Constraints on marketing essay sample

Law

Marketing has been defined as the action or business of promoting and selling products or services to the general public. Marketing a product effectively can help raise public awareness of the product and in return raise sales of the product dramatically. However to control fair marketing procedures some legal requirements have been set out in the sales of goods act 1979, consumer credit Acts 1974 and 2006, and The Consumer protection from unfair trading regulations 2008. The organization may also set out some restrictions on their marketing voluntary by choosing to follow the Code of Advertising Practice and Advertising Standards Authority. Pressure groups and consumerism also has a huge effect on marketing procedures.

Legal Constraints and limitations on marketing

The sales of goods act 1979

The sales of goods act 1979 gives protection to purchasers as the Act states that goods must be of satisfactory quality, goods sold by description must correspond to the description of the product, the seller must have the right to sell the good and products sold by sample should match the description and previous samples viewed. For example if a company advertises Italian leather shoes, the product must then be real Italian leather as they have stated in their advertisement. This act limits marketing as it stops organizations from taking advantage of consumers by using false advertisement when marketing their products. For example if a company advertises that they have a 50% sale on a particular item for a selected time and a customer responds to this later finding out that the product advertised on the sale is not the product giving to customer upon purchasing, the organization would be using unfair practises under the sales of goods act as the act limits them to false reporting when marketing a product by stating that goods must match sample and correspond to the description of the product. This act therefor affects marketing as it stops organizations from falsely marketing and advertising their products.

The Consumer Credit Act 1974 and 2006

Another legal constraint on marketing is the consumer credit act 1974 and 2006. This act applies to business that offer goods or services on credit, or companies that lend money to consumers. The act requires that all business have to provide credit or loans to give their customers regular updates on their account E. g. Annual statement outlining the balance on the loans and remaining credits on a product. The act gives authority to the Office of Fair Trading to impose civil penalties on financial companies that do not comply with its conditions.

This means that if an organization advertises that customers can buy a product and pay nothing on the product for 6 months then pay the outstanding balance with no extra on the products APR price, they must comply with this condition or they would be breaching the consumer credit Act which stops them from backing out of agreements made with a consumer, this also limits the company’s marketing procedures as it stop financial organization from taking advantage of customers and making sure customers are legally protected by making those who back out of agreements made legally liable hence organizations would have to be careful when marketing loans and credit plans because any offers and conditions they put on their advertisement when marketing can be legally obligatory enforced upon them .

Consumer protection from unfair trading Regulations 2008

This act ensures that organizations are honest with customer; the act entitles all customers to be treated fairly with honesty from business they have contact with. The act limits business using aggressive marketing and sales tactics, or using dishonest promotions when marketing. Due to this act organizations can not lie to customers to make them buy a product for example if an organization was having a closing down sale however the business is not actually closing down, that organization would be breaching the consumer protection from unfair trading regulation as they are using dishonesty whilst marketing to raise the sales of their products. Hence this act limits organizations marketing as they are restrained from falsely advertising the status of their organization or products in order to sell more products to customers as the false advertisement is branded as aggressive trading in the law making the organization that uses this method legally liable for their actions if customers wanted to sue them.