



Advertising Reminders – Part 1 Marketing Campaigns

Recent media stories have included allegations that some dealers are distributing misleading promotional materials. These stories, additional consumer complaints and VSA investigations have resulted in negative publicity as well as administrative penalties. These topics will be addressed in two parts:

Part 1 – Marketing Campaigns

Part 2 – Avoiding Non-compliance in Manufacturer Ad Campaigns

Marketing Campaigns

Some franchise dealers in British Columbia, Alberta, and Ontario have breached provincial legislation by using direct mail marketing campaigns originating in the United States. As an example, one marketing campaign was misleading, causing consumers to believe that:

- The information they received was from the Government of Canada
- The offer was part of a government rebate or incentive program, which was based on the consumer's CRA Notice of Assessment

In reality, this campaign – which came in an official-looking ad envelope mailed to area homes – was nothing more than a misleading tactic to get consumers to dealerships. As a result, two dealerships have signed undertakings that included a \$3,000 administrative penalty and investigation costs. A third incident is being investigated. Fortunately, no consumer financial losses were uncovered, but one Lower Mainland dealer suffered significant negative publicity.

Other dealers have participated in direct mail advertisements and campaigns that misled consumers by offering savings or prizes that were not actually available. Again, the VSA took enforcement action and consumer restitution was paid. In one case, the dealer altered the terms of a prize drawing, but negative publicity and the involvement of the VSA resulted in full payment to the winners.

Ian Christman, Registrar of Motor Dealers, offers this reminder: “As the dealer, you are responsible for your ads, not the marketing company. This includes proofing your ads. If you choose to work with a marketing firm, work with one that understands the advertising requirements of British Columbia and Canada.”

Resources: [Undertakings](#) are posted on the website and advertising requirements can be reviewed using the [Continuing Education Module – Advertising for Salespeople](#). The [VSA Advertising Guidelines](#) give the most detailed description of all advertising requirements.