

**ETHICS COMMISSION**

**THE BASIC PRINCIPLES  
OF JEWELLERY ADVERTISING**



## **INTRODUCTION**

CIBJO is an international confederation of national jewellery trade associations and other commercial bodies involved in the jewellery business, representing the interests of all individuals, organisations and companies earning their livelihoods from jewellery, gemstones, pearls and precious metals. Its goal is to protect consumer confidence and the public's trust in the jewellery industry.

As an advocate for the well-being of the jewellery industry world-wide, CIBJO publishes this guide to fair and honest advertising. Its purposes are to educate the jewellery trade on generally applicable standards that, when followed, will lead to enhanced public trust in our products and the firms that sell them.

The industry's reputation with the public is largely based on our advertising. When selling luxury products, it is particularly critical that that jewellers build, not damage consumer confidence.

Your competitors are watching your advertising, as is the government in your area. Often, competitors can bring actions in court based on claims that false advertising has hurt their business. Governments can bring enforcement actions that are based on consumer harm caused by false advertising.

Following the basic principles set out in this guide will protect your business, and benefit the industry as a whole by building trust in our industry.

The principles contained in this guide are generally applicable in all jurisdictions. Often, jurisdictions will have additional specific standards that apply to jewellery advertising, which are applicable as well

## **WHAT IS ADVERTISING?**

Advertising includes all print ads, television and radio ads, a sign in your window, your web site, a sponsored blog, a listing in a phone directory – really any means by which you promote your business. So, these basic principles will apply to all of these platforms.

## THE BASIC PRINCIPLES OF ETHICAL ADVERTISING

### 1. Advertising must be truthful and non-deceptive

Advertising must be truthful. If your advertisement contains a misrepresentation about a product or service, value or any other claim that is material (important to the consumer's decision to purchase), and likely to mislead a consumer acting reasonably, the ad is deceptive.

An ad is also deceptive if it omits material information, and the omission is likely to mislead the consumer. This requirement would include making representations about treatments to gemstones that are required, and will have an influence on the purchaser's decision.

**Disclosures must be made in a manner that is clear and conspicuous, before the decision to purchase is made and in clear language that can be understood by a reasonable consumer.**

Disclosure information must also be prominent and in close proximity to the relevant claim.

These standards apply to any claims made about value, identification, carat weight, karat quality, country of origin or even price discounts.

The ad will be considered on the basis of the overall net impression.

### 2. Advertising claims must be substantiated

If you make a claim or representation about your products or services, that claim must be supported by proof. An advertiser must have a reasonable basis for making a claim, which means objective evidence or substantiation that supports the claim.

Claims can be expressed or implied – either way, they must be substantiated.

Express claims are those made directly in the ad, such as: "We only sell 14K gold jewellery." In order to make this express claim, this must be true.

Implied claims are those made indirectly or by inference, such as: "Our pearl manufacturing techniques are the same as those used to produce the finest cultured pearls." This implies that you are selling cultured pearls – and this claim must be proved.

Claims based on an opinion (such as “the most beautiful”) allow purchasers to reach their own conclusions about the claim. Therefore these types of claims do not need proof.

### **3. Advertising must be fair**

An ad is unfair if it causes or is likely to cause substantial consumer injury which a consumer could not reasonably avoid, and it is not outweighed by a benefit to a consumer. For example, if you withhold critical information about the product you are selling, especially information that affects a consumer’s ability to assess the pricing, this is unfair.

Further, your advertising should not unfairly or deceptively provide negative information about your competitors.

## **ADVERTISING ON THE INTERNET**

All of the principles that are set out above apply to advertising on the Internet. However, with this type of advertising there are a few other considerations. For example, a basic principle is that necessary disclosures must be in clear language and in close proximity to the item to which the disclosures apply and provided before the decision to purchase is made. How can this be applied to the internet?

Disclosures should be on the same screen as the item depicted, and not hidden behind links that most consumers will not view. The consumer must see the disclosure and not have to scroll down on the page to find it. If the disclosure material is behind a link, it must be appropriately labelled, such as: “Important consumer information you need about your purchase – CLICK HERE.”

Another item for you to think about on the internet: If you sponsor a blog or chat room where you promote your products, this is advertising and all of these basic advertising principles apply. You also will need to disclose if reviews about your product on line are authored by your agents or employees, and not by independent sources.

## **CONCLUSION**

CIBJO's purpose in publishing this guide is to foster a better image for our industry. This can be done by improving the "face" of our industry – our advertisements. If they are presented in a fair and honest way – the entire industry's reputation is upheld and trust is established.

© CIBJO (2014) All rights reserved