

# New guidelines

The Competition and Consumer Commission of Singapore has proposed a set of guidelines to ensure price transparency for all consumer-facing businesses. They cover four pricing and marketing practices commonly used by online travel-booking providers.



## DRIP PRICING

- Adding mandatory or optional fees during the transaction or payment process, resulting in a final price that is higher than advertised.
- Examples include credit card and resort fees.

### Proposed guidelines

- Suppliers should ensure that any unavoidable or mandatory fees/charges are included in the total headline price.
- Add-ons should be prominent and clearly indicated as optional.



## STRIKETHROUGH PRICING

- Representing a discount on a product where the original price is crossed out adjacent to the sale price.
- If the comparison between the two is false or misleading, it can convey a false sense of savings.

### Proposed guidelines

- When comparisons with a previous price are made to represent a price benefit, the original price must have been offered on a regular basis or for a reasonable period, and any qualifying terms must be clearly stated.



## PRE-TICKED BOXES

- Checkboxes to purchase additional products or services that are selected by default.
- Consumers may end up buying unwanted add-on products such as insurance as a result of failing to opt out.

### Proposed guidelines

- If used, suppliers must provide clear and prominent disclosures of the goods or services offered.
- The cost of pre-ticked add-ons must also be added to the upfront price.



## PRESSURE-SELLING TACTICS

- Creating a false sense of urgency for consumers to make a purchase based on inaccurate information.
- Examples include promoting a temporary "sale" or "special" price for a limited period when the price will be available beyond that.

### Proposed guidelines

- False or misleading claims that create unwarranted pressure or a sense of urgency for consumers to make an immediate purchase should not be made.

Study looked at the practices of 38 online travel websites and conducted interviews and surveys with about 750 industry members, such as online travel agents, airlines and hotels.

**\*More than 80%** of consumers reported facing a higher price than advertised at checkout for flight and hotel room bookings.

**\*Nearly 1/3** of consumers who paid a different price than advertised for air tickets and hotel rooms missed opting out of add-ons.

\*Most common online travel agencies used by Singapore consumers:

- **Expedia**
- **Booking.com**
- **Agoda**

NOTE: \*Based on a survey of 524 Singapore consumers who made online travel bookings for flights and/or hotel accommodation

Source: THE COMPETITION AND CONSUMER COMMISSION OF SINGAPORE ST FILE PHOTO STRAITS TIMES GRAPHIC