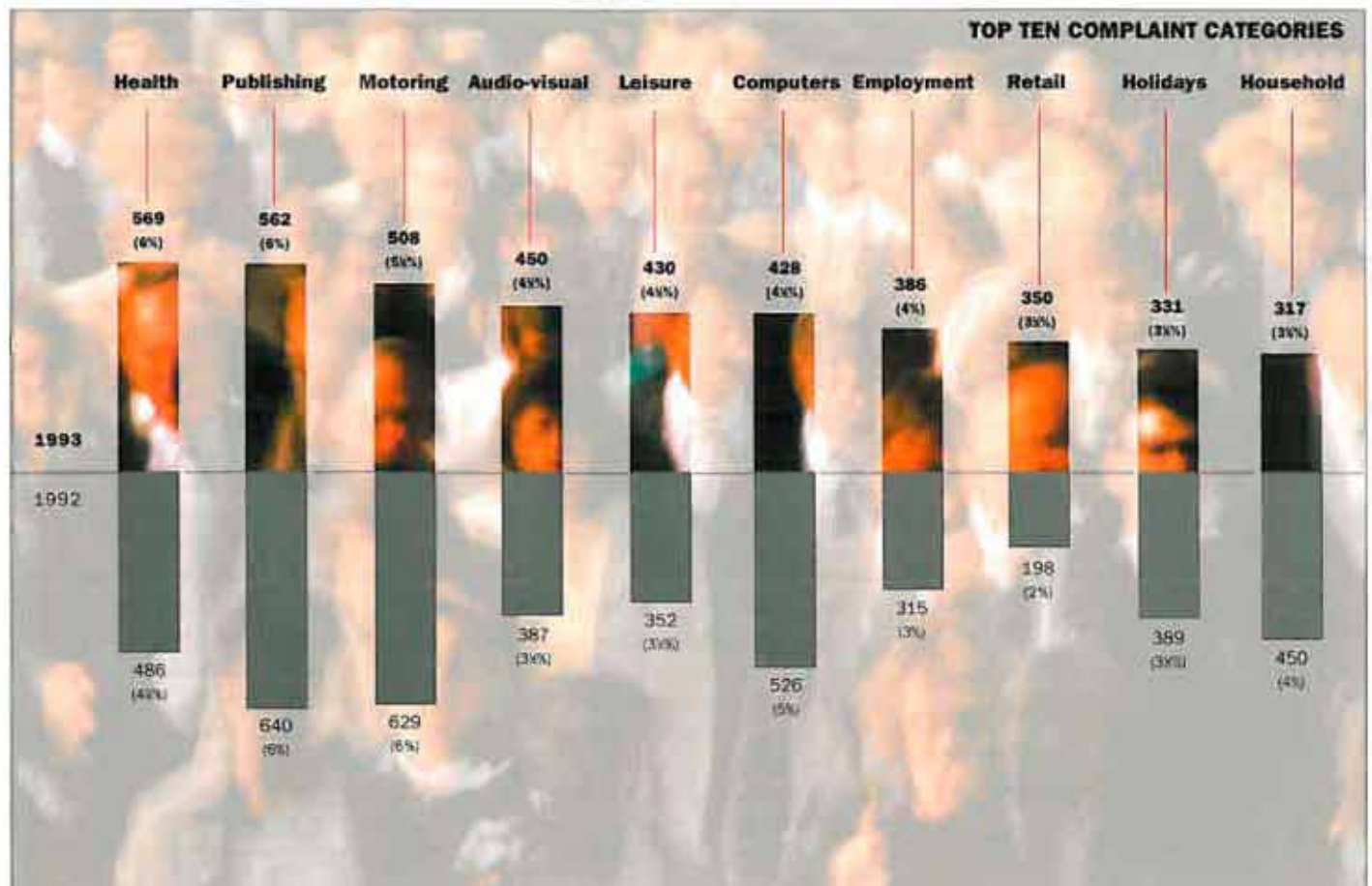
From industry alone, the complaint totals are 1149 for 1993 and 1269 for 1992.

All figures shown here and elsewhere in the Review include duplicate complaints unless otherwise stated.

Without duplicates, the total of 9603 complaints recorded for 1993 breaks down as 7773 advertisements, 2019 pursued, 612 upheld and 68 still to be resolved. This is a small drop from 1992 when the 10688 complaints comprised (again, duplicates

apart) 8528 advertisements, 2410 pursued and 744 upheld. These figures include mail order and database complaints.

All 1993 figures quoted were calculated as at 31st January 1994 and were correct at that time.





Advertising, but not as we know it: ASA investigated so-called 'advertorials' against the background of a 47% growth in the use of this technique.

"...where all advertising legislation is concerned, I and my office remain committed to the principle that a combination of self-regulation and the back-up of statutory control – which one hopes will be rarely used – provides the most effective framework."

Sir Bryan Carsberg, Director General of Fair Trading,
July 1993

subject to the Code's rules; they should always be clearly labelled; and responsibility for Code compliance rests equally with advertisers and publishers. We plan to issue the guidelines in 1994 and will hold a seminar on the subject in July.

Direct marketing: year two

1993 saw the rules for list and database management, introduced only the year before, become a mainstream part of the Authority's work. After a high profile 1992 when the Authority launched, promoted and informed about the rules, it was gratifying to find that they have become second nature to the overwhelming majority of direct marketers.

Close contact with the industry helped this process of consolidation. During the year the Authority held a successful seminar for direct marketers and had a stand at the Direct Marketing Fair. We enhanced already good communications with the Direct Marketing Association, Direct Mail Services Standards Board and the Royal Mail. We also had expert guidance from the Direct Marketing Steering Group on those few aspects of the rules in need of further clarification.

Of the small number of complaints of substance that were reported in 1993, the majority centred on a failure to target material accurately. In some cases, long-deceased persons were sent mailings; in another, a three-year old was sent a brochure. The vast majority of the other cases concerned the failure to

remove names and addresses from mailing lists. In all, 149 database complaints were investigated of the total 363 received.

One important innovation in the year was the formation of a monitoring programme to check compliance with the rules. Started in August, the findings are so far encouraging.

The politics of change

The introduction of the new rules on political advertising in January attracted broad media coverage on national television and in the consumer and trade press.

The change to the Code meant that claims made in public policy and issue advertisements would in the future have to be supported by documentary evidence in the same way as commercial claims. Advertisements by pressure groups, charities, trade unions and others addressing controversial social issues would now be tested by the ASA for their factual accuracy.

There were two main phases to this Code revision: first, an extensive consultation process and second, an information campaign.

In addition to CAP member organisations, over 100 organisations including political parties, charities, pressure groups, government agencies and the TUC were invited to participate in the review. Over half submitted comments.

Intensive efforts to inform the advertising industry involved training seminars and detailed guidance on the new rules. With a

special focus on the voluntary sector, the Authority held a well-attended joint seminar with the National Council for Voluntary Organisations in March and a workshop for members of the Institute of Charity Fundraising Managers at their Birmingham convention in July. The rules, published with explanatory notes in a separate leaflet, were widely circulated around the advertising industry.

Drawing the line

Regulating matters of taste and decency in advertising is one of the toughest – because it is the most subjective – areas of ASA responsibility. We had to deal, for instance, with objections to an advertisement which featured a man wearing wings and a posing pouch and which carried the strapline "Somehow we manage to cram in 12 oranges". Whereas the 35 complainants felt that the poster was offensive, the advertisers showed that they had received a largely positive response. In the event, the Authority decided that most readers would appreciate the humour of the image and did not uphold complaints.

It was to explore where the line should be drawn in this and similar cases that motivated us to hold a small seminar on taste and decency in January. We invited delegates who in their own fields have to draw a line – editors, advertising agency chiefs, charity fundraisers, religious leaders and consumer representatives.

All the sessions centred on the purpose and application of the rules. The majority felt that there was a need for some sort of regulation if only

because the climate of the times seemed to demand it. Some participants expressed interest in continuous research to assess public attitudes but there was also support for the value of 'hunch'. Charity advertisers presented the argument that the use of shock tactics in charity advertising is legitimate. And a number of delegates highlighted the need for sensitivity over the portrayal of minorities and the use of sex and women in advertisements. In all, the discussion was stimulating and showed an encouraging degree of support for the self-regulatory system.

Over the whole year, the number of complaints received about advertisements considered to be indecent or offensive remained at about the same level as in the previous year – 1,297 complaints in 1993 of which 144 were upheld, compared with 1,244 complaints and 192 upheld for 1992.

Hold the front page

A continual problem during the year was caused by promotions announced on the front pages of newspapers. A number of these promotions, seeking to attract new readers in an ever more competitive market, consistently failed to indicate major conditions before purchase. Rather than realising their aim, many simply caused annoyance and irritation to purchasers.

Such failures were not just confined to newspaper promotions. The age-old problem of omission of relevant information in promotions continued to occupy the ASA during 1993.

Our nationwide monitoring

"The biggest lesson from the Hoover case is that a sales promotion scheme that goes wrong can probably do more harm to a company than an advertising campaign that goes wrong."

Business Law Review, May 1993





SHE'S TERRIFIC IN BED. SHE'S WITTY, INTELLIGENT AND MAKES HER OWN PASTA. SHE DOESN'T HAVE A LINN HI-FI. BUT HER SISTER DOES, AND SHE'S THE ONE I MARRIED.

Lincoln Hi-Fi is a registered trademark of the Lincoln Hi-Fi Group. All other trademarks are the property of their respective owners. LINN HI-FI

Not so terrific: 1993 saw an increase in complaints about how women were portrayed, with 536 received and 111 upheld, as against 1992's figures of 180 received and 52 upheld. Linn and 5 other advertisements together attracted 348 of the total number received in 1993.

"So far, Britain's Advertising Standards Authority hasn't protested against the new wild side of underwear ads there."

Wall Street Journal editorial on the marketing of new lingerie products, October 1993

programme of consumer promotions yielded 448 items for scrutiny. Seventeen of those examined gave cause for concern and, on those occasions where action was necessary, only minor faults had to be brought to the attention of promoters.

With Part II of the Charities Act due to come into force, the Sales Promotion and Direct Response Review Panel took the opportunity to consider anew the rules on charity-linked promotions. Its recommendations have now formed part of the wider Code review process.

'No call-out charge'

When a toilet won't flush or the hot water turns inexplicably cold, consumers who reach for the local directory are faced with a wide range of firms offering their services with 'no call-out charge'.

But all is not as it seems. A small number of advertisers *do* provide free travel to a caller's home and a free diagnosis of the problem. The majority, however, merely offer free travel from their premises and then charge a minimum hourly rate of around £35, payable on arrival.

The ASA received a number of complaints recounting similar experiences. Consumers objected to being charged both travel and the hourly rate for sometimes very little in return – a diagnosis, for example, that may have taken less than ten minutes to make.

This confusion led the Authority to publish a working definition for use in advertisements: 'no call-out charge' means no work, no

charge and that an inspection and an estimate are provided for free. Where extensive diagnostic work is needed to make an estimate, a charge can be levied – but only with the prior agreement of the customer.

This guideline should help protect, not only consumers from unexpected expense, but also legitimate traders from unscrupulous competition.

New lines of advice

The major problems passing through the copy advice service in 1993 were in the area of health and beauty advertising. Although most persistent offenders came from the mail order sector, we also encountered some questionable claims made by the larger cosmetics and alternative remedies manufacturers. In February, we took action sector-wide with the issue of a media Ad Alert asking for all copy from smaller health and beauty companies to be brought to the advice team.

The second highest category of advice given was about sales promotions. Enquiries from this source increased following the press coverage of Hoover's free-flights promotion. This illustrated clearly how disproportionately large problems can arise when minor details are overlooked during the planning stage of promotions.

For 1994, a dedicated telephone and fax line for copy advice should produce an even faster service and should release the advice team to pre-empt more problems by contacting agencies before complaints are received.

Case study: not on my patch

ASA has become all too familiar with the sharp end of mail order advertising over the years. No case in 1993 more typified the reasons why than that of unauthorised transdermal nicotine and slimming patches.

"Giving up is easy - I've done it lots of times", runs the hardened career smoker's favourite gag. At the end of 1992, though, would-be kickers of the habit had cause to believe there was new hope - with the help of the nicotine patch.

Previously only available on prescription, their status had been recently reconsidered by the medical authorities. A number of potent licensed patches had become freely obtainable over the local chemist's counter. Manufactured by major pharmaceutical companies, these patches were licensed in November 1992 after thorough testing for safety and to make sure they dispensed nicotine through the skin into the bloodstream as they claimed. All advertisements for the patches were sent for checking by the ASA before they were published.

But in early 1993, the opportunists struck. The Authority began receiving enquiries from national newspapers about off-the-page advertisements for new patches which were untested and unlicensed. Similar in appearance to a sticky plaster, they were easy to produce and quick to sell. Advertisements placed by a number of mail order companies made unacceptable claims that their product was all that was needed to give up ("or your money back"). Untested, these 'alternative' patches never were shown to work.

Our advice to media was unequivocal: the advertisements should not be run until the legality and safety of the patches had been established by the Department of

Health. After a short time, the advertisements stopped appearing.

Within weeks, however, the first derivative of the patch fad surfaced: the slimming patch. This product contained seaweed extracts which, when taken by mouth, were licensed as an "aid to weight loss". But there was nothing to show that the patch could deliver these extracts through the skin. Again, we issued strong advice against these advertisements, and media responded quickly and positively.

An evening primrose oil patch made a brief appearance, as did a vitamin C patch. In both these cases, the advertisers were happy to take advice to ensure that untoward claims were avoided.

NEW NICOSTOP Patch
HELPS REPLACE YOUR CIGARETTES

Smokers do not give up and then have to deal with the stress and depression of giving up. Nicostop is a revolutionary new product to help you quit smoking. It is a unique transdermal patch which is available from you and your doctor. It is a prescription.

How does it work? The Nicostop patch releases nicotine slowly. You put the patch onto your upper arm for example. It sends the same way as a plaster, and the patch slowly and evenly releases enough nicotine to replace your cigarettes.

Simply wear a patch each day. Instead of a cigarette pack a Nicostop patch gives you the same nicotine as a cigarette. Nicostop is the most effective way to quit.

Prescription only. Nicostop is available from your doctor or pharmacist. It is a prescription.

How does it work? The Nicostop patch releases nicotine slowly. You put the patch onto your upper arm for example. It sends the same way as a plaster, and the patch slowly and evenly releases enough nicotine to replace your cigarettes.

Simply wear a patch each day. Instead of a cigarette pack a Nicostop patch gives you the same nicotine as a cigarette. Nicostop is the most effective way to quit.

24 HOUR CREDIT CARD HOTLINE
081-534 8855

Compare Our Prices

Other patch available from your chemist's shop. It costs £15.95 for a 12 week course.

Our price for a 12 week course is £29.95. That's a saving of £14.00!

1 week course £3.95
2 week course £7.95
4 week course £15.95

...A Dramatic Breakthrough in Weight Control Technology!

THE SLIMMING PATCH

Weight Loss the Easy Way!

24 HOUR CREDIT CARD HOTLINE
081-534 8855

1 WEEK COURSE **£7.75**

1 MONTH COURSE **£12.75**

3 MONTH COURSE **£26.75**



The CAP year



"Code review and Code compliance – the two key issues in 1993."

Before I agreed to take on the CAP chairmanship, I was made fully aware that my period of office would be dominated by the most comprehensive review ever of the two Codes of Practice. I therefore decided to take direct control of the process early on by setting up and personally chairing the Code Review Working Group. Since early March, this Group, aided by the secretariat, has consulted far and wide and our progress is reported in full on page 14.

'Review' has very much been our watchword for 1993. We started with the January launch of new rules for political advertising. These were the outcome of considerable discussion and careful re-consideration of the previous rules that had served us well for some 20 years.

Next to report was the Sales Promotion Working Group, set up in 1992 to look at ways of maximising compliance with the British Code of Sales Promotion Practice both by heightening awareness of the rules and by increasing our effectiveness in enforcing them. Its recommendations included an enhanced monitoring programme, greater promotion of the copy advice service, increased trade press activity, mailshots to key trade organisations and more contact with specialist lawyers. It was also agreed to seek far wider distribution of the new Code, once completed, to both client and agency practitioners.

In March, we published the fruits of another review, on industry

awards. Our aim was to ensure that awards for excellence were not made to advertisements or promotions which had broken the Codes. Following painstaking work by a task force chaired by the IPA's Philip Circus, the Committee approved a guidance note for award organisers. We sent this to some 80 award-making bodies and have followed this up by contacting any other body or publication which transgresses (usually by mistake rather than design), asking for assurance of future compliance.

The next issue we examined was advertisement and promotional features. Whilst the Committee agreed that the Code was perfectly straightforward in its requirement that all advertisements should be recognisable as such, it was nevertheless concerned that the boundaries separating editorial matter from advertising were not always sufficiently clear. We asked the General Media Review Panel to look into this very sensitive area and we anticipate its report early in 1994.

Wider Code compliance was another ongoing issue in 1993. As reported elsewhere, the continued appearance in the press of code-breaching advertisements for pseudo-medicinal products gave us cause for concern, as did the front-page flashing of newspapers' own promotions. Following a monitoring exercise, I have raised our concerns with all the advertisement and promotion directors of the national titles. This initiative, together with regular secretariat contact, has

started to yield positive results.

We have also taken other steps to encourage compliance. CAP has now agreed that ASA monthly reports should name publications that knowingly publish advertisements in direct contravention of copy advice given to them or media Ad Alerts. We now operate a pre-clearance scheme for certain kinds of health-related advertising. Our member organisations also learn more about how other members operate and promote the Code compliance through presentations at our bi-monthly meetings.

On the subject of membership, we were delighted to welcome two new members of CAP: the Mail Order Traders' Association, whose constituency includes most of the UK's best-known catalogue companies, and the Direct Selling Association, which represents the bulk of the direct selling industry.

Some goodbyes and hellos. Eric Burleton and Kevin Holland, both stalwarts of self-regulation, stepped down at the end of the year as Chairmen of the General Media Review Panel and Sales Promotion and Direct Response Review Panel respectively. We shall greatly miss their insight and lively input, and extend to both our gratitude for many years of sterling service. The good news is that their replacements are of equally high calibre: Hugh Burkitt, Chairman of advertising agency Burkitt Weinreich Bryant Clients and Co. and Colin Hall, formerly Vice Chairman of Promotional Campaigns.

So to 1994. Our top priorities are to publish and promulgate the revised Codes, to maintain our constant vigilance on Code compliance, and to increase our contact with the media and the sales promotion industry. With the active support of CAP members, I am confident we will achieve these goals.

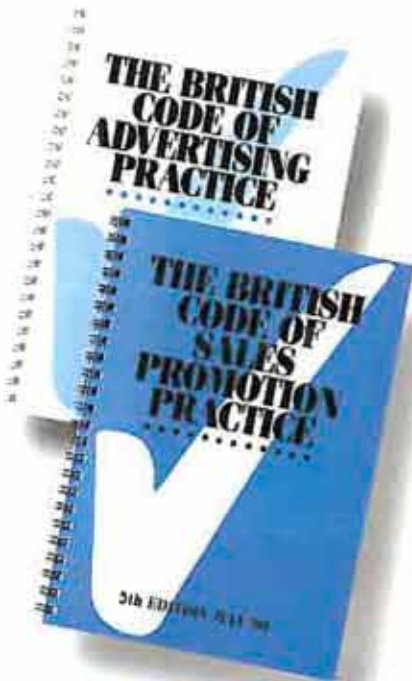


John Hooper
Chairman

CAP MEMBERS

Advertising Association
Association of Household Distributors
Association of Media Independents
Broadcast Advertising Clearance Centre
Cinema Advertising Association
Council of Outdoor Specialists
Direct Mail Services Standards Board
Direct Marketing Association
Direct Selling Association
Incorporated Society of British Advertisers
Institute of Practitioners in Advertising
Institute of Sales Promotion
Mailing Preference Service
Mail Order Traders Association
Newspaper Publishers Association
Newspaper Society
Outdoor Advertising Association
Periodical Publishers Association
Proprietary Association of Great Britain
Royal Mail Letters
Scottish Daily Newspaper Society
Scottish Newspaper Publishers Association

Reviewing the Codes



"Greater openness and accountability."

"More guidance notes on specific product areas."

"Recognise charities may have to challenge prevailing standards of decency."

Almost 150 organisations had the opportunity over the summer to put their views and suggestions to the Committee of Advertising Practice as part of the most comprehensive consultation it has ever undertaken on the Codes of Practice.

Under the auspices of a specially formed Code Review Working Group, the Committee began work on the review in March. The main spur was to update the Codes in the light of changing marketing techniques and conditions – but the Working Group was also keen to bring together all the different Codes and rules for which CAP was responsible.

True, the basic self-regulatory rule book – the British Code of Advertising Practice – was last reviewed as recently as 1988, but since then a number of developments have taken place. Chief among these: a new edition of the British Code of Sales Promotion Practice was published in 1990; new rules on list and database practice in direct marketing were introduced in 1992; and also in 1993, 'political' advertising was for the first time brought within the ASA's remit. It was time to take a fresh look both at what was in the Codes and at the way they were written.

By June, the Working Group was ready to launch the first round of consultation with a policy document which set out its thinking on strategy, content and style. The new Codes, said the document, should be simplified for greater clarity and ease of use; written in plain readable English; accompanied by more detailed guidance notes; and should be consistent in dealing with product categories and industry sectors.

The document was sent to some 120 organisations for their suggestions on how to improve the Codes. Many others responded after reading about the review in the press. The range of contributors included trade associations, charities, pressure groups, government departments, political parties, regulators and consumer bodies.

1994 will see a further consultation, this time on a detailed draft text for the revised Codes. Publication of the Codes and supporting seminars will take place later in the year.

Europe opens up

While self-regulation requires a legal framework within which to operate, the European Advertising Standards Alliance has been keen to ensure that legislation is not over-restrictive.

Following ratification of the Maastricht Treaty, there has been a greater openness within European Union institutions and an increasing emphasis on decentralisation and subsidiarity. The Commission is reflecting this approach with open and wide-ranging discussions on its proposed Green Paper on Commercial Communication. Alliance members have so far taken an active part in the consultation process.

The Alliance made steady progress during the year. Under the chairmanship of Noel McMahon of ASA Ireland, Alliance members met regularly in Brussels and Paris to further the cause of advertising self-regulation in Europe.

Industry commitment to self-regulation has enabled the organisation to set up a permanent base in Brussels. In July, Dr Oliver Gray, formerly of the American Chamber of Commerce, was appointed as the first full-time Director General. A short while later an office was established as an administrative centre and to provide a focal point for the exchange of information. Financial support from the European advertising industry has been essential to these developments.

The single market which came into effect on 1st January 1993 could not yet be described as seamless, but it has focused attention

on the increase in trans-border advertising of products and services. During the year, the Alliance formally pursued over 25 cases under its cross-border consumer complaints mechanism. The system ensures that consumers have redress against false or misleading advertising from whichever member country it originates. As well as these cases, Alliance members have been sharing information and best practice to ensure a cohesive response to trans-national advertising concerns.

Alliance membership remained steady with the commitment of self-regulatory bodies from 13 countries.

Active negotiations are underway to secure the membership of Denmark. In Luxembourg, an advertising industry tripartite body was set up in 1993; we see this as a prelude to a self-regulatory organisation being established and consequent membership of the Alliance. The advertising industry in Spain is actively exploring an enhancement of its self-regulatory system and the Alliance looks forward to taking a supportive role in the process.

In the longer term, opportunities exist for the expansion of membership, parallel with the enlargement of the EU, to incorporate EFTA and Eastern European countries.



At your service



The key external priority for 1993 was to promote the Authority's services to a wider industry audience through a year-long programme of seminars.

There were two main strands to the programme.

First, regional seminars. We held seminars in Bristol, Birmingham, Manchester, Belfast, Glasgow and Cardiff over the year. At each, we announced the results of a monitoring survey undertaken of press advertising in the particular region. We invited a senior figure from the local advertising industry to host the seminar. Delegates were mainly company marketing directors, newspaper advertising directors and agency account staff. The seminars were reported in local press and on local radio.

Second, special subject seminars. Charities, alcohol, sales promotion, mail order, children, health and motoring were the subjects we covered in 1993. Again, these seminars were all chaired by senior practitioners in their fields. The seminars received a considerable number of column inches in the trade press.

Altogether we organised some 70 seminars and presentations during the year. We gave over 50 of these on request to commercial companies, government departments, consumer groups, students and charities. The full list is opposite.

We also monitored major industry appointments. In 1993, ASA Director General Matti Alderson sent over 200 letters to new director-level appointments to introduce them to the Authority's services and to remind them about their obligations.

The press office continued to keep the ASA in the news. We received extensive coverage for the new political advertising rules, including a piece on BBC Breakfast News on the day that the rules came into force. The Authority was the subject of 237 articles in the national press, 547 in regional press, 117 in consumer press, 334 in advertising trade press, 16 on national television, 5 on regional television, 35 on national radio and 81 on regional radio. In the trade press, Matti Alderson wrote a regular column for *Incentive Today*.

To complement the new range of leaflets introduced in 1992, we produced a series of two-sided background briefings on various aspects of ASA activity. The range of subjects covered includes motoring, self-regulation, Europe, women, alcohol and direct marketing. These briefings are available on request and will be updated annually.

The ASA provides a 10am - 4pm enquiry service five days a week for members of the public and the industry who want general advice and literature. In 1993, we received around 7,000 telephone calls and responded to nearly 6,000 written requests for information.

Looking ahead to 1994, more seminars are planned. We will visit Southampton, Newcastle, Aberdeen and Norwich and will run events on topical subjects such as tobacco advertising, advertorials, travel, direct marketing and sales promotions.



1993 seminars and presentations

13 January	Thames Valley University	2 July	Institute of Charity Fundraising Managers
18 January	Samford University	5 July	Belfast seminar
26 January	Carshalton College	5 July	London Transport Advertising
26 January	Bristol seminar	14 July	Advertising trade associations seminar
28 January	Taste & decency seminar	16 July	Southern Methodist University
4 February	Westminster University	21 July	Western Mail & Echo
9 February	Bournemouth University	22 July	Bird & Bird solicitors
10 February	Chingford Housewives	28 July	Marketing Week sales promotion conference
11 February	Boston University	29 July	Temple University
23 February	Camden Girls' School	30 July	EMAP Northampton
23 February	Christchurch College, Canterbury	19 August	Personal Computer Direct Marketing Association
25 February	South East Newspaper Society	19 August	Watford College
25 February	ISBA direct marketing workshop	7 September	Children seminar
3 March	Charity advertising, with NCVO	13 September	Glasgow seminar
12 March	West Herts College	14 September	British Gas, Cambridge
19 March	IPR Flith Estate	15 September	Cussons, Manchester
25 March	Birmingham seminar	22 September	Periodical Publishers Association
25 March	French advertising students	25 September	Royal Mail Streamline
26 March	East Anglia Newspaper Society	30 September	Boston University
30 March	ICSTIS (premium rate telephone services regulator)	5 October	Agency graduates
1 April	CIM Conference, Bournemouth	6 October	Mothers' Union
5 April	Home Office	7 October	Institute of Management
22 April	Alcohol advertising seminar	12 October	Agency graduates
4 May	Sales promotion seminar	19 October	Health and beauty seminar
13 May	Council of Outdoor Specialists	28 October	Women's Institute
18 May	Association of Household Distributors conference, Birmingham	8 November	Copenhagen Business School
20 May	Central Office of Information	11 November	Outdoor Advertising Council
21 May	Newspaper Society sales promotion seminar	11 November	Periodical Publishers Association
25 May	Manchester seminar	12 November	Institute of Economic Affairs
25 May	Poster Publicity Ltd	23 November	Cardiff seminar
27 May	Association of Media Independents	25 November	Outdoor Advertising Council
17 June	Boston University	2 December	Motoring seminar
22 June	Mail order seminar	15 December	South Thames Trading Standards
29 June	Ashbourne College		
1 July	ITSA Conference		

ASA's Council



*Left, Sir Timothy Raison;
right, John Hooper, Chairman of CAP.*



*Left, Christopher Hawes;
right, Richard Bradley.*



*Left, Sylvia Heal; centre, Jackie Dickens;
right, Sheila Hewitt.*



*Left, Catherine Peckham;
right, Elizabeth Filkin.*



Left, Robert Pinker; right, Ian Markham.



Left, Patricia Mackesy; right, Tony Fisher.



Left, Sir Gordon Linacre;
right, ASA Director General Matti Alderson.

Chairman: Sir Timothy Ralson, a privy councillor, is a former Home Office and Overseas Development minister and was Conservative MP for Aylesbury for 21 years. He was founder editor of *New Society* magazine.

Richard Bradley is Vice Chairman of L'Oréal (UK) Ltd. He is Chairman of the Cosmetics, Toiletry and Perfumery Association and President of COLIPA, the European body for the cosmetics industry. From 1972 until 1988 he was Managing Director of Lancôme UK.

Jackie Dickens is Vice Chairman of advertising agency Leo Burnett, with responsibilities for strategic planning. She is a member of the Advertising Association's Public Affairs Committee and has written extensively on advertising and market research topics.

Elizabeth Filkin is the Inland Revenue's Adjudicator and a director of Hay Management Consultants. She is also Chairman of the Legal Aid Advisory Committee. Previously, she was Chief Executive of the National Association of Citizens Advice Bureaux.

Tony Fisher 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.

Christopher Hawes 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.

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

Shella Iffat Hewitt is a mental health manager and a non-executive director of Mid-Surrey District Health Authority. 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 is President of Yorkshire Post Newspapers and Chairman of Chameleon Television Ltd. He is also Chairman of the University of Leeds Foundation and of Opera North.

Patricia Mackesy is a 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.

Ian Markham is a lecturer in theology at Exeter University, specialising in the philosophy of religion, British theology and comparative religion. He writes on the subject of Christian ethics and culture.

Catherine Peckham is Professor of Paediatric Epidemiology at the Institute of Child Health and Hon Consultant at Great Ormond St Hospital. She heads the European Study on Paediatric HIV Infection and sits on the British Council's Health Advisory Committee.

Robert Pinker is Professor of Social Administration at the University of London. He serves as Privacy Commissioner for the Press Complaints Commission and is a member of the Direct Mail Services Standards Board.

THE SECRETARIAT

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

Director General

Matti Alderson

Deputy Director General

Christopher Ogden

Director, Finance

Phil Griffiths

Director, Complaints

Gwenan Williams

Allocations Managers

Joanne Poots

Ailsa White

Complaints Managers

Dominic Kellett-Bowman

Niamh McGuinness

David Poley

Monitoring Manager

Linda Wheeler

Copy Advice Manager

Mark Whitbread

Systems Manager

Laura Fishman

Head of External Affairs

Philip Rubenstein

Head of Media Relations

Caroline Crawford

Financial report 1992

**Expenditure account
for the year ended
31st December 1992**

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

Expenditure	1992 £	1991 £
Salaries and staff costs (excluding direct marketing)	1,491,540	1,491,691
Rent and accommodation costs	238,669	193,123
Travel, subsistence and entertaining	42,496	47,324
Consultancy and professional fees	153,332	139,363
Council honoraria and expenses	38,366	39,517
Depreciation	119,010	117,521
Telephone, postage, printing, stationery, and other general expenses	262,854	260,251
Advertising and promotion	151,794	178,148
Direct marketing function	112,004	35,786
TOTAL	2,538,065	2,502,724
Excess of income over expenditure for the year	(25,472)	(16,850)

Update 1993

Year to 31st December 1992

Last year's financial statement predicted expenditure of £2,535,200 and anticipated a loss of approximately £30,000 against an income of £2,514,900. The audited figures for 1992 reflect actual expenditure of £2,538,065 and a pre-tax loss of £25,472. Details of expenditure are shown on the facing page.

Year to 31st December 1993

At the time of preparing this report, audited income and expenditure figures for 1993 were not available. The following provisional indications can, however, be given:

Income

Income received from the Advertising Standards Board of Finance Ltd rose by 1.8% compared with 1992, to £2,518,176. Lower rates throughout the year, however, reduced the interest received by some 30% to approximately £30,000. In total, income rose by 1.3% to £2,548,176.

Expenditure

Overall expenditure in 1993 rose by 0.4%, to £2,548,200, compared with 1992. Staff costs were slightly less than in 1992 and legal and professional fees were down by 8%. The cost of premises, however, rose by some 4% because of long-awaited sanitary improvements. Continued economy measures enabled general office and advertising expenditure to be held at approximate 1992 levels.

Profit/loss

It is anticipated that the audited accounts for 1993 will show a break-even position.

Finalised accounts: year to 31st December 1993

Finalised accounts for 1993 will be presented to the Council of the Authority at its Annual General Meeting scheduled for June 1994 and will subsequently be lodged with Companies House in the normal way. A breakdown of expenditure for 1993 will appear in next year's Annual Report in the form shown on the facing page.

A look ahead to 1994



ASA's new consumer advertising campaign is launched in 1994. So is a new teacher resource pack for schools.

Keeping tabs on ads

January 1994 sees the launch of the Authority's new consumer advertising campaign. Under the headline 'Keeping tabs on ads', the advertisements will feature a series of heads – all of ASA staff – keeping a watchful eye on adjacent advertisements to see that they comply with the rules. The campaign is set to appear nationwide in magazines, newspapers and on posters.

All the space will be donated by publishers and poster site owners. The donation of space for past and future ASA campaigns demonstrates the support that media give to the self-regulatory system.

The aim of the campaign is to highlight the Authority's work in monitoring some 250,000 advertisements each year as a key means of sustaining high standards of advertising practice. Monitoring activity provides a protection against misleading and offensive advertisements before the public have cause to complain. It means that the ASA can spot trends and deal quickly and effectively with problems.

The campaign has been created by advertising agency Burkitt Weinreich Bryant Clients & Co. The London Media Group and Portland Outdoor Advertising are co-ordinating the space donated by publishers and site owners. All three companies have

generously donated their time, energy and services to the Authority.

New for schools

Advertising literacy – in plain English, knowing the difference between advertising and editorial, understanding how advertising works, realising where harmless 'puffery' stops and blatant dishonesty starts.

These and many other issues will be tackled in the Authority's teacher resource pack, now in development. At a time when schools' interest in media studies is on the increase and when teachers are looking for challenging but easily accessible resources, the pack will be prepared for classroom use with 14-18 year olds.

To enable teachers to use the materials in the autumn term, its availability will be publicised from early May onwards. The pack, which will be free of charge, represents part of the Authority's continued commitment to high levels of consumer education.



Publications

Leaflets

Legal Decent Honest Truthful. A simple consumers' guide to the ASA and its work.

Advertising Under Control. A more comprehensive guide to the Authority's work. Includes an abridged version of the British Code of Advertising Practice.

Good Advertising – Your Business and Ours. Designed for those in the advertising business, this is a guide to our confidential pre-publication advice service.

Complaints Procedure. When the ASA receives a complaint, what happens to it? Using a simple flow diagram, this leaflet explains.

Background Briefings. A series of short summary sheets on areas of ASA activity – including health, cars, 'green' claims and Europe.

Also available

The British Code of Advertising Practice (8th Edition, 1988). This is the body of general and specific rules governing non-broadcast advertisements in the UK.

The British Code of Sales Promotion Practice (5th Edition, 1990). Sister to the larger Code, this contains the rules for operating sales promotions in the UK.

Rules for Direct Marketing Including List and Database Management.

Published in 1991, these rules cover the use of personal data in direct marketing. Accompanied by a User Guide.

Political Advertising. A guide to the rules on 'issue' advertising.

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

On video

ASA Investigated. What the ASA does, how it works, and what happens to misleading and offensive advertisements. A 15-minute video available on free loan. Ask for our video leaflet for more details.

New for summer 1994

ASA teacher resource pack. For teachers of the 14-18 year old age range. See facing page for more details.





About the ASA

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

It does so in the public interest and in co-operation with the whole of the advertising industry by ensuring that everyone who commissions, prepares and publishes advertisements observes the British Codes of Advertising and Sales Promotion 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 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 if they persistently break the Codes' rules, resulting in the loss of financial and other trading incentives.

If the ASA has used the self-regulatory 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 used, these empower the Director General of Fair Trading to obtain an injunction against advertisers, agencies and media.

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

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

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:

The Advertising Standards Authority
Brook House
2-16 Torrington Place
London WC1E 7HN.

For further guidance, phone our enquiry desk on 071-580 5555.





The Advertising Standards Authority
Brook House 2-16 Torrington Place London WC1E 7HN
Telephone 071-580 5555 Fax 071-631 3051