

PROPOSED ADVISORY GUIDELINES ON ADVERTISING IN SINGAPORE FOR THE TELECOMMUNICATION INDUSTRY

UNDERLYING PRINCIPLES FOR GUIDELINES

1. With the full liberalisation of Singapore's telecommunication industry from 1 Apr 2000, the market is witnessing the provision of a wider range of new innovative products and services at competitive prices by existing and new telecommunication operators. With this increased competition, there would also be an increase in the number of advertisements for these products and services by licensees.

2. Advertisements and promotions have been, and will continue to play an increasingly important role in the promotion of telecommunication services in Singapore. While advertisements can help operators differentiate themselves and inform and educate consumers of the products and services available in the market, malpractices in advertising can potentially have considerable harm on the industry. If left unchecked, advertisements could be counter-productive in that they could bring disrepute to the overall image of the industry as well as confuse and mislead consumers about products and services being offered. While licensees should generally have full commercial flexibility in their advertising and promotional activities, it is recognised that there is also a need to set some ground rules for these advertisement to ensure that, amongst others:
 - (a) Advertisements do not tarnish and/or bring disrepute to the overall image of Singapore's telecommunication industry as a whole and/or harm Singapore's standing as a telecommunication hub;
 - (b) Advertisements do not bring down, discredit and/or denigrate competitors' quality of service network;
 - (c) Advertisements are factually correct;
 - (d) Advertisements should by and large, serve the objective of enabling customers to make informed decisions when choosing among service providers and should not lead to public confusion; and

(e) Comparative advertisements must follow the spirit of the Code of Advertisement established by the ASAS.

2. In line with the above, it is strongly encouraged that, in the spirit of goodwill amongst licensees, in the interest of consumers; and the integrity and image of Singapore's telecommunications industry, all telecommunication operators should attempt as far as possible, to align their advertising strategies with the above objectives to ensure that all advertisements are in line with the advisory guidelines as stated herein.

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3. All advertisements should be factually accurate and decent. Advertisements should be prepared with a sense of responsibility to consumers.
4. Advertisements should not discredit or bring disrepute to the overall image of Singapore's telecommunication industry. Advertisements should not denigrate another operators' quality of service, so as to reduce public confidence of the products/services offered by the operator, and thereby tarnish the image of the telecommunication industry.
5. In the case of joint advertising involving several operators where a bundle of products/services is being offered, promotional materials should, where possible, indicate that the products/services offered in the bundle are also available individually.
6. Products/services should not be described as 'free' where there is any direct cost to the consumer in obtaining the product/service. In the case of bundled services, where a claim is made that if one service is purchased, another will be provided 'free', the advertisement should clarify the tariff component which is 'free', e.g. registration fee, connection fee, monthly subscription, usage charges.
7. Advertisements containing comparisons with other competitors, or other products/services are permissible and should try and be along the following:

- a) All comparative advertisements should not mislead consumers as a result of the comparison, either about the product/service advertised or that which is being compared;
 - b) The subject matter of comparison should not be chosen in a way as to confer an artificial advantage upon the advertiser;
 - c) The advertisements should refrain from making judgements and opinions about the other operator's products and/or services; and
 - d) Points of comparison should be based on facts which can be substantiated and should not be unfairly selected. In particular:
 - The basis of comparison should be the same for all products/services being compared and should be clearly stated in the advertisement so that it can be seen that like is being compared with like.
 - Where product/service attributes are listed and compared with those of a competitor's, the list should be complete or else the advertisement should make clear that the items are only a selection.
8. Research results and quotations from technical literature should be used with care. Advertisements using statistics/results from a research study should be capable of substantiation by quoting the source of the study, or producing the methodology and results, if required. Advertisements on research results/statistics to compare between competitor's network/services should be conducted by an independent third party, and the methodology, instruments, drive routes, locations chosen to conduct the study for each party must not differ.
9. Technical jargon and technology comparisons should be used with care, as inappropriate use of the terms can mislead and confuse the public rather than explain the merits of the service, and convey a wrong concept about the business.
10. Comparison of numerical measures should not be extrapolated to quantify a qualitative comparison in a manner that would mislead the public.