

# Truth in advertising assignment

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Consumers need to be protected from false advertising other questionable marketing tactics. Advertisements are Information provided by a seller or manufacturer. These advertisements can be in the form of ads on the television, radio, internet, newspapers, and magazines. It can also come in the form of information from a sales person as they attempt to sell a consumer a product. Advertisements generally are truthful in nature. However they can be false and misleading. It is these false or misleading ads that cause ethical questions to be raised in regards to marketing.

False advertisement is untrue or misleading information that is presented by a seller in order to entice the consumer to buy their product. Each state has its own set of consumer protection laws that protect consumers against unfair competition and deceptive advertising practices. These laws apply to print, radio, or television ads that are seen in that state. Some common state laws include protection against various types of false advertising. One area that is not highly regulated in regards to truth in advertising is the Internet.

Because the Internet spans all boundaries the coal advertising laws are difficult to apply to ads that are posed or seen online. There are several types of false advertising practices that are commonly used. One of these is known as the bait and switch technique. The bait and switch occurs when a company advertises a product but has every intention of selling you a product that is different than the one advertised. The bait tactic is an enticing ad that makes the product seem appealing and lures the consumer into the store.

Once the consumer is on site, the seller makes every attempt to upset a different more expensive reduce by discrediting the quality or value of the original product. Another method of false advertisement involves the amount of product that is kept in stock by a store. Stores are required to have enough of an advertised item in stock to meet a reasonable customer demand unless the ad states that quantities are limited. This keeps stores from using a small quantity of a good to lure customers into the store. Store limits are another tactic that can be used by sellers to misrepresent advertisements.

Store limits are only valid if the limit is clearly defined in the ad. It is unethical and unlawful to impose a non-advertised limit once the consumer is in the store. Pictures are a common addition to advertisements.

Companies are often an advertisement must provide a reasonable representation of the product if a picture is used in the advertisement.

Advertisements must be truthful in other areas as well. If a company is selling an item that is refurbished it cannot be sold as a new item.

Companies cannot arbitrarily advertise an item as being on sale.

Any item that is listed as being on sale must have been sold at a higher price at some time during the previous three months. Another area that can be tempting to advertising departments is related to environmentally friendly products. Because of the environmental movement that is underway many products are marked as environmentally friendly, green, or biodegradable. Ethically and in some areas legally, companies are required to provide environmental information on the product when it is requested for all

products that are marketed as being green, environmentally friendly, or biodegradable.

Stretching the truth in marketing is a common tactic and some marketers believe that it is within their rights to stretch the truth. These marketers sometimes cite the idea of utilitarianism in marketing. This idea states that they are making ethical choices that provide the greatest amount of good to the greatest number of people at the expense of other people (Chillier).

Some marketers believe that stretching the truth is an ethically sound decision if the falsification helps consumers. Ethically, utilitarianism is a bad approach to advertising regardless of the results that are achieved (Chillier).

A company should instead focus on the strength of their product or services in order to generate sales. Negative marketing is another tactic that is used to stretch the ethical boundaries in marketing. Negative marketing is used in all types of advertisements including political ads. In the midst of a highly publicized election, many of the advertisements that have been issued by the political parties are negative in nature. Many of the people on the receiving end do not agree with the idea of negative marketing.

People would rather see ads that are focused on the positive aspects of a product or a person rather than ads that attack or shed negative light on a product. However, negative ads are effective at changing the opinion of a nonuser and because of this effectiveness; they will continue to be used despite the ethical objectives. There are rules that apply to marketing and ethics. These rules establish guidelines to help guide marketing decisions to be ethically sound. One of these rules is the idea of universal ethics.

Universal ethics are actions and choices that are made based purely on a moral idea.

These universal principles are generally believed to apply to all people at all times in all situations (Chillier). The challenge for marketing departments is that they need to find a way to ethically market their reduce in order to sell more products to consumers without compromising the integrity of the product or coercing customers to purchase a product that they do not need. There is a code of ethics that exists for marketing that has been created by the American Marketing Association. This code of ethics has been created to promote honesty, fairness, responsibility, respect, and openness in areas of marketing.

There are several guidelines that can be followed to help ensure ethical decisions are made while marketing a product. One of those guidelines is to simply have a great product. A great product will go many things to sell itself. A product that can be sold based on the greatness of the product and the advertising does not have to embellish the product to make it look more appealing. Another guideline to ethical marketing is to use the Internet to market the product. Using the internet will allow the product to gain more recognition quickly because of mass reach.

Gaining high visibility for a product will help keep the marketers honest and bound to follow the ethical code. Studying marketing results will also help to follow ethical guidelines. These results can help a marketer understand what types of ads are best representing and selling the product. This analysis can allow pinpoint marketing to take place and solid marketing decisions can be

based on the past results. It is also important for the marketers to study the competition. Understanding how the competition products are marketed can help direct the focus of the marketing program.

These guidelines can be used to help make good solid marketing decisions that are ethical and successful. Unethical decisions are made in marketing that are not related to truthfulness or product representation. There are also decisions that are made by companies relating to the different types of consumers that they are erecting their marketing towards. Marketing toward children is a tactic that is growing in popularity in marketing circles.

McDonald's and other fast food companies have increased marketing campaigns that are directed towards children.

Fifteen billion dollars is spent marketing towards children every year and twenty-five percent of that comes from fast food companies. McDonald's has even created a separate version of the Happy Meal called the Mighty Kids Meal that includes larger sized portions. The creation of this larger meal that is marketed towards children with larger appetites is unethical on two levels. The meal is targeted towards a growing obese child population. It is also part of the campaign that is geared toward children as a tool to manipulate parents to spend more money. This marketing style is a marketing grey area.

Marketing in a grey area can have undesired consequences. One of these consequences is a lack of trust in the product and the company. As companies operate repeatedly in this grey area, they run the risk of losing customers because of issues related to trust. Handy is an example of a company that is walking this line of pattern misrepresentation. Handy was

discovered in 2001 of overstating the horsepower achieved by some of their models. Korea discovered that Handy was misrepresenting the horsepower in several of their cars by as much as 9.6 percent according to Grabbier. Mom. Uncovering this false advertising claim led to a class action lawsuit against Handy because they were able to sell their cars for a higher price based on the false horsepower claims. Recently Handy has been caught misrepresenting the facts related to some of their cars once again. According to the Wall Street Journal, The Environmental Protection Agency discovered that Handy has overstated the gas mileage on several models by as much as five miles per gallon since 2010. This misrepresentation has caused many to begin to lose faith in Handy as a brand.

Their unethical choices in marketing have started to affect the Handy brand and the trust that people have in the brand. Marketing and ethics are two topics that are closely intertwined. Because of the reward that can be gained by companies due to their marketing strategies, there is not ethically sound. Marketing departments wield power over consumer markets and should be bound by ethical principles in order to keep the best interests of the consumers in mind instead of focusing on profits at the expense of the consumer.