

Performance and Objectives

2011 – 2012 Annual Statement of the Advertising Standards Authority
and the Committee of Advertising Practice



Welcome

The Advertising Standards Authority (ASA) is the UK's independent regulator of advertising across all media. Our role is to ensure ads are legal, decent, honest and truthful by investigating and adjudicating on potential breaches of the Advertising Codes, and monitoring compliance.

The Committee of Advertising Practice (CAP) is the industry body that writes the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (The CAP Code) and the UK Code of Broadcast Advertising (The BCAP Code). CAP helps to enforce ASA decisions and provides advice and training to industry to ensure compliance with the rules remains high.

Here we summarise our collective performance in the first half of 2011 and set out our objectives for 2012.

Our mission

To ensure that advertising in all media is legal, decent, honest and truthful, to the benefit of consumers, business and society.

Our three year vision

We aim to achieve our mission by getting better at regulating ads in all media, and in particular by:

- Making a success of regulating online ads
- Being an effective part of the response to societal issues shown to be affected by advertising
- Placing more emphasis on prevention rather than cure
- Being more efficient and in tune with consumers, business and society

Our values

Our shared values are to be:

- Fair and respectful to all
- Accessible and helpful
- Intelligent and thorough, but also timely and proportionate
- Open and accountable, acting with integrity and never being afraid to admit when we're wrong
- An excellent team, inspiring excellence in each other

Our external stakeholders will also find us:

- Independent in administering the Advertising Codes
- Evidence-based, targeted and consistent
- Reflective of society, not a social engineer

Chairman's introduction



Rt Hon Lord Smith of Finsbury
ASA Chairman

In every Annual Statement for virtually every organisation, the Chairman comments that it has been a busy year. This time, however, the ASA has experienced 'busy' as it has never experienced it before. The reason, of course, has been the extension of our remit at the start of March 2011, to cover advertising and marketing claims made on companies' own websites. We had estimated that our workload would increase substantially, but when the online remit extension happened, the sheer deluge of complaints took us by surprise. The dramatic intensity of complaint numbers was sustained for quite a few months, but we have recently seen a gradual decline. Numbers are still well above what we had planned for, but are lower than the initial surge.

All of this has placed a huge burden on our staff, and I have to report that they have responded magnificently. They have found more efficient ways of working, they have worked longer hours, they have prioritised effectively, and they have proved both resourceful and resilient. I'm very grateful indeed for the way in which they have all responded.

What the demand stimulated by the online remit extension shows, of course, is the continuing value placed on our work by

consumers and companies alike. The independent robustness with which the ASA applies the Advertising Codes is the chief guarantee we all have of the trust that the public place in advertising and advertisers. Overwhelmingly, advertising in the UK is legal, decent, honest and truthful – and witty, intelligent and entertaining too. I like to think that the ASA plays its part in helping to sustain that record.

It's vital that this trust crosses over into the online environment as well, and that's why the remit extension has been so significant. Interestingly, the vast majority of complaints in the online sphere are about misleadingness, rather than taste and decency; and probably to a greater extent than in the traditional media, the issues arise from a lack of awareness by small and medium sized businesses of the Codes and what they oblige advertisers to consider. We are actively looking at ways in which we can help such companies to comply. Assistance before the event is always better than the penalty afterwards.

One of the other major issues at the forefront of our minds in the past six months has been the ever important need for our regulation to meet the expectations of the parents and guardians of children. In January, we visited Cardiff to talk to parents, carers and school pupils about their views on advertising and of the work we do. The feedback we received, particularly in schools, was fascinating and constructive. In the conversations I had, I was particularly impressed both by the intelligent approach of the teenagers, and their awareness of the issues. In many respects, parents and pupils thought we were getting it about right, but when it came to sexual imagery many believed we should be stricter.

We published our report on these discussions in June, and it chimed very closely with the views in Reg Bailey's independent report for Government, *Letting Children be Children*. We are now taking positive steps to listen to and act on parents' concerns, to take them into account when we come to adjudicate on particular ads, and we will report on progress in our Annual Report.

As we look ahead to the coming year, we are clear about our principal objectives. We want to make sure we stay on top of our day-to-day work of responding to complaints and upholding the Codes, including in the online arena. We want to keep the needs of children and parents high on our agenda. We want to encourage increasing use of CAP's training and advice services. We want to take a lead within Europe in developing effective ways to protect consumers in the new online behavioural advertising environment. We want to implement the efficiencies and streamlining that have emerged from our own Process Review. And we want to complete our transparency review with the aim of becoming even more open about our regulatory work. Also, I suspect that next year, too, I will say that it's been a remarkably busy time.

A handwritten signature in black ink, which appears to read 'Chris Smith'. The signature is fluid and cursive, written in a professional style.

Our performance

Advertising Standards Authority

Effective resolution of complaints

We received and assessed 15,622 complaints (up 7%) about 11,823 cases (up 81%) in the first six months of the year. The increase in cases was due to new online remit cases. Our complaints figure would have been higher, if we had not been experiencing a year that is so far untypically free of multi-complaint cases. The biggest cases included an ad by CSL featuring female models promoting sofas (260 complaints, Not Upheld) and Travel Palestine's ad, which prompted 148 complaints (Partly Upheld).

Despite the high level of work, we were successful in exceeding all but one of our Complaints and Investigations key performance indicators. We also measure our performance by listening to the views of complainants and advertisers through an independent customer survey. In the first half of 2011, 53% of complainants (56%, 2010) and 78% of advertisers (74%, 2010) were satisfied with their overall experience of the ASA; 70% of complainants were satisfied with the way their complaint was handled (76%, 2010).

Extending our remit online

The first half of the year has been dominated by the extension of the ASA's online remit. The new remit, launched on 1 March, means that we now regulate marketing communications on companies' own websites and other online spaces they control, such as social media.

Following the launch, we immediately received a high number of complaints, confirming the public demand for the new remit. Complaints figures were initially more than double what we had anticipated; between March

and September we received 5,531 complaints about 5,165 new-remit ads. We successfully responded to the additional workload by taking on more staff and finding more efficient ways of dealing with complaints, including taking a project approach to dealing with the very high number of complaints about websites for complementary and alternative healthcare therapies.

The nature of the work has been as we predicted: the vast majority relate to misleading advertising (87%), covering a wide range of sectors. Notably around 85% of the complaints relate to small and medium sized enterprises, compared to a usual figure of around 64%.

A new awareness campaign

We ran a national multi-media advertising campaign to raise awareness of our new remit. A trade-focused campaign ran in the first two months of the year to let practitioners know about the changes and advise them where to get help. This was followed by a consumer-focused campaign concentrated in April and May. This was our first advertising campaign in five years and was supported by the advertising industry, who donated their expertise and media space. We are very grateful to everyone who got involved and we particularly thank AMV BBDO and OMD, who respectively provided pro bono creative work and media planning support. We received valuable support from most media sectors, particularly in outdoor, radio and cinema, who, between them, donated space worth over £1 million.

Improving our core processes

The Process Review has continued to have a positive impact on our work by helping us become even more effective, efficient, cost-effective and in-tune with our stakeholders. We have continued

to speed up our processes, and this has assisted in identifying cost-savings. We published a final update in October, which focused on, amongst other things, our work speeding up formal investigations by reducing waiting times and our progress in establishing a 'common pool of experts' in the cosmetics sector with the aim of further increasing consistency between ourselves, Clearcast and the RACC.

Making sure children are protected

A key 2011 objective was to regulate effectively advertising to, or featuring, children. We particularly wanted to make sure our regulation met the expectations of parents and guardians. In January, we visited Cardiff to talk to parents, carers and children about their views on advertising and the work we do. We conducted several focus groups and held workshops in five schools. In many respects, parents and children thought that we were getting it about right, however when it came to sexual imagery on posters they felt that we did not always draw the line in the right place, with many believing we should be stricter. This view matched the results of Reg Bailey's independent report *Letting Children be Children*, published in June. We have welcomed the recommendations and we have already begun to respond to them.

Our performance

Committee of Advertising Practice

Extending our remit online

From 1 March, we've rolled out an unprecedented number of 'new remit' training events and at every opportunity we've responded to stakeholders' questions about how, and to what, the remit will apply. Through the advice of the General Media Panel, which places industry expertise at the heart of the self-regulatory system, we've sought to ensure the new remit is duly applied to marketing communications only and not to editorial content for example. We've produced quarterly reports which assess the operational well-being of the remit and which will contribute significantly to our general review of the new remit in March 2013.

We conducted a benchmark survey amongst 120 websites from a range of different advertising sectors. We identified six websites as having an obvious breach of the CAP Code, resulting in a 95% compliance rate. We will run the survey again in 2012 and contrast the results with this year's survey.

In the area of enforcement, we've managed to secure compliance with the new remit through constructive dialogue with advertisers. However, where persuasion and education fails to achieve an amendment to, or removal of, a problem advertisement we stand ready to deploy our new remit sanctions. In October we used our enhanced name and shame sanction for the first time.

The application of the 'country of origin' principle is not always straightforward and this is especially the case online. CAP has agreed guidance in this area and has brought it to the attention of EASA to help ensure, as far as possible, a common application of the principle as it affects the regulation of

website marketing communications across Europe.

Other notable CAP projects

With assistance from the Cosmetics, Toiletry and Perfumery Association, we published a Help Note on Production Techniques in Cosmetics Ads, which received significant media coverage. We have also consulted on broadband speed claims and 'unlimited' telecommunications claims, and have published Help Notes on these topics.

We undertook three further consultations in the areas of energy labelling, distance selling and advertising for post-conception advice services. We've listened to interested parties and participated in various forums to ensure we are best placed to respond to Reg Bailey's recommendations on the commercialisation and sexualisation of childhood.

We've trialled a new approach to monitoring publications for problem ads, which we anticipate will improve efficiency and free-up time for targeted compliance initiatives, especially in the area of the new remit.

CAP Services

To ensure it provides the best service to the most customers, Copy Advice has implemented three initiatives to help manage its resources. It has launched two fee-charging services, Copy Advice Website Audits and Express Copy Advice, and has launched a new online form for submitting copy requests.

The number of discrete occasions where CAP has provided training or advice to the industry is substantially up in the first half of 2011; 68,093 compared to 45,462 in the whole of 2010. There has been a big uplift in

the numbers of people subscribing to CAP Services, mostly on the back of our awareness-raising ad campaign. Newsletter readership has increased by 126% and event attendance by 30%.

To get the most out of our training and advice services, we urge all industry practitioners to sign up to [CAP Services](#).

Changing the guard

On 30 March, we bade farewell to the outgoing Chairman of CAP and BCAP, Andrew Brown, who had chaired CAP since 1999 and BCAP since 2004. Although he downplayed his career in advertising as "one of Napoleon's lucky generals", Andrew Brown left the office of Chairman with an impressive list of achievements.

We are extremely fortunate to welcome James Best as Andrew's successor. James has been the Chair of the Advertising Association, President of the European Association of Communications Agencies, a Council member of the IPA (running the Effectiveness Committee) and a Council member of the Advertising Standards Authority. James joins us at a busy time and has all the credentials to guide CAP through the challenges ahead.

Key performance indicators

January – June 2011

Key performance indicator

	2010 Performance January – June	2011 Performance January – June
Number of complaints received¹ Report of trend data on complaints received and resolved by quarter	14,596	15,622 (+7%)
Number of cases received² Report of trend data on the number of ads to which the total complaints relate	6,542	11,823 (+80.8%)
Number of complaints resolved¹ Report of trend data on complaints received and resolved by quarter	12,805	14,068 (+9.8%)
Number of cases resolved² Report of trend data on the number of ads to which the total complaints relate	6,484	11,092 (+71.1%)
Turnaround times for complaints We aim to resolve 80% of cases within the turnaround times stated (working days)		
Non-broadcast		
No investigation in 5 days	91.4%	87%
No investigation after preliminary work in 10 days	81.4%	78%
No investigation after Council decision in 25 days	91.0%	87%
Informal investigation in 35 days	91.5%	94%
Standard investigation in 85 days	96.5%	96%
Complex investigation in 140 days	89.5%	83%
Broadcast		
No investigation in 5 days	96.0%	91%
No investigation after preliminary work in 10 days	89.5%	87%
No investigation after Council decision in 25 days	93.5%	93%
Informal investigation in 35 days	99.0%	94%
Standard investigation in 85 days	100.0%	95%
Complex investigation in 140 days	97.5%	82%
Advice and training³ Total number of industry contacts and occasions when advice and guidance was provided by CAP and ASA	21,414	68,093
Websites		
Number of unique visitors to ASA website	335,224	374,199
Number of page views ASA website	1,467,316	1,712,007
Number of unique visitors to CAP website	47,806	87,563
Number of page views CAP website	484,822	640,483
Number of unique visitors to Copy Advice website	7,724	17,309
Number of page views Copy Advice website	81,148	158,236

¹ Refers to the number of individual complaints.

² Refers to the number of ads or campaigns complained about.

³ Refers to the number of discrete occasions where training or advice was provided to industry practitioners.

Includes Copy Advice enquiries, number of delegates at in-house and external training seminars, readership of e-newsletters, user views of webcasts, unique visits to online advice tools.

Our objectives for 2012

1

We will protect the vulnerable, particularly children, from inappropriate, offensive, harmful or misleading advertising, including by implementing advertising-related recommendations from *Letting Children be Children*.

2

We will make a success of our online remit extension by handling complaints efficiently, amending or withdrawing unacceptable ads on websites, social networks and video-on-demand services and reviewing and refining our approach, including to online behavioural advertising.

3

We will continue to implement recommendations from our Process Review, always looking to get better at our work and monitoring outcomes.

4

We will focus on ensuring our staff are fully equipped to do their jobs well, including by helping them keep pace with emerging advertising technologies, and improving our management.

5

We will place more emphasis on prevention rather than cure, making CAP Services' advice and training available to more people, more of the time.

6

We will complete our *Transparency Review*, implementing our *Publication Scheme* and *Records Management Policy*.

7

We will strive to ensure ads in all media are legal, decent, honest and truthful, helping to encourage better trust in advertising.

ASA Council



Key

Chairman

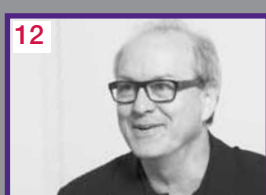
Non-broadcast Council only

Lay members

Non-broadcast and Broadcast Council

Broadcast Council only

Industry members



The ASA Council is the jury that decides whether advertisements have breached the Advertising Codes.

Led by ASA Chairman, Lord Smith of Finsbury, two-thirds of the 13-strong Council are independent of industry and the remaining members have a recent or current knowledge of the advertising or media sectors. Nearly all members judge both non-broadcast and broadcast advertisements, although there are two alternating industry members – one who looks at broadcast advertisements only and another who looks at non-broadcast ads only.

Collectively, the members offer a wide range of skills and experiences, representing the perspectives of a wide cross section of society, including young people, families, charities and consumer groups.

Visit our website to find out more about the [ASA Council](#).

ASA Council members

01 Rt Hon Lord Smith of Finsbury
Chairman

02 Anthony Earle Wilkes
Managing Director, Crystal Education and Training Consultants Ltd
General Teaching Council (Additional Panel Member)
Fellow & Council Member of the Institute for Learning
Chair of UKIED

03 Sir Andrew Motion
Professor of Creative Writing, Royal Holloway College, University of London

04 Louisa Bolch
Writer/Broadcaster & Head of Education and New Media, CTVC/Rank Foundation

05 David Harker CBE
Non-executive Director, Gas and Electricity Markets Authority; Member of the Financial Services Consumer Panel

06 Gareth Jones
Dean of Studies & Professorial Fellow in Philosophy and Literature, St John's College, University of Hong Kong

07 Ruth Sawtell
Non-executive Director, Hertfordshire Partnership NHS Foundation Trust; Non-executive Director, Metropolitan Housing Partnership; Lay-member, Nursing and Midwifery Council

08 Rachel Childs
Volunteer with the Whitchurch Family Network; Chairman of 0-5s playgroup; EdExcel examiner; Company Secretary, Plan B Project Solutions

09 Martin Narey
Government Advisor on Adoption
Director, Martin Narey Ltd
Consultant and Writer

10 John Mayhead CBE
Non-executive member, Aviation Board at Department for Transport; Former Marketing Director and Chairman of the Marketing Society

11 Elizabeth Fagan
Executive Marketing Director, Boots UK

12 Hamish Pringle FIPA
Strategic Advisor, 23red
Chairman, Even Better Production Consultancy LLP

13 Sally Cartwright OBE
Chairman, Audit Bureau of Circulation

14 Ray Gallagher
Communications & public affairs/public policy consultant; Specialist Adviser, House of Commons Culture, Media and Sport Select Committee

Independent Review



Sir Hayden Phillips GCB DL
Independent Reviewer

The cases that reach me as Independent Reviewer of ASA adjudications are, by definition, ones in which either a complainant or an advertiser feels very strongly that the Council's adjudication is unjust, wrong or unfair. If I conclude that the Council should be invited to reconsider its decision and it decides to reverse it, I invariably receive a letter of thanks. If I turn down a request, I occasionally receive a letter of criticism, sometimes strongly expressed. However, in the first half of 2011, for the first time in my experience, I received two letters expressing understanding of

the reasons why I had turned down their request and thanking me for the fairness of the process.

In the first half of 2011, I received 27 requests for review, well up on the first half of 2010. Of these 27 requests, 19 concerned non-broadcast adjudications and eight concerned broadcast adjudications. The cases covered a wide variety of advertising: for example, electronic and technological equipment, air travel services, alcoholic and non-alcoholic beverages, hearing aids, supermarket price offers, competition offers, health products and services, environmental issues, teleshopping and insurance and legal services.

In the non-broadcast category, seven requests were from complainants and 12 from advertisers. Of the requests for review of broadcast cases, four came from complainants (all members of the public) and four from advertisers. Three of the requests were ineligible (two broadcast and one non-broadcast).

Of the 24 cases I reviewed, I decided that four cases (three non-broadcast and one broadcast) had met the tests in the Advertising Codes – that the Council's adjudication or the process by which it was made is substantially flawed – to warrant my asking the Council to reconsider its verdicts. Of the three non-broadcast cases the adjudications were reversed in two of them, and the wording of the adjudication was changed in the third. The one broadcasting case which I referred back to the Council resulted in a decision to change the wording of the adjudication. In 15 of the remaining cases I decided that the requests had failed to satisfy the criteria for reference back to the Council and five cases were still in progress at the time of writing.

In exceptional circumstances, the ASA Council can be asked to reconsider its adjudications, including a Council decision not to investigate a complaint.

Requests for review should be sent within 21 calendar days of the date on the ASA's letter sending out notification of the adjudication or of the Council's 'no investigation' decision. The Independent Reviewer may waive the 21-day time limit if he judges it fair and reasonable to do so.

Advertisers, complainants or broadcasters contemplating a request for review should study the relevant terms of reference carefully, ensure that they are signed by the appropriate person and submitted in time and in writing to:

Independent Reviewer of ASA Adjudications
7th Floor North
Artillery House
11-19 Artillery Row
London
SW1P 1RT
e-mail indrev@asbof.co.uk

Requests should come only from the complainant, the advertiser or the broadcaster. Those from the advertiser, broadcaster or from a corporate complainant must be signed by the Chairman, Chief Executive or equivalent office holder; requests made only by their solicitor, agency or clearance centre will not be accepted. All dealings with the Independent Reviewer must be in writing.

Full terms of reference of the Independent Review procedure are set out in the broadcast and non-broadcast complaint handling procedures which can be found on the ASA website [here](#).

The Council's adjudication on reviewed cases is final. Adjudications that are revised following a review will be republished on our website.

The Independent Reviewer's report of his activities is included in our [Annual Report](#).

Our standards of service

Service standard	Our commitment	Measurement	Our performance January – June 2011 (January – June 2010)
Accessibility			
We aim to be accessible to members of the public and the advertising industry			
	We shall publish our contact details (website, address and telephone) on all our literature	Twice yearly Customer Satisfaction survey: 'Is accessible to the public'	81% (83%)
	We shall ensure that our switchboard is staffed during normal office hours (9.00am – 5.30pm)	Customer Satisfaction survey	See above
	We shall ensure that our website is available at all times	Customer Satisfaction survey	See above
	We shall accept complaints via the online complaint form on our website, by e-mail, SMS, letter, fax and telephone	Customer Satisfaction survey	See above
	We shall aim to ensure that members of the public are aware of our existence and role, and recognise our name and logo	Spontaneous name awareness and logo recognition measured by a regular Attitude and Awareness survey ⁴	Name: 19% in 2009 (17% in 2007) Logo: 19% in 2009 (15% in 2007)
Responsiveness			
We aim to resolve complaints without undue delay, but complaints that require investigation can take longer than the average			
	Our aim is to acknowledge complaints within five working days of receipt, reply to all other correspondence within ten working days and keep complainants advised of progress on a regular basis	Twice yearly Customer Satisfaction survey: 'Time taken to acknowledge complaint' and 'Keeping you informed throughout the complaint process'	Time taken: 77% (84%) Keeping informed: 62% (66%)
	We aim to turn around complaints, on average, within 12 working days, with at least 80% being within that target. If complaints warrant a full investigation, we aim to resolve them within 60 working days, whilst recognising that complaints by commercial competitors can be protracted	Average working days and performance against 80% target	Overall average: 12.5 days (12.6 days) Within target: 73% (77%) Investigation average: 32.85 days (42.9 days) Within target: 88% (78%)
	If a complaint is outside our remit, we will advise you within ten working days and provide information on who you should contact	Customer Satisfaction survey results for 'outside remit' complaints	42% (45%)
	We aim to respond to e-mail enquiries within 48 hours during the working week	80% replied to within 48 hours	67% ⁵

⁴ ASA biennial Attitudes and Awareness Survey 2009 and 2007; our next survey will take place in November 2011.

⁵ A new system to monitor enquiries response rates has been in place since February, this figure reflects activity from February to June 2011.

Service standard	Our commitment	Measurement	Our performance January – June 2011 (January – June 2010)
Effectiveness We aim to meet the needs of our customers, whether members of the public or industry			
	While recognising that we operate in circumstances where some 80% of complaints result in a 'not upheld' decision, we aim to achieve the highest possible scores in our Customer Satisfaction surveys	At least 50% overall satisfaction from complainants	53% (56%)
	We aim to achieve the highest possible satisfaction scores from the advertisers with whom we deal in resolving complaints	At least 60% overall satisfaction from advertisers	78% (74%)
Quality We aim to deliver a high quality and professional service			
	If a complainant or advertiser believes that the ASA's handling of a complaint is not complying with these standards, they can write to the Chief Executive outlining their concerns and he will respond within ten working days	80% of sample replied to within ten working days	75% (80%)
	If a complainant or advertiser believes that there is a substantial flaw in a Council adjudication, they may be able to secure an independent review by the Independent Reviewer of ASA Adjudications	Publish reports from the Independent Reviewer in the Annual Report and Annual Statement	See 2010 Annual Report and page 9 of this Annual Statement
Transparency We aim to be open about our procedures and our decision making, and accountable for our performance			
	We shall publish our adjudications each week on our website www.asa.org.uk	Publication every Wednesday	Met
	Our website will provide the fullest information on who we are, how we operate, the Advertising Codes, our Compliance Surveys and research	Customer Satisfaction survey: 'Usefulness of information on website'	72% (72%)
	We shall publish our performance statistics on the website on a quarterly basis	Publication in April, July, October and January	Met
	We shall publish an Annual Report in April/May each year reviewing our activities throughout the previous calendar year	Publication in April/May	Met
	We shall publish an Annual Statement in October each year updating our performance reporting (January-June) and setting out our objectives for the coming year	Publication in October	Met

Advertising Standards Authority

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Committee of Advertising Practice

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