

Trams, billboards, and disclosing pricing

Speed read

Ads and billboards must prominently display full not just monthly charges. Two pictures tell a thousand words (or not).



Total minimum price appears here: \$1758.75 incl \$79.95 connection fee

This billboard shows a monthly charge of \$69.95 when the total commitment under the minimum 2 year contract - \$1758.75 - is in the small print marked in the photo. Saying the cost is \$1758.75 isn't flash for marketers when the desired message is a \$69.95 monthly charge.

The Australian regulator, under law materially the same as NZ's (our Fair Trading Act (FTA)), has pinged the advertiser for breach of the legislation.

As we say [here](#), Aussie Telcos continue to provide fertile examples of what not to do in terms of FTA compliance.

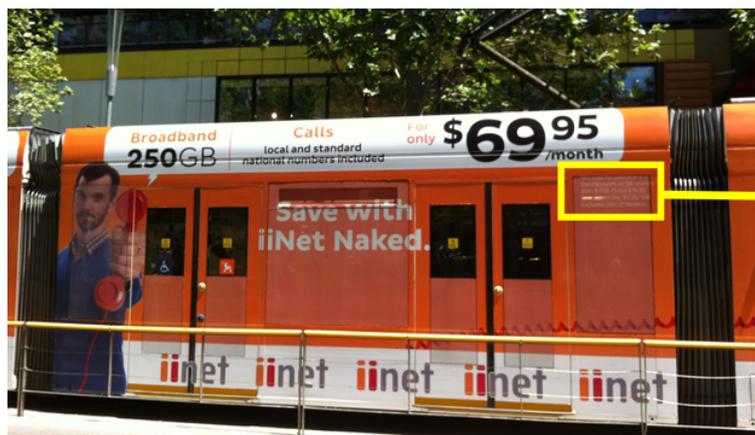
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The Detail

The advertiser got pinged for a similar ad on the side of a Melbourne tram, so that helps as to what to do on buses.

Getting the key marketing message across can be hard on billboards, print and online ads, TVCs, the sides of buses, etc.



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A big comparator between providers in this area is the monthly charge and so the Telco wants to push that strongly. But in the end the all up cost for 2 years matters a lot from the regulator's and the Act's perspective. It matters not that hardly anyone would read the fine print on a billboard or the side of a bus. In fact, that is a major reason why the big print needs to refer to all up cost.

Said the ACCC Chairman:

"Consumers must be able to understand the true cost of an advertised product so that they can make informed purchasing decisions. Businesses must ensure that when they advertise part of the price of a good or service, the total minimum price is also prominently displayed."

Prominence means that the total minimum price can be easily seen and strikes the attention of the consumer.

In assessing whether the total minimum price is prominent, it is important to consider the context in which the advertisement appears - for example if the advertisement is on a moving vehicle, where consumers may only be able to see the advertisement momentarily."

Meshing the marketing objective with the legal requirements isn't easy.

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