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| <b>COMPLAINT NUMBER</b> | 22/114   |
| <b>ADVERTISER</b>       | SIP Abacus New Zealand   |
| <b>ADVERTISEMENTS</b>   | SIP Abacus, Facebook, Instagram                                    |
| <b>DATE OF MEETING</b>  | 24 May 2022  |
| <b>OUTCOME</b>          | Upheld – Advertisements not to be used again in their current form |

### **Summary of the Complaints Board Decision**

The Complaints Board upheld a complaint about two advertisements from SIP Abacus New Zealand about the benefits its education programmes. The Complaints Board said the Advertiser had not provided adequate substantiation for the claims made in the advertisements and consumers were likely to be misled or confused.

### **Advertisements**

The complaint relates to two different digital advertisements.

The Facebook post by SIP Abacus - New Zealand shows an image with a woman and child seated at a table. The image includes text stating "We promise to make your child 5x better" and "Benefits of Abacus Training for Kids" with a bulleted list of the benefits underneath. The accompanying caption states, "SIP Abacus helps your child become better not only in maths but also in reading, writing, concentration and overall learning ability. Contact us to know more about how we can help your child develop superhuman abilities!".

The SIP Abacus - New Zealand sponsored Instagram story shows a video of a child answering a sum given to her by an adult. The voiceover explains that the child has been given 7 months of SIP Abacus training and promises that the programme will "make your child five times better". The Instagram story is captioned, "We promise to make your child 5 times better!" and includes a link to "learn more".

### **Summary of the Complaint**

The Complainant was concerned the advertisement claims the product will make your child five times better without providing details on how this will be substantiated.

### **Issues Raised:**

- Truthful Presentation

### **Summary of the Advertiser's Response**

The Advertiser explained the SIP Abacus & Brain Gym programme and the brand promise to make children "5 times better" at the end of Foundation 4 level or a refund is given.

By way of substantiation the Advertiser provided the Brand promise letter which lays out the programme's goal to improve arithmetic calculations by at least 5 times and the terms and conditions of the promise. The Advertiser also provided student scores which demonstrate the improvement rates, including a breakdown of 2021 scores

When asked to comment on the claim made about improvements in reading and writing the Advertiser responded that the 5x claim and guarantee only applied to the arithmetic element of the training programme.

## Relevant ASA Codes of Practice

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

### 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.

### Complaints Board Discussion

The Chair noted that the Complaints Board's role was to consider whether there had been a breach of the Advertising Standards Code. In deciding whether the Code has been breached the Complaints Board has regard to all relevant matters including:

- Generally prevailing community standards
- Previous decisions
- The consumer takeout of the advertisement, and
- The context, medium, audience and the product or service being advertised, which in this case is:
  - Context: Improving the learning capabilities of children
  - Medium: Social Media
  - Audience: Parents
  - Product: Children's education programme

The Complaints Board noted the Complainant had raised concerns about a Facebook post and an Instagram story. The Board considered each of these advertisements in turn:

### Facebook Advertisement

#### *Consumer Takeout*

The Complaints Board agreed the likely consumer takeout of the Facebook advertisement was that the SIP Abacus programme promise to make your child five times better not only in terms of arithmetic, but also reading writing, concentration and overall "superhuman" learning abilities.

#### *Does the advertisement make claims which require substantiation?*

The Complaints Board said that by using the phrase "5 times better", the advertisement was making an absolute claim about the level of improvement in a child's ability in a number of areas including maths, reading, writing and concentration. The Board said this absolute claim required substantiation.

The Complaints Board noted the Advertiser had provided substantiation which showed the vast majority of its students improved in their before and after arithmetic tests by at least 5 times. The Board said while this was adequate for the claim made in relation to mathematical ability, there was no substantiation to support the claims that children had improved in reading and writing to the same degree.

*Is the advertisement likely to mislead, deceive or confuse consumers?*

The Complaints Board said the claim “make your child 5 times better” in this advertisement was misleading. This is because the “5 times better” claim had not been adequately substantiated across all of the subjects it referred to. The Board said there was nothing in the advertisement to qualify the metric only applied to the arithmetic element of the learning programme. The Board said the advertisement specifically stated that SIP Abacus “helps your child become better not only in maths” and therefore consumers could reasonably assume from the advertisement their child would also have corresponding improvements in areas such as reading and writing.

The Complaints Board unanimously agreed the Facebook advertisement was likely to mislead consumers and had reached the threshold to breach Principle 2 and Rule 2(b) of the Advertisement Standards Code.

**Instagram Advertisement***Consumer Takeout*

The majority of the Complaints Board said the likely consumer takeout of Instagram video was the programme claimed to make your child’s overall intelligence five times better, with the example shown demonstrating mathematical ability. The Board said consumers would understand from the advertisement that if a child did not improve in some measurable respect there was a \$2000 refund given.

For a minority of the Complaints Board, the main consumer takeout was about the programme’s ability to improve mathematical ability. For the minority of the Board the development of overall intelligence claim was seen as a puffery statement and not directly linked to the five times better claim.

*Does the advertisement make claims which require substantiation?*

The majority of the Complaints Board noted the advertisement used the phrase “promise to make your child 5 times better” in conjunction with the claim “helps to develop the overall intelligence of a child” and said both claims required substantiation.

The majority of the Complaint Board said the Advertiser had provided adequate substantiation to show that most students had improved their mathematical skills by at least five times, however no metrics were provided to show improvement in a child’s ‘overall intelligence’ or how this would be measured.

For a minority of the Complaints Board, the clear focus of arithmetic in the video meant it considered the substantiation required was about improving mathematical ability by at least five times. The minority of the Complaints Board said the Advertiser had provided adequate substantiation in the form of test score from past students to support the claim.

*Is the advertisement likely to mislead, deceive or confuse consumers?*

The majority of the Complaints Board said the advertisement was misleading to state the programme would develop the overall intelligence of a child when based on the information provided to the Board its focus was to improve specific learning techniques in certain subjects.

A minority of the Complaints Board disagreed based on their view of the consumer takeout and said the substantiation showed at least a five times improvement in comparative maths tests was sufficient to prevent the advertisement from being misleading.

However, in accordance with the majority, the Complaints Board ruled the advertisement was in breach of Principle 2 and Rule 2(b) of the Advertising Standards Code.

**Summary**

The Complaints Board ruled the unsubstantiated claims made in both the Facebook and Instagram advertisements were likely to be misleading and were in breach of Principle 2 and Rule 2(b) of the Advertising Standards Code.

**Outcome**

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

Advertisements to be removed and not used again in their current form.

**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](http://www.asa.co.nz). Appeals must be made in writing with notification of the intent to appeal lodged within 14 calendar days of receipt of the written decision. The substantive appeal application must be lodged with the ASA within 21 calendar days of receipt of the written decision.

## APPENDICES

1. Complaint
  2. Response from Advertiser
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### Appendix 1

#### COMPLAINT

These ads claim they will make your child 5 times better without any statistics attached, it is also a very loose misleading claim

### Appendix 2

#### RESPONSE FROM ADVERTISER, SIP ABACUS NEW ZEALAND

Thanks for your email. We wish to defend ourselves. Please find our response below.

Appendix Items listed as below.

Point 1 - In the email below.

Point 2 - Ok

Point 3 - Has already been provided by you

Point 4 - Perpetually available with no end date on various forms of digital media including Facebook and Instagram, Twitter, Reddit, Tumblr, Google Business etc.

Point 5 - Social Media, Outdoor Advertising, Email Banners, Website.

Point 6 - N/A

Point 7 - Parents who have children in the age group of 5-12. They are targeted using Facebook Ads manager by selecting the target audience to match our target category

Point 8 - All efforts have been made to substantiate the claims through the data provided. As this contains customer data, we would request that the names of the students are redacted prior to publishing for their privacy purposes.

#### **About the Organisation:-**

SIP Abacus New Zealand is a franchisee of SIP Academy India Pvt Ltd based at Chennai in India. SIP Academy conducts various skill development programs for children, to improve their Learning ability, Creativity, Thinking skills and Communication. "SIP Abacus & Brain Gym" is the flagship programme conducted by SIP Academy across 14 countries. It was launched in Malaysia in 1999 and in India in 2003. More than 700,000 students have been trained across the world through this program. In New Zealand, this programme is running successfully since Sep 2020, with more than 300 children enrolled till date.

#### **About SIP Abacus & Brain Gym programme**

The SIP Abacus & Brain Gym programme has a total of 11 levels (4 Foundation, 4 Advanced & 3 Grand Modules) with each level taking 3-6 months duration. Classes happen twice every week at our centres in Flat Bush and Mt Roskill and also online with each class being 60-90 minutes long. SIP Abacus training helps the children become better in their overall learning ability including Concentration, Retention and Recall, Listening Skills, Observation Skills, Visual Memory and most importantly Mathematical Ability. With 18 months of training, our children are able to add numbers like  $343+123+763+443+754$  in less than 2 seconds. They are able to do times tables up to 999 (each sum in less than 3 seconds).

**SIP has a unique brand promise** which promises to make Children 5 Times Better at the end of Foundation level 4. In case we are unable to show that change to the parent, we refund an amount of \$2000 to the parents (This amount varies from country to country and is generally equivalent to 10 times of the monthly fee of the student). This improvement is measured through a Pre-Test (at the time child joins our programme) and a Post-Test (at the end of 4 levels). SIP's Brand promise was launched in the year 2011 after a series of research done across India on the improvement in the skills of children undergoing our training programme in Foundation Level 1 as well as at the end of Foundation Level 4.

Attached are the terms and conditions of the promise and also the pre test for the children who are 8 years and older and join the program. I have also attached a simpler version of the test that we administer to our younger learners aged 5-7. This test is administered to the children after giving them clear instructions on what is expected of them.

### **The Research on 5 Times Better**

Before the launch of Brand promise in 2011, a test was conducted amongst existing students of SIP Abacus. A simple arithmetic question paper with 60 sums (addition & subtraction) was given to children and were asked to solve as many sums as they could in 5 minutes.

This test was conducted for students in 2 categories :

- Category 1 - Students who had just joined our programme and is pursuing training in Foundation Level 1
- Category 2 - Students who had just completed Foundation Level 4 or were just about to complete Level 4.

More than 1200 students were tested in each category and their average scores were as given below:

Avg score of category 1 = 2.51638

Avg score of category 2 = 23.35046

*This means an improvement of 9.2658 Times..!!!*

This study gave SIP Abacus the confidence to announce the Brand Promise of making the child 5 times better. Even though this promise was launched in India in 2011, SIP Abacus had received a lot of feedback from parents and schools on the improvement of children way back from 2003 itself.

As a result of this Brand Promise study, we can confidently say that children who are completing Foundation Level 4 are becoming a minimum 5 times better.

Since 2011, more than 100,000 students have completed Level 4 across the world and just a handful of them have claimed a cashback from SIP Abacus.

**Please find a testimonial below from a parent from Manurewa - Auckland whose children have just completed level 1 and are in the middle of level 2. (They have spent about 6-7 months in the program when this testimonial was provided to us).**

*I find that SIP Abacus helps my children in Maths. Maths was a no no for my kids and was annoying them causing them to pull out from learning. They didn't want to go school. I have enrolled all my 3 children aged 11, 10 and 8 at SIP Abacus. In the recent meeting with teachers at school, they mentioned that my children are now amongst the best 2 children in each of their classes in Maths. Maths is now their favorite subject. They are also motivated to go to school now as Maths is no longer a hassle to them.*

As you can see, a family which had all their 3 children struggling has all their 3 children performing really well in Maths at school.

While this all seems to be too good to be true, my own daughter has improved by 15 times at the end of level 4. I am happy for her to demonstrate her skills to you in front of the committee if required.

For more details about the organization, kindly visit [sipabacus.co.nz](http://sipabacus.co.nz).

Hope the details provided will be sufficient to substantiate our claims. Please feel free to contact us in case any clarifications or further data is required.

### **FURTHER INFORMATION PROVIDED BY THE ADVERTISER**

Further to the earlier email, please find attached the data for 2021 as below.

The data for 2939 children who completed their brand promise test after level 4 in 2021 is attached. Out of these, only about 3.53% of students have improved by less than 5 times., A vast majority (Over 96%) have become more than 5 times better. The summary is as below:

|                      |      |
|----------------------|------|
| Less than 5 times    | 104  |
| 5 times to 10 times  | 506  |
| 10 times to 20 times | 515  |
| 21 times to 30 times | 516  |
| 31 times to 40 times | 558  |
| 41 times and above   | 740  |
| Total                | 2939 |

### **ADDITIONAL COMMENT FROM ADVERTISER FOLLOWING SECRETARIAT QUERY ABOUT THE READING AND WRITING CLAIM IN THE FACEBOOK ADVERTISEMENT**

1. Yes the substantiation is related to numerical tests.
2. The 5x better claim is only for the numerical ability.
3. Our students and their parents have reported significant improvements in their concentration, reading ability, observation, writing skills etc. However these cannot be measured in absolute terms like 5x better