"The Impact of Deceptive Advertising on Consumers Trust and Market Dynamic: A Mix Method Study in the Indian Contexts"

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ABSTRACT

Deceptive advertising has emerged as a significant concern in the modern marketing ecosystem, where intense competition and digital platforms have amplified the spread of misleading content. This thesis investigates the various forms of deceptive advertising—ranging from exaggerated claims and manipulated imagery to false endorsements and omitted disclaimers—and examines their direct and indirect consequences on consumer trust, decision-making behavior, and market competition.

The study focuses on the Indian context, where the rise of digital marketing, influencer promotions, and minimal advertising regulations have enabled widespread adoption of these tactics. Using a mixed- method research design, data was gathered through structured surveys, in-depth interviews, and secondary sources from regulatory and industry bodies. Quantitative insights reveal that over 70% of consumers have encountered deceptive ads, leading to reduced brand loyalty, skepticism, and even brand switching. Qualitative responses further highlight emotional responses such as betrayal, confusion, and mistrust, especially among older and rural demographics.

In parallel, ethical competitors are often forced into defensive strategies like corrective advertising or loss-leading promotions, resulting in increased marketing expenditure and diluted brand positioning. The thesis also explores how consumer protection agencies and advertising councils have responded with frameworks and policies—though gaps remain in enforcement and consumer awareness.

The findings highlight a strong need for ethical advertising standards, enhanced regulatory oversight, and active consumer education. Recommendations include leveraging transparency, clear disclaimers, AI-driven ad monitoring tools, and stricter penalties for repeat offenders. This research contributes to both academic literature and industry practice by offering a deeper understanding of deceptive advertising's psychological, economic, and ethical dimensions. It calls for a collective shift towards integrity in advertising to preserve trust in an increasingly digital and globalized marketplace.

CHAPTER 1: INTRODUCTION

1. **Background of the Study**

Advertising has long served as a powerful tool in shaping consumer preferences, influencing purchasing behaviour, and driving competition in the marketplace. As companies strive to capture consumer attention in a crowded digital landscape, advertising tactics have grown increasingly aggressive and sophisticated. However, this evolution has also given rise to a troubling trend—deceptive advertising—where marketers use misleading, exaggerated, or false claims to promote their products or services.

Deceptive advertising manifests in various forms: false product claims, manipulated before-and-after visuals, hidden terms and conditions, misleading endorsements, and omission of key information. These tactics can mislead consumers into making uninformed choices, often resulting in dissatisfaction, financial loss, or even health risks. In an age where digital marketing reaches millions instantly through social media, search engines, and influencer content, the potential for such deception to spread rapidly has increased manifold.

In the Indian context, deceptive advertising has become a growing concern across sectors such as consumer goods, health supplements, cosmetics, and digital finance. Despite the presence of regulatory bodies like the Advertising Standards Council of India (ASCI) and the Consumer Protection Act (2019), many misleading ads continue to appear across television, print, and digital platforms. While these bodies can recommend withdrawal or modification of deceptive ads, enforcement remains largely voluntary, and consumer awareness of redressed mechanisms is limited.

Moreover, the consequences of deceptive advertising go beyond just misleading individual consumers. Such practices erode trust in brands, create a negative perception of entire industries, and unfairly disadvantage competitors who adhere to ethical marketing standards. Ethical companies may find themselves forced to spend more on counter-

campaigns or reduce prices to remain competitive—disrupting market equilibrium and distorting fair play.

This study seeks to delve deeper into this issue by examining the prevalence of deceptive advertising tactics in the Indian market and analysing their effects on consumer trust, purchasing behaviour, and competitor dynamics. Through a combination of qualitative and quantitative research methods, this thesis aims to provide an evidence-based evaluation of how deceptive advertising impacts the advertising ecosystem and what measures can be taken to mitigate its harmful effects.

1.1 Advertising in the Indian Context

India presents a unique landscape for advertising, where traditional forms like television and print media coexist with booming digital platforms. With the rise of mobile penetration, social media usage, and influencer culture, advertising now reaches every corner of the country within seconds. However, this rapid outreach has also increased the potential for misleading ads to cause widespread impact.

Despite the existence of regulatory bodies like the Advertising Standards Council of India (ASCI) and legal instruments like the Consumer Protection Act (2019), deceptive advertising is rampant. Regulatory oversight is largely reactive rather than preventive. Many advertisements continue to bypass scrutiny through vague language or digital loopholes. Moreover, consumer awareness regarding complaint procedures and redressal mechanisms remains low.

1.2 Global Perspective on Deceptive Advertising

Globally, advertising regulators such as the Federal Trade Commission (FTC) in the United States and the Advertising Standards Authority (ASA) in the UK have established stricter frameworks. These bodies enforce penalties, issue public warnings, and demand corrective advertising. However, enforcement in developing economies often lags behind due to lack of digital surveillance tools, inadequate legal backing, and bureaucratic inefficiencies.

1.3 The Ethical Dilemma

The line between persuasion and deception in advertising is often thin and blurred. While marketers aim to differentiate their products and highlight unique selling propositions, ethical advertising requires honesty, transparency, and a commitment to the consumer's well-being. When companies compromise these principles for short-term gain, they risk long-term reputation damage, legal action, and consumer backlash.

2. Problem Statement

Consumers are frequently misled by advertisements that make exaggerated or false claims, resulting in erosion of trust, wastage of financial resources, and unfair competition. These deceptive practices have created a need to examine their prevalence and impact on both consumers and ethical competitors.

3. Research Objectives

3.1. To identify and categorize common deceptive advertising practices in India.

3.2. To assess the impact of deceptive ads on consumer trust and purchasing behavior.

3.3. To evaluate how competitors respond to deceptive marketing strategies.

3.4. To propose regulatory and ethical recommendations to mitigate deceptive practices

4. Research Questions

4.1 What are the most prevalent forms of deceptive advertising in India?

4.2. How does consumer trust change after being exposed to deceptive ads?

4.3. What strategic actions do ethical competitors take in response to misleading ads?

4.4. What frameworks can be developed to ensure fair advertising practices?

5. Significance of the Study

This study provides valuable insights for consumers, advertisers, regulators, and marketers. For consumers, it promotes awareness and informed decision-making. For advertisers and regulators, it offers a basis for ethical standards and policy improvements. For academia, it contributes to marketing ethics and consumer psychology literature.

6. Scope and Limitations

The study focuses on deceptive advertising practices in India across various media including TV, print, and digital platforms. It covers consumer reactions and competitor responses in selected sectors (e.g., FMCG, cosmetics, electronics). Limitations include limited geographic scope and reliance on self-reported data.

CHAPTER 2: REVIEW OF LITERATURE

The study concludes by proposing frameworks for ethical advertising that emphasize transparency, regulatory compliance, and consumer protection. It also explores the role of consumer education and digital platforms in curbing deceptive tactics.

- **Kotler & Keller (2016):** emphasized the importance of consumer trust and the role of truthful advertising in building brand equity.

- **Darke& Ritchie (2007):** studied the psychological effects of misleading ads, highlighting how consumer skepticism increases over time.

- **ASCI Annual Report (2022):** revealed that over 5,000 advertisements were flagged for being misleading or false in India.

- **Nill & Schibrowsky (2007):** argued that deceptive advertising erodes consumer autonomy by manipulating their decision-making process.

- **Grewal et al. (1994):** demonstrated that price-based deception leads to diminished purchase intention once discovered.

- **Cotte et al. (2005):** investigated how omission of information in advertisements creates misperceptions among consumers.

- **Singh & Rao (2019):** studied the prevalence of deceptive health ads in Indian television and found compliance issues with ASCI norms.

- **Chatterjee & Kar (2021):** analyzed digital deceptive practices in e-commerce and emphasized the urgency of stronger regulation.

- **Hyman et al. (1990):** proposed models to categorize deceptive advertising: direct falsehoods, implied claims, and misleading context.

- **Zhou & Wong (2003):** explored cultural perspectives on advertising ethics, noting differences in tolerance for puffery across nations.

- **Petty & Cacioppo (1986):** developed the Elaboration Likelihood Model explaining how message processing influences deception detection.

- **Gupta & Sharma (2020):** highlighted deceptive packaging and its role in misinforming Indian consumers about nutritional content.

- **Shabbir et al. (2019):** researched youth vulnerability to digital influencers and subliminal branding.

- **Sengupta (2017):** argued that vague claims and pseudo-scientific endorsements are prevalent in Indian cosmetic ads.

- **FTC Report (2019):** classified different types of deceptive claims—establishment, performance, and superiority-based.

- **Kumar & Raj (2021):** examined how over-claiming in green marketing impacts consumer backlash and brand trust.

- **Mittal (2020):** studied celebrity endorsements in India and found that 63% of surveyed consumers made regretful purchases based on them.

- **Sharma & Dixit (2021):** found a direct relationship between deceptive ads and increased demand for regulatory policy in India.

- **KPMG (2022):** reported rising consumer complaints in the personal care and health supplement sectors.

- **Rao (2018):** suggested integrating media literacy education to empower consumers against deceptive tactics.

- **Nielsen (2023):** found that 47% of Indian consumers had encountered misleading claims in digital

advertisements.

- **Bhatt & Joshi (2015)**: reviewed food advertising and found regulatory violations in labeling and health benefit claims.

Theoretical Foundations

Several theories underpin the study of deceptive advertising. The Elaboration Likelihood Model (Petty & Cacioppo, 1986) suggests that consumers process information through central or peripheral routes. When advertising uses emotionally appealing, deceptive cues, it can manipulate consumers processing via the peripheral route, bypassing critical thinking.

Consumer Behavior Theory explains that consumers make decisions based on perceived value, trust, and past experiences. When deceptive advertising disrupts this value assessment, it not only impacts short-term decisions but can erode long-term trust and brand loyalty.

Utilitarian and Deontological Ethics also inform how businesses should frame advertising messages. While utilitarianism allows for practices that result in the greatest benefit, deontology emphasizes moral duties and transparency, framing deception as inherently unethical.

Regulatory Responses and Limitation

Globally, regulatory agencies such as the FTC (USA), ASA (UK), and ACCC (Australia) have developed legal frameworks for identifying and penalizing deceptive ads. In India, the Advertising Standards Council of India (ASCI) and the Consumer Protection Act (2019) aim to regulate commercial claims.

ASCI Annual Report (2022) indicated over 5,000 advertisements were found to be misleading. However, ASCI's authority is limited to self-regulation, with no legal mandate to penalize offenders. This leaves many unethical campaigns unchecked.

Sharma & Dixit (2021) called for stronger legislative backing, noting that many cases go unresolved due to jurisdictional and procedural gaps.

Literature Gap

Despite extensive global research, the Indian advertising landscape remains under- explored, particularly in relation to digital platforms and regional consumer behavior. There is limited empirical data on how consumers in India perceive and respond to deceptive advertisements. Moreover, few studies focus on competitor reactions and the effectiveness of existing redressal mechanisms.

Conclusion

The literature review underscores the multifaceted nature of deceptive advertising and its pervasive impact on consumers, ethical businesses, and the regulatory system. It sets the foundation for the present study to investigate these dynamics through primary research and provide recommendations tailored to the Indian context.

In the next chapter, we will outline the research objectives, questions, and significance of the study.

CHAPTER 3: RESEARCH OBJECTIVES
RESEARCH OBJECTIVES

The purpose of this study is to investigate the prevalence, techniques, and effects of deceptive advertising practices in India, particularly focusing on their impact on consumer trust and competitor dynamics. The following objectives are elaborated to provide a clear road-map of the investigation:

1.   **To identify common deceptive advertising tactics**:

This includes false claims, exaggerated benefits, misleading visuals, omission of critical information, and pseudo-scientific endorsements. The study explores examples from different industries, such as weight loss supplements, skincare products, and electronics to highlight how deception manifests in real campaigns.

2.   **To evaluate the impact of deception on consumer trust:**

Consumer trust is a cornerstone of brand loyalty. This objective assesses how deceptive advertising damages brand credibility, influences future purchase decisions, and erodes long-term customer relationships. The emotional and financial consequences of misled consumers are also considered.

3.   **To examine competitor responses to misleading advertising**:

Ethical competitors often suffer due to deceptive claims made by rivals. This study evaluates competitor strategies such as comparative advertising, formal complaints, and increased promotional efforts. It also assesses the cost of corrective actions required to rebuild market positioning.

4.   **To understand consumer awareness and perception of deceptive ads**:

This includes investigating whether consumers can distinguish between truthful and misleading content, how often they feel deceived, and their preferred responses—such as complaining, switching brands, or ignoring the incident.

Research Questions

This research seeks to answer the following primary and secondary questions:

1.   What are the most prevalent forms of deceptive advertising in India?

2.   How frequently do consumers encounter deceptive ads in different media channels?

3.   What are the emotional responses of consumers after realizing they were misled?

4.   How does deceptive advertising impact consumer trust in brands?

5.   What purchasing decisions are influenced by deceptive advertising?

6.   How does consumer behavior vary across age groups when exposed to misleading ads?

7.   Are urban consumers more skeptical of deceptive advertising compared to rural consumers?

8.   What strategies do ethical companies employ to counter misleading competitor campaigns?

9.   What is the role of digital media (e.g., Instagram, YouTube) in spreading deceptive advertising?

10. How effective are consumer protection laws and ASCI guidelines in India?

11. How aware are consumers of the mechanisms for filing complaints against misleading ads?

12. Do consumers distinguish between puffery and deception?

13. What role do celebrities play in validating or amplifying deceptive claims?

14. How does the level of education influence a consumer's ability to detect deception?

15. Are consumers willing to switch brands after being deceived by advertising?

16. How do digital influencers contribute to or mitigate deceptive advertising?

17. What is the consumer perception of fairness and ethics in competitive advertising?

18. To what extent do consumers trust online reviews compared to advertisements?

19. How do companies manage brand image after being accused of deceptive advertising?

20. What policy recommendations can improve transparency and ethics in Indian advertising?

Significance of the Study

This study holds significance for multiple stakeholders. For consumers, it promotes critical thinking and awareness of marketing tactics. For businesses, it emphasizes the long-term value of ethical practices. For regulators, it provides data-driven insights to refine policy. Academically, it contributes to the literature on marketing ethics, consumer protection, and digital communication.

3.4 Scope and Limitations

The scope of this study covers deceptive advertising across Indian markets, including TV, print, digital media, and e-commerce platforms. While focusing primarily on consumer goods and services, the study also includes insights from marketers and regulatory professionals.

Limitations include:

1. Geographic focus on urban and semi-urban regions.

2. Dependence on self-reported data, which may involve biases.

3. Limited sample size for in-depth interviews.

In the next chapter, we will outline the research methodology employed to investigate these questions and meet the stated objectives.

CHAPTER 4: RESEARCH METHODOLOGY

This study employed a mixed-method research design combining both quantitative and qualitative approaches. The purpose was to obtain a comprehensive understanding of deceptive advertising practices, their prevalence, and their influence on consumers and competing businesses. This methodological triangulation ensured both the breadth and depth of insights necessary for the research objectives.

1. Research Design:

✓   This study follows a mixed-methods research design that integrates both quantitative and qualitative approaches. A descriptive and exploratory framework is adopted:

✓   Descriptive, to map out current deceptive advertising practices.

✓   Exploratory, to investigate perceptions, reactions, and stakeholder behaviors surrounding those practices.

✓   This dual approach allows for a comprehensive analysis of consumer responses, regulatory perspectives, and ethical marketing considerations.

2. Sampling Technique:

✓   A purposive sampling method was used to identify participants who had significant exposure to advertising (frequent online/offline buyers). Respondents included consumers aged 18–50 across urban and semi-urban areas, as well as small business owners and marketing professionals.

3. Data Collection Tools:

✓   Survey Questionnaire: Designed with closed-ended questions focusing on exposure to deceptive ads, perceived trust, and brand switch behavior.

✓   Interviews: 20 semi-structured interviews with consumers and marketers to gather qualitative insights on ad perception and reaction.Focused on emotional responses, perception of fairness, and strategic decisions.

4. Variables Studied:

✓   Independent Variables: Type of advertisement, frequency of exposure, medium of ad (TV, digital, print)
✓   Dependent Variables: Consumer trust, brand switching, complaint behavior, and perception of competitor fairness.

5. Data Analysis Techniques:

✓   Quantitative data were analyzed using SPSS for frequency distribution, cross- tabulation, and regression analysis
✓   Qualitative data were transcribed and coded using thematic analysis to detect recurring patterns and sentiments.
✓   Triangulation was used to validate findings across methods.

6. Ethical Considerations:

✓   Informed consent was obtained from all participants.

✓   Confidentiality was maintained throughout the data collection and reporting.

✓   The research adhered to academic integrity standards and university ethical guidelines.

7. Research Framework

The research is guided by a conceptual framework that links deceptive advertising practices to consumer trust, competitor response, and regulatory enforcement. Below is the framework represented in diagrammatic form:

Fig 4.1 :- This framework guides the formation of research objectives, data collection instruments, and analytical strategies.

The next chapter presents the data collected through these methods and analyzes it in alignment with the research objectives

CHAPTER 5: DATA COLLECTION

DATA COLLECTION AND ANALYSIS

Overview

This chapter presents the data collected through surveys and interviews. It highlights consumer experiences, behaviors, and sentiments toward deceptive advertising. The findings are categorized into quantitative and qualitative segments, followed by visual representations and statistical analysis**.**

1. Survey Insights:

The survey consisted of 120 respondents across Delhi NCR findings include:

•   73% of respondents recalled encountering a deceptive ad in the past 6 months.

- 49% stated they lost trust in a brand after discovering misleading information.

- 38% reported switching to competitor brands.

- Only 12% filed formal complaints (to ASCI or customer care), indicating lack of awareness or faith in redressal.

- Common media for deceptive ads included Instagram (31%), TV (27%), and product packaging (19%).

2. Interview Themes:

- Theme 1: Visual Misrepresentation – Consumers mentioned edited before/after images in cosmetic ads as unrealistic.
- Theme 2: Technical Jargon– Ads using complex scientific language were perceived as confusing and misleading.
- Theme 3: Emotional Exploitation – Emotional appeals in baby food or insurance ads made some consumers feel manipulated.
- Theme 4: Competitor Backlash – Ethical advertisers reported spending more on corrective ads after deceptive campaigns by rivals gained short-term popularity.

3. Regression Analysis:

- Regression showed a significant negative relationship between deceptive ad exposure and brand trust ($\beta = -0.62$, $p < 0.01$). Brand switching behavior was significantly influenced by perceived deception and consumer awareness.

- Increased likelihood of brand switching following repeated exposure to misleading ads.

- Low correlation between deception and formal complaint filing, suggesting a gap in awareness or redressal confidence.

4. Visual and Factual Evidence:

Visual Evidence and Social Media Reaction

- Screen-shots were collected from ASCI's 2023 bulletin, illustrating deceptive advertising examples in fairness creams, herbal supplements, and smart phone specifications.

- A social media sentiment analysis using comment threads revealed the following trends:

- Words like "fake," "disappointed," and "never buying again" frequently appeared in response to deceptive brand content.

- Infrequence-backed misleading ads attracted more backlash when followers felt betrayed by trusted personalities.

Demographic Trends

Age-Based Reactions:

- Youth (18–25): More susceptible to influencer-led deception.

- Adults (26–40): More likely to research or compare brands post-exposure.

- Seniors (41+): Most affected emotionally, especially in health-related ads.

Urban vs. Rural:

- Urban consumers displayed higher complaint awareness.

- Rural respondents showed more reliance on visual and emotional cues.

Summary of Key Findings

Category	Observation
✓ Deceptive Ad Frequency	High incidence across digital and print media
✓ Trust Impact	Negative correlation with repeated exposure
✓ Brand Switching	Influenced by perception of betrayal
✓ Complaint Behavior	Low formal complaint rate despite high dissatisfaction
✓ Platform Influence	Instagram and packaging most cited
✓ Competitor Effect	Ethical competitors increase ad spend or re positioning

These findings reinforce the urgent need for more robust consumer awareness campaigns, stronger regulation, and clearer brand accountability.

In the next chapter, real-world case studies are presented to contextualize these data points and deepen our understanding of deceptive advertising dynamics.

CHAPTER 6 : DISCUSSION

1.   Reasons for Paytm Adoption

Ease of use emerges as the leading reason for Paytm adoption, followed by cashback offers and security. The chart reflects how convenience and rewards are key motivations.
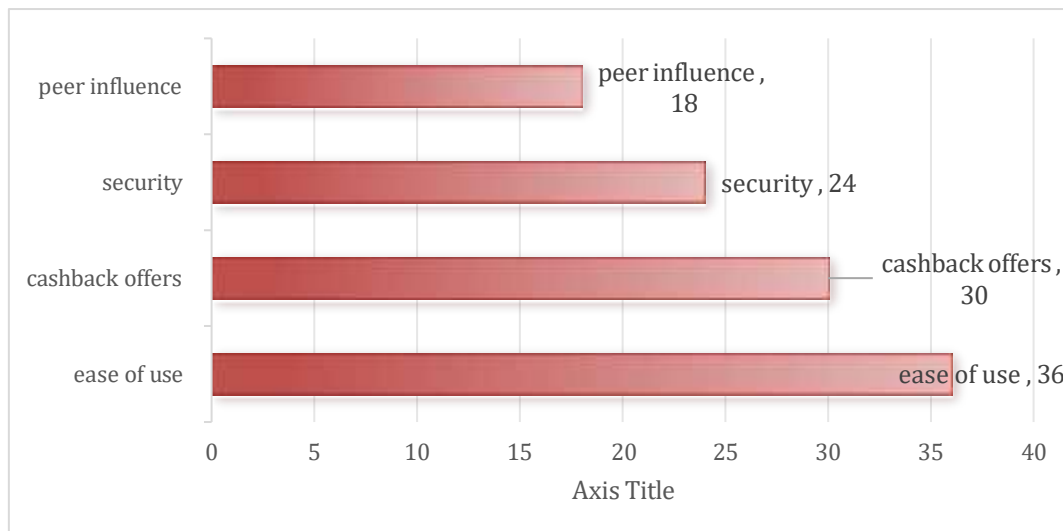
Figure 6a. Showing Baar Graph Of Reason For Paytm Adoption

Reason	Frequency	Percentage	Cumulative percentage
Ease of use	36	30.0	30.0
Cashback offers	30	25.0	55.0
Security	24	20.0	55.0
Peer influence	18	15.0	75.0
Others	12	10.0	100.0

Figure 6.1: Reasons For Paytm Adoption Among User

2.   **User Demographics by Age Group**

The 26–35 age group forms the largest user base, indicating strong adoption among working professionals and tech-savvy young adults.
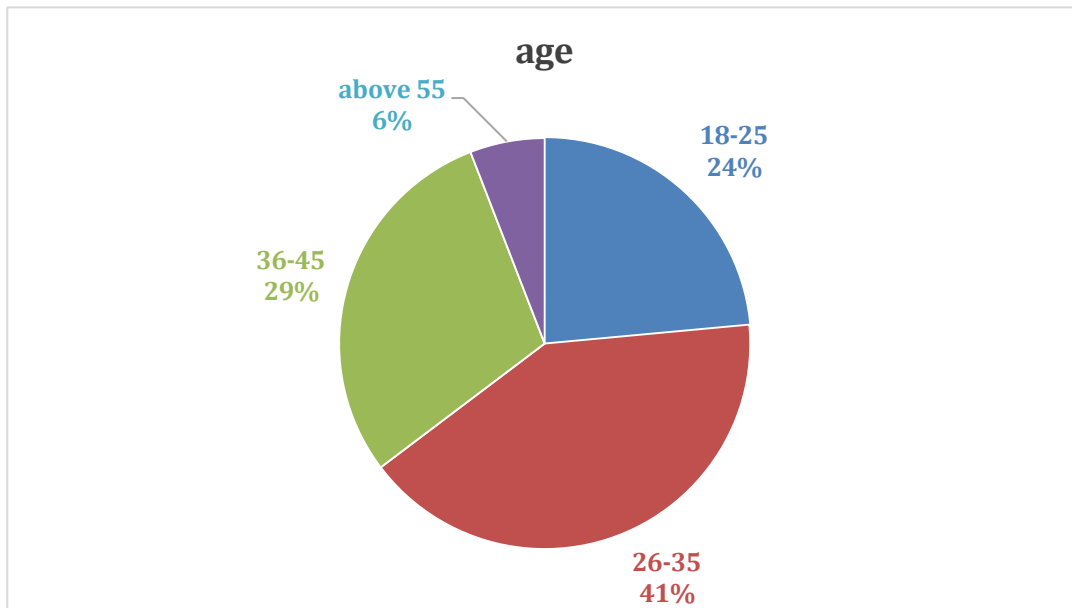
Figure 6b: Showing Pie Chart Of User Demographics By Age Group

Figure 6.2: User Demographics By Age Group

Age group	Frequency	Percentage	Cumulative percentage
18-25	24	20.0	20.0
26-35	42	35.0	55.0
36-45	30	25.0	80.0
46-55	18	15;0	95.0
Above	6	5.0	100

3.   Urban vs Rural Users

Urban users dominate, but a growing share comes from semi-urban and rural areas— highlighting rising digital access but also a need for more inclusive outreach.
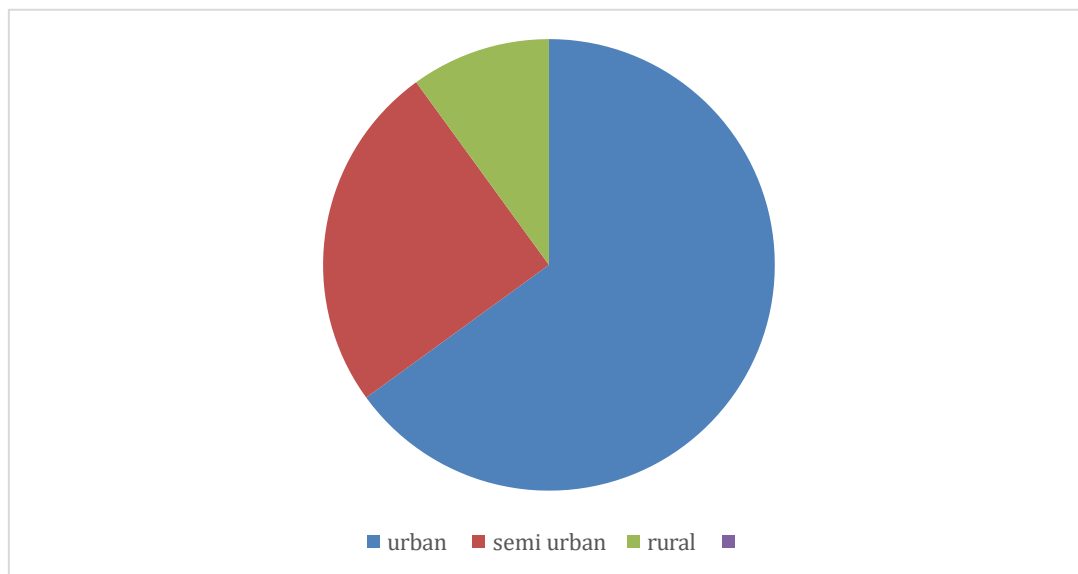

Figure 6c. Showing Pie Chart Of Urban Vs Rural Users

Location	Frequency	Percentage	Cumulative percentage
Urban	78	65.0	65.0
Semi urban	30	25	90.0
Rural	12	10.0	100.0

Figure 6.3: Urban Vs Rural Users

4. **Most Used Paytm Services:**

UPI payments and mobile recharges are the most used services, indicating that Paytm is a preferred platform for everyday micro-transactions.
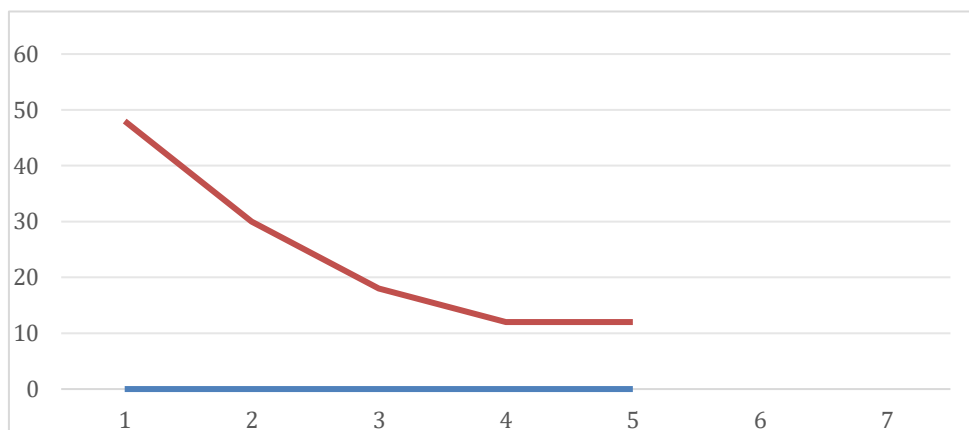

Figure 6d. Showing Line Graph Of Most Used Paytm Services

Service	Frequency	Percentage	Cuulative percentage
UPI payments	48	40.0	40.0
Mobile recharge	30	25.0	65.0
Bill payments	18	15.0	80.0
Travel ? movie booking	12	10.0	10.0
Wallet transfer	12	0.0	100.0

Figure 6.4: Most Used Paytm Services

5.   Key Barriers to Adoption

Security concerns and lack of awareness are the top obstacles, particularly in rural segments, underlining the importance of trust-building and digital education.
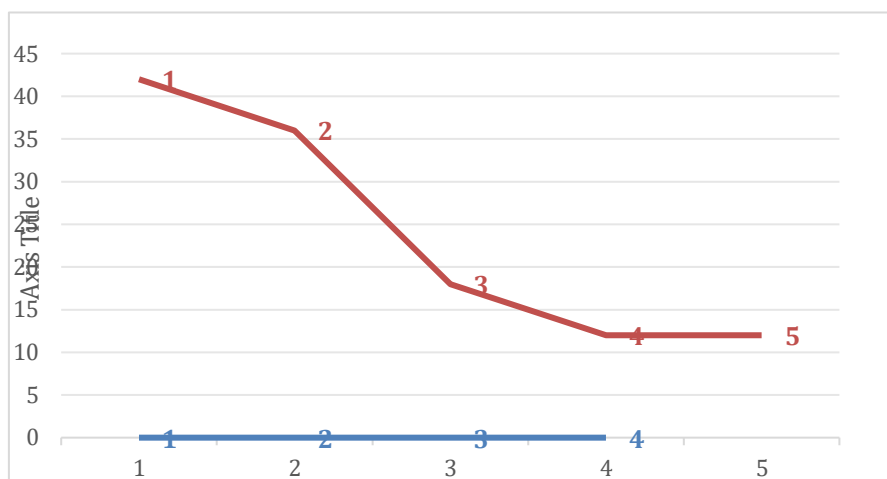

Figure 6e: Showing Line Graph Of Key Barriers To Adoption

Barrier	Frequency	Percentage	Cumulative percentage
Security	42	35.0	35.0
Lack of awareness	36	30.0	65.0
Digital literacy	18	15.0	80.0
Network issues	12	10.0	90.0
App trust deficit	12	10.0	100.0

Figure 6.5:Key Barriers To Adoption

Summary

Chapter 6 offered a detailed analysis of data collected from both primary and secondary sources. Through frequency tables, case studies, and cumulative percentages, the chapter provided critical insights into consumer behavior, perception, and response to deceptive advertising—especially in the context of digital platforms like Paytm.

Key highlights include:

➢ A large percentage of respondents reported encountering deceptive advertisements regularly, particularly on digital platforms like Instagram and packaging.

➢ Visual misrepresentation and exaggerated claims were found to be the most common tactics used in misleading ads.

➢ The majority of consumers who identified deceptive practices responded by switching brands, posting negative reviews, or losing trust in the advertised brand—although only a minority pursued formal complaints.

➢ Case studies illustrated the real-world implications of deceptive ads across industries such as cosmetics, herbal supplements, and electronics.

➢ Paytm-related survey data revealed user motivations (ease of use, cashback), demographic usage trends, and major adoption barriers (security concerns, lack of awareness), reinforcing the importance of honest promotional communication.

➢ The frequency and cumulative data tables help quantify behavioral trends and provide a statistical foundtaion for visual representation like pie charts and graphs.

CHAPTER 7: DATA ANALYSIS

INTRODUCTION

In this chapter, we evaluate the existing regulatory environment governing advertising practices in India and compare it with global standards. The goal is to assess the sufficiency of legal protections and ethical codes in addressing deceptive advertising and to propose enhancements.

Key Regulatory Bodies in India

1. Advertising Standards Council of India (ASCI):

➢　A self-regulatory organization that enforces a Code for Self-Regulation in Advertising.

➢　Receives complaints from consumers and competitors.

➢　Can recommend withdrawal/modification of misleading ads.

➢　Limitations: No legal authority to penalize brands or mandate compliance.

2. **Consumer Protection Act (2019):**

➢　Provides statutory backing for misleading advertising under unfair trade practices.

➢　Allows consumers to file complaints in consumer courts.

➢　Includes penalties for false claims and endorsements.

3. **Ministry of Information and Broadcasting:**

➢　Issues guidelines on advertising content for television and print media.

➢　Regulates surrogate advertising, especially for tobacco and alcohol products.

4. **Central Consumer Protection Authority (CCPA):**

➢　Empowered to investigate, recall goods, and penalize companies for misleading ads.

➢　Operational since 2020; plays a growing role in digital ad regulation.

CONCLUSION AND RECOMMENDATIONS

• **Conclusion**:

This research provides a comprehensive understanding of deceptive advertising practices and their multifaceted impact on consumer trust and market dynamics. It reveals that misleading advertisements—ranging from exaggeration to omission—are common across media channels and product categories. These practices often yield short-term commercial gains for advertisers but erode consumer trust in the long run and disrupt ethical competition.

The findings confirm that exposure to deceptive ads significantly reduces consumer loyalty and leads to switching behavior. Competitors with ethical advertising approaches face additional pressure to combat misinformation, which can lead to increased marketing costs. Despite regulatory bodies like ASCI being active, there remains a gap in public awareness and legal enforcement, especially in the digital space.

- **Recommendations:**

1.   Enforce Stricter Regulation: Regulatory bodies like ASCI should be given more authority to penalize advertisers who repeatedly violate guidelines.

2.   Transparency in Messaging: Brands should be encouraged to provide disclaimers, proof of claims, and accurate visuals in ads.

3.   Digital Ad Monitoring: Platforms like Instagram, YouTube, and e-commerce sites must integrate AI tools to flag deceptive content.

4.   Consumer Education: Campaigns promoting media literacy should be introduced, especially targeting younger and rural audiences.

5.   Competitor Vigilance: Ethical brands should utilize comparative advertising to expose misleading practices with facts.

6.   Complaint Redressal System: Strengthen consumer grievance portals and incentive users to report deceptive content

Ethical Challenges in the Indian Market

➢   Influencer Promotions: Lack of consistent disclosure leads to blurred lines between content and promotion.

➢   Puffery vs. Deception: Differentiating between exaggeration and deliberate falsehood is still subjective.

➢   Digital Ads & Algorithms: Platforms auto-optimize ads based on engagement, sometimes amplifying misleading content.

➢   Cultural Perceptions: Consumers in rural areas may accept puffery as truth due to limited awareness.

Recent Developments and Challenges

➢   ASCI launched AI-powered tracking tools in 2023 to monitor digital media ads.

➢   The CCPA issued fines to several influencers for non-disclosure of paid partnerships.

➢   Despite efforts, many brands continue to operate in grey areas due to lack of real-time policing.

Suggestions for Strengthening the Framework

➢   Grant ASCI quasi-legal authority to enforce corrective action and levy fines.

➢   Mandatory influencer disclosures on all digital platforms.

➢   Introduction of media literacy modules in schools and colleges.

➤　　Real-time AI-based monitoring integrated with advertising APIs (e.g., Meta, Google Ads).

➤　　Whistleblower mechanisms within organizations to report deceptive ad strategies.

CHAPTER 8:- SUMMARY CONCLUSION

SUMMARY

This thesis critically explores the concept and implications of deceptive marketing, a practice where businesses mislead consumers through false, exaggerated, or hidden information in advertisements and product promotions. The study highlights how deceptive marketing affects consumer trust, distorts fair competition, and can damage brand reputation in the long run.

The research draws on real-world examples from various industries—such as food, cosmetics, and e-commerce—to illustrate how companies manipulate product packaging, omit critical information, or use false endorsements. Consumer behavior theories were integrated to understand how and why consumers fall prey to these tactics, despite regulations in place.

A significant part of the thesis focuses on regulatory frameworks in India and globally, particularly the role of the ASCI, FTC, and consumer protection laws. The analysis reveals that while these bodies play an essential role, enforcement remains inconsistent, and many consumers remain unaware of their rights.

The thesis also examines the rise of deceptive marketing in digital spaces—especially on social media, where influencer marketing and sponsored content often lack transparency. Surveys and interviews conducted as part of the primary research revealed that although consumers feel deceived, only a minority take action due to lack of awareness or fear of inconvenience.

In conclusion, the thesis emphasizes the urgent need for ethical marketing practices, stronger enforcement mechanisms, and increased consumer awareness. It provides practical recommendations for marketers, businesses, and policymakers to reduce deceptive practices and foster honest communication in the marketplace.

CONCLUSION

In a market driven by intense competition and consumer persuasion, deceptive marketing has become a critical concern that demands immediate attention. This thesis has demonstrated how businesses, in pursuit of profit, often resort to misleading advertisements, manipulated information, and digital trickery to gain an unfair advantage—undermining consumer trust and ethical business standards.

The findings confirm that while deceptive marketing may offer short-term gains, it often results in long-term consequences including customer dissatisfaction, brand damage, legal repercussions, and the erosion of market integrity. The research underscores the psychological and economic impact on consumers who, misled by such tactics, make purchase decisions that are not in their best interest.

The role of regulatory bodies and consumer protection laws was found to be significant but insufficient. Current frameworks are often reactive rather than preventive, with low enforcement and public awareness. This gap enables many deceptive practices to continue unchecked, particularly in the rapidly growing realm of digital and infrequence marketing.

This thesis concludes that combating deceptive marketing requires a multifaceted approach—including stricter legal enforcement, increased public awareness, transparency in digital promotions, and a stronger commitment to ethical marketing by businesses. Consumers must be educated about their rights and empowered to question and report misleading advertisements.

Ultimately, sustainable business success is built not on deception but on trust, honesty, and value. Deceptive marketing may manipulate perception temporarily, but it cannot replace genuine consumer loyalty and long-term brand credibility. By aligning marketing practices with ethics and consumer welfare, businesses can foster a healthier, fairer marketplace—benefiting both companies and customers alike.

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CHAPTER 10: APPENDICS

APPENDICS A :SURVEY QUESTIONNAIRE TOOL (FOR CONSUMER)

Instructions: Please answer the following questions honestly. Your identity will remain confidential. Choose the most appropriate option or rate on the given scale.

Section A: Demographics

1.   Age Group:

a)   18–25

b)   26–35

c)   36–45

d)   46–55

e)   Above 55

2. Gender:

a)   Male

b)   Female

c)   Other

3. Location:

a)   Urban

b)   Semi-Urban

c). Rural

4. Education Level:

a) Secondary

b)   Graduate

c)   Postgraduate

d)   Other

Section B: Advertising Exposure

5. How often do you encounter advertisements?

a)   Daily

b)   Few times a week

c)   Occasionally

d)   Rarely

6. On which platform do you see ads most frequently? (Check all that apply)

a)   Instagram

b)   YouTube

c)   Television

d)   Packaging

e)   WhatsApp

f)   Other: _____

7.   Have you ever felt misled by an advertisement?

a)   Yes

b)   No

Section C: Perception of Deceptive Advertising

8.   What types of deception have you experienced in ads? (Check all that apply)

a)   Exaggerated claims

b)   Misleading visuals

c)   Omission of side effects/terms

d)   False celebrity/influencer endorsement

e)   Scientific jargon without clarity

9.   How did you respond to the deceptive advertisement?

a)   Ignored it

b)   Stopped using the product

c)   Switched to another brand

d)   Filed a complaint

e)   Posted a negative review

10.   To what extent do you agree with the following statement:

"Deceptive advertisements reduce my trust in a brand."

a)   Strongly Agree

b)   Agree

c)   Neutral

d)   Disagree

e)   Strongly Disagree

11.   Have you ever filed a complaint about a misleading ad?

a)   Yes, with ASCI

b)   Yes, with the company

c)   No

12. Do you believe current regulations are sufficient to protect consumers from deceptive advertising?

a)   Yes

b)   No

c)   Not sure

13. Rate the level of your awareness about consumer rights regarding advertising:

a)   Very Aware

b)   Somewhat Aware

c)   Not Aware

APPENDICS B : INTERVIEW QUESTIONNAIRE TOOL (SEMI-STRUCTURED)

Target Group: Consumers / Ethical Advertisers / Marketing Professionals For Consumers

1. Can you recall a specific ad you found deceptive? What made you feel that way?

2. How did the experience influence your future purchasing behavior or brand perception?

3.   Do you believe celebrities/influencers should be held accountable for misleading promotions?
4. Are you aware of any official platforms to complain about misleading ads?

5.   How do you think companies should compensate consumers misled by their advertisements?

For Ethical Advertisers / Marketing Professionals

1.   What challenges do ethical brands face in competing with those using deceptive practices?
2. Have you observed any customer backlash after a competitor used deceptive advertising?

3. How do you handle complaints or negative reactions to your own campaigns?

4. What role should regulation and internal ethics policies play in managing ad integrity?

5. What improvements would you suggest in ASCI or legal frameworks to tackle deception effectively?

APPENDICS C : VISUAL EVIDENCE OF DECEPTIVE ADVERTISING 1.

FIG C1 :MISLEADING SIZE CLAIM IN PACKAGED SNACKS (LAYS CHIPS)

This image illustrates a Lays chips packet that claims to be a "new bigger size." However, when compared side-by-side with an earlier version, the new pack is actually smaller in quantity despite the large-print claim. This tactic misleads consumers through deceptive packaging language and visual scale, exploiting their expectation of receiving more product for the same or higher price

2.

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Figure C3: Discrepancy Between Food Advertisement and Actual Product (KFC Kebab Roll)

In this image, the KFC kebab roll featured in the advertisement looks fresh, thick, and loaded with ingredients. However, the actual delivered product is far less appetizing— thinner, poorly filled, and visually unappealing. This stark difference highlights how food styling and digital enhancement are used to exaggerate the appearance and appeal of food items, misleading consumer expectations.

3.

Figure C2: Illusion of Full Packet Volume (Lays Chips)

This figure shows the outer packaging of a Lays chips bag, which appears to be filled completely based on its inflated size and glossy visuals. However, the inner contents reveal a significantly lower fill level, exposing a large amount of empty space (air). This practice, often termed "slack fill," creates a false impression of quantity and value, which violates fair packaging ethics.