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Regulating Advertising in the Age of Consumer Awareness: The Role of Consumer Protection Act

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ABSTRACT: Advertising has become an indispensable part of modern economies and cultures, shaping consumer perceptions and driving market dynamics across the globe. However, the powerful influence of advertising raises critical questions about ethics, consumer protection, and public welfare. While advertisements aim to persuade and inform, they can also mislead, manipulate, or exploit vulnerable populations, such as children or those with limited financial literacy.

This paper explores the challenges and opportunities of regulating advertising in a landscape where consumers demand transparency, authenticity, and ethical standards and this paper also aims to offer actionable insights for creating a balanced advertising environment that respects consumer intelligence, protects rights, and fosters trust between brands and their audiences

KEYWORDS: Consumer protection, false advertising, Advertising Standards Council of India (ASCI), Central Consumer Protection Authority (CCPA)

I. INTRODUCTION

Advertising has experienced tremendous growth over the past century, evolving from simple print ads to multi-channel, targeted campaigns across television, radio, digital platforms, and social media. This growth has been driven by technological advancements, globalization, and the increasing competition among businesses to capture consumer attention.

The digital revolution has significantly reshaped consumer behavior and awareness, granting individuals unprecedented access to information and tools that empower them to make informed decisions. False, misleading, and unethical advertising practices can manipulate consumer behavior, erode trust, and cause financial or emotional harm. Regulatory frameworks are essential to safeguard consumer interests and ensure businesses operate ethically. This shift has fundamentally altered the relationship between consumers and businesses, especially in the realm of advertising. Fair competition is critical to fostering innovation, ensuring quality, and protecting consumer interests.

II. REVIEW OF LITERATURE

- Purchasing practices of consumers in Parbhani were studied by Kulkarni and Murali (1996). The results revealed that 83.50 per cent of consumers were seeking the information from television regarding the products availability and this was followed by neighbors (71.00%) and newspapers (69.50%). Consumers preferred the retail market for the purchase of groceries (65.00%), milk and milk products (100.00%), vegetables (100.00%), fruits (100.00%) and snacks (75.00%) and they adopted cash payment. Majority (75.00%) of the consumers preferred quality for the purchase of food
- Thanulingam and Kochadai (1989) conducted study in Madurai concluded that 50.00 per cent often consumers were aware of the problem of vacuum or slackness in the packages and hence they shake the packages to find out



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the extent of slackness. More than 3/4th of (83.33%) consumers were having the habit of checking the prices stamped on the packages. More consumers were checking the date of manufacturing (43.33%) and the expiry date (70.00%).

The maximum number of consumers (71.67%) had the knowledge about the local tax printed on the packages.

- VidhyaJawahar, J & Tamizhjothi, K (2013) concluded that consumers are having more conscious on quality, value for money and branding of cosmetic products. The study also provided a platform for the corporate to think on different dimensions what consumers prefer, which makes them decide on Marketing Mix of different products
- Susan Chisholm (2003) says Advertisers are well aware of the insecurities that most women feel about their own bodies. The influential power of the diet, fashion, cosmetic and beauty industries?? And their advertising strategies?? Target this, their "profits are sustained on the conformity of the body insecurity".
- Rodge (2001) studies the effect of advertisement on different age groups from rural and urban area on a sample of 150 respondents. Out of the total sample, 75 respondents belonged to the rural area and 75 respondents were selected from the urban area. It was concluded from the study that the rural respondents gave less importance to advertisement and its impact as compared to urban respondents. Reading and watching advertisements helped the urban group in purchasing more as compared to rural groups. Both the group of respondents found that all the advertising media were important and effective.

III. OBJECTIVES

- The shift in the advertising industry
- Instances of deceptive marketing
- The contribution of consumer protection laws

1. The shift in the advertising industry

1.1:- The shift refers to the significant changes and transformations that have occurred within the field of advertising over time. These shifts can encompass various aspects such as technological advancements, changes in consumer behavior, new platforms and media, and evolving advertising strategies. The shift can also reflect broader changes in values and ethics, where issues like consumer privacy, sustainability, and transparency are playing larger roles in shaping advertising practices.

1.2:- Here are some notable technological advancements in the advertising industry:

- Data Analytics: Enables businesses to gain insights into customer behavior and optimize their advertising strategies.
- AI Voiceovers: Provides a cost-efficient, realistic, and scalable solution for incorporating voice in marketing campaigns.
- AdTech: Helps brands analyze customer emotions and purchasing habits to craft engaging and immersive advertisements.
- Content Marketing: A highly effective digital marketing approach that generates more leads than traditional paid search methods.
- Video Advertising: A top-performing medium, with 64% of viewers making purchases after watching video ads.
- Social Media Advertising: A rapid and highly targeted advertising approach leveraging popular platforms.
- Digital Marketing: Made more effective by technological advancements and the growing prevalence of social media use.

1.3:- Revolution in Consumer Behavior refers to the significant shifts in how consumers make purchasing decisions, interact with brands, and respond to marketing efforts.

Key aspects of this revolution include:

- Subscription and On-Demand Models
- Ethical and Sustainable Choices
- Social Media Influence
- Rise of Digital Consumers
- Demand for Personalization:



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1.4:-Revolution in Consumer Privacy refers to the profound changes in how consumer data is collected, used, and protected, driven by increased consumer awareness, stricter regulations, and advancements in technology. As digital platforms become integral to daily life, privacy concerns have become a central issue, reshaping business practices and advertising strategies.

This shift is creating a revolution in consumer privacy in advertising, which includes: • Consent-Based Marketing

- Ethical Data Practices as a Competitive Advantage
- End of Third-Party Cookies
- Rise of Zero-Party Data
- Shift Toward Data Minimization

2. Instances of deceptive marketing

2.1:- Instances of deceptive marketing

- Tata Motors vs Pradipta Kundu, the complainant alleged that Tata Motors' advertisement claimed the TATA Indigo CS-Car, would achieve a mileage of 25km/l, promoting it as fuelefficient. Based on this, the complainant purchased the car but subsequent tests showed the mileage was lower than advertised, leading to a complaint of misleading advertisement. The West Bengal State Consumer Dispute Redressal Commission, found that the complainant was enticed by the advertisement and confirmed that the car's mileage was below 25km/l in tests and ordered the company to pay damages amounting to Rs. 3.5 lakh for the misleading advertisements. The same decision was upheld by the National Consumer Dispute Redressal Commission.
- Flipkart's advertisement that claimed '100% original products' and 'Flipkart matlab bilkul pakka' were held to be substantiated and was misled by exaggeration.
- Kellogg's Cornflakes: The Kellogg's Special K advertisement was also under the scanner with the Food Safety and Standards Authority of India (FSSAI) for making false health claims. In the ad, the company claimed that people who eat low fat Kellogg's for breakfast can lose weight as it adds only 114 calories to a person's diet.
- Dettol: Reckitt Benckiser Healthcare India's Dettol claims, in its ad, that 'Only Dettol gives 10x more protection against germs.' This was found to be misleading as the soap, which contains germicidal actives was compared to products which do not have germicidal actives. The claim was not substantiated by comparing it with products which have germicidal actives.
- Cab aggregator Uber India's advertisement claim which said 'save Rs 500 on your next 10 Uber rides and ride Uber and the discount will auto apply', were found misleading by ASCI.

3. The contribution of consumer protection laws

3.1:- Consumer protection safeguards the well-being and interests of consumers through education, mobilization and representation. Consumer protection ensures that consumers make well-informed decisions about their choices and have access to effective redress mechanisms. It also pushes for businesses to guarantee the quality of the products and services they offer. Consumer protection laws are essential for maintaining fairness, safety, and transparency in the marketplace. Their primary contributions include:

1. Upholding Consumer Rights

These laws ensure consumers are treated fairly and enjoy rights such as safety, access to information, choice, and the ability to address grievances effectively.

2. Preventing Unfair Practices

They safeguard against deceptive practices like misleading advertisements, inflated pricing, and unfair contract conditions, while also curbing monopolistic behavior.

3. Guaranteeing Product Safety

By mandating safety standards, these regulations protect consumers from harmful products and allow for recalls of unsafe goods.



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4. Ensuring Transparency

Businesses must provide clear and accurate information about products or services, such as pricing, ingredients, or warranties, enabling informed consumer decisions.

5. Building Consumer Trust

By holding businesses accountable, these laws create a sense of security for consumers, encouraging them to engage confidently in the market.

6. Offering Redress Mechanisms

They provide avenues for resolving disputes, such as refunds, replacements, or compensation, often through specialized bodies like consumer courts or mediation services.

7. Supporting Economic Growth

A regulatory framework that prioritizes consumer interests drives competition and innovation, contributing to overall economic development.

3.2:- The Consumer Protection Act, 2019 in India strengthens consumer rights and addresses modern issues like e-commerce and digital transactions. It replaces the older 1986 Act and establishes the Central Consumer Protection Authority (CCPA) to promote and protect consumer interests. The Act improves the dispute resolution process by allowing online complaint filings and introducing mediation as an option. It holds businesses accountable for unfair trade practices, defective products, and misleading advertisements, with harsher penalties for violations. The law also mandates better consumer awareness and protection, especially for vulnerable groups, and ensures ecommerce platforms adhere to consumer protection standards. The Act offers faster and more efficient ways for consumers to seek justice and compensation.

3.3:- Here are some regulatory bodies for advertising

- The Advertising Standards Council of India (ASCI), established in 1985, is committed to the cause of self-regulation in advertising, ensuring the protection of the interests of consumers. ASCI seeks to ensure that advertisements conform to its Code for SelfRegulation, which requires advertisements to be legal, decent, honest and truthful, and not hazardous or harmful, while observing fairness in competition. ASCI is a voluntary selfregulation council, registered as a not-for-profit company under Section 25 of the Indian Companies Act. The sponsors of ASCI, who are its principal members, are firms of considerable repute within the Industry in India, and comprise of advertisers, media, advertising agencies and other professional / ancillary services connected with advertising practices. ASCI is not a government body, nor does it formulate rules for the public or relevant industries.

- The CCPA has been established under the Consumer Protection Act, 2019 and has come in to force w.e.f 24th July 2020 to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of consumers as class and public at large.

IV. POWERS OF CENTRAL CONSUMER PROTECTION AUTHORITY (CCPA) -

1. Protect, promote and enforce the rights of consumers as a class, and prevent violation of consumers rights under this Act
2. Prevent unfair trade practices and ensure that no person engages himself in unfair trade practices;
3. Ensure that no false or misleading advertisement is made of any goods or services which contravenes the provisions of this Act or the rules or regulations made thereunder
4. Ensure that no person takes part in the publication of any advertisement which is false or misleading.

- The Ministry of Information and Broadcasting (I&B) is a key governmental body in India responsible for the regulation, promotion, and dissemination of information and media content. It oversees various sectors, including print, radio, television, film, and digital media. The ministry plays a vital role in shaping public opinion, promoting cultural diversity, and ensuring the free flow of information while maintaining standards and guidelines.



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V. CONCLUSION

Regulating advertising in today's consumer-aware era is crucial for ensuring ethical practices and protecting consumer interests. As consumers become more informed, there is a growing need for transparency and honesty in advertising, especially in digital spaces. Regulatory frameworks must adapt to technological changes to prevent misleading or manipulative ads. By maintaining a balance between innovation and consumer protection, advertising can continue to support business growth while fostering trust and fairness in the marketplace. Strong regulation ensures both consumers and businesses benefit from ethical advertising practices.

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