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Convergence of Misleading Advertisements and Consumerism

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ABSTRACT

In today's dynamic world, consumers are considered to be the catalyst of the working mechanism of the whole economy therefore, it is very vital to safeguard the interests of these consumers. The consumer's are generally prone to many threats like misleading advertisements. The paper that I'm dealing up with is majorly dealing up with this particular issue. The main context of the article or my paper is revolving around the concept of how the misleading advertising converges with the phenomenon of consumerism. This concept is of a high relevance or priority as it is important to observe it crucially, since the interests of the consumers are in trouble. Misleading advertisements have got the great potential to create a huge drastic-cum- impending effects upon the consumers' psychology. As the negative effects upon the consumers increase they may not even have an intention to consume more or let's say it may even lead to a complete breakdown of trust that consumer's have over the market mechanism. This may even lead to slowed working of the economy further leading or contributing the economy to fall into a debt trap or depression. Therefore proper steps are supposed to be undertaken to make sure that it is not happening and the same concept or question of fact is discussed in my article. The change that misleading advertisements may cause in the market dynamics and the legal and ethical concerns that arise in the society have also been discussed in my article. Eventually the relevance to encourage a healthy market environment in the society has also been emphasised.

I. INTRODUCTION

In today's dynamic world, consumers play a very vital role for economic development. But misleading advertisements are something that pose a great threat to the consumers' sentiments. Misleading advertisements are basically promotions or messages formulated with a false or deceptive information and this leads consumers to make false decisions. This will be mostly based on the product's features, benefits, or effectiveness. According, to the **Trade Descriptions Act 1968 (TDA 1968), s 3(2)** provides that a trade description which, though not false, is misleading in that it is likely to be taken as an indication of such of the matters

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*specified in TDA 1968, s 2 and, as such an indication, would be false to a material degree, shall be deemed to be a false trade description.*²

According to Sec.2 [28] of the Consumer Protection Act, 2019 *misleading advertisement in relation to product or service means an advertisement which*

[i]falsely describes such product or service; or

[ii] gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or

[iii] conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or

[iv] deliberately conceals important information;

Now let's see what is consumerism? Consumerism simply means a concept which says or promotes the enhanced consumption of goods and services in the market. It is basically an organised movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers. The common the problem faced from the consumers' front is consumer *backlash or activism.*

Consumerism was initially started in Western Europe before Industrial Revolution and became widespread around 1900. In fact, it represents multifaceted issues that are complex in nature. It was stated that the first signs of advertising are said to date back to the ancient Egyptians' steel carvings in 2000BC, the first print ad was published in 1472 when Willaim Caxton printed ads for a book and tacked them to church doors in England then in 1900s it was known as the Golden Age of Advertising during which advertising became a whole movement through radio and television. Thereafter it started to speak or communicate directly to people through their radios and TVs, it felt more personalized. But in India it was a different scenario India's first weekly newspaper, Hickey's Bengal Gazette, had the country's first print advertisements. The newspaper's primary content was classified advertising. Due to low consumption and restricted access to media platforms, advertising had a very small impact on people's lives prior to then. In 2022, the Department of Consumer Affairs' Central Consumer Protection Authority (CCPA) released "Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022." The Guidelines represent a progressive move in the direction of Indian advertisement regulation. Their goals are to safeguard customers and stop deceptive advertising. The guidelines aim to prevent consumers from falling for false claims, exaggerated promises, misinformation, or unsubstantiated claims.

² Misleading definition/Legal Glossary <https://www.lexisnexis.co.uk/legal/glossary/misleading> [last visited :7/6/24]

II. EFFECTS OF MISLEADING ADVERTISEMENTS UPON THE CONSUMER PSYCHOLOGY

Misleading advertisements generally affects the consumers' psychology .It has been found that false and misleading advertisements tend to provide false information that results in negative experiences of customers. It manipulates the purchasing power of the consumers particularly the young adults, and can lead to a decrease in consumer trust and loyalty. Generally the advertisers persuade the people to buy products and services by emphasizing them as a status symbol and playing on inner fears and insecurities. People forget to make wise decisions as they get taken away with the fantasy of advertisements. It generally with the help of manipulated positive reviews, ratings sway consumers into believing that product or service is worth trying. The fear of missing out on what others are enjoying is something that drive the people into impulse buying. Therefore we can state that misleading advertisements have the capacity to harm consumers' physical or mental well-being if the advertised products or services are potentially harmful or ineffective in nature.

III. THE CHANGE BROUGHT IN THE MARKET DYNAMICS

Misleading advertising is basically manipulating the consumer behaviour and introducing various alterations in the consumption or purchase pattern of the consumers. It can basically lead to financial losses for consumers who purchase products or services based on false claims, resulting in dissatisfaction. It undermines consumers' ability to exercise appropriate purchasing choices. It completely harms the trust, attitudes and purchase behaviour. Misleading advertisements generally increases the sales of the firm. The main reason behind this is, the buyer gets too much prompted to purchase the goods and that drags them into financial losses [consumer debt]. So as a whole we can say that the profitability margin of the firms get increased to a large extent through misleading advertisements.

IV. LEGAL AND ETHICAL CONCERNS

In International context, FTC's mission is protecting the public from deceptive or unfair business practices and from unfair methods of competition through law enforcement, advocacy, research, and education especially in America. They prioritize the welfare of the public and for the same they have well established provisions too. In Indian context we have consumer protection authority and competition commission of India as two bodies that perform similar nature of work of the federal trade commission

Corporate social responsibility is one of the most vital element of every firm but they ignore it

because competition in the market prompts them to do it and undertakes misleading advertisements.

V. CONCLUSION

In conclusion, misleading advertising has a big influence on consumerism since it skews people's opinions and decisions. These dishonest business methods take advantage of customers' weaknesses by tricking them into buying products based on inflated or fraudulent claims. This damages consumer confidence and feeds a vicious cycle of unsustainable, unrealistically high consumption. Stricter legal restrictions and increased advertising transparency are necessary to lessen these effects. Additionally, consumers need to be empowered and educated to assess marketing messages critically. In the end, encouraging an atmosphere of honesty and integrity in advertising will help to create a consumer base that is more knowledgeable and resilient, encouraging healthier consumer behaviours and a more moral marketplace.
