



# Marketing ethics

**S**uccessful marketing can change opinions and influence behaviour. It's a powerful tool and that brings important responsibilities.





**O**ur reputation and that of our clients depends on us meeting high ethical standards in all our work. As a minimum our companies are expected to comply with all laws, regulations and codes of marketing practice. All advertising produced by WPP companies should present products fairly and accurately, comply with the relevant laws and marketing codes, and reflect changing public attitudes to questions of taste and decency or marketing of sensitive products.

Our research and digital marketing agencies need to make privacy and data protection a priority when collecting, using and storing consumer data.

The markets in which we operate, the clients we work for and the campaigns we undertake can give rise to ethical issues. We need to identify and manage risks associated with our client work, in line with our Group policies.

### Our standards

There are numerous regulations and industry codes covering all aspects of marketing. Our companies are expected to understand and comply with their requirements.

In addition, our CR policy and Code of Conduct contain guidance to our companies and employees on the standards we expect. We benchmarked our Code of Conduct during 2009 and strengthened clauses on CR.

Key excerpts include:

**“We will not knowingly create work which contains statements, suggestions or images offensive to general public decency and will give appropriate consideration to the impact of our work on minority segments of the population, whether that minority be by race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability”**

**“We will consider the potential for clients or work to damage the Group’s reputation prior to taking them on. This includes reputational damage due to participating in business activities that abuse human rights”**

**“We will not undertake work which is intended or designed to mislead, including in relation to social, environmental and human rights issues”**

**“WPP companies will comply with applicable regulations and self-regulatory codes of practice in the countries in which they operate”**

### Ethical decision-making

Where we operate, who we work for and the type of work we undertake can give rise to ethical issues. Examples include: work undertaken for government clients; operating in countries with a poor human rights record; and marketing for sensitive or controversial products.

In cases where work may be a potential risk to WPP's reputation, employees are required to elevate the decision to the most senior person in the relevant office and then to the most senior executive of the WPP operating company in the country concerned, who will decide if further referral to a WPP director is required.

### Strengthening our decision-making process

We have further strengthened our internal processes for assessing risks associated with client work and prepared a training module on this subject. The module is included in a package that covers the key areas of our revised Code of Conduct and uses scenarios to help employees identify and respond appropriately to ethical issues, including those associated with client work. We are currently piloting the training course with a number of WPP companies before rolling it out globally to all WPP employees. It will be available on the intranet in order to be accessible to as many staff as possible. The course will be available in English, German, Mandarin, Spanish and Portuguese.

We also launched an online anti-bribery training course in 2010 as part of our continued activity in this area. It is available on our intranet in nine languages. The course is mandatory for all senior management but is intended to be taken by as large a proportion of all staff as possible.

### Involvement in industry groups

Many professionals from within WPP companies play an important part in developing and revising industry codes in sensitive areas such as advertising to children and the marketing of food and pharmaceutical products.

### Compliance with marketing codes

WPP companies produce thousands of campaigns for clients every year. We expect all our companies to comply with marketing regulations and industry codes of practice. However, a small number of campaigns do give rise to complaint.

We track and report upheld complaints against work by WPP companies. However, our data is still incomplete.

This table shows a representative sample of infringements identified and publicly reported by regulatory authorities and those reported through our internal data collection system.



## Representative infringements in 2009

WPP company	Country	Regulatory organisation	Type	Ruling
Cheetham Bell JWT	UK	ASA	Radio	Advertisement was deemed to be misleading as it made exaggerated claims about risks of asbestos exposure and did not make clear that calculations used to make the claims were based on estimates.
Hill & Knowlton	UK	ASA	Press	The advertisement claimed children should drink six to eight 250ml glasses of fluids a day. This was misleading as it implied the claim was generally accepted, whereas there was no concrete evidence to support the claim. The ad could not appear in its current form.
Grey	UK	ASA	TV	Advertisement was deemed to be misleading as a claim that all the readers of a magazine would recommend a product was based on a survey that included a small number of participants. The survey was also judged to have been structured to encourage positive responses.
Grey	UK	ASA	TV	Advertisement was deemed to be misleading as the claim that most readers of a magazine would recommend the product was insufficiently robust.
Grey	UK	ASA	TV	Advertisement made a claim that could not be substantiated. Additional clarification was added in order to run the advertisement.
Ogilvy & Mather	India	ASCI	Press	Advertisement was deemed to be non-compliant with rules relating to alcohol advertising.
Ogilvy & Mather	India	ASCI	TV	Advertisement showed a motorbike being driven dangerously and the cautionary message was deemed not to be adequately readable.
Ogilvy & Mather	India	ASCI	TV	The terms and conditions in the advertisement were deemed not to be readable.
Ogilvy & Mather	UK	ASA	TV	The advertisement was deemed to be misleading as the claim that "nothing" worked faster than the product advertised could not be substantiated.
Ogilvy & Mather	UK	ASA	Press	Advertisement made a comparative claim that could not be supported and an unsubstantiated claim that the product would support all children's immune systems. The ad also used graphic illustrations to demonstrate the effectiveness of the product that could not be substantiated.
Ogilvy & Mather	UK	ASA	Press	The advertisement's headline offered a two-for-one offer but this was contradicted on the price chart that gave more details of the deal.

### Public affairs

We undertake public policy work for clients including direct lobbying of public officials and influencing public opinion. The majority of our public affairs work is undertaken for clients in the US. Our public affairs companies include:

- Burson-Marsteller, and its subsidiaries:
  - Prime Policy Group
  - Direct Impact
  - Penn Schoen & Berland
- Hill & Knowlton, and its affiliate, Wexler & Walker Public Policy Associates
- Ogilvy Government Relations
- Quinn Gillespie & Associates
- Dewey Square Group
- Public Strategies

WPP companies comply with all applicable laws and regulations governing the disclosure of public affairs activities. In the US, this includes the Lobby Disclosure Act and the Foreign Agent Registration Act, which are designed to achieve maximum transparency on client representation. In the US, this means lobby firms are required by law to register the names of clients on whose behalf they contact legislators or executive branch personnel.

When our companies represent a coalition they do not mask the underlying client.

It is WPP's practice that those of its US companies whose sole or primary business is lobbying have representatives of both major political parties among senior management.

### Privacy

Privacy and data protection are priority issues for all our companies and we aim to meet best practice standards. Our research, media and digital companies contribute to the debate on privacy and aim to increase transparency for consumers on how their data is obtained and used.

#### Our approach

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We are developing a set of Group principles on privacy to guide our companies' approach and provide a consistent definition of 'personal information'. Many of our companies have additional privacy policies and procedures, and some have developed their own technology and tools to improve transparency. For example, Safecount, a WPP online research agency, has tools that give consumers more control over cookies and the survey invitations they receive. Some of our companies collect and use consumer data to study attitudes and purchasing habits and to create targeted digital and direct marketing campaigns. We endeavour to comply with data protection laws and marketing codes of practice as applicable.

Our internal audit function is including privacy in its reviews of Group companies. These assessments cover data security, privacy policies, procedures and compliance with regulations and best practice standards. Our key digital marketing and research agencies have nominated senior executives to provide leadership on privacy and to work with other agencies in the Group. These include:

- Jon Greenwood, corporate vice president – Global Operations, 24/7 Real Media
- John Montgomery, CEO, Mindshare Interaction
- George Pappachen, chief privacy officer, Kantar
- Mat Zucker, executive creative director, OgilvyOne Worldwide



We communicate regularly with clients on privacy issues to explain our approach and help them to keep abreast of current thinking and best practice. We also collaborate with others in our industry to improve privacy standards and ensure that information is accessible to consumers. We are members of the online Behavioural Advertising Self Regulation Coalition (BASRC) and many of our people are active participants in organisations such as the Interactive Advertising Bureau (IAB), Network Advertising Initiative (NAI), and Association of National Advertisers (ANA). For example, David Moore, chairman of 24/7 Real Media, is currently chairman of the IAB. In 2009 we collaborated with the Future Privacy Forum and others to enhance consumer information on privacy, see page 16.

We interact with regulators and give our view on proposed regulations. This includes dialogue with EU data protection officials and policy makers, and Federal and State government in the US. We aim to ensure that proposed privacy regulations protect consumers and support a dynamic digital marketing industry. In 2009 this included dialogue with the EU on new rules governing the use of cookies.

## Our plans

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Our plans for 2010 include:

- To publish baseline privacy principles for all WPP companies.
- Continue to show leadership on privacy issues through our interactions with clients, industry Groups and regulators.
- To extend training and guidance to more Group companies and practice areas.
- To further enhance our understanding of data collection, storage and use in Group companies and in the competitive marketplace.