

Deceptive advertising



This paper seeks to examine ethics and deceptive advertisement and their inter-relatedness and its importance in the practices of corporations. The weakness of ethical practices within organization in recent times has become a pressing need for corporation if they are to effectively address the frequent occurrences or unethical and sometimes illegal practices.

This paper further addresses and analyses and discuss the issues that surrounds Deceptive Advertisement, the moral perspective on Deceptive Advertisement, and the relevance of deceptive advertisement to Caribbean organization and the importance of any criticism of deceptive advertisement and the moral position on the matter of deceptive advertisement. The ethical issues faced my organization and recommendations to address identified issues are also address within its context.

Deceptive Advertisement According to Business Glossary 2011, Deceptive Advertisement is an advertising that makes false claims or misleading statements, as well as advertising that creates a false impression. Therefore if retailers systematically advertise merchandise at low prices to get customers into their store and then fail to have the merchandise, they are claimed to be guilty of deceptive advertising.

In addition, Deceptive practices can take many other as well, such as false promises, unsubstantiated claims, incomplete descriptions, false testimonials or comparisons, small print qualifications of advertisements, partial disclosure, or visual distortion of products. Thus in relation, the public wants and expects advertising to be truthful, but exactly what does this

mean in practice? Does it mean saying that a new car can get you from New York to California in style is insufficient?

For the ad to be truthful, does it also need to say that driving cars adds to environmental pollution and that you might get hurt or killed in an accident along the way? Does "honest" advertising require that some products (like prescription drugs, for example) need to make fuller disclosures about possible side-effects than do ads for hamburgers and cars? Analyze and discuss issues related to the topic

Deceptive advertising, also known as false advertising, is an act of deliberately misleading a potential client about a product, service or a company in general by reporting false or misrepresenting information or data in advertising or other promotional materials. False advertising is a type of fraud and is considered an offence in many countries. In the 1900s, advertising was largely unregulated by either the government or advertising industry standards, as a result, sellers got away with making false claims without any prohibition.

Medicinal advertisements were among the worst offenders making statements that were not only often outrageous but frequently completely false. Today, because of government and industry-based regulations, the use of false claims in advertisements has become highly unlikely. In addition, the force of negative publicity has reduced these claims as this will have severe or fatal repercussions for the company. Ethical Issues in Deceptive Advertising It is factual that companies, who create and release

advertisements of a dishonest or fraudulent manner, have a moral responsibility for their claims.

So it can be said that if a company seeks to influence people to choose and act in a rationally good way, they are morally good. On the other hand, if a company seeks to persuade people to do evil deeds that are self-destructive, they are considered immoral. So within this very general framework, we identified three moral issues that are particularly relevant to deceptive advertising and each was analyzed competently. The issues consist of; truthfulness, dignity of humans and social responsibility. Truthfulness

To analyze the truthfulness of deceptive advertisements is a major ethical dilemma as issues related to this are either truthful or untruthful. It is known in ethics that lies in advertising are morally wrong and will impact society negatively. But to fairly depict the truth of an advertisement, focus must be placed on the intent of the advertiser. So if it is a case where the advertiser deliberately deceives the public, it is aimed at getting the consumer to do things that is not in his or her best interest and even cause harm.

Companies that advertise lies often bend the truth or illustrate a point that does not even exist, in relation to the product. Another issue occurs when the information about the product and what it can do or is used for is not honestly illustrated in advertisements. In relation to the approaches of morality and ethics, truthfulness in advertising is a major moral dilemma as the approaches give controversial information. A virtual ethicist would focus less on untruthfulness in any particular instance and instead consider what

decision influenced the truth or untruth which speaks about one's character and moral behavior.

As such, lying would be made in a case-by-case basis that would be based on factors such as personal benefit, group benefit, and intentions as to whether they are honest or deceptive. Oppositely, consequentiality may argue that untruthfulness is wrong because of the negative consequences it produces, though consequentiality may allow that certain foreseeable consequences might make lying acceptable. A deontologist might argue that dishonesty is always wrong, regardless of any potential good it may produce. Dignity of Humans

It is a vital requirement in ethics for advertisements to respect human beings and their rights, the violation can be done through compromising the freedom of full information to make decisions. Deceptive advertising can infringe the dignity of humans through its content, comprising of what is being advertised and the manner in which it is advertised as well as the impact on society. These advertisements use techniques that manipulate and exploit human weaknesses such as lust and greed, manipulating individuals to desire unethical products or services.

Focusing on the deformed outlook of morality in relation to life, family and religion is violating the dignity of humans. This problem is especially critical where particularly vulnerable groups or classes of persons are concerned, such as children and young people, the elderly, the poor, the culturally disadvantaged. Much advertising directed at children apparently tries to exploit their innocence, in the hope that they will put pressure on their

parents to buy products of no real benefit to them. Advertising like this offends the dignity and rights of both children and parents.

Also, advertising directed specifically to the elderly or culturally disadvantaged seems designed to play upon their fears so as to convince them to allot some of their limited resources to goods or services of uncertain value. The Deontologist would argue that deceptive advertising is violating the principles of equal rights and respect for all persons. Its driving force is associated with behavioural intentions that disrupt or disregard the rights of individuals like the right to fair treatment. Social Responsibility

Deceptive advertising, in regards to social consensus, usually falls within the scope of either the lack of complete information or the absence of externalities. In fact, social issues arise when advertising tends to violate one or more basic economic principles. Economic issues relating to the environment, foster a lavish life style which wastes resources and despoils the environment can be caused by deceptive advertising. Ecological issues can be said to be the responsibility of the company which endorses the advertisement which may cause destruction.

So all the institutions within a society have some responsibility for helping to maintain social harmony through proper stewardship of families and companies, exercise of honesty and integrity in all relationships, adherence to accepted ethical standards, willingness to assist various segments of the society, and the courtesy to respect the privacy of others. In the utilitarian approach, focus is placed on the greatest good for the greatest number; whether it is harmful or beneficial, deceptive advertising will have affect

society greatly as people view ads as informative, without knowledge of the dishonesty proclaimed.

As a result of the significance of advertising to some persons, it is of great importance for companies to adhere to their corporate social responsibility as society is expecting to benefit from advertisements. The firms who continuously practice deceptive advertising are only viewing the cost-benefit it has regardless of honesty and integrity to the general public. Relevance and Impact of Deceptive Advertising in Jamaica

Deceptive Advertising has impacts on the consumer of the products, competing organizations and the society at large. Increasing competitiveness within markets among market players has led to them to mislead their customers in the form of deceptive advertising. Deceptive advertising is demonstrated to make it look truthful and real, and these ads make customers believe that they are somehow profiting from these transaction, when they will not.

Deceptive advertisement cheats customers of quality or quantity of their expectations of a product or service. Advertisement has the ability to persuade consumers into commercial transaction that they might otherwise avoid, the Jamaica government uses a regulatory body to control false, deceptive and misleading advertisement, called the Fair Trading Commission (FTC) and Consumer Affairs Commission (CAC). However many industries in Jamaica have been affected by deceptive advertising.

The prevalent deceptive method used within industries today is Hidden fees and surcharges, these hidden fees and surcharges are not disclosed to

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customers in an advertisement, because organizations rarely every state all hidden fees or terms and condition for a product or services. The negative effects of deceptive advertising may include the following; unfair contract term with respect to consumer compensation, use of customer data for purpose otherwise than they were obtained, unfair fees charges and penalties on transaction.

As for Jamaican organizations the regulatory body Fair Trading Commission FTC, not only protects consumer but also protects competition among organizations within the country whereas the Consumer Affairs Commission CAC is Jamaica's consumer protection agency. With regulatory bodies in place organization must adhere to rules and regulations of the Commission or else these organizations may undergo serious penalties.

The FTC also reviews advertisements for their specific content including the words, phrases and pictures that explicitly or implicitly depict misleading or false claims, the FTC have the right to scrutinize both implicit and explicit claims. Industries Experience Deceptive Advertising The problem of deceptive advertising is especially prevalent in the Jamaican Entertainment and Music Industry where promoters are advertising act that are not booked for their event based on an article in the Jamaica Observer (2008).

This led to consumers being misled and purchasing tickets with false information which is the basis of a deceptive advertising. Trinidadian state carrier Caribbean Airlines which now owns and operate Air Jamaica has been fined US\$40, 000 for what the United States Department of Transportation described as unfair and deceptive advertising. The false advertising is said to

have occurred between March and July 2010 in fare ads on its website that did not include applicable fuel surcharges.

The report stated that on September 11 Security Fee was one of the additional taxes and fees that was not included in the advertised price and was not disclosed as required which constitutes a separate and distinct violation of the regulations based on an article titled “ Caribbean Air Line Fine for False Advertising” by RJR News (2011). Puffing in the travel and tourism industry is also a common problem faced the regulating authority in an effort to stamp out deceptive advertising.

According to the complaint board travel agency are offering unreal packages and advertising hotels above their rating class and this is couples with the resort not being able to offer all the services that was advertise. Explore the moral perspective as they relate to the area of interest Generally ethical principles stem from ethical theories, and when defending a particular action, ethicists normally appeal to these principles, not underlying theory. There are few ethical perspectives that must be considered, such as the Utilitarian, Kantian, Categorical Imperative, and Justice/fairness Theory.

The theories mentioned would assist in looking on the moral perspective in relation to Deceptive Advertising on aspect of the society. The utilitarian perspective was developed by Jeremy Bentham which focuses on the consequences of the action or the effect that policies have on the well-being (“ Utility”) of all people directly or indirectly affected by the action or policy (Trevino 1995). This principle simply that or rather if the action is good or

bad, but the right action that provides the greatest good for the greatest number of person affected: particularly in the society.

Thus, Deceptive Advertising is arguably wrong on both Kantian and Utilitarian grounds; in relation to Utilitarian grounds it may be said that deceptive advertising breeds a more general mistrust of communication, leads to wrong (hence more costly, less beneficial) choices, and interferes with the beneficial workings of market by undermining rational agency. Hence, Advertising, like all communication involves three terms known as author, medium, and audience.

In light of the immorality of deceptive advertising, its authors have a moral duty not to deceive: in the case of vulnerable audiences, such as children, this includes a duty not to exploit their vulnerabilities. , the media have a similar duty to insure that the advertisements they transmit are not misleading, again taking special care to insure that the vulnerabilities of children and other impressionable audiences are not being exploited. Thus, audiences, correspondingly, have a right not to be deceived and, in the case of the especially vulnerable audiences, not to have their special vulnerabilities exploited.

In addition, another moral perspective is Kantian grounds such advertising may be seen to be seen reprehensibly violation to consumer rights to rational self-determination, lying and furthermore is a paradigm example of a non- universal act. Another moral perspective that we could look at is the Categorical Imperative (Golden rule which simply states that we should not act in any way unless the action can become universal law and also states

that we should not treat people as a mean to an end but we should recognize that they themselves are an end to themselves.

Thus, in Deceptive Advertising manufactures should note that it is not right to treat their customers in misleading them and giving false information than in the end may lose their customer focus by customer The fairness/ justice theory is yet another perspective that can be used when referring to Deceptive Advertising. This theory was founded by Nicholas Rescher, who suggested that people should be treated the same unless there are morally relevant differences between them.

This theory places focus on how Deceptive Advertisement as Rawl believes that principle of Justice should be universalizable and so the only to ensure that people will select fair principles of justice is to be certain that they do not know how the principles they select might affect them as individuals. As a result, manufacturers should ensure that they will be fair in everything as promoting their products or service to customer so that they can prevent from affect them in any shape or form.

In addition Virtue Ethics perspective play an vital role in Deceptive Advertising as these firm and organization must implement integrity, honest and fairness without the intervention of lying, dishonest, cheating to make their company look profitable and indulge in fraud advertising to actually gain sales from customer and knowing it will affect them in the long run. Highlight any criticism on the area being reported on The FTC defines deceptive advertising as being a representation, omission, act or practice

that is likely to mislead consumers acting reasonably under the circumstances.

To be regulated, however, a deceptive claim must also be material. Advertisements exist to grab the attention of the audience by promoting a product. In this day and age, advertisements have become deceptive through mouse print, confusing colors, trick words, and lies. The government, through the FTC, helps protect citizens from deceptive advertisements. Advertisement scams have impacted thousands already, creating distrust in companies. The government is doing a lot to crack down more heavily in order to protect consumers in an ever increasing world of scams.

Companies that don't use deceptive advertisement still can make the big dough in the business world. In an interview with Michael Yavonditte, the CEO of an internet business named Quigo, it was announced that Quigo feels " very excited about the company we're building" (Ellis). Advertising honestly for Quigo didn't stop the company from making a lot of money so far, and the potential to reach Google's playing field. As the economy slows down, (FTC) expect that advertisements will grow even more deceptive.

The words used in advertisements often associate with adjectives that make the reader feel comfortable in purchasing the associated good. The word " natural" was the leading claim made about new product made last year, according to Mintel, appearing on nearly one in four new foods and drink products, a nine percent increase from 2007. Lay's potato chips, Tropicana

orange juice, Welch's grape juice and Pizza Hut pizza are among the launches this year by major marketers making natural claims.

Key nutritionists' concerns are fears that the term will override nutritional information and portion control. "When someone hears (that's natural), they think, (I can eat as much as I want)," said Keri Gans, a registered dietician and spokeswoman for the American Dietetic Association" (York). The wording in advertisements can literally make or break the sale of a product, and using deceptive ads, companies try to make a bigger profit. Why do companies jeopardize the integrity of their businesses and risk the chance of getting charged with a deceptive advertisement fee?

Experts agree that the reasons vary greatly; however, the biggest reason coagulated concludes, obviously, making money. "A charitable explanation is that creative people get caught up in the challenge of execution rather than the big picture. A less charitable explanation is that some marketing execs and their agencies are interested only in lining their pockets. The truth, of course, lies somewhere in between" (Wheaton). The growing competitiveness amongst the big market players has led them to mislead their customers in the form of deceptive advertising.

This type of advertisement makes use of misleading statements that people easily fall prey to. The false advertisements are so articulated to make it look so truthful and real that even the true, disciplinary advertisements looks like false advertising. These types of advertisement are made to make customers believe that they are somehow profiting from the transaction. In essence, there are two "social" criticisms. The first explicitly charges advertising with

the power to force consumers to buy products they do not need or want; the second implicitly charges advertising with this power.

Deceptive advertising changes the tastes and preferences of consumers by coercing them to conform to the desires of producers. For example, consumers may want safer automobiles, but what they get, according to the critics, is racing stripes and aluminum hubcaps. Forcing consumers to conform to the desires of producers, the critics point out, is the opposite of what advocates of capitalism claim about a free-market economy namely, that producers conform to the tastes and preferences of consumers.

Deceptive advertising manipulates consumers into buying products they do not need or want. The most specific example of this criticism is the charge of subliminal advertising. The other form claims that advertising is “merely” coercive, by creating needs and wants that otherwise would not exist without it. That is, highly emotional, persuasive, combative advertising as opposed to rational, informative, and constructive advertising is claimed to be a kind of physical force that destroys consumer sovereignty over the free market.

According to Galbraith’s “dependence effect,” so called because our wants, he claims, are dependent on or created by the process by which they are satisfied the process of production, especially advertising and salesmanship. Our wants for breakfast cereal and laundry detergent, says Galbraith, are contrived and artificial. The psychology of behaviorism has strongly influenced this second form of the first “social” criticism. Both forms of the “coercive power” charge refer repeatedly to the advertising of cigarettes, liquor, drugs, sports cars, deodorant, Gucci shoes, and color television sets as

evidence of advertising's alleged power to force unneeded and unwanted products on the poor, helpless consumer. The charge of manipulation and deception is more serious than "mere" coercion because manipulation is more devious; a manipulator can make consumers buy products they think are good for them when, in fact, that is not the case. The charge of manipulation, in effect, views advertising as a pack of lies. The charge of "mere" coercion, on the other hand, claims that advertising is just brute force; advertising in this view, in effect, is excessively pushy.

According to the second "social" criticism, advertising offends the consumer's sense of good taste by insulting and degrading his intelligence, by promoting morally offensive products, and by encouraging harmful and immoral behavior. Prime targets of this "offensiveness" criticism are Mr. Whipple and his Charmin bathroom tissue commercials, as well as the "ring around the collar" commercials of Wisk liquid detergent and the Noxzema "take it all off" shaving cream ads.

But worse, the critics allege, advertising promotes products that have no redeeming moral value, such as cigarettes, beer, and pornographic literature. Advertising encourages harmful and immoral behavior and therefore is itself immoral. Although this criticism does not begin by attributing coercive power to advertising, it usually ends by supporting one or both forms of the first "social" criticism, thus calling for the regulation or banishment of a certain type of offensive meaning coercive advertising.