# 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

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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')
Proprietary currency	currency used within a game or system, often with a name such as 'credits', 'gold', or 'points'
Premium currency	proprietary currency used to purchase higher-value game resources, which is usually purchasable for real money (or the products purchased with it are purchasable for 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, premium 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. The Scope of the CAP Code includes in-game advertisements, as well as e-commerce. As such, although ingame inducements to purchase and the mechanics for procuring items are part of an app or game, where they relate to transactional decisions involving real-world money they are also marketing communications under the Code.

Marketers should note that, where premium currency is primarily or only available through purchase using real-world money, offers to purchase game resources using this currency is likely to be considered advertising because that currency is tantamount to money.

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).

#### 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 premium currency is considered to be a price statement in the same way as an ordinary price claim. However, this statement alone is unlikely to fulfill the 'material information' aspect of the Codes' requirements.

#### Premium currency purchases

Where consumers can buy 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 premium currency

Where in-game purchases must be paid for with premium currency, rather than 'real' money, it must be clear to consumers what the equivalent real-world price is for the item. For this reason, approaches that completely separate the purchase of currency from the purchase of items are unlikely to be acceptable because they require consumers to cross-reference between two different areas or, in the case of advertising external to the storefront, formats of information.

Suggestions for how this may be achieved include:

- Stating the real-world equivalent price next to the premium currency price
- Including a suitably prominent<sup>1</sup> 'exchange rate' or example list of prices on the storefront and product pages so consumers can easily calculate the price
- Presenting the real-world price of an item and allowing customers to exchange for the exact amount of credits as part of the item purchase

CAP and BCAP note that where premium currency is sold in bundles of different priceper-unit values (especially where a customer has some currency in their account already) it may not be possible to provide an exact equivalent real-world price. In such cases, and depending on the individual situation and context, one or more of the following may be appropriate:

- A prominent list of currency bundles, along with their per-unit-price, for easy cross-referencing
- A price based on a reasonably recent average price-per-unit value of customer currency purchasing
- A price based on the price-per-unit value of the currency bundle purchased by the majority of consumers (i.e. the median unit price)
- Where prices for items match currency bundles (e.g. bundles and items are all in 10 credit increments) then it may be appropriate to state a price matching the corresponding currency bundle

<sup>&</sup>lt;sup>1</sup> What constitutes suitably prominent is dependent on the format of the ad or storefront, but as a rule of thumb it should be easily discoverable and, in the case of websites or similar, should not require scrolling to locate

In any instance where the real-world price given is indicative or approximate, this should be made clear to consumers, and information about how this price was calculated should be easily available.

#### Odd-pricing

Odd-pricing occurs when the increments of currency bundles do not match the increments of the currency price for items. In some instances this can make it difficult for consumers to work out what they will need to spend on currency in order to purchase a specific item. This may particularly be the case where the credit cost of an item is lower than the number of credits in the smallest currency bundle.

In advertisements external to the storefront, advertisers whose products are affected by odd-pricing should either include the costs of their currency bundles or (for instance where a single product is featured) include a footnote or similar containing the price of the smallest currency bundle that would cover the cost of the item.

In storefronts and product pages, where customers may be purchasing a number of different items together, it is likely to be enough to display prominently the costs of different currency bundles.

#### Savings claims on bundled items

Where a variety of items are 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 of currency if they do not ordinarily use this as the basis for indicative pricing. Instead, they should use the same approach as other items and make clear the basis of their method.

#### Presentation of in-game purchases

CAP and BCAP consider that the nature of in-game purchasing has the potential to cause harm to some vulnerable individuals. This is because some in-game purchasing happens within immersive gameplay (e.g. offering the real-money purchase of extra lives) or because it has some gambling-like characteristics (e.g. random-item purchasing). This may be of particular concern where messaging is within gameplay and time-pressured, which is a context unique to this form of advertising. The below guidance is intended to limit this potential for harm by ensuring that the marketing of in-game purchasing does not unduly pressure players into a purchase. It should be considered in conjunction with the above section relating to price information.

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#### Immersive marketing messages

For ads within the gameplay itself, 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 excessively short countdown timers, particularly where significant sums of money are involved. What constitutes 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 (and other gambling-like activity)

Because random-item purchasing can contain an element of chance and immediate response, for some vulnerable consumers it may fulfill similar functions to gambling activities or be otherwise associated with problem gambling behaviours. Marketers should therefore bear this in mind when developing messaging for these items. The following treatments are unlikely to be acceptable under the Codes' social responsibility requirements:

- Explicit or implicit links to real-world gambling
- Encouragements to 'try one more time' or suggestions that the next purchase could result in a rare item
- Where the outcome is based on chance rather than skill, suggestions that the player almost obtained a rare/wanted item

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

#### Presence of in-game purchasing

For some consumers, particularly those with gambling-related vulnerabilities, the presence of in-game 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 easily accessible by consumers and straightforward to find. Mention of random-item purchasing should be immediately next to (or part of) information about in-game purchasing more generally.

In 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 in-play 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 qualification

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