# Guidance on advertising in-game purchases

Advertising Guidance (broadcast and non-broadcast)



## Foreword

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

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

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

For pre-publication advice on specific non-broadcast advertisements, consult the CAP Copy Advice team by telephone on 020 7492 2100 or you can log a written enquiry via our <u>online request form</u>.

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

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

# Background

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

# **BCAP Code rules**

- 1.2 Advertisements must be prepared with a sense of responsibility to the audience and to society
- 3.1 Advertisements must not materially mislead or be likely to do so.
- 3.2 Advertisements must not mislead consumers by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.

Material information is information that consumers need in context to make informed decisions about whether or how to buy a product or service. Whether the omission or presentation of material information is likely to mislead consumers depends on the context, the medium and, if the medium of the advertisement is constrained by time or space, the measures that the advertiser takes to make that information available to consumers by other means.

- **3.3** For advertisements that quote prices for an advertised product or service, material information [for the purposes of rule 3.2] includes:
- 3.3.3 the price of the advertised product or service, including taxes, or, if the nature of the product or service is such that the price cannot be calculated in advance, the manner in which the price is calculated

# CAP Code rules

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- 3.4 For marketing communications that quote prices for advertised products, material information [for the purposes of rule 3.3] includes:
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## Definitions

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

Random-item purchasing	in-game purchases containing an element of chance, in which the consumer does not know what they will receive until the transaction is completed (commonly known as 'loot boxes')
Virtual currency	fictionalised currency used within a game or system, often with a name such as 'credits', 'gold', or 'points', which may or may not be purchasable with real money
Cosmetic items	in-game items whose only value is aesthetic
Functional items	in-game items that affect more than the look of the game, such as weapons, extra abilities, or power-ups
Downloadable content	downloadable purchases that add further gameplay or functionality to the standard game (also called 'DLC' or, in some cases, 'expansion packs')
Battle/season passes	purchasable access (often time-limited) to extra game content or ability to collect seasonal items
Odd pricing	when increments of two types of related purchase do not match each other. For instance, virtual currency available in units of 50 credits, and items available in increments of 20 credits.

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## Guidance

#### Remit

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

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

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

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

• Use of a virtual currency that can only meaningfully be obtained through direct, real-world purchase. Provision of a 'sample' of virtual currency during the introductory elements of a game, or occasional

<sup>&</sup>lt;sup>1</sup> E.g. pop up messages offering extra lives in exchange for virtual currency

gifting of the currency by the platform or other parties, is unlikely to be sufficient to negate this if that is the only point at which currency can be obtained without purchase by the player;

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

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

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

In scope	Out of scope
In-game storefronts and inducements to	General game content and mechanics,
buy, where items are purchased with:	such as gameplay imagery and whether
• real money, or	or not in-game purchases are available
• virtual currency that can <b>only</b> be	
obtained by purchasing	In-game storefronts where items are
Press, TV, billboard etc ads for games or	purchased using virtual currency that can
in-game items	be earned in-game (including where that
Mobile and console app/game stores	currency can <b>also</b> be purchased)
Online game stores, including e-	
commerce sites and purchasing	
platforms	
Influencer/advertorial content	
Websites selling virtual currency	

#### Pricing of in-game purchases

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

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

### Virtual currency purchases

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

Where advertisers make comparisons between different bundles, the basis should be clear and not likely to mislead. In particular, claims such as 'best value' should only be in a context that makes clear that this relates to the cost-per-unit price and not the overall cost of a bundle. Claims such as 'cheapest' should relate to the overall price of a bundle, not the price-per-unit.

## In-game purchases paid with virtual currency

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

Where a storefront using digital currency falls within remit, the value of an item should be clear to consumers; they should be able to determine easily what the equivalent realworld price is for the item and/or whether they will need to spend money on more virtual currency. In most instances, the minimum requirement will fulfill the function of a clear statement of the digital currency price and an easily accessible, clear, or otherwise intuitive signpost to how much of the currency the player currently holds and/or the storefront area where this currency can be purchased. Other approaches may be acceptable if they achieve the same end.

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

### Odd-pricing

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

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

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

#### Savings claims on bundled items

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

#### Presentation of in-game purchases

In-game purchasing and advertising happens within a unique context of gameplay, time pressure, and (in some cases) chance, and therefore brings with it specific risks of misleading consumers. The below section is intended to limit this risk by ensuring that

the marketing of in-game purchasing is sensitive to contexts where the potential for being misled is particularly high, and to take account of those players who might be particularly vulnerable to time-limited or chance-based purchasing. It should be considered in conjunction with the above section relating to price information.

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

#### Immersive marketing messages

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

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

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

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

#### Messaging relating to random-item purchasing

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

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

#### Time-limited offers

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

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

#### Advertising games that feature in-game purchasing

#### Presence of in-game purchasing

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

The prominence of this messaging will depend on several factors, such as the format of the ad and other claims made within it. As a rule of thumb, while this information does not need to be especially prominent, it should be easily accessible by consumers and straightforward to find. Mention of random-item purchasing should be immediately next to (or part of) information about in-game purchasing more generally. Use of PEGI labelling is likely to be an appropriate way of disclosing this information, although advertisers may provide it through other means.

In addition, while not required to do so, marketers are encouraged to provide further information about the type of in-game purchasing that the game involves. For instance, whether purchasing is entirely cosmetic, whether it is limited to 'big ticket' purchases

such as DLC or season passes, or whether it includes functional purchases such as inplay features.

#### Advertising featuring in-game purchased content

Similar to trailers for films, advertising for games often aims to give an overview of a whole game and may, therefore, feature elements that are not immediately available to players. Although it is legitimate for advertisers to include optional extras as part of their marketing, there is a careful balance to be struck in terms of not implying that items requiring further purchase are included in the basic game. When it comes to game features that are available to purchase or to 'unlock' through play, there is an additional need to ensure that marketing of these features does not give the impression that these items are available for free or easily or immediately obtained through ordinary play.

Content requiring purchase or a significant investment of game time should not be presented as easily or quickly obtainable through standard play. As such, if this content is featured in a manner likely to affect a consumer's decision to purchase or download the game, it should be made clear whether the content is only available if paid-for (including whether it is only available through random-item purchase) or unlocked by players. The ad should not otherwise imply that the content will be available straight away.

More broadly, advertisers should take care to ensure that the gameplay shown in the ad is generally representative of the game itself. Care should be taken to avoid misleading consumers if an ad includes images or sounds that are not representative of actual gameplay. This includes ensuring that any non-gameplay footage is clearly identifiable as such.

## Further information

Guidance on <u>direct exhortation to children</u> Guidance on <u>advertising films and video games responsibly</u> Guidance on claims that require gualification

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