



ASSOCIATION OF  
SOUTHERN AFRICAN TRAVEL AGENTS

## **Guidelines for Advertising of Prices of Airfares and Air-inclusive Products**

### **Introduction**

Current airline advertising practices in the South African marketplace do not provide accurate and complete fare information on which consumers can base their travel purchasing decisions.

ASATA has met with the Advertising Standards Authority and agreed to provide guidelines, to be agreed by industry, on how airfares and air-inclusive products should be advertised.

In many countries, advertising of airfares and air products is regulated (as in the United States, by the Department of Transport) as well as in Australia. In South Africa, the travel industry seeks to be self-governing in devising these guidelines of fair practice. Members of ASATA will agree to be bound by these guidelines as a condition of membership as well as the general principles of the Advertising Standards Authority.

### **The Issue**

Consumers are not generally aware of the level of surcharges imposed above the advertised price of airline travel services. These amounts can include airport fees, various local and foreign taxes, fuel surcharges, security charges, travel agent's fees, ticketing fees etc. Once all the supplementary charges are added to the advertised price, it can amount to an airfare or a package that is significantly higher than the advertised price. (70% or higher in some cases) Consumers are increasingly demanding that price information they receive in advertisements reflect the total price of the air service they are purchasing. A notice of separately stated fees and restrictions is not adequate to inform consumers of the existence and nature of such material factors affecting the advertised fare.

### **Scope of this document**

This document is intended to provide guidelines on advertising of airfares and air-inclusive products by means of any medium, including but not limited to:

- Media print advertising (newspaper, magazines, journals, newsletters)
- Electronic advertising (advertising on own websites, by means of email offers and newsletters, and banner advertising on other sites)
- Billboard advertising (both outdoor and storefront)
- Window displays, handwritten offers
- Radio and Television advertising
- Travel brochures, leaflets and flyers

This document is intended to provide guidelines in respect of the following travel products:

- Domestic airfares (i.e. within South Africa)
- Domestic air packages (i.e. airfare plus other component(s))
- International airfares (beyond the borders of South Africa)
- International packages (i.e. airfare plus other component(s))

### **Representation of Price**

All advertising shall state the fully inclusive price of the package, or the total cost of the ticket – i.e. the price at which the consumer may purchase the product from that advertiser.

Advertised Price must include *inter alia*:

- Base cost of the air ticket
- VAT
- Fuel levies
- Airport taxes
- Aviation and Security taxes
- Government imposed taxes – South African and International
- Travel agent service fees
- Any other cost that the consumer is required to bear in order to purchase the product advertised.
- Any Port Taxes or forced gratuities in the case of cruise inclusive packages

Advertised Price may exclude:

- Add-on airfares to/from different points of origin or destination than advertised
- Cost of travel documents (e.g. passports, visas, health documents)
- Additional accommodation not included in the cost of the package (e.g. overnight accommodation en route)
- Taxes payable directly by the passenger on arrival or departure (see section on 3<sup>rd</sup> party payments)
- The price will be all-inclusive with a small deviation only as a provision for small fluctuations in exchange rates on foreign levied charges and taxes that are included in the advertised price that may occur in a reasonable period between the publication of the offer and the sale to the consumer.
  - This is not to be a substantially misleading amount compared to the overall cost of the package or airfare.
  - This is not to be used to undercut the actual cost of an airfare or package and then increase it on purchase by the consumer. In all cases, the airfare or package advertised must accurately reflect the full cost at the time of posting the advertisement.
  - In the case of international fares and packages, it is advisable that the advertiser places a notification to the effect that foreign taxes may be subject to exchange rate fluctuations.

**Breakdown of Costs in Advertisements**

Although a separate listing of charges and costs can confuse customers, it is also recognized that consumers may well benefit from knowing the service fees that travel agents are charging for air transportation. Although the advertisement must state the inclusive price, an advertiser may:

- List a breakdown of all taxes, charges, fees and levies – and indicate that these are included in the overall price
- List the base price of the airfare/package in addition to a breakdown of all taxes, charges, fees and levies.

Acceptable formats:

Inclusive Price

Base Cost plus itemized additional charges, fees etc, and total price

Base Cost plus Cost of all additional charges fees etc and total price

**Percentage Discounts**

Advertisements sometimes promote air fares in terms of a percentage savings (e.g. 'save up to 50%'). However, many such ads make it impossible to determine what the advertised fare is being compared to, and how the percentage savings are calculated.

Such advertisements will be misleading unless:

- The 'benchmark' fare (the fare to which the advertised fare is being compared) was offered for sale in reasonable quantities for a reasonable period immediately prior to the ad for the new fare
- The ad clearly identifies and describes the 'benchmark' fare or the 'benchmark' fare is a discount fare comparable to the advertised fare, with similar restrictions.

**Banner Ads – Percentage off**

Banner advertisements that appear on travel or non-travel sites (which subsequently lead the consumer to the travel site) often lead the consumer to a location where there is no indication of which fares are subject to the stated

percentage discounts. There is no way for the consumer to know which routes, airlines or packages on the destination site refer to the 'percentage off' banner.

Such banners will be misleading unless:

- The banner, if it offers a percentage discount, must lead the consumer, within a short sequence of links, to a screen that displays the routes, carriers and a description of the benchmark fares to which the discount applies.
- The banner, if it states a price must provide notice that lists all significant conditions apply, with a link to another pop-up or screen that describes these conditions, e.g. if a banner advertisement states a price that is an each-way price, that is only available with a round-trip, that fact must be stated in the banner advertisement itself.

#### **Surcharges for paper tickets, using a call centre etc**

Advertised airfares and packages must be the full amount payable by the customer. Any extra 'fees' not included that will be charged for purchasing over the telephone, call centre, at city or airport ticket counters etc is unfair and will be misleading unless:

- The offer prominently discloses to consumers that the specific fares advertised are available only for tickets purchased via the Internet (or other specific channel) from that same supplier. (i.e. an airline advertising does not need to advertise that the fare is only available from that airline, that any travel agent or other fees are excluded. However, that airline does need to stipulate if the consumer will pay if buying the offer from that airline at the airport, or over the telephone)

It will be informative and beneficial for consumers if airlines also state the amount of the increased price, for example by stating that tickets cost R25 more if purchased by telephone.

#### **'Free' Tickets**

Some advertising offers promote 'free' travel in conjunction with the purchase of one or more other tickets, but without adequate disclosure of the significant conditions that must be met to obtain the 'free' air travel. In addition, even after meeting these conditions, consumers must still pay taxes and fees, which may be significant. Such offers will be misleading and cannot use the word "FREE"

#### **Payments payable to 3<sup>rd</sup> parties**

In the case where certain charges are payable directly by the consumer to a 3<sup>rd</sup> party, e.g. a cash landing fee or hotel levy, these charges need not be included in the advertised price, but the existence of any such charge must be noted in the advertisement.

**--Ends--**