



codeofethics
interpretations



EUROPEAN ASSOCIATION OF
COMMUNICATIONS AGENCIES

EACA CODE OF ETHICS INTERPRETATIONS

The Code of Ethics for advertising agencies published by EACA and endorsed by all member organisations establishes a number of basic principles in relation to specific stakeholder groups.

Whilst such codes are necessarily brief and to the point it is often useful to have specific interpretations of how and where the various clauses might apply.

This document therefore describes some familiar situations and points towards the most generally accepted ethical interpretation for each. It is intended as an aid to application of the code, not as supplementary rules.

1 Society and citizens

The Code says: “We recognise our obligation to create advertising which is consistent with the social, economic and environmental principles of sustainable development”.

Interpretation Creative executions that show wanton waste or destruction of the environment should be avoided where not a necessary part of the communication. This might extend to showing a single garment washed alone in a machine for a detergent brand, or off-road driving in areas that might suffer damage. It should not be taken to cover normal behaviour like driving for enjoyment, buying packaged goods, or flying that some special interest groups might object to.

It is not unethical for agencies to handle communications for oil companies, fast food or for tobacco companies, where legally allowed, however controversial these categories might become. Neither however is it unethical for agencies to refuse to work for particular categories of business for reasons of principle.

“We further recognise that this obligation applies equally across the different societies that receive advertising that might not have been developed directly for them”.

Interpretation The point here is to be aware that advertising reflecting the consumption values of developed markets might be culturally damaging in developing markets. Care should be taken to see that lifestyle and consumption portrayed is appropriate for the market in which advertising is used.

2 Consumers

“We recognise that consumers are entitled to rely on our profession to operate not only within the law and within the letter and spirit of global, national and sectoral codes of practice, but also within accepted ethical norms”.

Interpretation We should regard advertising “weasels” as unethical. These are visual or verbal references which whilst not literally deceptive, could reasonably be expected to be wrongly interpreted by consumers. “80% Fat Free” for something with 20% fat is an example unless clearly used in comparison with another product. The promotion of ingredients that have no active role in product performance would normally be held to be unethical where the clear assumption might be that they functionally improve the product.

“We accept that our understanding of the “average consumer” might not always be the standard, acknowledging that there are groups who are vulnerable, for example, and that we should adopt a sensitive approach to judging how advertising will be understood and acted upon by society in general”.

Interpretation This reinforces the above statement and is designed to ensure that there is no escape in claiming that any normal person should understand. Clearly there will always be people who do not understand, but the point is that advertising should not intentionally seek to exploit their lack of experience or intelligence.

3 The media

“We recognise the role of the media in providing independent and balanced information to consumers. We accept that in placing advertising in editorial or other media we should not intentionally seek to influence the independence or balance of editorial content. An exception will be so-called “advertorials” which are clearly presented to consumers as joint statements from the advertiser and media owner”.

Interpretation Critics of advertising believe that the media are restrained from commenting freely by fear of losing advertising revenues from companies they criticise, or are encouraged to favour brands by the promise of advertising. The practice of withdrawing advertising from publications as a reprisal for negative comment is clearly unethical, however common sense must prevail where the medium creates a hostile environment in which the advertising would be ineffective.

It is not unethical to offer advertising on condition that a publication features a product, for instance in a photographic or Hi Fi magazine, but this must not extend to biasing the assessment of the product made editorially.

Deliberately misleading advertising or marketing media about pitches they may have heard are in progress is unethical. There is however no obligation to provide information.

4 Our clients

i Consultancy standards

“We recognise the right of our clients to receive impartial advice and service to the best of our professional ability”.

Interpretation We should regard it as unethical to provide inadequate service where remuneration is below the level we would like. If we can't service the business properly, the ethical solution is to resign it. This should not deter us from offering reduced functions, eg no Planner or International Coordinator where agreed with the client.

“In the many different societies in which we operate, we recognise the ethical requirement to avoid incentives or inducements that might undermine the integrity of the agency/client relationship”.

Interpretation No bribery! Use of bribes to obtain what we should legally be entitled to in a particular country is still bribery. Goods in kind or excessive entertainment may be construed as unethical, especially in pitch situations.

ii Confidentiality

“We commit ourselves to maintaining the confidentiality of our clients' proprietary information, whether covered by non-disclosure agreements or not.

We accept that this requirement extends to information obtained as part of unsuccessful pitch or tender competitions or through practitioners moving between agencies”.

Interpretation Proprietary information from clients should be destroyed or deleted after unsuccessful pitches. The practice of calling the client's competitors after pitches is not unethical if only the agency's own thinking and insights are offered, but references to or copies of confidential information should not be offered or used.

Calling the media to report a pitch after the agency is dropped from contention and when it is known that the client intends the process to remain confidential is unethical. Calling another agency to alert them to the fact that their client is looking at other agencies can only be considered unethical if the client has clearly approached the agency confidentially. The ethics of this approach are the concern of the client.

iii Transparency

“We acknowledge a requirement to make our terms of business as transparent as possible and to operate entirely within the spirit of financial agreements entered into”.

Interpretation This does not mean the client has a right to know who earns what, or even that fees are tied to salaries, overheads and profit, however they are not acting unethically in seeking to gain these assurances. It does mean that if we agree to bill actual hours worked, they should not be inflated (which in most cases will amount to fraud). If we agree to be entirely remunerated by fees or commissions from the client, or if the client clearly believes that is our only source of income from him, it will be unethical to accept hidden media or supplier rebates.

iv Conflict of interest

“We adhere to the definitions of conflicts of interest contained in the EACA document “EACA Guidelines on Account Conflicts”. Where potential conflicts exist we accept the requirement to bring them to the attention of all parties.

Where measures are agreed to avoid such conflicts, we accept the responsibility to operate faithfully within these constraints”.

Interpretation The definition of which other relationships we should bring to the attention of clients will depend entirely on our understanding of the client's attitude to what constitutes a conflict for them. There is no onus on us to declare that we work with a competitor in a subsidiary or another country if the client has not made it clear, or if we do not have reasonable reason to suspect, that they regard this as a conflict. Where the area of conflict is defined by the client, it will be unethical to keep other relationships hidden. Whereas we might regard exclusivity demands by some clients as attempts to deny professional services to competitors, this is an ethical issue for them to resolve.

5 Our employees and colleagues
“We recognise that people are our principal asset and understand the necessity to provide working conditions, training and remuneration consistent with their value to our business.

We recognise an obligation to ensure that our employees receive the full protection of local and international employment and workplace legislation, including equality of opportunity and freedom from discrimination in terms of gender, age, race, religion, or sexual orientation”.

Interpretation This is one of the most criticised areas of ethical concern in our surveys. It is also the one where agencies are most faulted by ethical investment managers. Agency people have generally rejected unionisation and this makes employers even more morally responsible for ensuring ethical treatment in these areas.

Modern practices like redundancy by email or text message are not regarded as ethical.

As employees we recognise the obligation to serve the best interests of our employers, consistent with the principles set out in this Code.

Interpretation Ethical treatment is a two-sided thing. In a business where clients may become particularly attached to an agency person, it is unethical to negotiate with either client or another agency to change employment, taking the business as part of the deal.

Except where an agency association might have mutually agreed otherwise, it is not unethical for agencies to make unsolicited job offers to individuals, or vice-versa, even in cases where it is a reasonable assumption that business might follow.

6 Our competitors

“We agree to compete with other agencies fairly and honourably and to treat our competitors and their work with professional respect”.

Interpretation Briefing journalists against other agencies or individuals is unethical, as is making disparaging statements to their clients or potential clients or to agency search consultants. Falsification of billings or revenue rankings, where they still exist, is unethical. Attempting to discover creative themes or strategies for example during pitching processes is unethical. Attempting to interfere with other agencies' pitches is unethical.

Honest and open criticism of creative work by qualified personnel and in relevant journals is a part of the business and not unethical.

It is not unethical to show work created by staff who are no longer employed or who are freelance and there is no obligation to divulge this fact unless asked. It is not unethical to show work created by staff whilst employed at previous agencies provided this is made clear.

Competition based on terms of business, rather than professional excellence, is not unethical, even in cases where due to technological improvement or economies of scale, other agencies might not be able to compete. However “Sales below cost” or offering to work for free must be considered unethical because of its long-term effect on the standards of the business, which cannot benefit any stakeholder.

Creative and effectiveness awards are a means of competition and there is an ethical obligation to adhere to all rules and conventions.

7 Our suppliers

“We agree to deal fairly with our suppliers of all kinds, especially in respect of payment terms, intellectual and other property right”.

Interpretation Whatever our cashflow problems, it is unethical for us to use suppliers as financiers.

It is unethical to seek or accept any of the inducements discussed earlier in relation to our clients.

8 Our investors

“We recognise that our investors are entitled to receive accurate information within generally accepted accounting principles and that they should be given every assistance to understand and evaluate the circumstances that lead to investment decisions”.

Interpretation Most international agency groups accept the jurisdiction of the Sarbanes Oxley Act outside of USA. It will be unethical for local agencies to take advantage of this by behaviour not in line with the aims of that Act.

New business win figures should not be inflated for the press, even when it suits the client to do so.

Ethical dilemmas

It is entirely foreseeable that circumstances might occur where ethical issues might be mutually exclusive, ie what is right in relation to one stakeholder group is wrong for another.

It has become clear in recent years that the consultancy sector's traditional belief that the interests of its clients come first is not shared by society at large. An expectation exists that consultants will balance the interests of their clients and themselves with the interests of the public that they all serve.

There is also a growing expectation that wider interests of the economic, social and environmental wellbeing of the planet will be given a prominent and even pre-emptive role in some cases.

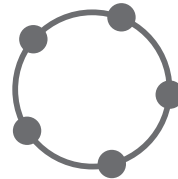
In resolving these dilemmas we should try to work towards a concept of a higher good, ie one that serves the interest of the widest groups of stakeholders over the longest period.

The agency cannot avoid moral or ethical responsibility because it is being paid by another party. It is being paid by all stakeholders.



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