

## On the Theory and Practices of Advertising about Prices Comparisons

Yang, Hung-Hui\*

### Abstract

Price Reduction Advertising is a powerful competitive weapon used to directly attract the attention of consumers. Comparing price with its former price in advertising can induce consumers to buy through the contrasting effect based on which consumers can directly know the margin of the price reduction. According to the principle of truth, the price used as a basis of comparison in an advertisement, such as the former price, market price or recommended price, must be true; otherwise it will be deceptive and illegal. The legality of price contrast advertising in Germany depends on the truth of the compared price, and so a price comparison containing false or deliberate information is illegal. When the former price existed, it had to be maintained for a reasonable period. Regulations and cases in Taiwan are also discussed in this article. Although the fundamental idea of regulating price comparison advertising is the same in Taiwan as it is in Germany, there are some different details between the two countries that could be further inspected. Finally some suggestions are provided in this article.

Keywords: Prices Comparison, Price Reduction Advertising, Principle of Truth, Promotional Advertisement, Fair Trade Act.

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\* Yang, Hung-Hui, Associate Professor, Department of Law, National Chung Cheng University. Ph. D., College of Law, National Chengchi University.