

Bad marketing takes contest users aback

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I huffed and puffed last Saturday about my \$36 introduction to the world of premium messages on cellphones. Now I have more information, and the company of other unhappy consumers and a professor of marketing.

The addition to my telephone bill came weeks after I saw an advertisement on the Internet and took a chance at winning a fancy cellphone. I assumed the manufacturer or distributor were behind it, but I was wrong.

That led to my second mistake. I did not check carefully for pricing details. They were set out in the fine print at the bottom of the ad, and in abbreviated form in a follow-up text message, which you would have to scroll to the bottom to read in full.

It turned out I was billed \$2 per message, three to four times a week, whether I replied to a trivia question or not. Had I known, I would have replied "STOP" sooner, or have not entered.

Several readers have written to say they were similarly surprised by charges. Some had dealt with the same game provider, some with others. Some had no recollection of signing up. Some felt tricked, some merely foolish. Some got refunds from their telephone company.

The marketer of my contest – TMG Co. of Amsterdam – informs me I actually attempted to register four times. How stupid was that?

Maybe my readers and I are all exceptionally gullible, impatient or green in the use of cellphones. But, after testing the sign-up procedure for another TMG contest, this one for an Apple laptop computer, I have a suggestion:

USE LARGER TYPE.

President Hans de Back pointed out in an interview: "We are not using the word free." In a lengthy reply to questions, the company said: "Unfortunately, we cannot force someone to read the information we provide; however, we can only hope that when the user decides to participate and subscribe, he/she has educated him/herself fully on the consequences of the service."

That is all true. But if it's possible for even a minority of customers to

The cost of not reading the fine print

Many Money Talk readers are angry they were billed for multiple cellphone text messages from certain contest providers. They say they did not notice the price in advertisements – it's in small print at the bottom – or in a text message that delivered their entry code. They would have had to scroll past the first few lines of text to see it.

Johane Pasion, Mississauga: I consider myself to be savvy when it comes to 'reading the fine print,' but I found this type of gaming service to be truly deceptive with disclosure as to fees and concept. (Billed \$40.)

Rosie Finnie, Toronto: Imagine my shock when I read your May 17 article. Nowhere in the contest information was I made aware of any charges!

miss the pricing information, maybe it's not prominent enough.

The online advertisement for the contest for the laptop computer has large moving text at the top. Images of the computer float in and out of view. The small print on the bottom is in a light colour on a dark background. The \$2 price appears at the far right, and within the large block of text after 118 words. It would not be visible on some computer screens without scrolling down.

From what I have seen and what the company says, TMG complies with rules set down by the Canadian Wireless Telecommunications Association. But those standards do not specify the size or positioning of text used when disclosing prices.

TMG, and spokespersons for Bell Mobility, Rogers, Fido and Telus insist they receive relatively few complaints about billings for premium message services. Unsolicited advertising is a far greater source of complaints, says Jim Johannsson of Telus.

At my request, Kenneth Hardy, a professor of marketing at the Richard Ivey School of Business in London, Ont., looked at TMG's ad. He found the manner for disclosing the price was lacking.

"I think it is essentially a common sense standard that, if there is a charge, that it be prominent enough that a customer realizes there is a charge, and that it hinges on the number of messages that are sent. The (secret to) long-term success of marketing enterprises is to be completely forthcoming, and have satisfied users."

James Daw, CFP, appears Tuesday, Thursday and Saturday. He can be reached at jdaw@thestar.ca

Karen Cheney, Oakville: I do remember a website (advertisement) popping up somewhere. I do recall there being something about a \$2 charge, not multiples of them! Then came the annoying text messages. (Billed \$12.)

Ken & Rita Patterson, Grimsby: It annoys me that (cellphone companies) accept billing responsibility and we have no choice but to pay the bill or we lose our phone service. (Billed \$18.)

Craig Spafford, Toronto: I called Rogers and they refused to do anything, saying I needed to contact the company and 'unsubscribe.' When I asked to speak to a supervisor, they refused to let me.

Gayle Hurmuses, Toronto: I was receiving these messages for a few weeks and discontinued it simply because they were tedious. I had no idea that there might be a charge for this and would certainly *not* have participated if it had been clear.

Susan Morrison, Collingwood: I've deleted the messages and don't have a number to respond to

in order to stop the questions. I feel a bit foolish I didn't know about this.

Marietta Austria,

Toronto: Finally you have given a solution to a puzzling problem. I did notice a number of text messages from number 840-40, mostly of an entertainment sort. I can't recall the exact details of how I got into this mess.

Sunil Kanwar,

Toronto: I did not know that all these months I have been paying \$2 for every message three to four times a week. (They have been coming to) a spare phone I hardly used and get topped up automatically. (Billed \$70 to \$80.)

Harvey Beck,

Hamilton: The 'code of conduct' (telephone companies have set for use of their networks and billing system) is so weak, cynical, short-sighted and anti-customer, it just begs for regulatory intervention (as repulsive as it is for me to say that).