

A Study on Deceptive Advertising and Role Played by Celebrities

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ABSTRACT

This will not be wrong to put the deceptive advertisements on the hot seat. Deceptive advertising and the major role played by celebrities in them is the major attracting factor for the consumers. The question mark can be put in front of three sensitive topics first is the deceptive advertisement, second is the role of celebrities and finally, the question is of consumer protection. Consumer Protection Act, 1986 was one of the biggest achievements of that year and later on, it was amended in 1993 to widen its scope. An advertisement must ensure honesty, truthfulness, decency, ill-treatment of weak sections of society particularly children and fairness in competition, violation of any of these factors may lead to deceptive advertising. This study aim's at discussing various case studies and presents a critical view. The paper has reviewed the most of seminal studies in the area of deceptive advertising and role of celebrities and makes an attempt to do research that looked the fastening pace of deceptive advertising and celebrities acting as the spine. The result suggests that as these acts of deceptive advertising are increasing at a fastening pace, the time has come to put a full stop. Suggestions have been provided by keeping in mind the case studies and laws formulated by Advertising Standard Council of India.

1. Introduction

Today advertising is that tool which can change the life of any company. Today companies are spending lakhs on advertisement to earn millions. Advertisements are used to make the people aware about the product but in today's time, the irony is that advertising is used to deceive customers. Currently, there are three big issues of consumer protection, deceptive advertising and endorsement by celebrities. Consumer Protection Act, 1986 was the biggest achievement in that year and a milestone in the history of social-economic legislation. The law was enacted to protect the interest of the consumers. In order to extend the coverage of the law and to upgrade the power of redressal machinery the law was amended in 1993. The law aims at the protection of the consumers against any wrongdoing. Now day's celebrities are playing a major role in the promotion of deceptive advertisement. Most of the companies from a big star to a big start are endorsing their promotional advertisement through celebrities. This study aims at knowing that how deceptive advertising and the role of celebrities in them is influencing the consumers to purchase products.

2. Objective

The paper has reviewed the most of seminal studies in the area of deceptive advertising and role of celebrities and makes an attempt to do a research that looked the fastening pace of deceptive advertising and celebrities acting as the spine. Paper aims at discussing the case studies in the area of deceptive advertising and provides a critical view. To discuss the codes of ASCI regarding role of celebrities and complaint procedure.

3. Research Methodology

The study will exhibit the secondary data by conducting the literature review. The secondary data includes texts,

journals, case studies and articles within a period of the last three decades. This will help in finding out what has been researched by other scholars in the past having an emphasis on the factors that lead to celebrity's influence on consumers.

4. Results

4.1 Case studies

Volkswagen: A suit was filed against Volkswagen group of America by Federal Trade Commission. The company cheated the crowd by claiming "Clean Diesel" vehicles. The automaker's claimed on VW and Audi Diesels Vehicles, which were purchased in the duration of late 2008 to late 2015. Approx. 5, 50,000 vehicles were sold with the tag of environment-friendly and premium price attached with it. The advertisement also claimed that vehicle will reduce the emission of nitrogen oxide up to 90% and clean vehicles will have strong resale value. VW was exposed in 2015, that it had been cheating emissions tests in the US for past many years. VW agreed to pay up to 4.3\$ billion to settle the deceptive advertising case. The automaker's positioned their brand by attaching people emotionally with it and demanded high in return. They fouled people for approximately seven years and rolled in their pockets full. Where were the laws and concerned authorities for such a long time? Does the fine paid in terms of money can compensate for the trust broken? In this case, the concerned authorities must have taken some major steps such as ceiling the company for a period of time. Providing for the long jail term for the people involved. As it doesn't cost more in paying a drop out of the ocean of money earned from it.

Kellogg: Kellogg's falsely claimed in an advertisement that rice crispies could boost your immune system. It was not the first time the bells were ringing against this brand; it was there the second time that too with the short gap. Firstly, it claimed that "cereals improve child health" and then after a

short interval, they came up with a new false claim that their rice crispies help to support the immune system of children. This case was settled in 2011 when Kellogg's paid \$2.5 million to the affected consumers and \$2.5 million of products were donated to charity. This was not the end Kellogg's again came up with a false advertising claim that its mini-wheat enhanced "memory, cognitive functions, and attractiveness in children". This class-action lawsuit was settled outside the walls of the court only. It can be clearly seen that how easy it is to fool people again and again and how simple it is to start such false advertising campaigns. Isn't it will be better if the advertisement moves through a proper verification process? Advertising is not paid required attention in India, foreign products are sold in India through deceptive advertising but there is no statutory body in India to pay required attention.

Most of the deceptive advertisements are bought into light by the Federal Trade Commission an agency to protect American consumers. Deception in food item's advertisement like case discussed above is not a let go matter, food items are the basic requirements, so deception in these advertisements is a matter of peak concern. If we talk about celebrities endorsing Kellogg's products in India, then it is Lara Datta, Deepika Padukone, and Sakshi Tanwar.

Airtel: The watchdog of advertising in India, ASCI(The Advertising Standards Council of India) sent a notice to India's telecom giant Bharti Airtel Ltd. on 1st October 2015 to withdraw its 4g challenge speed advertisement on its misleading grounds. The claim in the advertisement states that 'Airtel 4G is the fastest network ever' and 'If your network is faster, we will pay your mobile bills for life', is misleading by omission in the absence of appropriate disclaimers in the print, TV, hoarding advertisements. ASCI said that advertisement has breach chapter 1.4 of the code. According to the code for self-regulation by ASCI, chapter 1.4 states that Advertisements shall neither distort facts nor mislead the consumer by means of implications or omissions. Advertisements shall not contain statements or visual presentation which directly or by implication or by omission or by ambiguity or by exaggeration are likely to mislead the consumer about the product advertised or the advertiser or about any other product or advertiser. ASCI said it has been noticed that similar challenges can be offered by any service provider where the rest of the providers have weak signal strengths. It is clear that the claims made in the advertisement are location dependent. Hence, disclaimers to elaborate on this aspect are necessary to qualify the claim of being the fastest. 4G challenge moves proved a tough one for the Airtel as consumers were claiming compensation as they were not getting uniform speed across the country. When contacted the director at Bharti Airtel, they explained that owing to restriction on-site installation there can be places where people may face issues of 4G network quality. In an interview with Agnello Dias who was founder and chairman of Taproot Dentsu, agency behind this commercial, told that consumer experience is also affected by the frequency at which company is offering its 4G network. Currently, Airtel is offering its 4g services at 2,300 MHz LTE spectrum in nine circles, which is hard to get, while indoors. However, it will take some time after which this frequency will be operational. A company should not make such claims without considering the ground reality. It

should consider all the factors related to it otherwise it harms consumer at times as well as company image in the long run.

This was not the first time that ASCI has ring the bell upon Airtel, in the past when Airtel featured its 3G advertisement as the fastest 3G internet and claimed to give 122% faster download speed than other 3G networks was also not adequately authenticated.

Mobikwik: Mobikwik is an Indian company founded in 2009 which provides service of the phone-based payment system and digital wallets. Customers can add money to their wallets which can be used for varied purposes like payment of mobile recharge, electricity bill, train tickets, hotel booking and bus tickets. Due to the pressure of high sales, many companies opt for tricks to fool customers and persuade them to make a purchase. Here is a genius trick by the mobikwik marketing team to fool the customer. Its general tendency that while booking tickets we ask for google about best deal available. Now, mobikwik advertisement will come at first place showing 500 super cash on bus fare with minimum 1000 Rs. booking. When users click at eye-popping ad this page lets them to a page which has no information about the ad. On this page, super cash is nowhere found. Now while someone books ticket it gives no information that what actually super cash is? Now, when you google about super cash it shows that super cash is way bigger and better than your normal cashback. Previously, your wallet cashback can be consumed when all other sources of funds have been consumed. Now, except the recharges and bill payments, one can use 10% of every cashback in every payment. Moreover, the user has to use this super cash within 45 days of booking. Marketing experts are trying to making the fool saying that super cash is better than normal cashback. When coming to the cancellation policy, mobikwik states 90% of the amount will be refunded when canceled during in 2-3 days but here interestingly the starting time of cancellation in before your booking time itself. If a user wants to cancel his booking after feeling that he has been cheated, he will surely lose his 10% money. Adding to the fraud story, the company is showing lower cost in listing page but higher cost at the inner page of purchase. Finally, the cancellation charges are also more than 10% without any explanation. Mobikwik has screwed up valuable customer shopping experience.

4.2 ASCI

A self-regulatory body established in 1985 aims at protecting the consumers of India. It was formed with the support of four main components of advertising that are-Media, Advertisers, Advertising agencies and other like public relation companies and market research companies.

ASCI have been registered as a non-for profit organization under the section-25 of the companies act. ASCI have provided self-regulatory codes for various keens areas of advertising and their complaint procedure. Codes have been provided in the following areas.

Truthfulness and Honesty: The description and claims made in the advertisement must be capable of substantiation. They should provide all the information as and when called upon by ASCI. In case if any advertisement is based upon any

research then they should state the source and date in the advertisement. It also stated that before making reference to any company, individual or institution the agency should produce explicit permission from that authority.

Non-offensive to the public: The advertisements telecasted must not be vulgar, indecent, nothing repulsive, nothing depicting anything wrong about women and nothing should be against the standard of decency and propriety.

Against harmful product/ situations: This chapter is in association with the use of advertising in products and situations which are harmful to the people, especially minors. It includes that no advertisement should encourage any crime, should not deride any caste, color or creed, should not ruin a friendly relation with any country. Advertising should not show any dangerous practice without justifiable reason. Many more such laws have been presented.

Fair in competition: Advertisement should not be the copy of any other advertisement in any regard. The advertiser should not use the name or goodwill or initial of any other firm to take unfair advantage.

ASCI complaint procedure for the general public

ASCI have provided various platforms for lodging a complaint against deceptive advertising. Complainants can complaint through an e-mail, online form, by calling, mobile app. Not only this even the complaints made on Twitter, Facebook or Whatsapp are also responded. There is a proper complaint procedure in which first come's the registration of complaint; you have to pay no fee to lodge a complaint. As soon as you lodge the complaint you will receive a mail within three working days. Then the complaint will be verified on all grounds that whether it is real or fraudulent. Then the complaint is forwarded to officer concerned. The second step is the examination of complaint; in this, the complaint is checked for the allegations made in it.

Then the designated officer asks the advertiser to send a copy of advertisement within two working days. On the examination, if the complaint seems to be frivolous then the officer presents the complaint in front of CCC in the next meeting, to know whether to proceed or not on the particular complaint. In case if the complaint proves to be true and advertisement violates the codes of ASCI then a copy of the complaint will be sent to the advertiser and advertising agency and a written response is asked for. After receiving the response in written form and required documents attached with it, ASCI can call for any other information required. If required then the suggestion of technical expert from CCC can also be concerned. After completion of all the required procedures, the case will be presented in front of CCC in the next meeting.

Guidelines for the celebrity: In advertising celebrities are viewed as a credible and trustworthy source of advertisement, so they should pay due emphasis that claims made in the advertisement should not be misleading or false especially for the products which can cause serious financial or physical harm to the consumer. There are some guidelines given to comply while endorsement by celebrities.

- i. No advertisement should be in contravention to any ASCI code in letter and spirit. Celebrities should be aware of all these guidelines and it is the duty of the advertising agency to make them aware of it.
- ii. Any opinion or preference for the product should reflect a genuine opinion of the individual and must be based on adequate information or experience with the product.
- iii. Celebrities should pay due care to ensure that all the claims and descriptions made in the advertisement are capable of evidence and should not be deceptive.
- iv. Celebrities should not participate in the advertisement of any product under The Drugs & Magic Remedies (Objectionable Advertisements) Act 1954 and The Drugs & Cosmetic Act 1940 and Rules 1945: (Schedule J).

5. Conclusion

It can be concluded from the above case studies that big units like Volkswagen, Airtel, Kellogg's and Mobikwik have no fear of ASCI or any other authority. It is clearly visible also as all these big giants didn't take the advantage of deceptive advertisement only once to fill up their pockets rather they continued their activity even after the complaint was lodged against them. The first case which has been discussed is of Volkswagen which claimed that it is selling clean diesel vehicles which are environment-friendly and attached high price tag with it. Whereas it was revealed that they were cheating the customers for approx. seven years and earned a huge amount from a minute advertisement. They agreed to settle the case for \$4.3 billion. The second case of Kellogg's has been discussed; Kellogg's cheated its customer several times, once it claimed that its rice crispies can build the stronger immune system of children. The other time it claimed that its mini-wheat can enhance children memory, attractiveness and cognitive ability. In the case of rice crispies, \$2.5million was set to be given to affected customers. But, has really that amount reached the customers, do really all the customers know about this fraud. The third case is of Airtel, which claimed that which claimed that it has the fastest 4G network. Whereas, they didn't provide any proof or substantiation for it, as mentioned in ASCI code of truthfulness and honesty. The girl Shashachettri endorsed the Airtel 4G challenge advertisement. The girl got famous after it and was somehow influencing the public to move to Airtel. In some cases well-known celebrities influence the public to use the product and in some the advertisement makes the person famous and influential. Forth case is of mobikwik supercash advertisement. In this case, mobikwik fooled the customers by their misleading advertisement, which showed that is people will pay through mibikwik then they will enjoy the advantage of "Supercash" which is better than cashback as said. We can see that how these big giants fooled the public through advertising and earned millions. They played with customers sentiments without any fear of law. The emerging trend of deceptive advertising is a call for government board or a statutory body in the area of advertising. Even Bollywood movies have a censor board then why nor advertising. It is recommended that government should have a statutory body to govern Advertising and more strict laws, penalties and punishment should be enforced. All the advertisements should

pass through a critical evaluation test before they reach public. Due to misleading advertisement companies are able to fill up their bags of millions and then they are fined a small amount from it.

ASCI have a very easy complaint procedure but the point comes that do people really know about it, are they really aware that they can complaint against any misleading advertisement. ASCI need to organize some awareness camps so that consumers get aware and companies also think hundred times before showing deceptive advertisement. If we

talk about celebrities then ASCI has provided guidelines for celebrities also. In this one of the guideline says that they should provide genuine opinion and which must be based on experience, but do the celebrities really use the items they endorse. In some advertisement they make the statement that they have stated using the product where are you, but is it really true or it is just a publicity stunt. The government has to really take a major step in the area of advertising to control the deception and influential role of celebrities.

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