## Make Your Marketing Compliant, Not Complicit

Keep your marketing material and advertising activities out of legal hot water.

We all know that marketing and advertising are essential components of conducting business, but can you identify when they might be breaching the law? This compliance cheat sheet comes in two halves: unshakable tenets and exciting new frontiers to keep in mind.

#### The Law is the Law

Without regulation, there is chaos. Marketing activities and advertising materials have to meet legislative standards and adhere to various codes of conduct in order to be legally compliant. They also help protect consumers from unscrupulous tactics that some companies might employ to mislead their customers, and safeguard companies from reputational damage by outlawing such practices.

This is especially important for <u>trade promotions</u>, which may require compliance to local jurisdiction and additional laws when advertising sensitive products such as alcohol. Some activities also have specific rules that must be followed to be above board. For example, gift cards are a very <u>popular incentive</u> offered by businesses to attract customers. In Australia, certain types of gift cards purchased on and after 1 November 2019 must be redeemable for at least three years after the date they were acquired.

## **Honesty is the Best Policy**

It is absolutely vital that you present your company, products and promotions to customers in an upfront manner. Being misleading or straight up untruthful is a surefire way to hurt the brand, lose patronage and potentially pay penalties.



#### **A Cautionary Tale**

In 2020 Amaysim and Lycamobile paid fines totalling \$138,600 after the Australian Competition & Competitor Commission (ACCC) alleged the telecommunications companies each falsely represented an "Unlimited Data" allowance that was in fact capped. Had the telcos been clearer about the offer, then they most likely would have skipped the fine.

### **Get the Message Out There**

While the early days of social media advertising were akin to the Wild West, some general regulation and commonsense principles now apply in a maturing market.

One particular area to look out for is influencer marketing. Promotions by these online figures must be genuine and ideally are clearly marked with #ad, #partnership or similar if their content was paid for by a business or brand.



Governments are still developing regulations for these specific practices, but most social media platforms have implemented clear rules about labelling branded content within their terms of use. Influencers and sponsors risk damaging their respective brands and trustworthiness if accused or found in breach of being deceptive.

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#### **Trust Issues**

In early 2023 the Australian Competition & Consumer Commission (ACCC) conducted a sweep of influencer accounts across various platforms and content sectors. The three leading concerns pertained to influencers either not disclosing sponsored content, being vague about it, or making false statements about a product or service. The ACCC considered 96% of fashion influencers made "concerning" posts during the sweep period.

Furthermore, any competitions conducted online still legally require **complete terms and conditions** logged in an accessible place.

#### Reject Rigmarole, Embrace Technology

Just as technology has transformed promotions to be more engaging for consumers, it can be just as useful relieving marketers and legal teams. Progressive organisations are easing the friction between Legal and Marketing teams by introducing productised legal services such as Plexus's Marketing Suite of solutions: Promotion Wizard and Advertising Wizard.



# Spend your time on strategy, not advertising compliance.

Advertising Wizard lets you launch marketing activities in record time with a compliance workflow that's faster and lower risk than traditional alternatives. The world's top brands and agencies are powered by Plexus.

**Get started** 

These tools eliminate the back and forth drag between the two functions and help collate the necessary material and legal checks required to ensure campaigns are compliant. Minimising the risk of human error is vital, especially at scale where mistakes can rapidly snowball into an administrative nightmare. Plexus has helped organisations of all sizes address and streamline their marketing compliance. See how Lendi maintains compliance across their network of over 1000 brokers with Plexus in this <u>case study</u>.

#### Get more insights...

Discover more about trade promotions in our Transformation Toolkit including relevant Plexus:

- How-to Guides
- eBooks
- Case Studies
- Knowledge Base

Get in touch with with one of our transformation specialists:

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