

MISLEADING ADVERTISING IN INDIA AND THE ROLE OF ASCI OVER THE LAST FOUR YEARS (2022-2025)

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Abstract – This research paper investigates the complaints for misleading advertisements in India between 2022 and 2025 and the Advertising Standards Council of India's (ASCI) insightful reports on various issues related to advertising and protection of consumer interest. This research analyses the last three years of complaint data in the annual reports released by ASCI. This study finds that people are moving away from style advertisements to advertisements on digital platforms, where most of the problems happen now, about 97% of the time. The research shows how the Advertising Standards Council of India has changed the way it works it used to look into complaints. Now it uses a system that uses artificial intelligence to keep an eye on things in the digital platform advertisements. The Advertising Standards Council of India is using intelligence to watch the digital platform advertisements. This new system now deals with 93 per cent of all cases. The main things we found out are that people are following the rules more and more, with 88 per cent of them doing so by the end of 2025. There are new problems that are making people lose trust, such as dark patterns, betting illegally from other countries and influencers not saying or showing what they are really doing or using. ASCI is the self-regulatory body and the Central Consumer Protection Authority (CCPA) both work together; these are essential to protect the vulnerable consumers in the high-speed digital economy.

Key Words: Misleading Advertisements, ASCI, CCPA, Consumer Protection, Digital Marketing, Influencer Accountability.

1. INTRODUCTION:

The advertising industry in India has been growing fast over the last decade, especially in online advertisements. The total advertising market in India is now worth around ₹1.15 lakh crore. This is a huge share in the growing Indian economy. Most spending by the advertisers, over 61%, happens on platforms such as social media, television and electronic media. This growth helps businesses reach their expected customers. It also increases the risk of misleading ads.

The ASCI reported 9,599 complaints in 2024-25 about false or misleading ads and they reviewed 7,199 advertisements. Of these, 98% needed correction for breaking advertising rules. Most complaints concerned

misleading claims. Due to advertisement promises, 81% violations were registered in the year 2023-24. Recently, i.e. in 2025-26, it has been observed that online ads are the main source of the misleading issues.

Misleading advertisements hurt consumer trust. When customers feel cheated by such ads, they lose confidence in the brand and its ads. They may stop buying the products or services of such brands. Studies show that dishonest advertisements reduce brand loyalty to advertisements. Consumers also increase brand switching for this reason.

The Consumer Protection Act 2019 is the law in India to protect the consumer's rights against misleading ads. Most of the people have no idea how to raise a complaint about their losses due to the misleading advertisements. This study helps to understand how such advertisements damage trust and loyalty among consumers for the brand & its products or services.

2. LITERATURE REVIEW:

Advertisements are the activity of promoting the details of the products or services to the customer for sales and providing the necessary information to help them make rational purchase decisions.

Misleading advertising leads to ads that give wrong or incomplete information to customers to attract them towards the product or services and makes them believe something that is not true about a product or service. This happens through false promises, hidden facts or claims that are difficult to prove. Advertising Standards Council of India (ASCI) stated that the misleading advertisements include claims that are deceptive or unsupported by proper evidence about what the seller is going to sell. Similarly, the Consumer Protection Act 2019 defines misleading advertising as any advertisement activity that gives false descriptions, fake guarantees or incorrect information about a product's quality, quantity, or benefits.

To build a strong brand relationship, consumer trust towards the product or services is one of the most important factors. It refers to the confidence consumers have in the honesty and reliability of a brand's communication. Morgan and Hunt (1994) explained in their Commitment-Trust Theory that trust for a brand plays a major role in maintaining long-term customer relationships. Chaudhuri and Holbrook (2001) further

showed that brand trust directly improves brand loyalty and repeat purchase behaviour.

When consumers discover misleading advertisements, trust gets damaged. Darke and Dahl (2003) found that this creates consumer scepticism, reduces purchase intention, and increases brand switching. Recent studies also support this. A 2025 study on online shoppers found that deceptive advertising strongly reduces both trust and brand loyalty. Another study by Khan, Sheeraz, and Siddiqui (2024) showed that exaggerated claims in personal care advertisements may increase short-term sales but may harm customer loyalty in the long run for the product and its brand.

ASCI annual complaint reports from 2022 to 2025 also show that misleading advertising is one of the biggest problems in India, especially on digital platforms. This makes the study of consumer trust & loyalty and misleading advertising highly important in today's market.

3. PROBLEMS:

Despite the scale and consistency of misleading advertising violations documented by ASCI, academic marketing literature has not systematically analysed these complaint patterns alongside established findings on consumer trust and brand loyalty. The relationship between the regulatory footprint of misleading advertising in India and its consumer-psychological consequences remains theoretically underexplored.

4. RESEARCH OBJECTIVE:

To analyse the pattern, nature, and sectoral distribution of misleading advertising complaints recorded by ASCI from 2022 to 2025. To assess the level of consumer awareness of ASCI as a regulatory body and the Consumer Protection Act 2019 among urban Indian consumers.

5. SIGNIFICANCE OF THE STUDY

This study makes three specific contributions. First, it operationalises ASCI's publicly available complaint data as an academic secondary dataset — a methodological contribution that demonstrates how India's regulatory infrastructure can anchor marketing research. Second, it provides the most current and comprehensive synthesis of academic literature on misleading advertising's consumer-psychological impact, drawing on studies published between 2017 and 2025. Third, the proposed DTL Chain offers a testable conceptual model for future empirical research — one that is uniquely grounded in Indian regulatory reality rather than borrowed wholesale from Western market contexts.

6. ASCI COMPLAINT DATA ANALYSIS: 2022–2025

[Secondary Data Source: ASCI Annual Complaints Report 2022–23; 2023–24; 2024–25; All reports publicly available at: www.ascionline.in/reports/]

The three-year reports observations from 2022 to 2025 reveal a consistently intensifying regulatory engagement with misleading advertising in India, driven by ASCI's expanding proactive surveillance infrastructure.

2022-23: According to the EY and FICCI 2023 report on India's Media and Entertainment sector. In 2022, India's nominal GDP grew 15% and advertising recovered over 19%. It is now share with 0.4% of India's GDP, digital advertising grew 30% to reach INR 499 billions or 48% of total advertising revenues in comparison to Print and TV advertising which grew by 13% and 2% respectively.

7,928 ads scrutinised by the ASCI. The report says that such scrutinised cases doubled over 2 years. Out of this, 88% ads were taken up sou-motu (ASCI finding ads on its own).

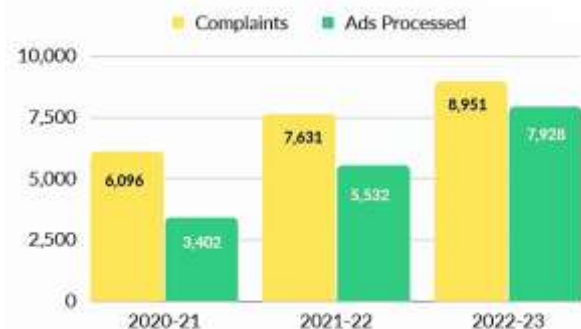


Chart 1 : No. of Complaints (2022-23)

Gaming has overtaken education as the top violating sector at ASCI. ASCI launched the Guidelines for Real Money Gaming Ads in December 2021, keeping in mind the extent and seriousness of the harm it could cause to consumers, given the financial risk involved. 92% of ads failed to include the required disclaimer informing consumers of the financial and addiction risks.

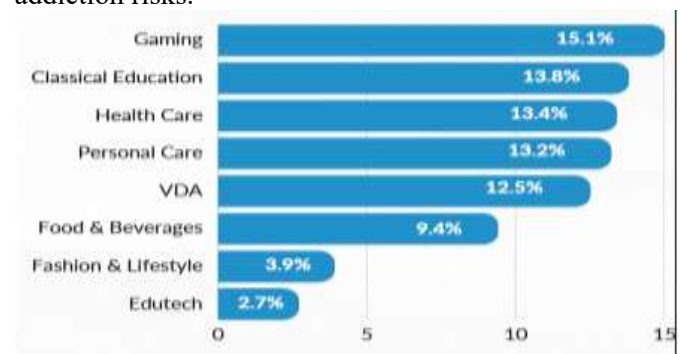


Chart 2 : Top Violative categories

75% of violative ads spotted on Digital media are raising concerns about the online safety of

consumers. ASCI's suo-motu scrutiny of digital media throws up a high number of violations, with compliance lower than TV/ Print. The high volume of ads, low campaign durations, and proliferation of formats on digital platforms make it a challenge to regulate. ASCI's AI-based tracking has made it possible to ramp up our digital scrutiny to make an impact.

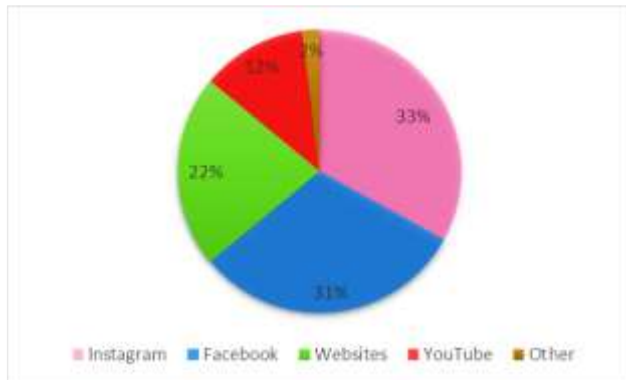


Chart 3 : Digital Media

In spite of the Consumer Protection Act now legally requiring celebrities to do their due diligence when they appear in ads, in 97% of cases processed by ASCI featuring celebrities, they failed to provide any evidence of due diligence.

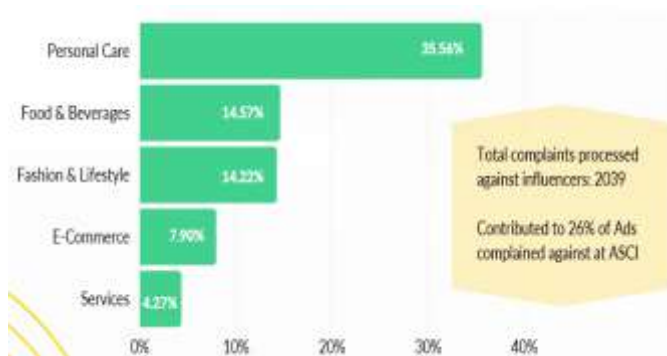


Chart 4 : Influencer violations - Top 5 categories

2023-24: 10,093 complaints examined and investigated 8,299 advertisements by the ASCI, the highest volume in the organisation's history at that point. The ASCI's internal proactive monitoring team geared up its surveillance by using online tools such as ad libraries, along with systematic learning and the inputs from our sector experts, to scrutinise violations from key sectors. 98% advertisements required some form of modification as they violated the ASCI Code. 12.75% increase in complaints over the previous year i.e. 2022-23.

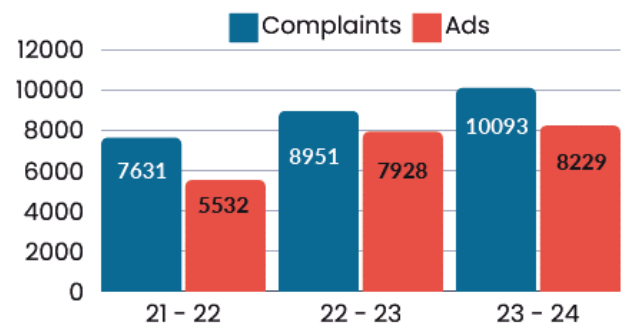


Chart 5 : No. of Complaints (2023-24)

The violation breakdown showed misleading claims as the dominant category at **81%**, followed by advertisements promoting harmful products or situations. Healthcare emerged as the most violative sector over **19%** of cases, followed by illegal offshore betting 17%, personal care 13% and other sector wise violations given in the Chart 6.

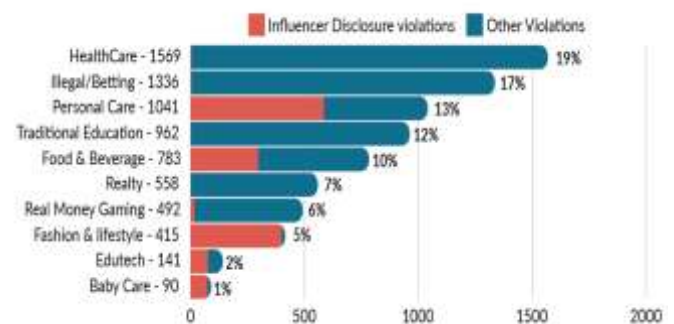


Chart 6 : Top Violative categories

Most of the use of digital media the attract the consumer towards the product or services, but it is the main source of misleading ads. In this year, over 85% misleading ads comes to consumer through the digital media, followed by 11% in print form. The chart 7 shows the media split & the key digital media platforms used for the misleading ads.

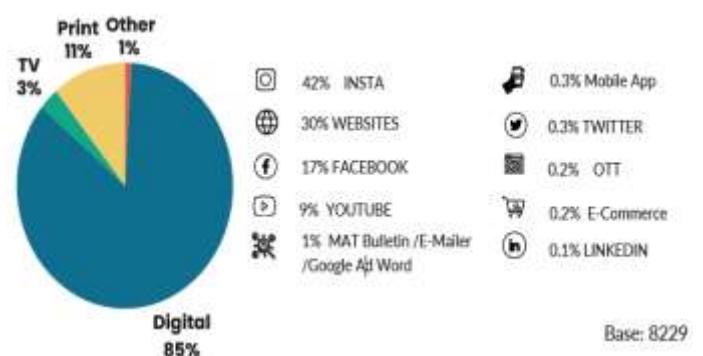


Chart 7 : Media wise split

In the year 2023, 1702 complaints processed against Influencer Guidelines. 76% of the cases were not contested; were modified on an average in 5 business days. Additionally, 101 ads processed featuring celebrities.

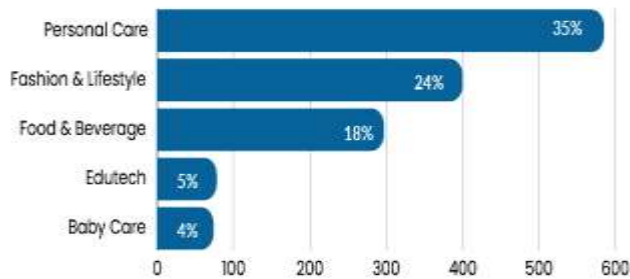


Chart 8 : Influencer violations - Top 5 categories

2024-25: 9,599 complaints looked into by ASCI and 7,199 ads scrutinised for potential violation by ASCI in this year. The 98% of the overall ads scrutinised required some modification. 59% of the ads that were investigated were not contested and promptly withdrawn or modified by the advertiser.

The sectoral profile offshore betting percentage reduced up to **43%** of all cases, driven by ASCI's intensified focus on illegal gambling platforms. From the total advertisements processed, **56%** were found to be misleading and **47.5%** promoted harmful products or unsafe situations. Offshore betting and realty sectors most violative sector in misleading ads. 233 ads were reported to the Ministry of AYUSH for potential violation of the Drugs and Magic Remedies Act, 1954 (DMR). 21 ads directly promoting alcohol beverages on social media were reported to Ministry of Information & Broadcasting. 1755 ads in the real estate sector in Maharashtra were found in potential contravention of regulatory requirements under the applicable MahaRERA Act.

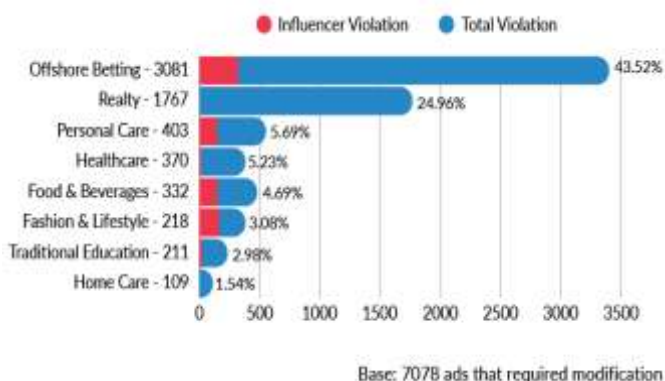


Chart 9 : Top Violative categories

From the total ads 6,827, which are 94%, ads scrutinised for potential violation appeared on the digital medium.

68% of the ads on the digital medium were sponsored ads on the social media platforms. 32% of the digital ads relate to claims on companies own websites and social media accounts. The detailed percentage misleading ads on various media platforms given in the below mentioned chart 10.

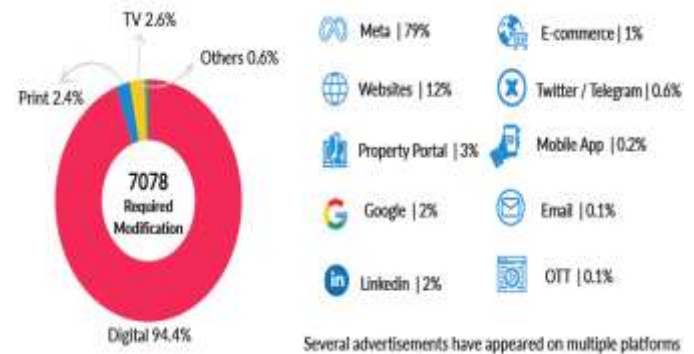


Chart 10 : Media wise split

Influencer violations contributed to **14%** of all ads processed. ASCI investigated 1,015 influencer advertisements, from this **98%** required modification. While 48% promptly made corrections to their posts, one third were found to be promoting products that are disallowed by law. On average, 75% of the non-contested ads were modified within 5 business days. 83% (as on May 14, 2025) influencers have complied.

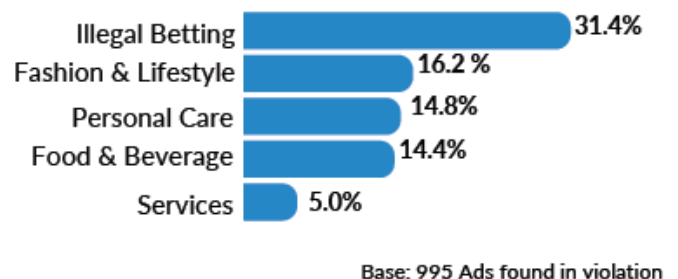
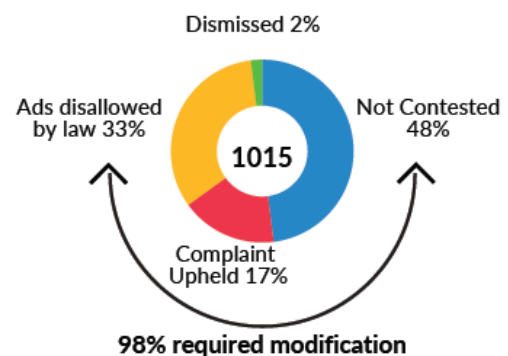


Chart 11 : Influencer violations - Top 5 categories

7. SECTOR-WISE PATTERNS

Healthcare : Healthcare sector is really bad when it comes to follow the rules. It makes medical claims that directly affect how safe people are when they get medical care. False medical claims directly affect consumer safety. In the number, healthcare sector brakes rule went up from 13.4% in 2022-23 to 19% in 2023-24.

Personal Care : Personal care sector is frequent violator due to misleading beauty claims and hidden influencer promotions. In 2023–24, 55% of violations involved influencer non-disclosure.

Education / EdTech : Education and EdTech sector misleading ads target parents and students with false promises and hidden costs. It formed 33% of violations in 2021–22, and 99% of 142 EdTech ads in 2023–24 were found misleading.

Offshore Betting: Misleading ads in offshore betting has grown rapidly. Violations rises from 17% in 2023–24 to 43.52% in 2024–25 in this sector, Most of the financial frauds also happen in this sector.

8. DISCUSSION AND IMPLICATIONS

- i) This is not a small problem : 98% of all digital ads break the rules. This has stayed the same for three full years. 93% are found by ASCI before any customer even complains.
- ii) Brands do this completely on purpose : 62% of brands now don't even argue when they get caught, up from 37% three years ago. This is a deliberate strategy: “launch first, fix later” approach, which may bring short-term gains but badly hurts trust and customer loyalty.
- iii) Almost all influencers break the law : Influencer non-disclosure is a big problem, with most celebrity ads and many top influencers not properly disclosing paid promotions. This is the most harmful type of misleading advertising, because it abuses the trust people have in them as friends.
- iv) For brands, this is risky because dishonest ads push people away (59% stop buying). ASCI needs help from platforms to check high-risk ads, and the government/CCPA should use this data to step up enforcement.

9. CONCLUSIONS

Misleading advertising is not a bug of India's digital advertising system. The entire system is currently built around the feature.

There are immediate, evidence based actions required to address this:

1. ASCI must stop negotiating only with individual brands, and extend its proven partnership model to require mandatory pre-screening of high risk ads directly by Meta, Google and YouTube
2. CCPA now has a complete four-year evidence base to begin formal, targeted enforcement against top influencers for ongoing disclosure violations.
3. Brand managers must accept that the current "run and fix" strategy is commercially self-defeating, and will cost them far more in lost long term loyalty than it generates in short term sales.

ACKNOWLEDGEMENT

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