

AD COMPLAINTS REPORT

2018 Year in Review

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Ad Standards™

Ad Standards is committed to fostering community confidence in Canadian advertising and to ensuring the integrity and viability of advertising through effective industry self-regulation. As an independent, not-for-profit body, we administer the *Canadian Code of Advertising Standards*, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumer complaints about ads. 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 2018 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 2018.

For more information about complaints upheld by Councils from January 1, 2018 to December 31, 2018, see the Case Summaries published on our web site at:

adstandards.ca/2018Complaints

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



1,205

ads generated consumer complaints



747

ads were accepted and reviewed



167

ads raised potential *Code* issue



Complaints about

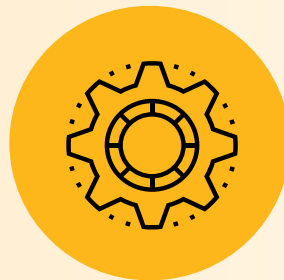
104

ads were administratively revolved



63

ads referred to Councils for adjudication



35

ads were found to contravene the *Code* by Councils

Overview

In 2018, consumers submitted 2,005 complaints to Ad Standards*. Of these, 1,252 complaints met the criteria for acceptance and review under the *Canadian Code of Advertising Standards (Code)*. The remaining 753 complaints could not be reviewed 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/election advertising; and complaints about advertisements that did not meet the *Code* definition of advertising.

Of the 1,252 complaints that met the *Code* acceptance criteria for review, the majority (771) did not in fact raise issues under the *Code* and were not further

investigated after the initial review. Nonetheless, Ad Standards' staff responded to each complainant explaining why no issue was found. The remaining 481 complaints were found to have merit and were either forwarded to Councils for adjudication (356) or administratively resolved by staff (125).

The independent Councils adjudicated 356 complaints about 63 advertisements. Of these, 323 complaints were upheld about 35 advertisements. Case Summaries of these upheld complaints can be found at:

adstandards.ca/2018Complaints

**In October 2018, Ad Standards instituted a new complaints acceptance policy, which states that "a maximum of 10 complaints per advertisement or campaign will be accepted and reviewed." The complaint review process itself is unchanged.*

COMPLAINTS SUMMARY	2018 COMPLAINTS	ADS/CASES
Received	2,005	1,205
Accepted and reviewed by Ad Standards staff	1,252	747
Raised potential <i>Code</i> issue	481	167
Administratively resolved by Ad Standards staff	125	104
Forwarded to Councils for adjudication	356	63
Determined by Council to contravene the <i>Code</i>	323	35

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) will be 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 2018, 125 complaints about 104 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 1,252 complaints that met the *Code* acceptance criteria, most involved concerns relating to:

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

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

In 2018, Ad Standards reviewed 849 complaints (concerning 412 advertisements) alleging misleading or inaccurate advertising (Clauses 1 and/or 3). Ultimately, Councils upheld 320 complaints about 27 advertisements.

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

Clause 14 (Unacceptable Depictions and Portrayals)

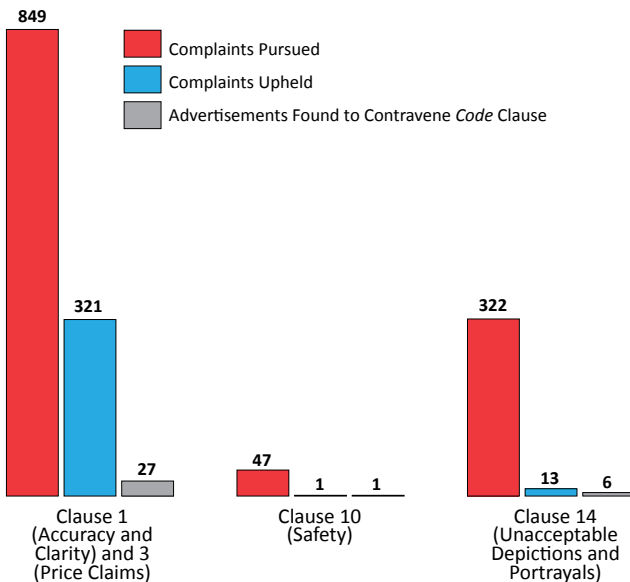
Most complaints evaluated under Clause 14 involve subjective matters of personal taste or preference and do not ultimately raise issues under the *Code*.

322 complaints about 233 advertisements were reviewed under Clause 14. Of these, Councils adjudicated and upheld 13 complaints about six advertisements. The balance did not meet the threshold to raise issues under this clause.

Clause 10 (Safety)

A total of 47 complaints about 37 advertisements involved safety concerns, and one was upheld by Councils about one advertisement.

Complaints by Key Code Clauses



Other Code Clauses

Clause 2 (Disguised Advertising Techniques)
18 complaints about 13 advertisements were reviewed under this clause, and one was upheld by Councils about one advertisement.

Clause 4 (Bait and Switch)
29 complaints were reviewed about 25 advertisements, and two were upheld by Councils about two advertisements.

Clause 5 (Guarantees)
Two complaints were reviewed about one advertisement and one was upheld by Councils about one advertisement.

Clause 6 (Comparative Advertising)
Three complaints were reviewed about two advertisements and no complaints were upheld by Councils.

Clause 7 (Testimonials)
Eight complaints were reviewed about eight advertisements and no complaints were upheld by Councils.

Clause 8 (Professional and Scientific Claims)
28 complaints were reviewed about 20 advertisements, and four were upheld by Councils about four advertisements.

Clause 11 (Superstitions and Fears)
18 complaints were reviewed about 13 advertisements and no complaints were upheld by Councils.

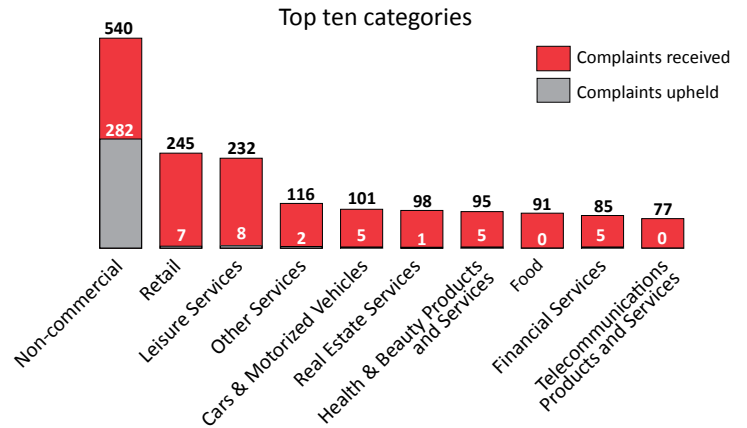
Clause 12 (Advertising to Children)
Eight complaints were reviewed about seven advertisements. None were upheld by Councils.

Clause 13 (Advertising to Minors)
One complaint was reviewed about one advertisement, and was not upheld.

Complaints by Category of Advertising

For the second year, Ad Standards received the highest number of complaints about advertising by non-commercial entities with 540 complaints. Of these, 470 complaints were submitted about advocacy advertising, particularly advertising that consumers found to be misleading and/or derogatory to women sponsored by pro-life organizations. The category that traditionally generates the highest number of complaints, retail advertising, followed with 245 complaints. Third, with 232 complaints, was advertising in the leisure services category (including bars and restaurants, hotels/accommodation, and entertainment).

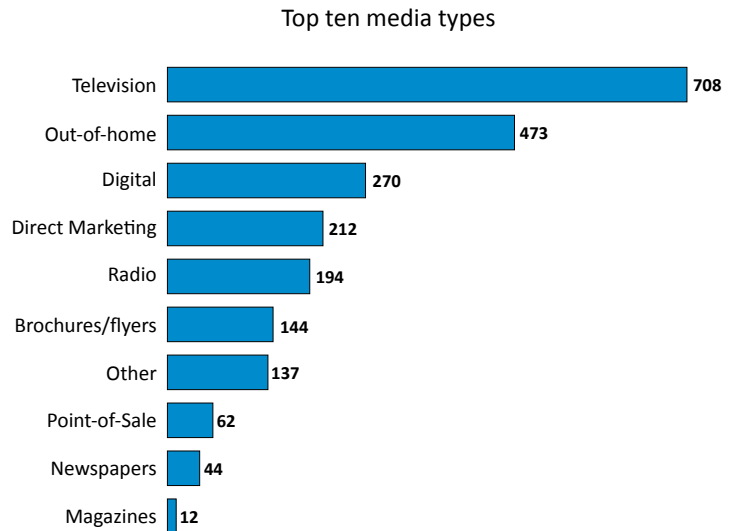
Complaints by Category



Complaints by Media

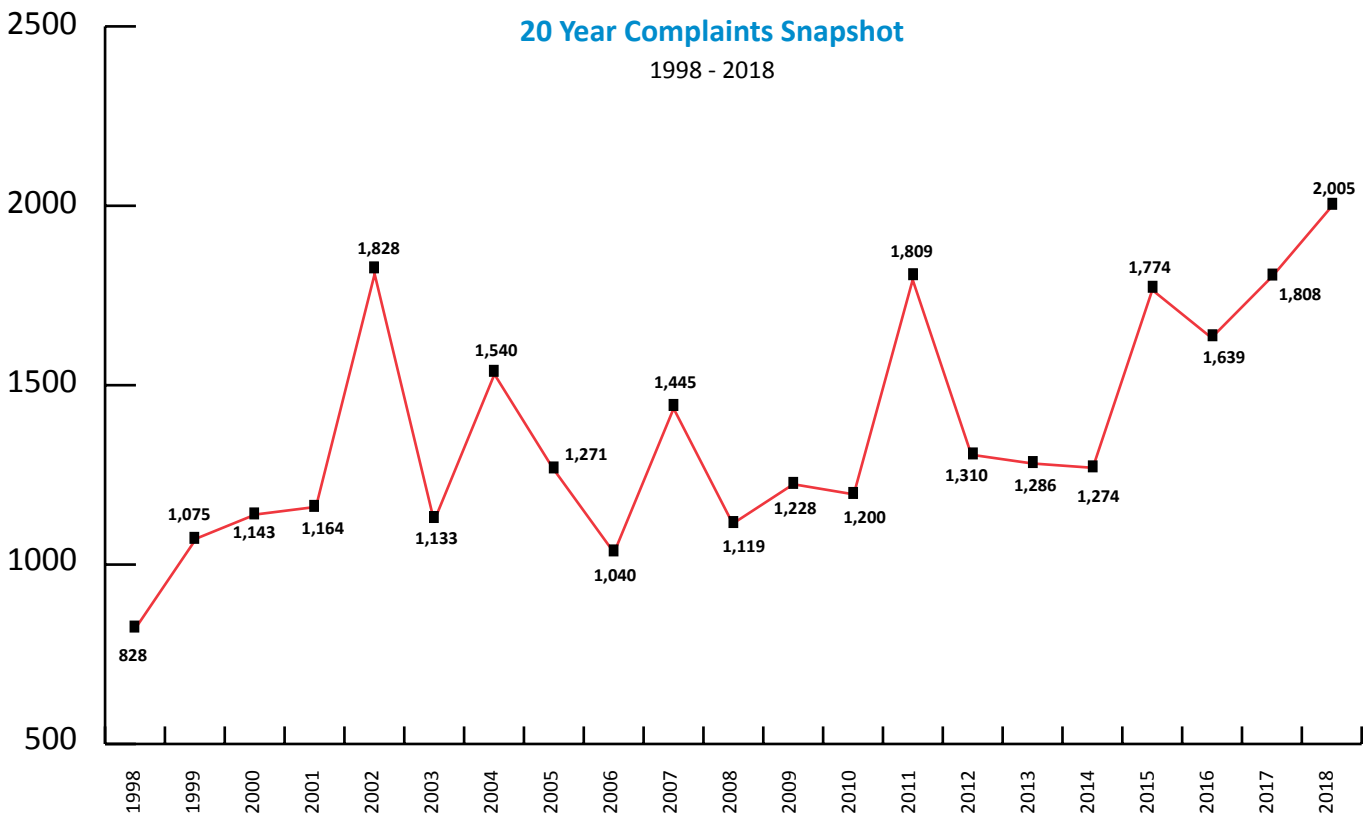
As always, advertising on television, with 708 complaints, garnered the highest number of complaints of any medium. Advertising on billboards, in transit, and other out-of-home media generated the second highest number of complaints (473). Digital advertising, including advertising on advertiser-owned websites, display advertisements and email advertising messages accounted for 270 complaints.

Complaints by Media Type



Consumer Concerns

In 2018, more complaints were submitted to Ad Standards than in any year over the past two decades. Along with the record number of total complaints, Ad Standards received a record number (849) of complaints alleging that particular advertisements were misleading and inaccurate under Clause 1. This can be attributed to the large volume of complaints submitted about allegedly misleading advertising by non-commercial organizations. Today’s consumers are knowledgeable and skeptical, and will not hesitate to let Ad Standards know if they believe claims in advertising cannot be substantiated and are misleading. Examples of advertisements found by Councils to contravene Clause 1 can be found in case summaries at: adstandards.ca/complaints



A Self-Regulatory Success Story

An increasingly popular marketing technique for advertisers is to use online influencers (endorsers/reviewers) to promote their brands. Consumers often trust recommendations by influencers they follow, but do they know whether the blogs, posts and reviews they see on social media are genuine or sponsored by a brand? To help consumers understand when a blog/post/review has been sponsored, in 2016, Ad Standards introduced a new **Interpretation Guideline** to the *Code* that requires clear and prominent disclosure of any material connection between an influencer and the endorsed product or service.

Since then, Ad Standards received numerous inquiries from influencers asking for guidance on how they should disclose a material connection. What language should be used and what format?

As well, over 40 complaints were submitted by one influencer about non-disclosure in posts by other influencers. It soon became apparent that there was real need for guidance and education about disclosure for influencers. The Federal Trade Commission in the US had published guidance for influencers, but there was nothing comparable in Canada.

In early 2017, Ad Standards brought together leading members of the influencer marketing industry to form an Influencer Marketing Steering Committee for the purpose of developing a best practices disclosure document to help influencers and advertisers understand and meet the disclosure requirement in the *Code*. These best practices were launched in March 2018, and provide concrete examples of how to disclose a material connection with a brand on various social media platforms, including Twitter, YouTube, Instagram, Snapchat, and blogs. It also gives examples of what not to do. Furthermore, because influencers also do business outside of Canada, these best practices are consistent with expectations of regulators in the US and other jurisdictions.

Members of the Steering Committee were instrumental in spreading awareness of the initiative throughout the influencer community at industry speaking events and by providing interviews in many trade and media publications.

Is it working? Evidence of its success is that Ad Standards has received very few complaints about non-disclosure since the guidelines were launched and publicized.

[View the full Disclosure Guidelines](#)

Do: Disclosures should be clear and use widely accepted hashtags

Hashtags that have been recognized as clear and widely accepted include:
EN: #ad, #sponsored, #XYZ_Ambassador, #XYZ_Partner (where "XYZ" is the brand name)

Don't: Hidden Disclosure

Effective Disclosure Tips

- If a creator uses a lot of hashtags/mentions at the end of their content, their disclosure should always be prior to those hashtag mentions.
- If disclosures are buried in lengthy list of green overlays that are too small or fast, they could be considered hidden.
- Disclosures need to be clear and conspicuous.

Highlights in the Example

- While this endorsement included the disclosure that it was sponsored, the main message of the post and included in a hashtag list that does not make the disclosure clear and conspicuous.

Do: Disclosures should be independent of social media network or channel-specific settings

Many social media platforms offer a feature to disclose an advertising relationship, but there is no guarantee it is an effective way for influencers to disclose their material connection to a brand. It still depends on an evaluation of whether the tool clearly and conspicuously discloses the relevant connection.

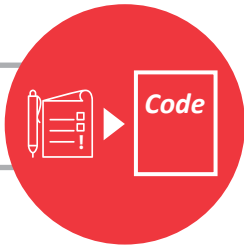
The disclosure should catch viewers' attention and be placed where they are not likely to miss it. A key consideration is how viewers see the screen when using a particular platform.

Social networks may require the use of their disclosure features, but those features should be used together with other disclosure best practices.

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.

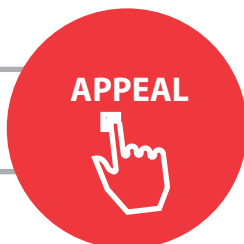
4



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

As 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
33 Bloor Street East
Suite 303
Toronto, ON, M4W 3H1

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