

NAD Decision Addresses Promotional Pricing

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We've posted several entries about lawsuits involving continuous sales and promotional pricing. (Click [here](#) and [here](#), for examples.) This week, the NAD announced a decision involving similar issues.

Lowe's frequently advertises "10% Off Major Appliances" and includes an expiration date on the offers. The Home Depot argued that, despite the expiration date, Lowe's promoted this type of offer indefinitely. According to the complaint, this practice misleads consumers into thinking they need act soon in order to take advantage of a discount, and it damages the goodwill of competitors by making it appear that Lowe's provides deeper discounts off the bona fide regular price for appliances.

In response to NAD's inquiry, Lowe's stated that it has ended the promotion and related ads. The NAD deemed this decision to be appropriate, and recommended that future sales promotions observe stated expiration dates.

This case serves as yet another reminder that companies should closely review their pricing policies to ensure their sales and discounts do not violate pricing laws.