

AD COMPLAINTS REPORT

2017 Year in Review



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Ad Standards™

Ad Standards is Canada's national, independent, not-for-profit advertising self-regulatory body. We are committed to fostering community confidence in advertising and to ensuring the integrity and viability of advertising through responsible industry self-regulation. Ad Standards administers the *Canadian Code of Advertising Standards*, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumers' complaints about advertising. Ad Standards Clearance Services reviews creative and offers consultative services in five categories, to help ensure advertising complies with relevant regulations.

An Effective Consumer Response Mechanism is Essential to Maintaining Public Confidence in Advertising.

At Ad Standards, we recognize that an effective consumer response mechanism is essential to maintaining public confidence in advertising. Through our *Consumer Complaint Procedure*, we accept and respond to consumers' complaints about advertising appearing in Canadian media.

Reporting on complaints upheld by Ad Standards' independent Standards Councils is an important part of the process. The Complaint Case Summaries provide invaluable learning for both the advertising industry and the public regarding how Councils interpret and apply the *Canadian Code of Advertising Standards*.

This 2017 Ad Complaints Report provides an account of the number of consumer complaints received and investigated over the past year, information about the types of complaints upheld, and insights regarding consumer concerns in 2017.

For more information about complaints upheld by Councils from January 1, 2017 to December 31, 2017, see the Case Summaries published on our web site at:

adstandards.ca/complaints2017

A Guide to Resources Online

To learn more about the *Canadian Code of Advertising Standards, Interpretation Guidelines* and the *Consumer Complaint Procedure*, visit:

adstandards.ca

Online resources include:

- *Canadian Code of Advertising Standards*
- *Interpretation Guidelines*
- Advisories
- Ad Complaints Reporting (including Complaint Case Summaries)
- Consumer Complaint Submission Form



1,808

complaints received about
1,322 advertisements



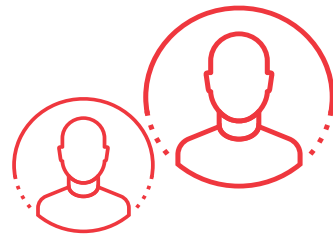
1,172

complaints met the *Code's*
acceptance criteria



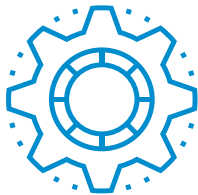
224

complaints involving
164 advertisements
administratively resolved



218

complaints referred to Councils
about 72 advertisements



173

complaints upheld by Councils
about 46 advertisements

Overview

In 2017, consumers submitted 1,808 complaints to Ad Standards. Of these, 1,172 complaints met the criteria for acceptance under the *Canadian Code of Advertising Standards (Code)*. The remaining 636 complaints could not be pursued because they did not fall within the *Code* acceptance criteria. These included: complaints in which no specific advertisement was identified; complaints about advertisements that were no longer current; complaints about foreign advertising or political or election advertising; and complaints about advertisements that did not meet the *Code* definition of advertising.

The vast majority of complaints submitted to Ad Standards do not raise issues under the *Code* and are not further investigated. Nonetheless, Ad Standards' staff responds to each complainant explaining why no issue was found. In 2017, 575 complaints were further investigated. Of those, 442 were found to have merit and were either forwarded to Councils for adjudication or administratively resolved by staff.

The independent Councils adjudicated 218 complaints about 72 advertisements. Of these, 173 complaints were upheld about 46 advertisements. Case Summaries of these upheld complaints can be found at:

adstandards.ca/complaints2017

COMPLAINTS SUMMARY	2017 COMPLAINTS	ADS/CASES
Received	1808	1322
Met <i>Code</i> acceptance criteria	1172	832
Administratively resolved by staff	224	164
Raised potential <i>Code</i> issues & forwarded to Councils	218	72
Upheld by Councils	173	46

Administratively Resolved Complaints

Ad Standards uses a streamlined procedure to handle simple, non-complicated complaints, such as price errors and other inaccuracies in retail advertising. Complaints that raise issues under Clause 1 (Accuracy and Clarity) and/or Clause 3 (Price Claims) are classified Administratively Resolved by staff if the advertiser promptly withdraws the advertisement and takes corrective action after being notified of the complaint. Complaints handled in this manner are not forwarded to Councils for adjudication.

In 2017, 224 complaints about 164 advertisements were Administratively Resolved by staff.

Complaints by *Code* Clause

The *Code* sets the standards for acceptable advertising and provides the basis for the review and adjudication of consumer complaints about advertising. Of the 1,172 complaints that met the *Code* acceptance criteria, most involved concerns relating to:

- Accuracy and Clarity (Clause 1) and Price Claims (Clause 3)
- Safety (Clause 10)
- Unacceptable Depictions and Portrayals (Clause 14)

Clause 1 (Accuracy and Clarity) and Clause 3 (Price Claims)

In 2017, Ad Standards reviewed 767 complaints (concerning 560 advertisements) alleging misleading or inaccurate advertising (Clauses 1 and/or 3).

Ultimately, Councils upheld 156 complaints about 37 advertisements.

These involved advertisements that omitted relevant information, did not clearly state all pertinent details of an offer, and contained unsubstantiated claims.

Clause 10 (Safety)

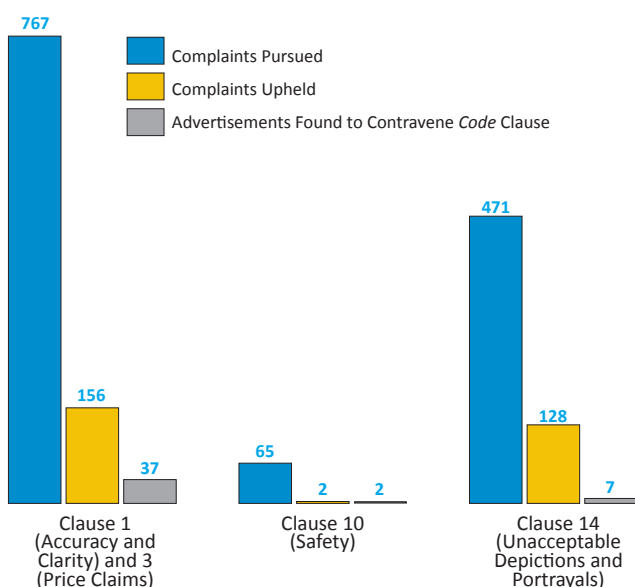
A total of 65 complaints about 43 advertisements involved safety concerns, and two were upheld by Councils about two advertisements.

Clause 14 (Unacceptable Depictions and Portrayals)

Most complaints evaluated under Clause 14 involve subjective matters of personal taste or preference and do not ultimately raise issues under the *Code*.

471 complaints about 256 advertisements were reviewed under Clause 14. Of these, Councils adjudicated and upheld 128 complaints about seven advertisements. The balance did not meet the threshold to raise issues under this clause.

Complaints by Key Code Clauses



Other Code Clauses

Clause 2 (Disguised Advertising Techniques)

56 complaints about 51 advertisements were reviewed under this clause, and six were upheld by Councils about five advertisements.

Clause 4 (Bait and Switch)

24 complaints were reviewed about 24 advertisements, and two were upheld by Councils about two advertisements.

Clause 5 (Guarantees)

5 complaints were reviewed about 5 advertisements, and one was upheld by Council about one advertisement.

Clause 6 (Comparative Advertising)

Four complaints were reviewed about three advertisements, and one was upheld by Council about one advertisement.

Clause 7 (Testimonials)

39 complaints were reviewed about 38 advertisements and three complaints were upheld about two advertisements.

Clause 8 (Professional and Scientific Claims)

23 complaints were reviewed about 21 advertisements, and one was upheld by Council about one advertisement.

Clause 9 (Imitation)

Two complaints were reviewed about one advertisement and none were upheld by Councils.

Clause 11 (Superstitions and Fears)

Two complaints were reviewed about one advertisement and were not upheld.

Clause 12 (Advertising to Children)

No complaints were reviewed under Clause 12.

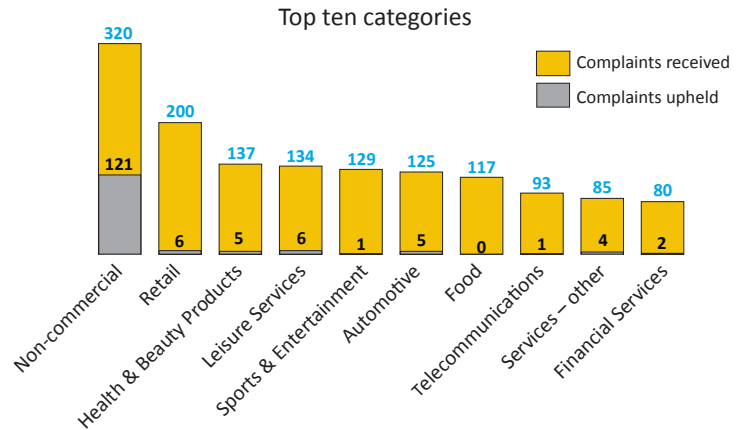
Clause 13 (Advertising to Minors)

One complaint was reviewed and upheld about one advertisement.

Complaints by Category of Advertising

For the first time ever, Ad Standards received the highest number of complaints about advertising by non-commercial entities, with 320 complaints. This can be attributed to the 100 plus complaints submitted by consumers about images they found unacceptably graphic and disturbing used in advertising by an advocacy organization. The category that traditionally generates the highest number of complaints, retail advertising, followed with 200 complaints. Third, with 137 complaints, was advertising for health and beauty products.

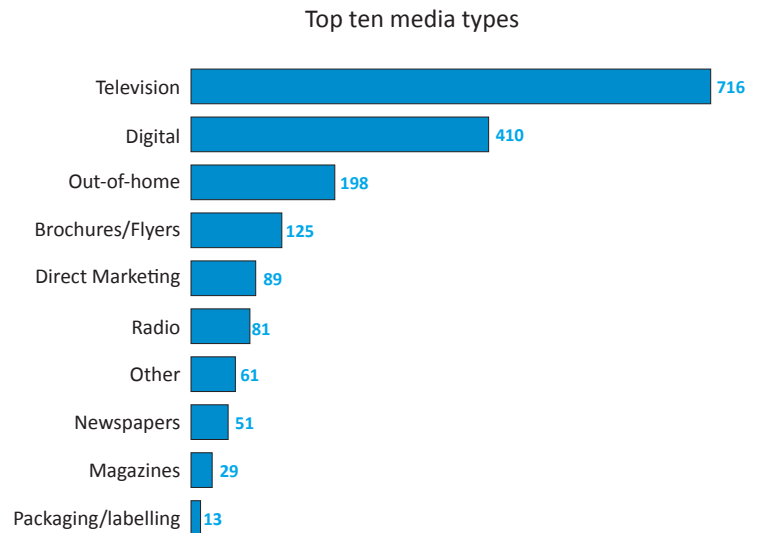
Complaints by Category



Complaints by Media

As always, advertising on television, with 716 complaints, garnered the highest number of complaints of any medium. Digital advertising generated the second highest number of complaints (410). Complaints regarding advertising in this category primarily related to advertising on advertiser-owned websites. Advertising on billboard, transit and other out-of-home media followed with 198 complaints.

Complaints by Media Type



Consumer Concerns

As revealed in Ad Standards’ 2017 consumer research (see page 7), comfort levels with truth and accuracy continue to be higher for advertisements in traditional versus digital media. This can also be seen in consumers’ complaints to Ad Standards. Of the 42 advertisements found by Councils to contravene the misleading and disguised advertising clauses of the Code, 21 involved advertising appearing

in digital media – primarily in advertisers’ own websites. Several of these involved advertising practices considered unacceptable by consumers in Ad Standards’ research, i.e., **native advertising**, **astroturfing**, and not disclosing material connections in online posts by influencers (**influencer marketing**).

Case Summaries

Native Advertising Example

Clause 1: Accuracy and Clarity Clause 2: Disguised Advertising Techniques

Advertiser: Insauga
Industry: Other
Region: Ontario
Media: Digital – Marketer – Owned Websites

Complaint(s): 1

Description: An article in a local online publication described the features of a large retail outlet in Mississauga. Immediately below the headline were the words “Sponsored Post.”

Complaint: The complainant alleged that the “article” was, in fact, undisclosed advertising.

Decision: To Council, the “article” gave the impression of being a self-congratulatory press release. Although the words “Sponsored Post” appeared at the beginning of the article, the actual identity of the sponsor of the “article” or “post” was not clearly identified, as required under Clause 1(f) of the *Code*. Council also concluded that the advertisement was presented in a format and style that concealed the fact that it was an advertisement.

Infraction: Clauses 1(f) and 2.

Astrourfing Example

Clause 7: Testimonials

Advertiser: Clearview Antenna
Industry: Telecommunications – Other
Region: Quebec
Media: Digital – Display ads

Complaint(s): 1

Description: Advertisements on the advertiser’s website and on its Facebook page featured testimonials by Clearview Antenna customers from Montreal, Toronto, and Vancouver. The testimonials included the customers’ names, photographs and positive quotes about their experience as Clearview clients.

Complaint: The complainant alleged the testimonials were false because the company’s American website featured exactly the same testimonials from the same individuals, but identified them as living in Indianapolis, Palo Alto, and Chicago.

Decision: Council concluded that the testimonials were not genuine and were not based on real customer experience with the product.

Infraction: Clause 7.

Influencer Marketing Example

Clause 2: Disguised Advertising Techniques Clause 7: Testimonials

Advertiser: Travel Organization
Industry: Leisure services – Travel services
Region: National
Media: Digital – Display ads

Complaint(s): 1

Description: In a Twitter posting, a UK blogger promoted Ottawa as an attractive travel destination.

Complaint: The complainant alleged the post was not identified as sponsored content.

Decision: The advertiser had contracted with the blogger to write, for a UK audience, social media posts about the blogger’s trip to Canada. The post in question, although intended for UK residents, was accessible to Canadians as well, highlighting matters of interests to Canadians by including in the post “#Canada” and “#Ottawa”. Because the post did not clarify that it was sponsored, Council found that the post was disguised advertising. The advertiser is not identified in this case summary because the advertisement was permanently withdrawn before Council met to adjudicate the complaint.

Infraction: Clauses 2 and 7.

Ad Standards' 2017 Consumer Perspectives on Advertising

Ad Standards regularly undertakes research to probe consumer's perceptions of advertising. Our latest research, conducted by the Gandalf Group, focused on:

- perceptions of advertising and content by media, channel, and platform; and
- perceptions of online content and trends in digital marketing.

In July 2017, 1,526 Canadians were surveyed – a representative sample of the Canadian population. Below are key highlights and insights from the survey. Additional information can be found in slide format at: adstandards.ca/research

Trust in Advertising Reflects Content Quality

Consumers' trust levels in advertising reflected their assessment of the content produced by the platform/channel hosting that advertising. Higher levels of trust were found for ads and content in traditional media channels and the digital versions of traditional media channels. Lower trust levels were found for ads and content on social media channels or digital-only media channels.

Digital Advertising Practices

The study focused, in particular, on consumer perceptions regarding several online advertising practices that are currently hot button issues with consumers. These practices include native advertising (paid content that matches the look and feel of editorial content), astroturfing (fake reviews presented as real impartial opinions) and influencer marketing (products promoted on blogs, etc.)

Native Advertising

Most consumers said placing advertising that looks like news stories on news websites would make them much less trusting of both the company doing the advertising (58%) and the news website itself (50%).

Example: Insauga case

Astroturfing

The vast majority (90%) of consumers reported reduced trust in companies that engaged in false reviews.

Example: Clearview Antenna case



1,526 Canadians
were surveyed



Higher levels of trust for ads and content in traditional media



Lower trust levels for ads and content on social media or digital-only media channels

90%



of consumers reported that fake reviews reduced trust in the company

Influencer Marketing

Most consumers (76%) believed influencers are often, or always, compensated for promoting or reviewing a product. Respondents were much more likely (44% vs 8%) to find influencer marketing acceptable if they disclosed that they are compensated.

Example: Travel Organization case

Ad Standards' Public Service Announcements

In the summer of 2017, Advertising Standards Canada (now Ad Standards) unveiled a refreshed corporate identity and a multi-media Public Service Announcement (PSA) campaign, which highlighted our 60 years as Canada's national, independent, advertising self-regulatory body. Our campaign has been well-received and is generously supported by our many media partners across the country.

However, not everyone was pleased with the execution. Many consumers (54) objected to the fact that the PSA used an image of the Canadian "Maple Leaf" flag superimposed on a black and white television set, while the announcer mentioned 1963 – the year the *Canadian Code of Advertising Standards* was developed. The complainants noted that the Canadian Red Ensign was still Canada's flag in 1963.

Here is an example of the feedback we received.

"Further to your recent television commercial indicating that the Canadian Advertising Standards have existed in Canada since 1963, I thought that I would point out to you that your advertisement contains a video inaccuracy.

During the commercial, there is in the background, video of the Canadian Maple Leaf flag waving on an old-fashioned television set during which the announcer is talking about ad standards in Canada since 1963. The flag and the announcer's comments are simultaneous. I think that the ad makes the implication that we have had the Canadian Maple Leaf flag since 1963.

I would like to remind you that the Canadian Maple Leaf flag was not adopted in Canada until February 15, 1965...

I completely understand the spirit of your ad; however, I believe the Advertising Council [sic] should project absolute clarity and correctness; and, above all, hold and maintain the highest standard in television and radio advertising. I don't believe you have achieved this with this particular television ad..."

Our rationale for using the current "Maple Leaf" flag rather than the Canadian Red Ensign in our PSA was simple. Had we used the Canadian Red Ensign, a large portion of our younger audience may have confused it for a provincial flag, or even the British flag, which would undermine the idea that our organization works on behalf of all Canadians.

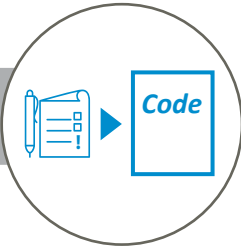
Of course, as a responsible advertiser, we listened to this feedback. We amended our PSA to replace the "Maple Leaf" flag with an image of the Parliament Buildings as they existed in 1963, and instructed our media partners to run the revised PSA.

Lesson learned!

The Consumer Complaint Procedure

Established by the Canadian advertising industry over 50 years ago, the *Consumer Complaint Procedure* provides Canadian consumers with a mechanism to submit written complaints about advertising currently running in Canadian media.

1



Complaint Receipt

Each written consumer complaint is reviewed by Ad Standards against the *Canadian Code of Advertising Standards*.

2



Preliminary Review

Ad Standards conducts a preliminary evaluation of the complaint. If the complaint does not raise an issue under the *Code*, we send a letter of explanation.

3



How Complaints are Handled

If the complaint raises an issue under the *Code*, the advertiser is requested to provide its comments on the complainant's concerns. If a *Code* issue remains, the complaint is forwarded to Council for adjudication.

4



Council Review and Decision

Complaints forwarded to Council are carefully reviewed under the *Code*. If Council determines that the advertisement contravenes one or more clauses of the *Code*, Council will uphold the complaint. The advertiser is asked to withdraw or amend the advertising.

5



Appealing a Council Decision

If the consumer or advertiser disagrees with Council's decision, the consumer or advertiser can request an appeal.

The Standards Councils

Ad Standards' independent, volunteer Standards Councils (Councils) play a vital role in ensuring objective and fair complaint adjudication. While Ad Standards administers the process by which consumers submit their written complaints about advertisements, those complaints that raise potential issues under the *Code* are reviewed and adjudicated by Councils. The Councils include senior industry and public representatives from across Canada, who are committed to helping ensure that Canadian advertising is truthful, fair and accurate.

The complete list of Standards Council representatives is available online.

To Submit a Consumer Complaint

If you have a concern about an ad you see or hear currently running in Canadian media, visit adstandards.ca to learn about how to submit a consumer complaint.



Complaints can be submitted to Ad Standards using the **Online Complaint Submission Form**

or



mail your written complaint to:
Ad Standards
175 Bloor St. East
South Tower, Suite 1801
Toronto, ON, M4W 3R8

Contact Information

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