

Toyota SA rapped over knuckles for 'misleading' Corolla Cross ad

By Ryan Bubear 19 May 2023

South Africa's advertising watchdog has rapped Toyota SA Motors over the knuckles for a Corolla Cross GR-Sport Hybrid advertisement it ruled was "misleading".



The Advertising Regulatory Board (ARB) has ruled against Toyota South Africa Motors after a consumer complained an advertisement for the Corolla Cross GR-Sport Hybrid was "misleading".

Complainant Justin Brown approached the advertising watchdog about a Facebook post (dated 20 February 2023) from Toyota promoting its locally built Corolla Cross GR-Sport Hybrid. The advert in question included the following text: "If you thought the Corolla Cross GR-Sport couldn't get any better, think again. The Corolla Cross GR-Sport Hybrid is here!".



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As a reminder, the Corolla Cross GR-Sport Hybrid launched in South Africa in February 2023, with production taking place at Toyota's Prospecton facility in KwaZulu-Natal.

Brown submitted the advertising was misleading since it created the impression the vehicle was available for sale. However, the complainant said several dealerships confirmed there was no available stock, and that the waiting list for the Corolla Cross GR-Sport was "anywhere between 12 and 24 months".

Toyota SA points to global hybrid battery shortage

In response, Toyota SA Motors initially refuted the claim there was no available stock, saying there had been a "steady inflow of these vehicles to the dealer network". Still, it explained waiting periods might apply due to a global hybrid battery

shortage, which it added should normalise by 2024.

It further pointed out the Corolla Cross GR-Sport Hybrid was indeed launched at the time it was advertised, suggesting the reference to it being "here" was factual, as the vehicle had officially become part of the Corolla Cross range, albeit in limited numbers "due to serving a niche demand".

Publicis Groupe Africa, the company appointed as Toyota SA Motors' agency partner late in 2022, echoed this sentiment, saying the post merely announced the addition of the GR-Sport Hybrid model to the overall Corolla Cross model range.



A screengrab of the Facebook post in question

According to the Japanese firm's local division, the Corolla Cross production plan at Prospecton included an average of 49 units of the GR-Sport Hybrid per month, with an annual plan of 542 units (for 2023). By comparison, around 1,500 units of the regular Corolla Cross were produced per month on average since launch, with the non-hybrid GR-Sport version sitting at about 141 units a month.

Explaining there was no other advertising actively promoting the sale of the vehicle in question, Toyota submitted it was "not unreasonable" to communicate its arrival despite having to put some customers on a waiting list. But, having considered all the material before it, the directorate of the ARB ultimately ruled against Toyota SA Motors.

Advertising watchdog explains its ruling against Toyota

"The Facebook page that led to this complaint states that this vehicle is 'here'. In the absence of any context that suggests the contrary, a reasonable person would interpret this to mean that this vehicle is generally available for purchase. In addition, the advertiser's website, which is accessible by clicking on the URL provided in the advertisement, reads 'Corolla Cross GR-Sport. Now Available in Hybrid'," ARB's ruling said.

"Neither of these advertisements communicate any sense of potential delays, shortages or long waiting lists (between 12 and 24 months) that might apply. The advertiser appears to concede that this is the case. However, it has not explained why its advertising does not inform consumers of this. It merely submitted that demand outstrips supply at this point and that it was not actively advertising this vehicle," the watchdog added, saying the matter was further complicated by the fact Toyota had "not submitted any supporting information."

Clause 16.1 of Section III of the ARB Code sits at the centre of the complaint and reads as follows: "Advertisements should not be submitted for publication unless the advertiser has reasonable grounds for believing that it can supply any demand likely to be created by the advertising". In addition, ARB considered Clause 4.2.1 of Section II, which reads: "Advertisements should not contain any statement or visual presentation which, directly or by implication, omission, ambiguity, inaccuracy, exaggerated claim or otherwise, is likely to mislead the consumer".



The hybrid version of the Corolla Cross GR-Sport launched locally in February 2023

"In the absence of anything to show that the advertiser had reasonable expectations of meeting the demand for this vehicle, the Facebook [post] that gave rise to this dispute is found to have breached Clause 16.1 of Section III of the Code. By the same reasoning, the advertisement appears to be misleading and in contravention of Clause 4.2.1 of Section II of the Code," ARB ruled.

In light of its findings, ARB ruled Toyota SA Motors was "required to withdraw or appropriately amend its advertising to ensure that consumers are adequately informed of the reality of the situation and the likelihood of prolonged waiting periods".

Though the post in question still appears on the company's Facebook page (at the time of writing, anyway), we, <u>Cars.co.za</u>, noticed the Corolla Cross page on Toyota's website now includes a line below the main image of the GR-Sport Hybrid, reading: "subject to limited stock availability".

This article was originally published on Cars.co.za...

ABOUT THE AUTHOR

Having written about everything from sport to politics and crime, Ryan eventually settled on motoring. For the past 12 years, he's been penning articles - both online and in print - about the broader automotive industry, though he's particularly fascinated by vehicle sales statistics. Currently a freelance writer and editor, Ryan is itching to slide (okay, squeeze) in behind the wheel of his soon-to-be-restored 1971 Austin Mni Mk3.

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