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ABC Bulk Distribution

New Guidance – Retail Sales Promotions

We have updated the guidance relating to Retail Sales Promotions.

What is guidance?

Guidance:

- Comprises additional notes in distinct and separate sections of the Reporting Standards.
- Provides examples of acceptable treatment of real scenarios.
- Provides clarity in practices or evidence that ABC would deem acceptable under the Standards, to provide a consistent approach for media owners and auditors.
- Does not set standards by overriding principles or requirements or by stipulating new conditions not covered in the standards.
- Is not exhaustive.

What does the updated guidance relate to?

1. Clarification of how in-store promotions that result in discounts or cash reimbursements affect the reporting of the publication for ABC purposes
2. Clarification of what is clear and conspicuous pricing when a publication is sold in-store as part of a bundle or package with other products.

What are the changes?

The guidance section has been amended as shown below by shading (text added) and strike-through (text removed).

Setting the standard



1. Retail promotions: discount or cash reimbursement

G4. The price paid for the publication by the consumer must be clear and conspicuous [extract]

...

c) Per section 4b: "The discount or cash reimbursement must be taken into account

Examples:

1. Promotion: "*Buy publication and spend £5 and you get £1 off your publication*".

The publication is discounted by £1.

2. Promotion: "*Buy publication, spend £5 and get £1 off your shopping basket*".

The publication is discounted as it is part of the shopping basket, but it is difficult to determine how much it is discounted and will be considered on a case by case basis. In this example, using the minimum spend requirement of the offer gives a 20% discount and would seem a reasonable treatment.

3. Promotion: "*Buy publication and get £1 off a jar of coffee*". Or "*Buy publication and get the money off the rest of your shopping*".

The publication is full price, provided that the publication is sold at full price and the reimbursement does not exceed the cost of the items being discounted.

2. Retail promotions: what is clear and conspicuous pricing

G4. The price paid for the publication by the consumer must be clear and conspicuous [extract]

...

b) Treatment of bundle/package promotions Promotions/gifts examples

i) As each case can vary we recommend you contact us for advice before carrying out your promotion.

ii) How the price of the publication is presented to the consumer will affect how or whether the copy may be claimed for ABC purposes.

- If the price of the publication appears in the promotional material and it is legible (taking into account its presentation and prominence (including the size of the font used) and assuming a reasonable speed of reading) then the price is likely to be considered clear and conspicuous.

- o Stating the publication's price in relation to the promotion/bundle in the main wording of the offer will provide most clarity.
- o The further away from the main offer wording and/or less prominent in the promotion the price of the publication becomes, the more likely it will not be considered clear and conspicuous.
- o If the price of the publication is linked to the main offer wording with, say, an asterisk - this would make it more conspicuous.

- Merely stating the price of the publication without reference to the bundle/package could just be a statement about the normal price of the publication and so will not necessarily render the price clear and conspicuous.
- If there is conflicting information about the price, then the lowest price assessment would be taken for ABC purposes (which might mean it is free).
- The absence of a clear and conspicuous price would render the copies as free, as would explicit wording stating the publication is free.

Examples:

1. Promotion “*Buy the publication and a bottle of water for £x*”.

The price of the publication is not clear and conspicuous.

2. Promotion “*Buy the publication and a bottle of water for £x*” which is accompanied by the statement “*The price of the publication in this promotion is £y*”

The price of the publication is likely to be considered clear and conspicuous if the accompanying statement is either within the main body of the promotion, or is in a footnote that is asterisked to the main body and is legible.

3. Promotion “*Buy the publication and bottle of water for £x.*” Elsewhere in promotion “*Publication is £y Monday to Friday and £z on Saturdays*”.

The price of the publication is not in the promotion and is unlikely to be considered clear and conspicuous as this statement appears to be the normal price of the publication.

4. Promotion: If a publication ‘ABC News’ is promoted as ‘*Buy ABC News for £x and get a free bottle of water*’ then the bottle of water is treated as a free gift and it is clear the price paid is solely for the purchase of the publication.
5. Promotion: If the promotion is ‘*Buy a bottle of water and get a free copy of ABC News*’ then the publication will be treated as free for ABC purposes.

If you would like more information about the above guidance or would like advice on ABC treatment of retail promotions, please contact your ABC’s Group Executive Director, Client Services, Jan Pitt (jan.pitt@abc.org.uk).