

For Immediate Release

NAD FINDS PRICELINE DID NOT FALSELY DISPARAGE TRAVELOCITY IN SHATNER SPY-SPOOF AD

New York, NY – March 29, 2012 – The National Advertising Division of the Council of Better Business Bureaus has determined that Priceline.com, Inc., did not falsely disparage competitor Travelocity.com LP in broadcast advertising for Priceline’s “Name Your Own Price” bidding service for hotel reservations.

The advertising at issue – a spy-thriller spoof featuring Priceline spokesman William Shatner – was challenged before NAD, the advertising industry’s self-regulatory forum, by Travelocity.com.

Specifically, Travelocity challenged the statement: “So, you’ve been double crossed by other travel sites and now you want to try the real deal?” NAD also examined the implied claim that travelers will be deceived, betrayed and cheated if they use Travelocity to reserve airline tickets or hotel rooms.

Priceline contended that the commercial did not disparage its competitor and offered into evidence a consumer-perception survey that it asserted would support that contention.

NAD, as part of its review, evaluated the Priceline’s survey and found it flawed. Specifically, NAD noted, the survey included only previous users of online hotel booking sites and excluded those who had not booked travel online and were presumably less familiar and comfortable with the practices of online booking services.

NAD routinely has raised concerns about surveys that have an under-inclusive universe. NAD was persuaded in this case that the correct target population for the survey would have included both current and prospective consumers so that the full range of customers for whom Priceline and Travelocity compete could have been studied.

NAD determined that it could not rely on the consumer-perception evidence provided by Priceline. In such cases, NAD steps into the role of the consumer and independently assesses the messages conveyed by the advertising.

NAD determined that the advertising at issue was clearly a light-hearted spoof, and that consumers were unlikely to come away from the advertising with the message that Travelocity and other travel sites “double cross” their customers. NAD found that the commercial did not falsely denigrate Travelocity.

Priceline, in its advertiser’s statement, said it appreciated NAD review, but did not agree with NAD’s concerns regarding the consumer-perception survey.

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NAD’s inquiry was conducted under NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising. Details of the initial inquiry, NAD’s decision, and the advertiser’s response will be included in the next NAD/CARU Case Report.

About Advertising Industry Self-Regulation: The National Advertising Review Council (NARC) was formed in 1971. NARC establishes the policies and procedures for the National Advertising Division (NAD) of the Council of Better Business Bureaus, the CBBB's Children's Advertising Review Unit (CARU), the National Advertising Review Board (NARB) and the Electronic Retailing Self-Regulation Program (ERSP).

The NARC Board of Directors is composed of representatives of the American Advertising Federation, Inc. (AAF), American Association of Advertising Agencies, Inc., (AAAA), the Association of National Advertisers, Inc. (ANA), Council of Better Business Bureaus, Inc. (CBBB), Direct Marketing Association (DMA), Electronic Retailing Association (ERA) and Interactive Advertising Bureau (IAB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation.

NAD, CARU and ERSP are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media. NARB, the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate NAD/CARU cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARC/NARB's primary source of funding is derived from membership fees paid to the CBBB. ERSP's funding is derived from membership in the Electronic Retailing Association. For more information about advertising industry self-regulation, please visit www.narcpartners.org.