

## False Advertising: The Bunnings Case

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### Abstract

*False advertising, characterized by misleading or deceptive claims about products or services, poses significant ethical and legal challenges in marketing. This paper examines the case of Bunnings, a leading Australian hardware retailer, focusing on its price-beating guarantee and exclusive home-brand products. Bunnings promotes a slogan promising to beat competitors' prices by 10%, yet many of these products are exclusive to Bunnings, complicating price comparisons and raising questions about the transparency of their advertising practices.*

*An ABC TV Four Corners investigation revealed that over 9,000 home-brand products marketed under this guarantee are not available elsewhere, suggesting that consumers may be misled about the true value of their purchases. The legal landscape surrounding false advertising is explored, highlighting the roles of regulatory bodies like the Australian Competition and Consumer Commission (ACCC) and the Federal Trade Commission (FTC) in safeguarding consumer rights.*

*The paper also discusses the broader implications of Bunnings' pricing strategies and market influence, emphasizing the need for transparency and ethical marketing practices. As consumer awareness grows, understanding these dynamics becomes essential for making informed purchasing decisions and fostering trust in the marketplace. This analysis not only sheds light on Bunnings' marketing tactics but also contributes to the ongoing discourse on responsible advertising in the retail sector.*

### Introduction

False advertising refers to the practice of providing misleading, deceptive, or outright false statements about a product or service to influence consumer purchasing decisions. This unethical marketing strategy can take various forms, including exaggerating benefits, concealing disadvantages, or using ambiguous language to create false impressions. The ultimate goal of false advertising is to manipulate consumer perceptions to boost sales, often at the expense of consumer trust and legal integrity.

False advertising can lead to legal repercussions, including fines and lawsuits, as it violates consumer protection laws in many jurisdictions. Regulatory bodies such as the *Australian Competition and Consumer Commission (ACCC)* in Australia and the *Federal Trade Commission (FTC)* in the United States actively monitor and take action against companies engaging in such deceptive practices.

### Bunnings: How Far Can You Go?

The Bunnings slogan is well-known across Australia:

***We promise to beat a competitor's price on the same stocked item by 10 per cent,***

However, there's a catch: many of the items for which this promise applies are Home Brands *exclusive to Bunnings*, making it impossible to find them cheaper elsewhere.

With its extensive reach, Bunnings' pricing strategies and competitive practices significantly impact millions of Australians. But are customers truly getting the deals they believe they are?

Home brand products, or private label products, are usually manufactured by third-party producers under contract with a retailer. A recent quarterly update from Coles supermarket revealed one in three customers had increased their spend on home brand products under a cost-of-living crunch (LaFrenz, 2025). Home brand products are usually stocked lower on shelves or behind more expensive brands paying a premium for shelf space and in-store marketing. They are beneficial to consumers but equally beneficial to retailers who avoid complicated contract negotiations with suppliers, logistics, and minimise exposure to risk and unforeseen costs. A recent Finder survey of 1,013 people found that 39 percent are switching to cheaper brands due to financial pressure (Cooke, 2025).

## The Price Guarantee

An extensive investigation done by the *Four Corners*, an ABC TV investigative group, found this claim of a 10% price guarantee to be illusory on over 9,000 **home-brand products** that Bunnings offers. These include Jumbuck spit roasters, Trojan rakes, and even Bunnings buckets, all sold under the same 10 percent promise, were actually exclusive to Bunnings, and are not offered anywhere else (Grigg, 2025).

**Consider an example:** A customer wanted to buy a *Citeco* 0.9-metre, three-step ladder advertised by Bunnings with the promise of beating any competitor's lower price by 10 percent. In reality, however, no competitor stocks this ladder because Citeco is a Bunnings home brand. Bunnings owns the Citeco trademark and manufactures it exclusively for their stores. This scenario is not unique to ladders.

One could argue that this practice, at best, is misleading, and at worst, it borders on false advertising. Bunnings does not clearly disclose its ownership of home brands on packaging or in-store displays; this information is only apparent through Australia's trademark register. Even a study of the latest annual report of its holding company, Wesfarmers', does not reveal this information (Westfarmers, 2024).

In response to the ABC Four Corners' Report, Bunnings issued a Media Release stating that its portfolio includes over 40 Bunnings-owned brands, complementing many supplier-owned brands. There are around 9,000 products associated with Bunnings-owned brands (Bunnings, 2025).

As such, Bunnings will probably argue that it sells over 110,000 different products across its in-store, online, and marketplace offerings and that their 9,000 home brand products make up just 8% of their offerings. However, this ratio disguises the fact that most of the home brand products are popular items like spit roasters and barbecues, outdoor cooking equipment, hand tools and garden equipment, outdoor furniture, irrigation products and garden watering solutions, etc.

The Bunnings home brands cover a wide range of product categories, from tools and hardware to outdoor living and home improvement items. Here are some of the notable home brands sold by Bunnings that the author uncovered (as per Google):

- **Click:** This Bunnings home brand offers electrical fittings and accessories
- **Citeco:** Known for products like ladders, Citeco is a brand manufactured exclusively for Bunnings.
- **Jumbuck:** This brand offers a range of outdoor cooking and heating products, such as spit roasters and barbecues.

- **Trojan:** A brand that provides various hand tools and garden equipment like rakes. It even has its own website, yet it remains a Bunnings exclusive.
- **Craftright:** A brand known for offering a wide array of toolboxes and general-purpose tools.
- **Marquee:** A brand that specialises in outdoor furniture, providing options for garden and patio setups.
- **Mondella:** Offers bathroom fixtures and fittings, including toilets and other plumbing essentials.
- **Mimosa:** A Bunnings house brand that offers a range of outdoor furniture, heating, and accessories designed to create comfortable and stylish outdoor spaces.
- **Happy Tails:** A brand catering to pet supplies, providing a variety of products for pet
- **Ozito:** A brand of tools and garden products that are exclusively sold at Bunnings stores.
- **Matador:** A brand specialising in barbecues and outdoor cooking equipment, known for its quality and durability.
- **Saxon:** Focuses on gardening tools and accessories, offering products for both amateur and professional gardeners.
- **Garden Basics:** This brand covers garden products such as soil and potting mixes. The brand was originally owned by *PineGro* but appears to now be a Bunnings house brand.
- **Bastion:** A brand designed for the trade that offers a wide range of residential building materials and supplies, including concrete, waterproofing, and tile adhesive
- **AQUA Systems:** Provides irrigation products and garden watering solutions, catering to the needs of avid gardeners.
- **Flexi Storage:** Offers storage solutions and shelving systems, ideal for organising and optimising space in homes.

These home brands are designed to offer customers exclusive options that are only available at Bunnings stores. Despite being exclusive and not available for price comparison with other retailers, Bunnings often markets these products with a price-beating guarantee. This strategy helps Bunnings differentiate its offerings and create a unique value proposition for customers.

## Legal and Consumer Perspectives

*Australian consumer law* requires home brand products to be clearly labelled and not mislead consumers about origin, quality, or equivalence. Bunnings' private-label products, including brands like *Ozito*, *Matador Barbecues* and *Garden Basics*, are often marketed as value alternatives, but consumers may not always realise these are Bunnings home brands. While there is no blanket prohibition on home branding, the law does require transparency and prohibits misleading conduct under the *Competition and Consumer Act* (Woods, 2025).

The *Australian Competition and Consumer Commission (ACCC)* also notes that retailers are not legally required to identify home-brand products. However, if home-brand products are marketed as though they are produced by a third party, this practice could be considered misleading. Although Bunnings claims to comply with all legal requirements, the lack of transparency is troubling (ACCC, 2025)

In the *Four Corners'* investigation, the consumer advocacy group *Choice* suggests that clearer labelling indicating a product is a home brand would be beneficial for customers. This transparency could help customers better understand how they can realistically benefit from the Bunnings' price guarantee. (Grigg et al., 2025)

## Market Influence and Profits

Bunnings' reputation as the cheapest option has fuelled its growth over the past decades. Starting from 43 stores in 2000, Bunnings now operates 310 stores, contributing to nearly \$19 billion in annual revenue for its parent company, Wesfarmers.

However, Bunnings, unlike major Australian supermarket chains *Coles* and *Woolworths*, has largely remained under the radar of public scrutiny despite having a higher profit margin than these giant supermarkets. Its 16.8 percent profit margin is significantly higher than *Woolworths*' 9.9 percent and double *Coles*' 8.9 percent.

From a *management accounting perspective*, the higher profit margin can be explained by the fact that its Home Brands have a lower cost, as there are no marketing costs such as advertising and sales promotion, as they have a guaranteed customer in Bunnings. If the price is similar to competitive offerings but the cost is lower, the profit will be higher. Having a higher profit is neither illegal nor unethical. It is just good business.

The questions of concern are about the genuine affordability of Bunnings' offerings and whether its market dominance allows it to control prices more effectively than its competitors.

## Bunnings' Market Strategy

Bunnings has managed to maintain its image as a cost-effective retailer while leveraging its extensive network and exclusive product lines. The hardware giant's strategy of promoting exclusive brands alongside its price-beating guarantee creates a perception of affordability and value, even if the actual price difference with competitors is minimal. For instance, a survey by *Four Corners* comparing 95 basic hardware items found that Bunnings was only marginally cheaper than its competitors, with price differences ranging from 1.7 to 2.4 per cent on common items (Grigg, 2025).

This small price difference suggests that Bunnings' "lowest prices" slogan may be more of a marketing tactic than a reflection of significant savings for consumers. The company's ability to position itself as the go-to destination for affordable hardware has contributed to its substantial market share and profitability.

## Branding and Consumer Perceptions

Bunnings' branding strategy plays a crucial role in shaping consumer perceptions. The promise of the lowest prices and a wide range of exclusive products cultivates an image of trust and reliability. The price guarantee serves to reassure customers that they are getting the best deal, even if the actual savings are minimal.

This perception is further reinforced by Bunnings' extensive advertising and in-store signage, which emphasize value and affordability. However, the lack of transparency regarding home-brand products and the true extent of price differences may lead some consumers to question the authenticity of Bunnings' claims. The ACCC needs to investigate these 10% price guarantee claims, as it has successfully done in other cases of false advertising over the years (see Koku and Ratnatunga, 2013).

## Examples of False Advertising in the Corporate World

The following are some blatant examples of False Advertising over a 20-year period:

***Pfizer's Listerine Mouthwash Claims (2005):*** Listerine claimed its mouthwash was as effective as floss at reducing plaque and gingivitis. The claim was found to be misleading and unsubstantiated, leading to an injunction prohibiting such advertising. Pfizer, the maker of Listerine mouthwash, spent \$2 million to place stickers over the claim on Listerine bottles.

***Bayer One A Day Vitamins (2009):*** Bayer claimed that their 'One A Day' vitamins could prevent prostate cancer. The claims were not supported by scientific evidence, leading to legal challenges and a settlement with the FTC.

***Pom Wonderful Juice (2010):*** Pom Wonderful advertised its pomegranate juice as capable of treating, preventing, or reducing the risk of certain diseases. The FTC found these health claims to be misleading and not backed by scientific evidence, resulting in a legal challenge and restrictions on future advertising.

***Kellogg's Rice Krispies Immunity Claims (2010):*** Kellogg's advertised that Rice Krispies cereal could boost children's immunity. The claims were misleading and not supported by credible scientific evidence, resulting in a warning from the FTC and voluntary withdrawal of the claims by Kellogg's.

***Chevy Volt Electric Range Claims (2011):*** General Motors marketed the Chevy Volt as an electric vehicle capable of achieving a certain electric-only range. However, the actual range was significantly less under real-world driving conditions, prompting criticism and adjustments to GM's advertising strategies.

***Reebok Toning Shoes (2011):*** Reebok advertised that their toning shoes could strengthen muscles and tone the body. These claims lacked scientific backing, resulting in a \$25 million settlement with the Federal Trade Commission (FTC) of USA.

***Taco Bell Beef Content Claims (2011):*** Taco Bell advertised that their seasoned beef contained 100% beef. A lawsuit claimed the filling contained only 35% beef, with the rest being fillers and additives. Although Taco Bell settled the lawsuit, they also took steps to clarify their advertising.

***Ferrero's Nutella Health Claims (2012):*** Nutella was marketed as a healthy breakfast option for children, when in reality the product is high in sugar and fat, contradicting the healthy image portrayed. This incident led to a class-action lawsuit and a \$3 million settlement.

***Skechers Shape-ups (2012):*** Skechers claimed their Shape-ups footwear would help users lose weight and tone muscles. The claims were unsubstantiated, resulting in a \$40 million settlement with the FTC.

***Hyundai and Kia Fuel Economy Overstatements (2012):*** Both companies overstated the fuel efficiency of their vehicles. The exaggerated claims were corrected after an investigation, resulting in a \$100 million settlement to compensate affected consumers.

***PepsiCo Naked Juice Health Claims (2013):*** PepsiCo marketed Naked Juice as being all-natural and healthy. The juices contained synthetic ingredients, resulting in a \$9 million settlement and the removal of "all-natural" from their labelling.

**Subway Footlong Sandwiches (2013):** Subway advertised their sandwiches as a full "footlong." Customers found that many sandwiches were only 11 inches, leading to a class-action lawsuit and a settlement where Subway agreed to ensure more accurate measurements in their advertising.

**Carnival Cruise Lines "Fun Ship" Experience (2013):** Carnival promoted their cruises as luxurious and trouble-free vacations. A series of high-profile incidents, including power outages and unsanitary conditions, contradicted their marketing claims, leading to reputational damage.

**Apple "Bendgate" iPhone Claims (2014):** Apple marketed the iPhone 6 as a durable and robust device. Reports and videos of the iPhone bending under pressure went viral, contradicting durability claims and leading to consumer backlash. Although no fines were levied, Apple had significant reputational damage.

**Nissan Frontier Hill Climb Advertisement (2014):** Nissan depicted its Frontier truck climbing a steep sand dune in a commercial. The advertisement was staged, and the truck couldn't actually perform the feat shown. Nissan was not fined but agreed not to use misleading demonstrations of pickup-truck prowess in the future.

**Red Bull Energy Drink Claims (2014):** Red Bull's slogan "Red Bull gives you wings" implied physical and mental performance enhancement. The exaggerated claims led to a \$13 million settlement in a class-action lawsuit, as the drink didn't provide the advertised benefits.

**Gerber Good Start Gentle Formula (2014):** Gerber claimed their baby formula could prevent or reduce allergies. Scientific evidence failed to support these claims, resulting in an FTC lawsuit and future advertising restrictions.

**Volkswagen Emissions Scandal (2015):** Volkswagen falsely advertised their diesel vehicles as environmentally friendly with low emissions, when in reality the company installed software to cheat emissions tests, making cars appear compliant with environmental standards when they were not.

**Lumosity Brain Training (2016):** Lumosity advertised its games as tools to improve cognitive function and prevent Alzheimer's. The claims were unsubstantiated, prompting a \$2 million settlement with the FTC.

**Samsung Water Resistance Claims. (2022):** Samsung claimed that their Galaxy smartphones were suitable for use in all types of water, including swimming pools and oceans. The *Australian Competition and Consumer Commission (ACCC)* alleged that Samsung's ads did not reflect the actual use of the phones in water and the company was ordered to pay \$14 million in penalties for false

**Kellogg's Special K Red Berries and Special K Forest Berries (2021):** Kellogg's marketed certain breakfast cereals as being high in fruits and berries. The actual content of fruits and berries in the cereals was minimal, with most of the flavour coming from additives and sugars. The company faced lawsuits for misleading consumers about the nutritional content and natural ingredients of their products.

**The Honest Company Beauty products (2022):** The Honest Company marketed its products as "all-natural" and "chemical-free." Investigations revealed that some products contained synthetic ingredients and chemicals, contrary to the marketed claims. The company faced criticism and legal actions for misleading consumers seeking genuinely natural products (Briggs, 2023).

**Halo Top Ice Cream (2023):** Halo Top advertised its ice cream as being low-calorie and containing fewer calories than competitors. It was found that the calorie count per serving was based on a

smaller serving size compared to industry standards, misleading consumers about the true caloric content when consumed in typical portions. Legal actions were taken to address these misleading practices.

***Mazda Consumer Guarantee Rights (2023)***: The Australian Federal Court ordered Mazda Australia Pty Ltd, in March 2023, to pay \$11.5 million in penalties for engaging in misleading and deceptive conduct and making false or misleading representations to nine consumers about their Consumer Guarantee Rights (ACCC, 2024).

***Airbnb Accommodation Pricing (2023)***: The Australian Federal Court has ordered Airbnb to pay \$15 million in penalties and offer up to \$15 million in compensation to eligible consumers after the company admitted to making false or misleading representations to Australian users that prices for Australian accommodation were in Australian dollars when, in fact, for about 70,000 consumers, the prices were in US dollars (ACCC, 2023).

***Qantas Selling Cancelled Flight Tickets (2023)***: The Australian Competition and Consumer Commission (ACCC) accused Qantas of engaging in false, deceptive, and misleading conduct by advertising tickets for more than 8,000 flights that had already been cancelled (in some cases for up to 48 days before) and that Qantas had not notified existing ticket holders that their flight (one of 10,000 flights affected) had been cancelled (London, 2023).

## Conclusion

False advertising undermines consumer trust and can damage a company's reputation, leading to significant financial and legal consequences. As the examples above demonstrate, companies across various industries have faced backlash for misleading consumers. Regulatory bodies like the ACCC and the FTC play a crucial role in protecting consumers by holding companies accountable for their advertising practices.

For consumers, remaining vigilant and informed about the products and services they purchase is essential. Meanwhile, companies should prioritise transparency and honesty in their marketing strategies to build and maintain trust with their audience. As the marketplace becomes increasingly competitive, ethical advertising not only helps companies avoid legal troubles but also fosters long-term customer loyalty.

This article has specifically focused on the market strategy of Australian retailer Bunnings', which has centred around exclusive product lines and a price-beating guarantee that has positioned it as a dominant player in the Australian hardware sector. While this strategy has contributed to its growth and profitability, it has also raised concerns about market power and the true value offered to consumers. As regulatory bodies and policymakers continue to scrutinise major retailers in Australia, Bunnings may face increased pressure to enhance transparency and ensure fair competition in the market.

For consumers, understanding the nuances of Bunnings' pricing strategies and market position is essential to making informed purchasing decisions. As the landscape of retail competition evolves, staying informed about the practices of dominant players like Bunnings will be key to ensuring that consumers receive genuine value and choice.

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