


Decision of the ADVERTISING REGULATORY BOARD

Complainant	Sean Clarence
Advertiser	Comair Limited
Consumer/Competitor	Consumer
File reference	Kulula – Sean Clarence
Outcome	Undertaking
Date	21 June 2019

The Directorate of the Advertising Regulatory Board has been called upon to consider a complaint lodged by Sean Clarence against advertising on the Kulula.com website, through Discovery Vitality.

Description of the advertising

The advertising contains the following information:

 luxury room king bed, patio, en-suite bath and shower. <small>rate based on the following inclusions - accommodation includes bed and breakfast</small>	5 700.00 ZAR	4 275.00 ZAR <small>price updated</small>
---	--------------	---

Complaint

In essence, the Complainant submits that when he looked at the pricing offered by the hotel itself, he discovered that he had not actually got a 25% discount.

Response

The Advertiser responded and submitted that:

- It is not a member of the ARB or bound by its rulings, however, it chooses to co-operate with the Arb to resolve this complaint;
- The property in question, the Fairway Hotel, Spa and Golf Resort, is part of the GUVON Group which uses a channel manager called eRes. Properties that make use of the eRes Channel Manager for third party marketing purposes (such kulula.com) need to provide nett rates (non-commissionable rates) to the third party marketers.
- In the management of online hotel inventory, kulula.com makes use of two types of rate structures.
 - Nett rates – these are non-commissionable and are private rates at negotiated discounts off the Best Available Rate
 - BAR rates – (Best Available rates) these are public selling prices as set by each property from time to time. These fluctuate according to the properties pricing and demand policies. All rates be they nett or BAR at set by the individual properties.
- The rates that GUVON provided at time/date of Mr Clarence's booking were not Nett rates but rather BAR rates. Owing to this error an additional mark-up was added automatically by the kulula.com reservation system, that erroneously marked-up the BAR rate, presuming it was Nett.
- It has addressed this concern with GUVON and they have confirmed that they did indeed provide a BAR rate erroneously, as they were contracted to provide a Nett rate. It has disabled all GUVON properties from the booking platform until such time that they have confirmation from them that rates are now provided on a

nett basis and it has adjusted the internal rules within the kulula booking platform to prevent a repetition of this situation.

Application of the Code of Advertising Practice

The following clauses were considered in this matter:

Misleading claims – Clause 4.2.1 of Section II

Decision

Having considered all the material before it, the Directorate of the ARB issues the following finding.

The main objective of the Advertising Regulatory Board is to protect consumers from advertising that contravenes the Code of Advertising Practice. In the vast majority of instances where advertising is found to contravene the Code, the ARB will require the advertising to be withdrawn or amended.

In this matter, the Advertiser has withdrawn the advertising and undertaken to ensure that the advertising is amended in a manner that appears to address the complaint at hand.

The ARB Directorate is satisfied that the withdrawal by the Advertiser is unequivocal and addresses the complaint before it, and therefore accepts this undertaking in resolution of the matter.