SOLD A LIE: THE REALITY BEHIND MISLEADING MARKETING PRACTICES

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ABSTRACT

Although marketing has always been viewed as a means of persuasion and communication, it regularly crosses morally gray lines where the distinction between truth and deceit becomes perilously blurred. In order to draw attention and encourage consumption, the study examines how marketing messages are intentionally written to exaggerate, obfuscate, or mislead facts. False promises, Photoshopped images, misleading pricing, overstated advantages, and leaving out crucial details are just a few examples of misleading marketing. These strategies are commonly seen in mainstream industries including technology, food, cosmetics, and health care, rather than only fringe enterprises or dubious products. and health, as well as money. By looking at notable case studies, such as controversial advertising campaigns and product recalls caused by misleading advertising, the study illustrates how even well-known companies can manipulate public trust for financial gain. The psychological mechanisms underlying client susceptibility are also examined. Techniques including scarcity tactics, social proof, emotional appeal, and the impression of authority have a big impact on consumer behaviour. These tactics work even better when combined with digital platforms that allow for hyper-targeted communications and data-driven customization. The study explains why consumers usually disregard warning flags and fall for scams using behavioural economics and cognitive psychology. This paper, "Sold a Lie: The Reality Behind Misleading Marketing," explores the intricate relationships between deceptive advertising and its effects on customers, companies, and society as a whole.

Keywords: Misleading Marketing, Deceptive Advertisement, Customer.

I. INTRODUCTION

In a global economy driven by consumers, marketing is a powerful force that shapes cultural norms, influences individual decisions, and increases corporate profits. Effective marketing connects businesses with their clients and disseminates information. In its worst form, it utilizes dishonesty to promote consumption, manipulates emotions, and distorts reality. A common strategy that harms customers, undermines trust, and jeopardizes regulatory frameworks is misleading marketing, which is defined as the employment of false, exaggerated, or inadequate information to influence consumer behaviour¹. Deceptive marketing can take many different forms, ranging from obviously false statements to intentional omissions and skewed imagery. For instance, the beauty industry creates unachievable beauty standards through airbrushed models and digitally altered photographs, which leads to low self-esteem and inflated expectations among consumers, particularly young women². In the food and health sectors, terms like "natural," "low-fat," or "immune-boosting" are commonly used without scientific support, misleading consumers into thinking they are selecting healthier options³. Even in the digital age when consumers have access to a multitude of information, misleading content can occasionally pass as influencer endorsements or native advertising, making it difficult to distinguish between paid promotions and genuine recommendations⁴.

The psychology that underpins these tactics is based on behavioral research. Advertisers employ cognitive biases including the authority bias, scarcity principle, and halo effect to make products appear more trustworthy and alluring than they actually are⁵.

Even though consumer protection rules in the majority of countries are intended to regulate advertising, enforcement usually lags behind the evolving tactics of marketers, especially those who operate online. To identify and penalize deceptive advertising, organizations such as the Federal Trade Commission and the Advertising Standards Authority (ASA) in the United Kingdom. In order to detect and punish deceptive advertising, agencies like the ASA in the UK

¹Pollay, R. W. (1986). The distorted mirror: Reflections on the unintended consequences of advertising. *Journal of Marketing*, *50*(2), 18–36. https://doi.org/10.2307/1251597.

² Perloff, R. M. (2014). Social media effects on young women's body image concerns: Theoretical perspectives and an agenda for research. *Sex Roles*, *71*(11), 363–377. https://doi.org/10.1007/s11199-014-0384-6.

³ Nestle, M. (2013). *Food politics: How the food industry influences nutrition and health* (10th anniversary ed.). University of California Press.

⁴ Evans, N. J., Phua, J., Lim, J., & Jun, H. (2017). Disclosing Instagram influencer advertising: The effects of disclosure language on advertising recognition, attitudes, and behavioral intent. *Journal of Interactive Advertising*, *17*(2), 138–149. https://doi.org/10.1080/15252019.2017.1366885

⁵ Kahneman, D. (2011). *Thinking, fast and slow*. Farrar, Straus and Giroux.

and the Federal Trade Commission (FTC) in the US are essential. However, it is challenging to hold businesses completely accountable due to a lack of resources, ambiguous legislative language, and jurisdictional issues⁶.

1. Concept of Misleading Marketing?

Any incorrect, unfair, or deceptive representation in marketing that could mislead customers about the nature, quality, cost, or performance of a good or service is considered a misleading advertisement. Laws like Section 5 of the Federal Trade Commission Act of the United States, which forbids "unfair or misleading acts or practices," forbid such actions (FTC, 2020)⁷.

Similar to this, ads that leave out important information or convey it in an unclear manner are prohibited by the UK's Consumer Protection from Unfair Trading Regulations 2008 (UK Government, 2008)⁸. In addition to causing financial loss to customers, deceptive advertising damages consumer confidence in the marketplace.

Any marketing message that misleads or is likely to mislead consumers by providing false, inflated, or insufficient information and eventually affecting their purchasing decisions is referred to as a misleading advertisement. Customers are frequently led to generate opinions based on erroneous assumptions by these commercials, which may mislead about a product's quality, origin, performance, or value⁹.

Common instances of misleading advertising include false claims, bait-and-switch tactics, hidden fees, Photo shopped images, and unproven health or performance benefits. For example, a skincare product may be sold with digitally altered images to promise outcomes that science says are impossible, or a "limited-time sale" may be presented as urgent when it is always available¹⁰.

Legally speaking, deceptive advertising is a breach of consumer protection legislation in the majority of jurisdictions. Regulatory agencies such as the Federal Trade Commission (FTC) in

⁶ OECD. (2020). *Consumer protection enforcement in a global digital marketplace*. Organisation for Economic Co-operation and Development. https://www.oecd.org.

⁷ Federal Trade Commission (FTC). (2020). *Advertising and marketing basics*. https://www.ftc.gov.

⁸ UK Government. (2008). *Consumer Protection from Unfair Trading Regulations 2008*. https://www.legislation.gov.uk/uksi/2008/1277/contents/made.

⁹ Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson.

¹⁰ LaTour, M. S., & Pitt, L. F. (1989). Using fear appeals in advertising for AIDS prevention in the college-aged population. *Journal of Health Care Marketing*, *9*(3), 5–14.

the US and the Advertising Standards Authority (ASA) in the UK keep an eye on and penalize deceptive marketing practices (OECD, 2020)¹¹.

II. INSTITUTIONAL AND LEGAL FRAMEWORK OF CONSUMER PROTECTION

The legal and institutional framework governing consumer protection comprises statutory provisions and regulatory mechanisms designed to shield consumers against unfair, unethical, and exploitative commercial practices. Central to this framework is the Consumer Protection Act, which stipulates remedies and adjudicatory forums for the resolution of consumer grievances. Furthermore, a network of regulatory authorities is entrusted with the enforcement of these provisions. Complementing these institutional structures, consumer advocacy organizations actively engage in promoting consumer awareness, safeguarding consumer interests, and representing consumer rights within the legal system.

A. International & European Framework

EU: Unfair Commercial Practices as Consumer Protection, it requires the member states to forbid deceptive acts and omissions in business-to-consumer transactions¹².

The Unfair Commercial Practices Directive (UCPD, 2005/29/EC) is amended by Directive (EU) 2024/825, which was implemented on February 28, 2024. It adds strong safeguards against deceptive social claims, premature obsolescence, greenwashing, and non-certified sustainability labels. The UCPD is amended by Directive (EU) 2024/825 (Empowering Consumers Directive), which forbids generic or unsubstantiated environmental statements (often known as "greenwashing") and specifies standards for sustainability claims that are comparative and future-focused¹³.

Fossielvrij NL v KLM "Fly Responsibly" Campaign (March 2024)

Dutch court ruled that an airline's "Fly Responsibly" advertising was deceptive, highlighting enforceability¹⁴. The District Court of Amsterdam determined that the airline's "Fly

¹¹ OECD. (2020). *Consumer protection enforcement in a global digital marketplace*. Organisation for Economic Co-operation and Development. https://www.oecd.org.

¹² Directive 2005/29/EC (UCPD).

¹³ Directive (EU) 2024/825.

¹⁴ Foundation to Promote the Fossil-Free Movement, C/13/719848/HA ZA 22-524.

Responsibly" advertising, which was based on carbon offsetting, was misleading to consumers even under the prior UCPD framework.

B. India's Consumer Protection Act (CPA) 2019

Section 2(28) defines "misleading advertisement" (false descriptions, omissions, guarantees)¹⁵

Section 10 establishes the Central Consumer Protection Authority (CCPA) to regulate misleading marketing¹⁶.

Section 21 empowers the CCPA to order discontinuation/modification of misleading ads and impose penalties ($\gtrless 10 \text{ L}$ first, $\gtrless 50 \text{ L}$ repeat)¹⁷.

Section 89 provides criminal penalties: up to 2 years imprisonment + $\gtrless 10 L$ fine (rising to 5 years + $\gtrless 50 L$ for repeat offences)¹⁸.

C. Notable Initiatives & Guidelines

CCPA Guidelines 2022 on misleading ads & endorsements: It set due-diligence standards, ban bait/surrogate ads, require visible disclaimers¹⁹.

Greenwashing & Coaching Guidelines 2024: It regulates environmental claims and exaggerated education success claims²⁰.

Dark Patterns Directive (2024): It requires e-commerce platforms to self-audit for manipulative design within 3 months²¹.

Complaints & Enforcement

CCPA has issued 325 notices and levied ₹1.19 crore in penalties (Dec 2024)²².

¹⁵ Consumer Protection Act (CPA) 2019.

¹⁶ *Ibid*.

¹⁷ *Ibid*.

¹⁸ Supra note 15 at 4.

¹⁹ CCPA, Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, (2022).

²⁰ CCPA, Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, (2024).

²¹ CCPA, Guidelines for Prevention and Regulation of Dark Patterns, (2023).

²² CCPA has issued 325 notices for violation of misleading ads, unfair trade practices: LSQ, By BL New Delhi Bureau,December 18, 2024 at 10:07 PM. https://www.thehindubusinessline.com/economy/ccpa-has-issued-325-notices-for-violation-of-misleading-ads-unfair-trade-practices-lsq/article69001342.ece.

ASCI, while not legally binding, submits misleading ads to CCPA. Its Code is widely recognized and used²³.

Consumers can file complaints via **E-Daakhil portal** at district/state/Central consumer forums²⁴

III. JUDICIAL PRECEDENTS

POM Wonderful LLC v. Federal Trade Commission²⁵

The U.S. Court of Appeals ruled in favour of the **Federal Trade Commission (FTC)**, stating the ads were misleading and required POM to provide scientific evidence for future health-related claims²⁶.

Reckitt Benckiser (India) Ltd. vs Hindustan Unilever ltd,

During the Covid-19 pandemic, well-known soap manufacturer Reckitt Benckiser (India) Pvt Ltd, the owner of the Dettol brand, launched an advertising claiming that their hand wash offered better protection and that hand washing with soap cakes was an inadequate. Hindustan Unilever Limited (HUL), a company that manufactures soap and other products under the Lifebuoy brand, then sued Reckitt Benckiser in the Bombay High Court, claiming that the disputed advertising made false statements. The commercial was later removed from the public domain by Reckitt Benckiser. In this case, it is clear that one brand made unsubstantiated claims about how much better it was than rivals using comparative advertising. After then, the former had to drop the commercial as per the court orders²⁷.

Francis Vadakkan v A-One Medicals & others,²⁸

After utilizing the product (a hair cream) for six weeks, the complainant in this case, which was brought before a Keralan consumer court, saw an advertisement promising luxuriant hair

²³ PRESS RELEASE, CCPA and ASCI join hands to strengthen Advertising Regulation in India.(March 26, 2024).

²⁴Ministry of Consumer Affairs, Food & Public Distribution, Centre launches E-Daakhil across all states and union territories of India, Department of Consumer Affairs, Government of India launches E-Daakhil portal in Ladakh on 22nd November 2024. https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2077857.

 ²⁵ 9344, U.S. Circuit Court of Appeals for the D.C. Circuit,13-1060.
 ²⁶ *Ibid.*

²⁷ Supra note 25 at 6.

²⁸ Francis Vadakkan v. The Proprietor, A-One Medicals, 2012, CC NO 345.

growth. The complainant accused the medical store where the product was bought, the product's manufacturers, and the actor who promoted it of "deficiency in service" because the promise was broken even after using the cream for the required period of time. The court further mandated that the actor only endorse a product after confirming its authenticity and effectiveness, and all defendants were compelled to pay the client for making "false claims".²⁹

Reckitt & Colman of India Ltd. v. M. P. Ramchandran,

In this case, the Calcutta High Court decided that a merchant might make an inaccurate claim about how much better his items are than those of his rivals. When making this declaration, he may also compare the advantages and disadvantages of his products to those of his competitors; but, the seller is not permitted to degrade the products of his competitors, and if he does not, the competitor will have no foundation for a lawsuit charging false advertising and disparagement³⁰.

Dabur India v. Colortek Meghalaya Pvt. Ltd.³¹,

In order to address the issue of misleading advertisements, the Delhi High Court established the following guiding principles: -

Advertisements are protected as commercial speech under Article 19(1)(a). In other cases, the marketing should not be construed as deceptive but rather as a magnificent portrayal of one's own product.

IV. DISCUSSION AND ANALYSIS

A. Tactics used in misleading marketing:-

In order to influence consumer perception and decision-making, misleading marketing frequently uses dishonest tactics. Typical strategies consist of:-

a. False or Exaggerated Claims: Without scientific support, companies may exaggerate the benefits or efficacy of a product. For example, weight reduction products that

²⁹ *Ibid*.

³⁰ Reckitt & Colman of India Ltd. v. M.P. Ramchandran, 1998, SCC OnLine Cal 422.

³¹ Dabur India Ltd. v. Colortek Meghalaya Pvt. Ltd., 2010, SCC OnLine Del 391.

promise "immediate results" may fall under this category ³².

- Key Information Ignored: Advertisements may omit crucial information, such as terms, side effects, or hidden prices, which could cause consumers to make poorly informed judgments³³.
- c. Bait-and-switch: When a low-cost product is promoted to draw in clients, they discover it is either unavailable or replaced with a more expensive one (FTC, 2020)³⁴.
- d. Manipulated Visuals: To create inflated expectations, advertisers frequently digitally modify product visuals (such as those of fast food or cosmetics) to exaggerate appearance or size³⁵.
- e. False Scarcity or Urgency: Marketing phrases like "limited-time offer" or "only 2 remaining" are used to coerce customers into making decisions quickly, even when they are not real³⁶.
- f. Misleading Endorsements: Customers are misled into believing in misleading legitimacy when phony reviews or unreported paid endorsements are used (Evans et al., 2017)³⁷.

B. Impact of Misleading Marketing on Consumers and Society

i. Financial harm to consumers

Customers may spend money on goods or services that don't meet their needs or expectations as a result of false or exaggerated claims.

For example, VW lied about the low emissions of their diesel vehicles in the 2015 Volkswagen emissions scandal, which enticed consumers to purchase them under false environmental

³² LaTour, M. S., & Pitts, R. E. (1989). Fear appeals in AIDS prevention. *Journal of Health Care Marketing*, 9(3), 5–14.

³³ UK Government. (2008). *Consumer Protection from Unfair Trading Regulations 2008*. https://www.legislation.gov.uk/uksi/2008/1277/contents/made

³⁴ Federal Trade Commission (FTC). (2020). *Advertising and marketing basics*. https://www.ftc.gov.

³⁵ Pollay, R. W. (1986). The distorted mirror: Reflections on unintended consequences of advertising. *Journal of Marketing*, *50*(2), 18–36.

³⁶ Cialdini, R. B. (2001). *Influence: Science and practice* (4th ed.). Allyn & Bacon

³⁷ Evans, N. J., Phua, J., Lim, J., & Jun, H. (2017). Disclosing Instagram influencer advertising. *Journal of Interactive Advertising*, 17(2), 138–149. https://doi.org/10.1080/15252019.2017.1366885

pretenses. resulting in lawsuits and compensation costs over \$20 billion³⁸.

ii. Erosion of Consumer Trust

The public's trust in advertising and brands is eroded by repeated exposure to misleading marketing. For instance, the 2017 Fyre Festival used influencer marketing to position itself as a high-end music event, but it failed miserably, leaving many people disenchanted with the practice³⁹.

iii. Health and safety risk

False advertising claims in food, cosmetics, and health items can jeopardize public health. For instance, weight-loss supplement scandals, like the Hydroxycut case, caused recalls and liver damage by making exaggerated claims of significant outcomes without FDA permission⁴⁰.

iv. Social and Ethical Implications

Deceptive marketing has the potential to propagate unethical consumption habits or reinforce negative perceptions.

For instance, overly manipulated beauty advertisements that promote unrealistic body images can lead to mental health problems and body dissatisfaction, particularly in teenagers⁴¹.

v. Regulatory Burden and Public Cost

The necessity for more stringent laws, legal action, and enforcement measures to curb dishonest business activities results in more expenses for societies.

Regulators have had to step up oversight in response to dishonest marketing tactics in the financial services industry (such as the Wells Fargo fake accounts incident), which has increased administrative and compliance costs⁴².

³⁸ Ewing, J. (2017). Faster, Higher, Farther: The Volkswagen Scandal. W. W. Norton & Company

³⁹ Hulu & Netflix documentaries on Fyre Festival (2019); Consumer Reports, 2019

⁴⁰ FDA. (2009). Public Health Advisory on Hydroxycut Products

⁴¹ Tiggemann, M., & Slater, A. (2013). NetGirls: The Internet, Facebook, and body image concern in adolescent girls. *International Journal of Eating Disorders*.
⁴²CFPB, 2016.

V. RECOMMENDATIONS AND CONCLUSION

Recommendations and suggestions combat deceptive marketing, each backed by specific Indian legal or regulatory references as well as global frameworks;

- a) Mandate Pre-Verification of Marketing Claims; All advertising claims, particularly those pertaining to health, safety, the environment, and finances, must be independently evaluated and supported before being made public. This process is known as preverification. This strategy guarantees that companies cannot deceive customers with inflated claims or deceptive promises.
- b) Penalize Misleading Endorsements & Influencer Marketing; Influencers and celebrities have a significant impact on how consumers make decisions in the age of social media and digital marketing. However, it results in deceptive advertising that hurts the interests of consumers when they push products without properly disclosing information or validating claims.
- c) Improve Consumer Media Literacy; In today's environment, media literacy is an essential ability. It enables people to critically assess information, make educated decisions, and traverse the complicated media ecosystem. People can become responsible and active participants in the media landscape and help create a society that is more aware, critical, and involved by supporting media literacy education and skill development.
- d) Require Clear Disclosure of Influencer and Native Advertising; Clear and noticeable disclosures must be included in all paid promotions, particularly those run by influencers and through native advertisements. When an endorser and a brand have a substantial relationship, disclosures are required by the FTC's Endorsement Guidelines.

CONCLUSION

More than merely a betrayal of customer confidence, misleading marketing is a deliberate tactic that warps reality, skews perception, and puts financial gain ahead of morality. Deceptive techniques, including exaggerated claims, undeclared sponsorships, fraudulent advertising, and data manipulation, are sadly widespread throughout businesses, as this discussion has shown. These strategies not only mislead customers into making ignorant decisions, but they also erode

the reputation of respectable companies and foster unfair competition. The ramifications are extensive. The main targets are frequently vulnerable populations, such as children, the elderly, and those with limited computer literacy. The average consumer finds it more and more difficult to discern between legitimate material and deceptively disguised promotions in a time when influencer culture and digital media rule the day. In the end, preventing deceptive marketing is not only required by law, but also by morality. The best defense against being duped is to build a base of knowledgeable, doubtful, and empowered customers. We can only bring honesty and accountability back to the marketplace by working together.

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