Marketing and advertising law assignment

Art & Culture



Advertising is about selling ideas. Advertisement is use to publicize and increase the consumption of the product by the public. However, advertising techniques can also sabotage the objective of one's rational choice. When an advertisement becomes misleading or deceptive, it is where Section 18 of the Australian Consumer Law comes in. Misrepresentation of a product or service may be conveyed by words, graphical presentations, pictorial images, action sequences or even by silence. Advertisement should not influence consumers' initial attitude to any product or service.

Various techniques of advertisements are identified. Hidden fees and surcharges Service providers often tack on the?? fees?? and surcharges that are not?? disclosed?? to the customer in the advertised price. One of the most common is for?? activation?? of services such as?? mobile phones, but is also common in?? broadband,?? telephony, gym memberships, and air travel. In most cases, the fees are hidden in?? fine print, though in a few cases they are so confused and obfuscated by ambiguous terminology that they are essentially undisclosed. Hidden fees are frequently used in airline and air travel advertising.

In the case of motor vehicles, hidden charges may include taxes, registation fees, licences, insurance or other costs associated with getting a vehicle on the road. Airlines and car hire firms that disadvange customers through: * Unfair contract terms, notably with respect to consumer compensation. * Use customer data for purposes other than they were obtained for. * Apply unfair fees, charges and penalties on transactions. * Place artificial restrictions on the time period during which customers can submit claims. Misleading Nutrition Labels/Facts

This happens a lot on food products found in supermarket, such as dairy products. They are normally labelled as No Transfat, Natural, Eco-Friendly, No Sugar Added and etc. Oversized Packaging It is not what is on the outside that says what is contained on the inside. This is one reason why packaging is important, packaging a product nicely with designs attracts consumers, but size, on the other hand, attracts consumer too. The box or bottle may appear to be big as what is seen on the outside, but the real content inside, tends to be lesser.

Comparative Advertising There are no special laws governing comparative advertising. It is legitimate unless it conveys misleading messages to the relevant section of the public. However, advertiser has to be careful. Comparative advertising can be very persuasive. Hanimex Pty Ltd v Kodak (Australasia) Pty Ltd (1982). Advertisers should ensure that test results are truly presented, they should make the comparison clear to consumers and results of any mock-up test accurately reflect what is likely to happen under real conditions.

Comparisons between goods and services of different undertakings carry with them some significant risks. There is a danger that once undertakings address the merits and inadequacies of competing goods or services, they may be tempted to denigrate them or derive unfair advantages from such inaccurate comparisons. Just like traditional forms of advertising, comparative advertising seeks to both assist the development of the undertaking concerned and to inform consumers.

Although both forms of advertising seek to attract customers, in case of comparative advertising, commercial relationships may be exposed to the constant threat of unfair practices. One good example of sabotaging the objective of rational choice would be salons selling services at a cheaper price for first time customers. This is a good way of attracting new consumers and salons will take the opportunity to promote other products, and that is when consumers end up paying for the one time service and in addition, for the promoted product too.