



ASSOCIATION OF
SOUTHERN AFRICAN TRAVEL AGENTS

ASATA ADVERTISING GUIDELINES FREQUENTLY ASKED QUESTIONS

ASATA: Association of South African Travel Agents
ASA: Advertising Standards Authority of South Africa

SECTION A: INFORMATION

1. To whom do the ASATA Advertising Guidelines apply?

The ASATA Advertising Guidelines has been adopted as an Appendix to the ASATA Code of Conduct, and it is therefore binding on all Members as a condition of Membership of ASATA.

2. Why is this a Guideline and not a set of rules or compulsory regulations?

ASATA cannot impose a set of rules about advertising on the industry, but can provide guidelines to ASATA Members and non-members to assist the industry in determining what constitutes a fair advertisement and what constitutes an advertisement that is likely to be deemed substantially misleading by the consumer and by the ASA, who have given input to the ASATA guidelines. The difference with ASATA Members is that they have elected to add this to the ASATA Code of Conduct. The ASATA Code of Conduct already requires that Members act with integrity in their dealings with other Members and with the consumer, and this is an extension of that code.

3. Does this change or replace the Advertising Standards Authority's own Code?

These guidelines in no way change or replace the ASA's own Code, which is used by the ASA in making determinations regarding misleading advertising. This is a general code, and is applicable to all industries and advertisers, and therefore applies to ASATA Members and non-ASATA members alike. Advertisers should ensure that they are familiar with the code which prescribes the way advertising and certain marketing activities should be conducted.

4. What types of advertising is covered by the ASATA Guidelines?

Including, but not limited to all media print advertising, electronic advertising, newsletters, web advertising, billboards, pamphlets, window displays, email offers, handwritten offers, radio, TV, etc.

The ASATA guidelines are applicable to all airfare advertising – whether an airfare on its own, or an air-inclusive product such as a tour or cruise package including airfare.

5. When must the Guidelines be adhered to?

While anyone can lay a complaint with the ASA at any time, ASATA will require Members to adhere to the guidelines as incorporated into the Code of Conduct from **01 August 2006**. Some complaints regarding travel advertising by consumers have already been upheld with the ASA.

6. Why should ASATA tell travel companies how to advertise?

ASATA is the only internationally recognised travel agent's Association in South Africa, and while Membership is optional, it includes all major travel groupings, consortiums and franchises that currently trade as Travel Agents in South Africa, as well as many of the major Wholesalers. This membership is reflective of the majority of companies who do in fact advertise their products to the consumer.

ASATA was tasked by its Membership with addressing the growing gap between the price consumers saw advertised and the price they ultimately paid for the product. As a non-commercial Association, ASATA was in a unique position to devise a set of guidelines, obtain input from various travel agency groupings and tour operators, airlines and airline associations, as well as the ASA, to present a set of guidelines to the industry.

The objective is not to prescribe how a company advertises, but to create a set of guidelines specific to travel advertising, that will assist companies to ensure that their advertisements are not deemed misleading in the representation of price to the consumer. Both the ASA and ASATA have received calls and complaints regarding non-inclusive, misleading advertising, leading to the perception that the industry lacks integrity towards consumers. ASATA seeks to ensure that at all times; its Members both act, and are seen to act, with complete integrity towards their customers.

7. Why is this necessary now? Agents and airlines have been advertising for years without the need for Guidelines.

In recent years, there has been an ever increasing gap between the price the consumer sees advertised to the price ultimately paid for the fare or package. While in previous decades, an airfare was just that – with the addition of perhaps one or two small taxes, these days the airfare as advertised may represent less than 50% of the total price to be paid – a situation that has led to misleading advertisements and the erosion of the integrity of the industry in the consumer's eyes. Additional taxes, regulatory charges, fuel surcharges raised by the airlines, travel agents fees etc have in recent years become an integral and significant part of the total product purchased, yet have consistently been absent from advertisements, which often just include the clause, in small print, that these items are excluded.

SECTION B: THE ADVERTISEMENT

1. What must be included in the advertised price?

All necessary or incidental costs without which the product cannot or may not be purchased must be included in the advertised price. This includes, but is not limited to the airfare, VAT, fuel levy, airport taxes, aviation and security taxes, government imposed taxes (South African and foreign), and Travel Agent service fees. In the case of packages that include cruises, port taxes and forced gratuities must be included as well.

2. Why must the Travel Agent's fee be included? Won't that give the airline an advantage when they advertise?

Travel agents who charge a fee on the advertised product must include the travel agent's fee, unless the fee is optional. If the customer cannot buy the package or airfare from the travel agent without paying the fee, it must be included when the advertiser is a travel agent. When buying from a travel agent, the customer is not just buying a ticket, and the fee is reflective of the value the travel agent adds to the booking.

It is important that on acceptance of an advertised, quoted or estimated price that the travel agent should always advise the consumer how the price is made up – i.e. what the value of the ticket is and what the travel agent's fee portion will be. The travel agent's pricing should always be as transparent as possible. It is not necessary to breakdown a package price, however it is always best to be as transparent as possible particularly in terms of advising service fees.

3. How can I depict the price if I want to break it down in the advertisement?

Advertisers can choose how they wish to advertise:

Option 1

Fully inclusive price – inclusive of all elements.
e.g. Johannesburg/London return R5 960
inclusive of flights, all taxes, charges and fees

Option 2

Basic cost only (with VAT), plus itemised list of additional charges

e.g. Johannesburg/London return R4 200
+ R120 South African Tax
+ R800 fuel levy
+ R650 Agent fee
+ R190 foreign tax
Total R5 960

These additional charges and Total may not be in a font size less than 50% of the Basic Cost of R4 200 (Refer to the Advertising Standards Code, Section 2 19.2: Inclusiveness)

Option 3

Basic cost only (with VAT) plus an additional amount which includes all charges

e.g. Johannesburg/London return
R4 200 plus R1 760 in taxes/fees/charges Total R5 960
These additional charges and Total may not be in a font size less than 50% of the Basic Cost of R4 200
(Refer to the Advertising Standards Code, Section 2 19.2: Inclusiveness)

Or

e.g. Johannesburg/London Return R5960
Flight R4 200 Taxes/fees/Charges R1 760

- In ALL cases the total must be shown.
- In all cases, it is highly recommended that the advertiser add a notice that these fares and charges are subject to change and currency fluctuation.

4. What happens if the price changes, due to a change in tax, fare or currency fluctuation?

This is not a new issue, and advertisers should continue to ensure they indicate that prices are subject to change and currency fluctuation in their advertisements. There is no deemed minimum percentage deviation (the originally proposed 5% deviation is not part of the final guidelines). However, if the price the consumer pays is different to the advertised price, they are entitled to a breakdown or justifications of the difference – e.g. fare change, change in fuel levy, change in exchange rate etc.

5. How do I advertise sales, such as a 50% discount?

Sale advertising with price comparisons will be restricted to a maximum of one period of 3 weeks per calendar quarter, and with a minimum of two months between any two sale campaigns. An advertiser may be required to keep documentary evidence of all the claimed price reductions (Refer the Advertising Standards Code, Section 2 5.4: Sale Advertising)

Where an advertiser indicates a percentage discount, they should ensure that the benchmark fare was offered for sale in reasonable quantities for a reasonable period immediately prior to the percentage sale, and that the two fares are similar with similar restrictions.

e.g. If fares are advertised as 50% off, the advertisement would need to indicate that this was 50% off full economy class airfares, and that restrictions apply (if the 50% off fare is subject to restrictions such as cancellation fees that did not apply to the full economy fare).

6. How do advertisers advertise a 2 for 1 special, or 'Buy one get one free'?

An advertiser cannot offer a ticket as 'free' if there are any costs attached, e.g. taxes, travel agent service fees, other than the actual costs of any delivery or postage. (Refer the Advertising Standards Code Section 2, 4.4: Use of the word 'free').

You can advertise what the consumer will get and what they will have to pay for without the word 'free'

e.g. Book 2 Business Class tickets to New York, and pay only for the taxes and charges on the second ticket.

If you wanted to advertise the cost you could add:

Airfare R35 000, Taxes and Charges approximately R1 550 for each of two tickets. Total Cost approximately R38 100

7. What about all the other costs that a consumer must pay such as visas and insurance?

These do not need to be included in the advertisement, as the consumer does not need to purchase these services from the advertiser in order to obtain the air ticket or product. They may purchase these elsewhere if they choose, or not purchase them at all (e.g. if the consumer has a passport and existing visa for the country they intend to visit).

It is your own business decision whether you offer these additional products and services or not, and dependent on the circumstances of the consumer whether they will require, or would like, these additional products.

8. Can I advertise a 'loss leader' with limited availability of seats?

While it is recognised that supply of airlines seats during a specific period may change very quickly, and is not always under the control of the advertiser, advertisers should ensure that they comply with the ASA

Code in this regard. (Section 4, 4: Non-availability of advertised products). Advertisers should not submit an advertisement for publication unless the advertiser has reasonable grounds to believe it can supply the demand created by the advertisement. Advertisers should also refer to Section 2: 4.5: 'Up to' and 'From' claims.

Advertisers may indicate limited availability by stating that only, for example, 100 seats are available.

9. Do the same Advertising Guidelines apply to a Tour Operator and to a Travel Agent?

Yes. The average consumer will not know the difference between a Tour Operator and a Travel Agent. Many travel agents compile, cost and advertise their own inclusive tours. The advertiser needs to ensure that all components are included in the advertised price, including the Travel Agent Service fee, if applicable, and if it is an agent that is advertising.

Tour Operators need to include all applicable costs that the consumer would pay if the consumer purchased the package from the tour operator – i.e. from the Advertiser.

Any advertiser who advertises tours should ensure that they comply with the ASA code, Section 3: 16 Inclusive Tours.

SECTION C: ENFORCEMENT AND COMPLAINTS

1. How will ASATA ensure that all Members apply these Guidelines?

ASATA will not be policing individual advertisements by all its Members; it does however require that ASATA Members adhere to the Code of Conduct, which includes these Guidelines effective **01 August 2006**.

2. What will happen if an ASATA Member does not advertise as per the Guidelines?

If this is brought to our attention by another Member, or a consumer, the Member will be contacted by ASATA and officially requested to amend their consumer advertising in order to become compliant with these Guidelines. Any concerned/involved person/party may bring this to the attention of ASATA by submitting this in writing either to the ASATA address, or by email to general@asata.co.za.

Members who fail to conform to the ASATA Advertising Guidelines may be reported to the ASA by other Members or consumers.

Members who persistently fail to conform to these Guidelines may also be reported to the Chief Executive Officer of ASATA who will engage with the Member to resolve the matter. If the matter is not resolved within 15 working days, the Members Council or the Wholesale Standing Committee (as applicable), will be notified and a Disciplinary Committee appointed. A Disciplinary meeting will be scheduled and conducted as per the ASATA Constitution.

The outcome may result in a Member suspension, expulsion, fine or reprimand, as per the ASATA Constitution.

3. How do I lodge a complaint with ASATA regarding a misleading advertisement?

You cannot actually lodge a complaint regarding a misleading advertisement with ASATA. You can bring to ASATA's attention (in writing) that an ASATA Member has breached the Code of Conduct, with specific reference to what (e.g. the Advertising Guidelines, and which specific Guideline). Note that ASATA will

address the breach of the Code of Conduct, and not the advertisement itself – it has no authority with the media or media owners to do this.

You can advise ASATA (in writing) that a non-ASATA member is advertising in a manner that is misleading. ASATA MAY at its sole discretion raise a complaint with the ASA in the manner prescribed. Any further investigation and rulings will be at the sole discretion of the ASA.

You may raise a complaint with the ASA as per their published procedure. Consumer complaints may be lodged free of charge, while competitor complaints require a non-refundable filing fee. The procedure for filing complaints can be found on the ASA website www.asasa.org.za

4. Who is going to police all the advertisements and determine if they comply?

It is not the mandate of either ASATA or the ASA to police advertisements, and neither body will be doing this.

ASATA will respond to complaints (in writing as per the ASATA Constitution) regarding any breach by a Member of the Code of Conduct. While this may centre on disregarding the Guidelines, it will not address the advertisement as such.

The ASA will respond to complaints (in writing as per the ASA procedures) regarding misleading advertising.

5. What happens if a consumer lays a complaint against one of our advertisements with ASATA?

ASATA will not be dealing with complaints concerning misleading advertising, but will refer any complainant to the ASA. Consumers can complain that a Member has breached the Code of Conduct but this will not address the actual advertisement directly.