

15.7: Ethical Concerns in Advertising and Public Relations

Learning Objectives

By the end of this section, you will be able to

- Illustrate ethical issues with respect to advertising.
- Illustrate ethical issues with respect to public relations.

Ethical Issues Related to Advertising

Marketers must be keenly aware of not only the legal implications of advertising, but also the ethical ramifications. The Federal Trade Commission (FTC) has several laws that help to protect consumers against false claims in advertisements. The watchdog group Truth in Advertising is an independent, nonprofit organization that “empower[s] consumers to protect themselves and one another against false advertising and deceptive marketing” (Truth in Advertising, 2022).

Truth in Advertising

Every year, Americans spend billions of dollars on health-related products, such as supplements, exercise programs, and nonprescription medication. Unfortunately, many advertisements claim that these—and many other—products will perform in a way that has not been proven. Not only can such claims be very harmful to individuals, but they can also get companies in big trouble.

In 2021, Subway was put in the spotlight by its own franchisees for its “Eat Fresh” slogan. The franchisees claimed that the slogan was misleading, that Subway’s ingredients were often days or weeks old when they arrived at the stores, and that the meat was laden with chemicals (Dominko, 2021).

Advertising to Children

Marketers must be keenly aware of how they advertise to children. Children are exposed to advertising just as often as adults. It is estimated that children view more than 40,000 commercials per year (Kunkel et al., 2004). However, children and youth do not understand how to decipher advertisements that are trying to get them to want something. For products that are harmful to, not meant for, or illegal to sell to children, marketers must steer clear of advertising to children.

The vape company Juul found itself in hot water in 2019 when it was accused of marketing to teens. The company advertised its product—intended for adults only—on websites such as Nickelodeon, the Cartoon Network, and Seventeen, all sites directed toward youth (Belluz, 2019).

Advertising Harmful Products

When organizations run advertisements for potentially harmful products, they can be held legally liable for the claims and for any harm caused by the product. Even if the company is not held legally liable, the reputation of the business can be damaged (Thompson, 2016).

Have you ever noticed that in a prescription drug commercial considerable time is spent on the side effects of the medication? Or that there is a disclosure at the bottom of the screen that the actor is not an actual patient? These are all required by the Federal Food, Drug, and Cosmetic Act (FFDCA), the Food and Drug Administration (FDA), and the FTC to adhere to truth in advertising expectations.

Ethical Issues Related to Public Relations

Similar to being truthful in advertising, marketers must also be aware of how they disseminate information via public relations. Again, with the increase in social media and the Internet in general, it is much easier for consumers to find information regarding companies. In addition, it is much more commonplace for consumers to call out companies that are being unethical or dishonest. It is much easier for organizations to be honest and transparent upfront than try to dig themselves out of a public relations nightmare.

Link to Learning: IKEA

The start of the COVID-19 pandemic required the entire world to shift its perspective. This was true for marketers as well. Many companies changed their marketing strategies from selling goods and services to creating feelings of goodwill and solidarity. IKEA, the Swedish furniture manufacturer, was no exception. In a marketing campaign launched early in the pandemic, the company offered six ways to build a furniture fort, giving the public ways to cope with being quarantined. The campaign earned a nod in *AdWeek*'s most notable advertisements (Spary, 2020). [Read more about the campaign, and see the forts, here.](#)

Transparency

An important part of managing public relations is to disseminate information to the public. It can be a very effective way of gaining loyalty and interest in the brand. The more transparent a company is to its target market, the more trust consumers have in the brand.

Whole Foods, known for offering natural foods, faced scrutiny over its mislabeling of genetically engineered foods. The company's top priority became transparency, and it requires every product sold as non-GMO to go through a verification process (Richman, 2016).

Selective Truth Telling

Selective truth-telling is a practice in which a person or organization tells a portion of the truth but omits other portions of the truth. Particularly in the face of scrutiny, marketers have always had to decide how much of the truth should be provided to satisfy the public but also protect the organization. In recent years, many organizations have been increasingly telling the whole truth upfront to avoid being called out later.

Verifying Facts and Information

Fact-checking is a process to verify facts on an issue. Marketers must do their best to present information that is valid to their target. This should be done before the information gets released to the public. In a society of "fake news," consumers are more skeptical than ever about information. Obviously, presenting information that is not factual will lead to decreased trust from the public.

Companies with a Conscience: TOMS

In 2006, Blake Mycoskie founded TOMS shoes (see Figure 15.6), the name of which comes from the word "tomorrow." TOMS is committed to its One for One model: for every item purchased, an item is donated to those in need (Mycoskie, 2011). Since its inception, TOMS has also committed one-third of its profits to grassroots movements (TOMS, 2022).

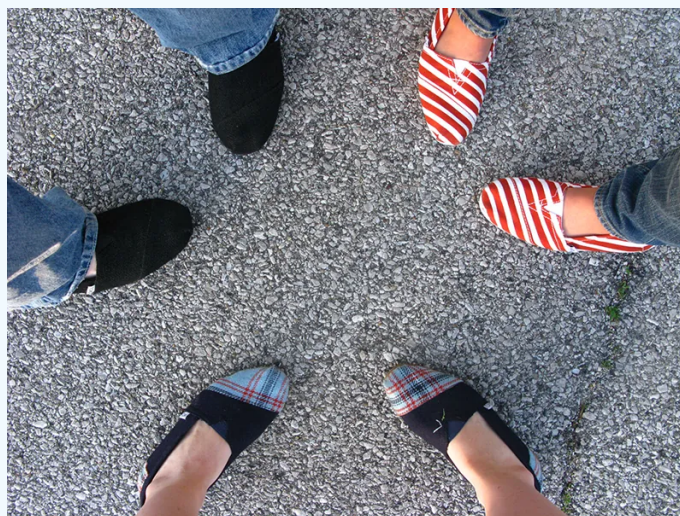


Figure 15.6 TOMS is an example of a company that built a company, product, and mission focused on giving. (credit: "Spring" by molliply/flickr, CC BY 2.0)

TOMS remains transparent, and the company's behavior is aligned with its values. In every advertising campaign launched, TOMS' philanthropic mission is consistently reinforced to the public. As a result, it's nearly impossible for anyone to think of TOMS as anything but aligned completely with its mission, whether one is visiting the company's website, viewing print media, or looking at the company's social media (Shewan, 2022).

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