

# ADVERTISING CODES AND REGULATIONS



**Fortunately for consumers, advertisers in Canada are expected to follow laws and rules designed to set and maintain standards of accuracy, fairness, honesty, truth and appropriateness in advertising. The following four bodies play a big role in regulating advertising in Canada.**

## THE COMPETITION BUREAU

The Competition Bureau is responsible for the administration and enforcement of the Competition Act, the Consumer Packaging and Labeling Act (except as it relates to food), the Textile Labelling Act and the Precious Metals Marking Act. Among the many things that the Bureau is responsible for are deceptive marketing practices. When sale items are not actually in stock, when sale prices are not honoured, when "sale" items are never actually sold at "regular" prices, and

when contests are not fair, the Bureau can recommend criminal charges. [Click here](#) to visit the Bureau's site.

## CANADIAN FOOD INSPECTION AGENCY

The Canadian Food Inspection Agency is responsible for enforcing the Consumer Packaging and Labeling Act, as it relates to food. This Act regulates the packaging, labeling, sale, importation and advertising of prepackaged and certain other products.

[Click here](#) to visit the Agency's site.

## ADVERTISING STANDARDS CANADA

The **ASC** is a non-profit organization with volunteer members from the public, the media, advertisers and ad agencies. [Click here](#) to visit the ASC site. The ASC's role is to enable the advertising industry to regulate its own behaviour. To accomplish this, the ASC publishes and enforces regulatory guidelines, or standards. The ASC cannot legally charge its members for breaking its standards. Instead, it accepts and investigates complaints from the public, and encourages advertisers to fix or remove any ads that don't meet its standards. You can [click here](#)

to read about complaints to the ASC that were found to be actual cases of ads that broke the standards.

One of the ASC's publications is the **Canadian Code of Advertising Standards**. It consists of 14 provisions defining what is acceptable when advertising in Canada. [Click here](#) to access the Canadian Code of Advertising Standards and its 14 provisions.

The ASC also has a specific code for advertisements **targeted to children**. [Click here](#) to access the Broadcast Code for Advertising to Children. Children, especially young children, live in a world that is sometimes real and sometimes imaginary. Sometimes they are unable to distinguish between the two. The code encourages advertisers to recognize these special characteristics when advertising to an audience of children.

The ASC also publishes **Gender Portrayal Guidelines**, which provide expectations for a fair and balanced presentation of males and females in ads. [Click here](#) to access this document.

## CANADIAN RADIO-TELEVISION AND COMMUNICATIONS COMMISSION (CRTC)

The **CRTC** is the agency that regulates and oversees the radio, television and Internet media in Canada. Its main focus is not advertising (the Canadian advertising industry self-regulates through the ASC), but it does have certain powers and responsibilities regarding advertising. They include:

- Limits advertising time
- Regulates advertising for alcohol and requires alcohol education messages
- Regulates the relative volume of ads during digital programming
- Allows "signal substitution" to replace American ads in American programming with Canadian ads (e.g., during the Super Bowl)
- Enforces the Broadcast Code for Advertising to Children (published by ASC) by refusing to license advertisers who do not follow the Code.

[Click here](#) to visit the CRTC website that outlines the basics of electronic advertising in Canada. You can link to details of the CRTC's various duties and powers from there.

## **ASSIGNMENT: ADVERTISING STANDARDS**

Before going any further, be sure you have read over the 14 provisions (clauses) in the Canadian Code of Advertising Standards. You can [click here](#) to access them—you will need them for this assignment.

For this assignment, you will read **eight short scenarios about complaints to Advertising Standards Canada (ASC)**. The scenarios are based on actual cases, but the details have been changed. The ASC accepted the complaints, agreeing that the ads did not follow one or more clauses in the Canadian Code of Advertising Standards. Each scenario states how many clauses of the Code were broken.

Your task is to identify which clause or clauses from the Code relate to each complaint. Then, explain how the advertiser did not follow the Code. Do you agree with the ASC's ruling? Why or why not?

[Click here](#) to open a template you can use to answer Parts A and B. Open and complete the template in MSWord. Save it in your student directory.

**Joe's Pizza**

Advertiser: Joe's Pizza

Industry: Food Service

Media: Print

Description of Ad: The advertiser offered "Free Delivery" in a print advertisement.

Complaint: The complainant was charged a fee for delivery of a pizza, which was contrary to the advertised claim.

Number of Clauses Broken: 1

**Polar Pharmacy**

Advertiser: Polar Pharmacy

Industry: Retail

Media: Point of Sale

Description of Ad: A dental product was advertised at a "special price."

Complaint: The complainant states that there was no difference between the two prices. The retailer's regular selling price of the product was the same as the "special price."

Number of Clauses Broken: 1

**Cindy's Family Diner**

Advertiser: Cindy's Family Diner

Industry: Food Service

Media: Billboard

Description of Ad: The complaint named two billboard advertisements. In one, an apparently naked woman's legs and thighs were the clear focus. In the other, the focus was on a man's bare chest.

Complaint: The complainant believes that the way in which the particular body parts were presented was demeaning to both men and women.

Number of Clauses Broken: 1

**Trans Pacific Motors**

Advertiser: Trans Pacific Motors

Industry: Automotive Manufacturer

Media: Television

Description of Ad: A car is shown being driven at excessive speeds through a dangerous obstacle course in hazardous weather. The car arrives at a destination that turns out to be a family cottage. A small print message advises viewers to not attempt this, as the driver is a trained professional driving on a closed course.

Complaint: The complainant believes that the commercial displayed potentially dangerous and unsafe driving practices.

Number of Clauses Broken: 1

### **Lucky Forever Home Furnishings**

Advertiser: Lucky Forever Home Furnishings

Industry: Retail

Media: Television

Description of Ad: The audio portion offers a 50% rebate on "all brands of couches" sold in the store during the promotion period. A small print message stated that the reduction applied to "selected couches."

Complaint: The complainant found that only one couch per brand was offered at 50% off.

Number of Clauses Broken: 2

### **Pfelter-Mays New and Used Auto**

Advertiser: Pfelter-Mays New and Used Auto

Industry: Automotive Retail

Media: Television

Description of Ad: Two boys are shown playing road hockey, using a parked car as a goal. The adult who owns the parked car replaces the soft ball being used by the boys with a heavy metal ball. The adult's intention was for the boys to damage the car so she would have an excuse to replace it with a new car from Pfelter-Mays (the advertisers).

Complaint: The complainant believes that the commercial encourages dangerous and unsafe behaviour.

Number of Clauses Broken: 2

### **Vulcanor Internet Services**

Advertiser: Vulcanor Internet Services

Industry: Internet Service Provider

Media: Directory

Description of Ad: The advertisement claimed that the advertiser (ISP) would deliver a service with virtually 0% busy signals.

Complaint: The complainant claimed that it took multiple attempts to connect to the ISP using the advertised service.

Number of Clauses Broken: 2

### **Tony's Pizza and Pasta**

Advertiser: Tony's Pizza and Pasta

Industry: Food Service

Media: Flyer

Description of Ad: A flyer promoted "2 for 1" pizzas. It also featured a small "single" pizza at \$9.50.

Complaint: The complainant found the ad to be misleading because he was unable to purchase two small pizzas for \$9.50 (the price of a single)

Number of Clauses Broken: 2