

COMPLAINT NUMBER	19/222
COMPLAINANT	T Douglas
ADVERTISER	OLA New Zealand Global Limited
ADVERTISEMENT	OLA, Television
DATE OF MEETING	13 August 2019
OUTCOME	Upheld Advertisement to be removed

Description of Advertisement

The television advertisement for the OLA ride-share app shows a split-screen direct comparison between OLA and the largest ride-share company. The advertisement says in part: “Both companies have heaps of cars and probably the same drivers.” “But when you arrive why pay the usual when OLA works out way cheaper ... Download the OLA app and get 50% off rides for the first two weeks...Same but better.” The advertisement includes the text disclaimers “OLA service works out cheaper with OLA discounting” and “When compared to the largest ride-share company.”

Summary of the Complaint

The Complainant is concerned the advertisement, which is based on comparisons to another ride-share app, is misleading to claim it is cheaper or faster when in the Complainant’s experience they are often neither when compared to their main competitor.

Issues Raised

- Truthful Presentation
- Comparative Advertising

Summary of the Advertiser’s Response

The Advertiser said no claims are made in the advertisement that OLA has the same wait times or is faster. It said standard (pre-discount) rates for both companies were close to identical, however 80% of OLA’s rides used discounts on average of 25%. The Advertiser highlighted the disclaimer on the advertisement which says “OLA service works out cheaper with OLA discounting.”

The Advertiser conceded there were some technical issues with peak hour pricing in April which have been resolved.

Summary of the Media Response

The Commercial Approvals Bureau said the claim to be cheaper is qualified with the discounting message and the Advertiser provided substantiation for the claim at the time the advertisement was approved.

Summary of the Complaints Board Decision

The Complaints Board Upheld a complaint about the OLA television advertisement claim “OLA works out way cheaper”. The Complaints Board said the Advertiser had not provided sufficient substantiation to support the strong claim and the qualifying statements in the advertisement were not clear.

Relevant ASA Codes of Practice

The Chair directed the Complaints Board to consider the complaint with reference to the following code:

ADVERTISING STANDARDS CODE

Principle 2: Truthful Presentation: Advertisements must be truthful, balanced and not misleading.

Rule 2(b): Truthful Presentation: Advertisements must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge. This includes by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission false representation or otherwise. Obvious hyperbole identifiable as such is not considered to be misleading.

Rule 2(d): Comparative Advertising: Comparative advertisements, or advertising that identifies a competing product or service, must be factual, accurate, make clear the nature of the comparison, must not denigrate competitors and must be of 'like' products or services available in the same market.

Complaints Board Discussion

Consumer Takeout

The Complaints Board agreed the likely consumer takeout of the advertisement was it is promoting a ride-share service and app. The Board agreed the advertisement's message was the OLA ride share is comparable in service to its largest competitor and is significantly cheaper. The Board said there was no explicit claim made by the Advertiser that its service was faster than its competitor. However, some Board members said the split screen image showed the competitor's customer looking impatiently at her watch as the cars pulled up, which could be seen as an implied claim regarding the waiting time comparisons between the two services.

Is the claim OLA is cheaper than the leading competitor, misleading?

The Complaints Board noted the Advertiser's statement that 80% of all the rides taken are discounted and the remaining 20% do not use the discounts available. The Complaints Board said the condition that cheaper fares are only obtained by using available discounts was unlikely to be immediately apparent to many consumers. The Complaints Board said OLA's claim it was "way cheaper" was strong and not sufficiently supported by the information it provided. The Advertiser had relied on general information about base fares and its discounting, which in the Board's view did not substantiate the claim made.

The Board did not consider the limited offer of a 50% discount was directly linked to the "way cheaper" claim but was a separate incentive for new users.

The Complaints Board noted the advertisement contained the disclaimers "OLA service works out cheaper with OLA discounting" and "When compared to the largest ride share company" at the bottom of the screen. However, the Board said the small white print on a moving background was difficult to read on a television screen and almost impossible to see on smaller devices such as smart phones. The Complaints Board said these qualifiers contained essential information in understanding the true pricing structure being advertised and were not clear enough.

Is the comparison made to competitors clear and accurate?

The Complaints Board said the Advertiser's absolute claim that it was "way cheaper" than the major competitor relied on information about discounts being applied to make the

savings, which was not clear. Therefore, the Board agreed the comparisons made were likely to be confusing to consumers and not accurate.

The Complaints Board said the advertisement was misleading taking into account context, medium, audience and product and ruled the advertisement was in breach of Principle 2 and Rules 2(b) and 2(d) of the Advertising Standards Code.

Outcome

The Complaints Board ruled the complaint was **Upheld**.

Advertisement to be removed.

APPEAL INFORMATION

According to the procedures of the Advertising Standards Complaints Board, all decisions are able to be appealed by any party to the complaint. Information on our Appeal process is on our website www.asa.co.nz. Appeals must be made in writing via email or letter within 14 days of receipt of this decision.

APPENDICES

1. Complaint
2. Response from Advertiser
3. Response from Media

Appendix 1

COMPLAINT FROM T DOUGLAS

Ola advertisement is based on a comparison to other rideshare apps. They state that they are cheaper and also likely to have the same wait time as other rideshare apps. I frequently compare Ola with Uber to ensure that I'm getting the best price for my ride and that more often than not Uber is the cheaper and faster option. Even taking into account promo codes offering 15% off Ola rides, Uber is sometimes still cheaper. I don't think that Ola should be able to claim that they are cheaper or faster than other rideshare apps when they often are not either in comparison to Uber (their main competitor)

Appendix 2

RESPONSE FROM ADVERTISER, OLA

A basic, neutral description of the advertisement	A split screen, direct comparison ad between Ola and the largest rideshare company.
Date advertisement began	On and off TV since 11 April 2019
Where the advertisement appeared (all locations e.g. TV, Billboard, Newspaper Website)	TV (all networks - Sky, TVNZ, Mediaworks) Online (YouTube ads)
Is the advertisement still accessible – where and until when?	Yes, on the same above channels until further notice.
A copy of digital media file(s) of the advertisement – if the complaint relates to on-screen graphic, please send a broadcast quality version.	https://www.youtube.com/watch?v=qJtTMyWpP5s
Who is the product / brand target audience?	Rideshare users (which, on our understanding, typically fall into the 18-34 demographic)
Clear substantiation on claims that are challenged by the complainant.	Same wait times/faster The complaint contains allegations that the TV advertisement in question states/claims that Ola has same wait times or is faster. No such claims are contained in the ad and, consequently, the complaint, to the extent that it relates to any such allegations, cannot be substantiated and ought to be dismissed.

	<p>Cheaper than the largest rideshare company</p> <ol style="list-style-type: none"> 1. Standard (pre-discount) rates for Ola and the largest rideshare company were, to our knowledge, identical (or close to identical). 2. All of our new customers are offered a 50% discount for up to 2 weeks, up to \$10.00. 3. All of our existing customers are offered a discount in the range of 10% to 50%, with varying maximum values of the discounts. 4. 80% of all rides in New Zealand are discounted rides. (20% of the rides which are not discounted rides are not discounted because the customer has not applied/taken advantage of available offer/s.) 5. The average discount rate across all customers is 25%. 6. On our experience and understanding, the largest rideshare company very rarely offers discounts and any such situations would be an exception. 7. The ad disclaimer contains a qualifying statement that <i>“OLA service works out cheaper with OLA discounting”</i> and we note that the complainant understood the claim correctly, but alleges that Ola is not cheaper even after discounts are applied. 8. As a matter of mathematical fact, if Ola and the largest rideshare company have identical or near identical standard rates and discounts of 10% to 50% (with varying values of such discounts) are applied to Ola’s rates but not to the other company’s rates, Ola’s service will and does work out cheaper than the other company’s rates. 9. Now, whilst the above information is correct and, in our view, substantiates the advertising claim in question, during the process of gathering information for this response, it came to our attention that there were some peak period pricing issues of a technical nature in April 2019, where in some instances during peak hours, Ola could have been not cheaper or a bit dearer than the largest competitor. Those issues were limited to peak periods only and only to some instances during peak periods and were completely resolved by 26 April 2019. We are not sure whether the complainant was unfortunate to
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	<p>experience some of these issues. If the complainant is able to provide details of Ola rides which were not cheaper or dearer than the same/comparable rides with the largest rideshare company, we may be able to look into those instances further. If it turns out that Ola rides were in fact not cheaper or were dearer due to the above mentioned technical issues, we would like the opportunity to address any such non-standard experiences and take steps to ensure that even those rides will have worked out cheaper.</p>
<p>The response from the advertiser is included in the published decision. The ASA is not able to accept confidential or proprietary information. Please contact the Complaints Manager if this is an issue.</p>	Noted
For Broadcast advertisements:	
A copy of the script	Attached
<p>A copy of the media schedule and spot list</p> <p>(Please remove all financial information)</p>	Attached
CAB key number and rating	<p>OLA0419NZ30</p> <p>From: CAB Approvals <advice@commercialapprovals.co.nz> Date: Monday, 8 April 2019 1:57 pm To: Ashleigh Dyer <ashleigh@adad.com.au> Cc: Braedy Neal <braedy@adad.com.au> Subject: Re: ADAD Ola Application Submission</p> <p>Thanks Ashleigh,</p> <p>Everything here looks good - this ad is now approved.</p> <p>Cheers,</p> <p>Dan</p>
For Digital advertisements:	
What platform tools have you used to target your audience?	We have extremely broad targeting on all digital channels.

Appendix 3

RESPONSE FROM MEDIA, COMMERCIAL APPROVALS BUREAU**COMPLAINT:** 19/222 **KEY:** OLA 00419 NZ30**CLASSIFICATION:** G

This advertisement for the rideshare company OLA is attracting new customers by offering a promotion when they first download the OLA App.

During the commercial onscreen graphics read "OLA service works out cheaper with OLA discounting compared to the largest ride share company". Both the voiceover and large onscreen graphics close with "Download the OLA app and get 50% off rides for the first two weeks".

From time to time existing OLA users will also receive promo codes giving them a discounted fare on a trip to a special event or destination.

With all ride share companies surge pricing occurs due to demand or traffic conditions. A difference of even a few minutes can make a significant difference to the quoted fare but the customer always has the right to accept or decline the ride.

Substantiation for claims made was received by CAB before approving this material. It is interesting to note that the largest ride share competitor has not challenged this "cheaper with discounting" claim.