



AN ANALYSIS OF CONSUMER AWARENESS ON MISLEADING ADVERTISEMENT

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ABSTRACT

This research explores the extent of consumer awareness regarding misleading advertisements, focusing on both online and offline consumer groups. Misleading advertisements, which distort facts or present exaggerated claims, have become increasingly common in the digital marketing era. This study aims to identify the level of understanding consumers possess about such deceptive marketing practices, their experiences, and their responses when confronted with misleading content. Utilizing a non-doctrinal methodology, a structured survey was conducted among online and offline consumers. The questions focused on three core categories: knowledge, involvement, and assessment of advertisement awareness. The findings revealed a significant gap in awareness levels between online and offline consumers, with online consumers generally more informed due to higher digital literacy. Despite this, a large proportion of consumers across both groups remain unaware of existing legal protections, such as those under the Consumer Protection Act, 2019. The study emphasizes the need for greater public education, stronger enforcement of advertising regulations, and corporate accountability to protect consumer interests and foster ethical marketing practices.

KEYWORDS: Misleading Advertisements, Consumer Awareness, Online Consumers, Offline Consumers, Consumer Rights

CHAPTER I: INTRODUCTION

In today's fast-paced and digitally connected world, advertisements play a crucial role in shaping consumer preferences, influencing purchasing decisions, and driving market trends. Whether through traditional offline channels such as newspapers, television, and billboards or digital platforms like social media, search engines, and e-commerce websites, advertisements have become an integral part of modern consumer culture. However, the growing competition among businesses to attract consumers has led to an increasing prevalence of misleading advertisements—those that present false, exaggerated, or deceptive claims to manipulate consumer behavior. Misleading advertisements can take various forms, including false claims about a product's quality, misleading pricing strategies,

unsubstantiated health benefits, deceptive endorsements, and fake discounts. These deceptive practices not only harm consumers financially but also erode trust in brands and disrupt fair competition in the marketplace. Recognizing these concerns, governments and regulatory bodies worldwide have implemented strict regulations to prevent misleading advertisements and protect consumer rights⁴⁵⁶.

In India, for instance, the Consumer Protection Act, 2019, and the Advertising Standards Council of India (ASCI) guidelines set the framework for regulating advertising content and ensuring that advertisements do not mislead consumers.⁴⁵⁷ The Act defines misleading

⁴⁵⁶ Deepa Sharma, *Misleading Advertisements and Consumer Rights in India* 112 (1st ed. 2018).

⁴⁵⁷ Avtar Singh, *Law of Consumer Protection: Principles and Practice* 189 (6th ed. 2020).



advertisements and provides mechanisms for legal recourse in cases where consumers suffer harm due to false or exaggerated claims. Similarly, ASCI monitors advertising standards and enforces corrective measures when companies fail to comply with ethical advertising norms. Despite these regulations, many consumers remain unaware of their rights and the legal provisions that protect them from deceptive marketing tactics. Misleading advertisements can significantly impact consumer choices, often leading to financial losses, misinformation, and unfair market practices. With the rapid growth of digital commerce, consumers today encounter advertisements through both online and offline platforms. However, the level of awareness regarding regulations that protect them from misleading advertisements may vary based on their mode of engagement with advertisements. Consumers who primarily rely on offline advertisements may have a different level of awareness about misleading advertisements compared to those who interact with online ads. While online consumers are frequently exposed to digital advertisements, pop-ups, and sponsored content, they may not always recognize deceptive tactics due to the dynamic nature of digital marketing. Conversely, offline consumers, though less exposed to digital ad fraud, may lack awareness of modern consumer protection laws and complaint mechanisms available for misleading advertisements.⁴⁵⁸

This study explores the gap in awareness of misleading advertisement regulations between online and offline consumers. Using a descriptive research approach, it analyzes consumer perceptions, experiences, and knowledge of misleading advertisements. The study involves 105 consumers, with 77% being online purchasers and 23% traditional consumers, reflecting the growing dominance of digital advertising while ensuring representation of offline consumers. By

identifying these differences, the research aims to improve consumer education, strengthen regulations, and highlight the need for awareness campaigns.

REVIEW OF LITERATURE

Avtar Singh, in *Law of Consumer Protection: Principles and Practice*, examined misleading health claims in advertisements targeting elderly consumers, leading to financial and health risks.

S.K. Verma & M. Afzal Wani, in *A Treatise on Consumer Protection Laws*, analyzed how government-led awareness campaigns impact different consumer segments and found that offline consumers benefit less due to lower access to digital information.¹

N.K. Sharma analyzed the psychological impact of misleading advertisements and found that consumers often rely on brand reputation rather than verifying claims, making them vulnerable to deceptive marketing.

P.K. Majumdar, in his book *The Law of Consumer Protection in India*, discussed the Consumer Protection Act, 2019, emphasizing the role of consumer courts in addressing misleading advertisements.

Deepa Sharma, in her book *Misleading Advertisements and Consumer Rights in India*, examined the ASCI guidelines and how businesses exploit loopholes to mislead consumers.

D.P. Mittal, in *Indian Law on Misleading Advertisements and Unfair Trade Practices*, analyzed case laws on misleading advertisements and emphasized the need for stricter penalties.

Tarun Kumar Kaushik conducted a comparative study of Indian and international advertising laws, concluding that while India has strong legal provisions, their implementation is weaker compared to developed nations.

Rajendra Kumar, in *False and Misleading Advertisements: Legal and Ethical Perspectives*, examined loopholes in Indian advertising laws

⁴⁵⁸ P.K. Majumdar, *The Law of Consumer Protection in India* 256 (4th ed. 2019).



that allow companies to continue deceptive practices with minimal consequences.

RESEARCH GAP

Despite extensive research on misleading advertisements and consumer protection laws in India, a significant gap exists in understanding the disparity in awareness between online and offline consumers. While studies discuss the legal framework and consumer rights, they lack a comparative analysis of how digital and traditional consumers perceive and respond to misleading advertisements. Additionally, limited research explores the effectiveness of regulatory mechanisms, the role of social media and e-commerce in shaping awareness

AIM OF THE STUDY

This study aims to examine consumer awareness of regulations on misleading advertisements and analyze the gap between online and offline consumers. It seeks to identify factors influencing awareness and assess the effectiveness of existing consumer protection laws. The findings will help develop targeted awareness campaigns and improve regulatory enforcement.

OBJECTIVES OF THE STUDY

1. To assess the level of consumer awareness regarding regulations on misleading advertisements.
2. To analyze the disparity in awareness between online and offline consumers.
3. To examine the role of digital platforms and traditional media in shaping consumer perceptions of misleading advertisements.
4. To evaluate the effectiveness of existing consumer protection laws in addressing misleading advertisements.
5. To identify key factors influencing consumer awareness, such as education, age, and media exposure.

6. To explore consumer response mechanisms, including reporting and seeking redress for misleading advertisements.

7. To provide recommendations for bridging the awareness gap and strengthening regulatory enforcement.

HYPOTHESIS OF THE STUDY

There is a significant gap in the level of awareness of regulations regarding misleading advertisements for online consumers compared to offline consumers

RESEARCH QUESTIONS

1. What is the level of awareness among consumers regarding regulations on misleading advertisements?
2. Is there a significant difference in awareness levels between online and offline consumers?
3. What factors influence consumer awareness of misleading advertisement regulations (e.g., education, age, media exposure)?
4. How do online and offline consumers perceive and respond to misleading advertisements?
5. Are online consumers more likely to identify and report misleading advertisements than offline consumers?
6. What are the key challenges in ensuring equal awareness of misleading advertisements across different consumer groups?
7. How effective are consumer protection laws in preventing misleading advertisements, as perceived by online and offline consumers?

CHAPTER II: MISLEADING ADVERTISEMENTS AND REGULATORY FRAMEWORK

Advertising plays a significant role in shaping consumer choices and influencing purchasing decisions. However, businesses often resort to misleading advertisements to attract consumers, leading to deceptive practices that harm their interests. Misleading advertisements



refer to those that contain false, exaggerated, or deceptive claims about a product or service, misrepresenting its actual qualities or benefits. Such advertisements can manipulate consumer behavior, create false expectations, and lead to financial losses. In the digital era, the problem of misleading advertisements has intensified, as social media and e-commerce platforms provide advertisers with broader and more targeted reach. This chapter examines the concept of misleading advertisements, their impact on consumers, and the regulatory framework in India and other jurisdictions that governs such advertisements.

UNDERSTANDING MISLEADING ADVERTISEMENTS

Misleading advertisements encompass various deceptive techniques used by businesses to persuade consumers to buy their products. These include false representation, bait advertising, hidden charges, manipulative endorsements, and comparative advertising misuse. False representation involves making claims about a product's quality, safety, or effectiveness that are not supported by evidence⁴⁵⁹. Bait advertising occurs when businesses advertise a product at an unrealistically low price to attract consumers, only to switch them to a more expensive alternative upon inquiry. Hidden charges mislead consumers by advertising a lower price while adding undisclosed costs at the time of payment. Manipulative endorsements involve celebrities or influencers promoting products without disclosing sponsorship, creating a false perception of credibility. Comparative advertising misuse arises when businesses distort facts to portray their competitors negatively. The impact of misleading advertisements extends beyond individual consumers, affecting market competition and regulatory enforcement. Deceptive marketing practices erode consumer trust, leading to financial losses and dissatisfaction. Unfair advertising creates an imbalance in the

marketplace, where ethical businesses struggle to compete with misleading claims. Additionally, regulators face challenges in identifying and penalizing violators, particularly in the digital space, where misleading advertisements spread rapidly. Addressing these concerns requires a strong legal framework, consumer awareness initiatives, and effective enforcement mechanisms⁴⁶⁰.

DEFINITION OF MISLEADING ADVERTISEMENTS

Section 2(28) in Consumer Protection Act, 2019

"misleading advertisement" in relation to any product or service, means an advertisement, which-(i) falsely describes such product or service; or(ii) gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or(iii) conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or(iv) deliberately conceals important information.

LEGAL FRAMEWORK GOVERNING MISLEADING ADVERTISEMENTS IN INDIA

In India, several laws and regulatory bodies oversee advertising practices to prevent misleading claims and protect consumer rights. The Consumer Protection Act, 2019, is the primary legislation that addresses misleading advertisements. Under Section 2(28)⁴⁶¹, the Act defines misleading advertisements as those that falsely describe a product or service, misrepresent its quality, or deliberately conceal important information. The Act empowers the Central Consumer Protection Authority (CCPA) to investigate deceptive advertisements and impose penalties on violators. Advertisers found guilty of misleading consumers can face fines of up to ₹10 lakh for the first offense and ₹50 lakh for repeat violations. Apart from statutory provisions, the Advertising Standards Council of

⁴⁵⁹ D.P. Mittal, *Indian Law on Misleading Advertisements and Unfair Trade Practices* (Satyam Law Publications, 2019)

⁴⁶⁰ Deepa Sharma, *Misleading Advertisements and Consumer Rights in India* (SAGE Publications, 2020)

⁴⁶¹ Consumer Protection Act, 2019, No. 35 of 2019, § 2(1)(r), *The Gazette of India*, Government of India (2019)



India (ASCI) plays a crucial role in regulating advertisements⁴⁶². ASCI is a self-regulatory organization that monitors advertising content and ensures compliance with ethical standards. It has established a Code for Self-Regulation, which mandates that advertisements must be truthful, non-misleading, and in accordance with fair competition principles. Consumers can file complaints with ASCI if they come across deceptive advertisements, and the council has the authority to take action against violators. With the rise of digital advertising, the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, have introduced measures to ensure transparency in online marketing. These rules require digital platforms to disclose sponsored content, take action against misleading advertisements, and ensure that influencers disclose paid promotions. Additionally, the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954, regulates advertisements in the healthcare sector, prohibiting exaggerated claims about medical treatments and wellness products. Despite the presence of these regulations, challenges remain in enforcement. Many advertisers find loopholes to continue deceptive practices, particularly in the digital space. Furthermore, consumer awareness about these laws is limited, making it difficult for individuals to seek redress. Strengthening enforcement mechanisms and increasing consumer education are essential steps toward ensuring fair advertising practices.

Section 89: Punishment for false or misleading advertisement.

Any manufacturer or service provider who causes a false or misleading advertisement to be made which is prejudicial to the interest of consumers shall be punished with imprisonment for a term which may extend to two years and with fine which may extend to ten lakh rupees; and for every subsequent offence,

be punished with imprisonment for a term which may extend to five years and with fine which may extend to fifty lakh rupees.

Guidelines on Prevention of Misleading Advertisements and Endorsements, 2022

The Central Consumer Protection Authority (CCPA), under the Department of Consumer Affairs, has introduced the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022. These guidelines aim to protect consumers from deceptive advertisements that include false claims, exaggerated promises, and misinformation. Such advertisements violate consumer rights, including the right to be informed, the right to choose, and the right to safety.

The guidelines provide clear definitions for "bait advertisements," "surrogate advertisements," and "free claim advertisements." Special provisions have been included to regulate advertisements targeting children. Advertisers are prohibited from creating unrealistic expectations, making unverified health claims, or using celebrities for products that require health warnings.

Additionally, the guidelines set strict rules for disclaimers, ensuring that they are clear, legible, and in the same language as the advertisement. Advertisers, manufacturers, and service providers are required to conduct due diligence before endorsing products or services.

To enforce compliance, the CCPA has been empowered to impose strict penalties. A fine of ₹10 lakh may be levied for misleading advertisements, with subsequent violations attracting a penalty of up to ₹50 lakh. Furthermore, endorsers of misleading advertisements can be prohibited from making endorsements for up to 1 year, with the restriction extending to 3 years for repeat offenses.

⁴⁶² The Advertising Standards Council of India (ASCI) Code of Self-Regulation (2020).



By introducing these guidelines, the CCPA aims to bring greater transparency and accountability in advertising, ensuring that consumers can make informed choices based on facts rather than misleading narratives.

COMPARATIVE ANALYSIS OF MISLEADING ADVERTISEMENT LAWS IN OTHER COUNTRIES⁴⁶³

Several countries have implemented strict advertising regulations to curb misleading advertisements and protect consumer rights. In the United States, the Federal Trade Commission (FTC) oversees advertising practices under the FTC Act, which prohibits deceptive advertising. Advertisers must ensure that their claims are backed by evidence, and the FTC has the authority to penalize violators and issue cease-and-desist orders. Additionally, the Endorsement Guidelines require influencers and celebrities to disclose paid promotions, ensuring transparency in advertising. In the United Kingdom, the Advertising Standards Authority (ASA) monitors advertisements under the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code). The ASA investigates consumer complaints and has the power to ban misleading advertisements. Similarly, the European Union's Unfair Commercial Practices Directive (UCPD) prohibits misleading and aggressive marketing tactics, ensuring that advertisements do not exploit consumer vulnerabilities. Australia also has a robust legal framework under the Australian Consumer Law (ACL), which makes false and misleading advertising illegal. The ACL imposes heavy penalties on businesses that engage in deceptive marketing, ensuring fair competition and consumer protection. These international regulations highlight the importance of strict enforcement and consumer education in preventing misleading advertisements⁴⁶⁴.

ROLE OF DIGITAL PLATFORMS AND SOCIAL MEDIA IN MISLEADING ADVERTISEMENTS

The advent of digital marketing has transformed advertising strategies, enabling businesses to target specific audiences through social media, search engines, and e-commerce platforms. However, this shift has also increased the prevalence of misleading advertisements. Many brands use influencers to promote products without disclosing sponsorships, leading consumers to believe that the endorsements are genuine. Additionally, algorithm-driven advertisements personalize marketing content based on user behavior, sometimes manipulating consumer choices without transparency. Regulating digital advertisements presents several challenges. The global reach of online platforms makes it difficult to enforce national advertising laws, as companies operating from different jurisdictions may not fall under Indian regulatory authority. Consumers often lack awareness about misleading digital ads, making them more susceptible to deception. Moreover, businesses use false scarcity tactics, such as displaying limited stock availability or exclusive discounts, to create urgency and influence impulsive purchases. Addressing these issues requires stricter digital advertising regulations, increased transparency in influencer marketing, and awareness campaigns to educate consumers about misleading online promotions.

CHALLENGES IN ENFORCING MISLEADING ADVERTISEMENT LAWS

Despite the existence of regulatory frameworks, several challenges hinder the effective enforcement of misleading advertisement laws. One of the primary obstacles is the lack of consumer awareness, as many individuals do not recognize deceptive advertisements or report violations. Additionally, legal processes against misleading advertisers are often time-consuming, delaying justice for affected consumers. The evolution of digital advertising poses another challenge, as AI-generated content and deepfake technology make it difficult to distinguish genuine advertisements from misleading ones. Jurisdictional issues

⁴⁶³ Tarun Kumar Kaushik, A Comparative Study of Indian and International Advertising Laws (Journal of International Trade and Law, 2020).

⁴⁶⁴ Tarun Kumar Kaushik, A Comparative Study of Indian and International Advertising Laws (Journal of International Trade and Law, 2020)

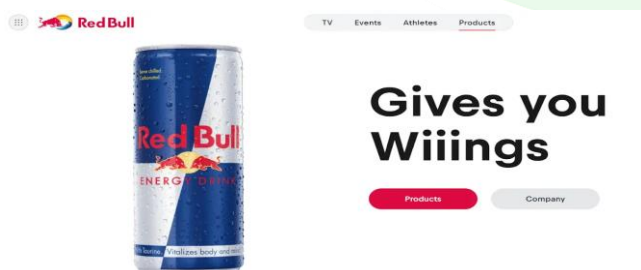


further complicate enforcement, especially for online advertisements. Many businesses operate across multiple countries, making it difficult for Indian regulators to take action against misleading advertisements originating from foreign entities. Strengthening cross-border regulatory cooperation and implementing digital consumer protection laws are essential to addressing these challenges.

CASE STUDIES ON MISLEADING ADVERTISEMENTS

1. Benjamin Careathers v. Red Bull GmbH, et al. (2013)

The case of *Benjamin Careathers v. Red Bull GmbH*, the plaintiffs filed a class action lawsuit in 2013 before the United States District Court for the Southern District of New York, alleging that Red Bull's advertising was misleading. They contended that the slogan "Red Bull gives you wings" falsely implied enhanced physical and mental performance without scientific backing, leading consumers to pay a premium price for the product. In 2014, Red Bull agreed to a **\$13 million settlement** without admitting liability or wrongdoing. Under the settlement terms, consumers who had purchased Red Bull products since **January 1, 2002**, were eligible for either **\$10 in cash** or **\$15 in product vouchers**. The case underscored the significance of truth in advertising, reinforcing the need for brands to substantiate their claims with scientific evidence and avoid deceptive marketing practices.



2. Federal Trade Commission (FTC) v. Kellogg Co. (2009)

Kellogg Co., a major player in the breakfast cereal industry, faced federal charges from the Federal Trade Commission (FTC) in 2009 for misleading advertising. The company claimed

in national TV ads that consuming Frosted Mini-Wheats could improve children's attentiveness by around 20% compared to those who skipped breakfast. However, the FTC found that the study Kellogg referenced showed that only about half of the children saw any improvement, and only 11% experienced the advertised 20% boost in attentiveness. In Judgment: Kellogg agreed to a settlement with the FTC in 2009, requiring it to stop making unsubstantiated claims about the cognitive benefits of its cereal. This case emphasized the importance of truth in advertising, particularly regarding health-related claims, and reinforced the legal risks companies face when using exaggerated or misleading statements in marketing.

3. Havells India Ltd. v. Amritanshu Khaitan & Ors. (2015)⁴⁶⁵

In this case, Havells India Ltd. filed a suit against Amritanshu Khaitan & Ors. for disseminating misleading and disparaging advertisements that slandered Havells' products. The Delhi High Court emphasized that for an advertisement to be considered misleading, it must deceive its intended audience and have the potential to influence consumer behavior or harm competitors due to its deceptive nature.

4. Tata Press Ltd. v. Mahanagar Telephone Nigam Ltd. (1995)⁴⁶⁶

This landmark judgment addressed the issue of false, misleading, unfair, or deceptive advertising. The court held that such advertisements are not protected as commercial speech under the right to freedom of speech and expression. The judgment underscored the necessity of regulating misleading advertisements to protect consumer interests.

5. Hindustan Unilever Limited v. Gujarat Co-operative Milk Marketing Federation Ltd. (2004)⁴⁶⁷

⁴⁶⁵ 217 DLT 587 (Del).

⁴⁶⁶ 5 SCC 139.

⁴⁶⁷ 28 PTC 121 (Del).



This case involved a dispute between Hindustan Unilever Limited (HUL) and Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF) over advertisements for their respective products, Lux and Nirma detergent. HUL alleged that Nirma's advertisements made false and misleading claims about the superiority of its detergent over Lux.

6. Dabur India Ltd. v. Emami Limited (2019)⁴⁶⁸

In this case, Dabur India Ltd. filed a suit against Emami Limited, alleging that Emami's advertisements for its 'Zandu Chyawanprash' were misleading and disparaged Dabur's product. The Delhi High Court examined the content of the advertisements to assess whether they were misleading or defamatory towards Dabur's product.

7. Reckitt Benckiser (India) Ltd. v. Hindustan Unilever Ltd. (2014)⁴⁶⁹

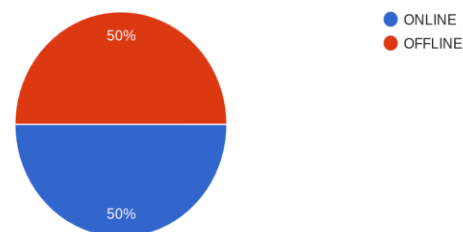
This case involved a dispute over advertisements where Reckitt Benckiser alleged that Hindustan Unilever's advertisements for its product 'Lifebuoy' were misleading and disparaged Reckitt's product 'Dettol'. The court analyzed the advertisements to determine if they contained misleading information that could potentially deceive consumers. These cases underscore the judiciary's proactive stance in curbing misleading advertisements in India.

CHAPTER III: KNOWLEDGE

DATA ANALYSIS : The sample size of 100 respondents, categorized into online and offline consumers, is depicted in the chart below.

TABLE 1 : SAMPLE OF RESPONDENTS FOR VALIDATING THE HYPOTHESIS

PRIMARY MODE OF SHOPPING
100 responses



This section assesses consumers' knowledge of the legal framework protecting them from misleading advertisements and their willingness to report deceptive ads. It seeks to determine whether consumers believe misleading advertisements should be strictly penalized and whether they take any action when they encounter them. This analysis validates the hypothesis that there is a significant gap in the level of awareness of regulations regarding misleading advertisements between online and offline consumers. The findings reveal disparities in awareness, perceptions, and responses between online and offline consumers, highlighting the need for stronger regulatory enforcement and consumer education initiatives. The chart below captures the question-wise feedback by category of respondents. The analysis clearly illustrates whether consumers are aware of the risks associated with misleading advertisements and if they take necessary precautions to protect themselves from deceptive marketing practices.

ANALYSIS OF RESPONSES TO QUESTIONS FOR KNOWLEDGE ASSESSMENT

This section analyzes the responses to survey questions that assess consumer knowledge regarding misleading advertisements and the legal framework governing them. The responses help determine the level of awareness among consumers and validate the hypothesis that there exists a significant gap in awareness between online and offline consumers.

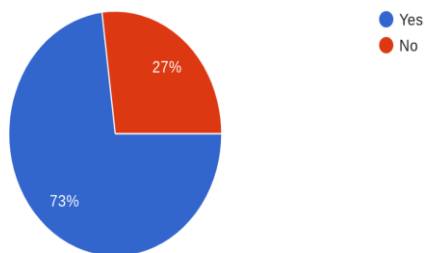
⁴⁶⁸ 261 DLT 179 (Del).

⁴⁶⁹ 211 DLT 70 (Del)



1. Have you ever heard of the term "misleading advertisement"?

100 responses

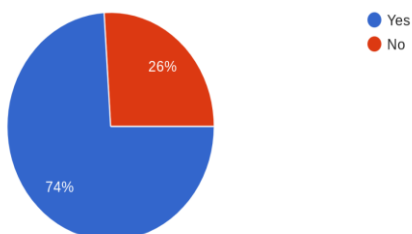


INFERENCE

The survey shows that 73% of respondents have heard of misleading advertisements, while 27% have not. This means most people are aware of deceptive ads, likely due to increased consumer awareness and digital exposure. However, the 27% who are unaware may be more easily misled. This highlights the need for better consumer education and stricter advertising regulations to protect everyone from misleading marketing tactics.

2. Have you ever personally encountered a misleading advertisement?

100 responses

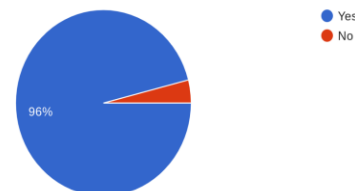


INFERENCE

The survey reveals that 74% of respondents have personally encountered a misleading advertisement, while 26% have not. This indicates that deceptive advertising is a widespread issue affecting a large number of consumers. The high percentage suggests that misleading ads are common across various platforms, making it crucial for stronger enforcement of consumer protection laws. It also highlights the need for consumers to be more cautious and verify claims before making purchasing decisions.

3. Do you believe online advertisements are more misleading than offline advertisements?

100 responses



INFERENCE

Most respondents (96%) feel that online ads are more misleading than offline ones, while only 4% disagree. This suggests that people find digital ads less trustworthy, possibly due to weaker regulations and the ease of spreading false claims online. Stronger rules and monitoring may be needed to protect consumers.

1. KNOWLEDGE

1. Have you ever heard of the term "misleading advertisement"?

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	4	46	50
Offline Consumer	23	27	50
Grand Total	27	73	100

**2. Have you ever personally encountered a misleading advertisement?**

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	4	46	50
Offline Consumer	22	28	50
Grand Total	26	74	100

3. Do you believe online advertisements are more misleading than offline advertisements?

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	2	48	50
Offline Consumer	2	48	50
Grand Total	4	96	100

CONTINGENCY TABLE

CONTINGENCY TABLE			
Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	3.3	46.7	50
Offline Consumer	15.7	34.3	50
Grand Total	19.0	81.0	100

For the Chi square calculation, the values for each section has been computed as below – Observed Value (O) will be the value for each category and the Y/N combination from the responses received.



EXPECTED VALUE

Expected Value (E)

$$E = (\text{Row Total for the row of that cell}) * (\text{Column total for the column of that cell})$$

Grand Total

ONLINE CONSUMERS (50)

HIGHER KNOWLEDGE: $(81 \times 50) / 100 = 40.5$

LOWER KNOWLEDGE: $(19 \times 50) / 100 = 9.5$

OFFLINE CONSUMERS (50)

HIGHER KNOWLEDGE: $(81 \times 50) / 100 = 40.5$

LOWER KNOWLEDGE: $(19 \times 50) / 100 = 9.5$

EXPECTED VALUE = (Row Total x Column Total) / Grand Total

Categories	Lower Knowledge - Observed	Lower Knowledge - Expected	Higher Knowledge - Observed	Higher Knowledge - Expected
Online consumer	3.3	9.5	46.7	40.5
Offline Consumer	15.7	9.5	34.3	40.5
Grand Total	19.0		81.0	

CHI-SQUARE (χ^2)

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

CHI SQUARE χ^2 :

CALCULATION OF CHI-SQUARE (χ^2)

Categories		Observed Value	Expected Value	O-E	(O-E)^2	(O-E)^2/E
Online consumer	Lower Knowledge	3.3	9.5	6.2	38.03	4.00
	Higher Knowledge	46.7	40.5	6.2	38.03	0.94



Offline Consumer	Lower Knowledge	15.7	9.5	6.2	38.03	4.00
	Higher Knowledge	34.3	40.5	6.2	38.03	0.94
Grand Total		100.0	100.0			9.88

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

CHI SQUARE χ^2 :

$$\chi^2 = 9.88$$

Degrees of Freedom (df)

$$\begin{aligned} Df &= (r-1) \times (c-1) \\ &= (2-1) \times (2-1) \\ &= 1 \times 1 = 1 \end{aligned}$$

since the calculated chi-square value (9.88) is greater than the table value (3.841) at the 5% significance level for 1 degree of freedom Hence, we can conclude that the first category (knowledge) doesn't meet the hypothesis.

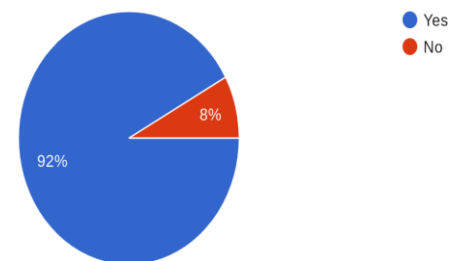
CHAPTER IV – INVOLVEMENT

DATA ANALYSIS

The analysis of the second category focuses on consumer engagement with advertisements and their response to misleading claims. A majority of respondents indicated that they check reviews before trusting an advertisement, reflecting a cautious approach towards online and offline marketing. However, a significant portion admitted to purchasing products based on advertisements and later feeling deceived by false or exaggerated claims. Despite this, only a fraction of consumers expressed willingness to report misleading advertisements, indicating a gap in consumer action against deceptive marketing practices. Furthermore, most respondents acknowledged that misleading advertisements have a strong influence on consumer decisions, highlighting

the need for greater awareness and regulatory enforcement to protect consumer interests.

4. Do you check reviews before trusting an advertisement?
100 responses



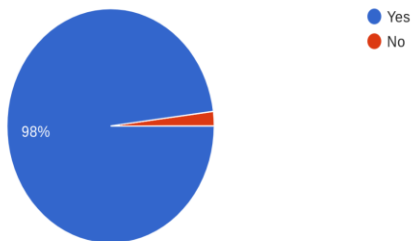
INFERENCE

The survey reveals that **92%** of consumers check reviews before trusting an advertisement, indicating a strong preference for verifying product claims before making a purchase. This reflects growing consumer awareness and caution against misleading advertisements.



However, the **8%** who do not check reviews may be more susceptible to deceptive marketing tactics. These findings highlight the importance of transparent advertising, as most consumers rely on reviews to make informed decisions.

5. Have you ever purchased a product based on an ad and later felt deceived?
100 responses

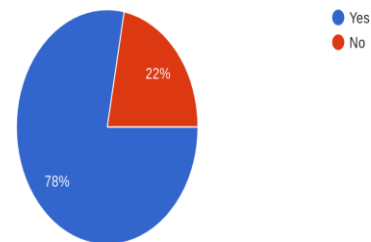


INFERENCE

The result of 98% "yes" and 2% "no" suggests that a large majority of people have had an experience where they felt deceived after purchasing a product based on an advertisement. This could point to issues in advertising that may mislead consumers, whether through exaggerated claims, false information, or misrepresentation of the

product. It highlights the importance of consumer protection laws and regulations to ensure that advertisements are truthful and not misleading.

6. Would you report or take any action if you encountered a misleading advertisement?
100 responses



INFERENCE

The data suggests that while a majority of consumers (78%) are willing to take action against misleading advertisements, a notable minority (22%) may lack awareness, trust in enforcement mechanisms, or motivation to report. This highlights the need for stronger consumer awareness campaigns and more accessible complaint mechanisms to ensure greater accountability in advertising practices.

2. INVOLVEMENT

4. Do you check reviews before trusting an advertisement?

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	5	45	50
Offline Consumer	3	47	50
Grand Total	8	92	100

5. Have you ever purchased a product based on an ad and later felt deceived?



Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	1	49	50
Offline Consumer	1	49	50
Grand Total	2	98	100

6. Would you report or take any action if you encountered a misleading advertisement?

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	6	44	50
Offline Consumer	16	34	50
Grand Total	22	78	100

CONTINGENCY TABLE

CONTINGENCY TABLE			
Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	4.0	46.0	50
Offline Consumer	6.7	43.3	50
Grand Total	10.7	89.3	100

For the Chi square calculation, the values for each section has been computed as below – Observed Value (O) will be the value for each category and the Y/N combination from the responses received.

EXPECTED VALUE**Expected Value (E)**

$$= (\text{Row Total for the row of that cell}) * (\text{Column total for the column of that cell})$$

**Grand Total****ONLINE CONSUMERS (77%)**Higher Involvement: $(89.3 \times 50)/100 = 44.67$ Lower Involvement: $(10.7 \times 50)/100 = 5.3$ **OFFLINE CONSUMERS (23%)**Higher Involvement: $(89.3 \times 50)/100 = 44.67$ Lower Involvement: $(10.7 \times 50)/100 = 5.3$ **EXPECTED VALUE = (Row Total x Column Total)/ Grand Total**

Categories	Lower Knowledge - Observed	Lower Knowledge - Expected	Higher Knowledge - Observed	Higher Knowledge - Expected
Online consumer	4.0	5.3	46.0	44.67
Offline Consumer	6.7	5.3	43.3	44.67
Grand Total	10.7		89.3	

CHI-SQUARE (χ^2)

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

CHI SQUARE χ^2 :**TABLE: CALCULATION OF CHI-SQUARE (χ^2)**

Categories		Observed Value	Expected Value	O-E	(O-E)^2	(O-E)^2/E
Online consumer	Lower Knowledge	4.0	5.3	-1.3	1.78	0.33
	Higher Knowledge	46.0	44.67	1.3	1.78	0.04
Offline Consumer	Lower Knowledge	6.7	5.3	1.3	1.78	0.33
	Higher Knowledge	43.3	44.67	-1.3	1.78	0.04

**Chi-Square Value (X^2) Calculation:**

$$X^2 = 0.04$$

Degrees of Freedom (df):

$$df = (r-1) \times (c-1)$$

$$= (2-1) \times (2-1)$$

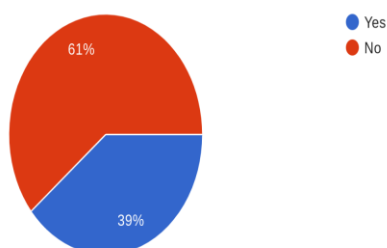
$$= 1$$

Since the calculated chi-square value (0.04) is lower than the table value (3.841) at the 5% significance level for 1 degree of freedom, This indicates that there is no significant difference in the level of awareness of regulations regarding misleading advertisements between online and offline consumers.

CHAPTER V: ASSESSMENT**DATA ANALYSIS**

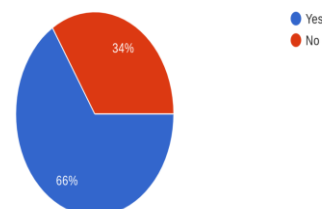
The third category (Assessment) clearly indicates that the sample group lacks awareness of the laws and regulations concerning misleading advertisements under the Consumer Protection Act, 2019. The respondents also believe that misleading advertisements can significantly influence consumer decisions and that stricter enforcement measures should be in place to prevent deceptive marketing practices. Furthermore, the majority agree that companies should be held accountable for publishing misleading advertisements and should face penalties for any false claims that manipulate consumer choices.

7. Do you think misleading advertisements can influence consumer decisions?
100 responses

**INFERENCE**

The data indicates that **61% of respondents believe misleading advertisements influence consumer decisions, while 39% do not**. This suggests that deceptive marketing tactics can significantly impact consumer behavior, leading to purchases based on false or exaggerated claims. However, the **39% who disagree** may indicate a segment of consumers who are either skeptical of advertisements or make purchasing decisions based on independent research rather than advertisements alone.

8. Are you aware that the Consumer Protection Act, 2019, prohibits misleading advertisements?
100 responses

**INFERENCE**

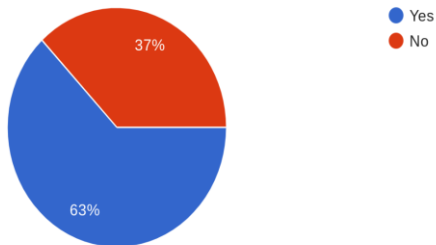
The data shows that 66% of respondents are aware that the Consumer Protection Act, 2019, prohibits misleading advertisements, while 34% are not. This suggests that while a majority of consumers have some knowledge of legal protections against deceptive advertising, a significant 34% remain unaware. This lack of



awareness could limit consumer action against misleading advertisements and reduce the effectiveness of regulatory enforcement.

9. Do you think misleading advertisements should be strictly punished?

100 responses



INFERENCE

The data reveals that 63% of respondents believe misleading advertisements should be strictly punished, while 37% do not. This indicates that a majority of consumers support stricter penalties for deceptive advertising, recognizing its potential harm. However, the 37% who disagree may believe that existing regulations are sufficient, that businesses should have some flexibility in marketing, or that punishment should vary based on the severity of the misleading claim.

3. ASSESSMENT

7. Do you think misleading advertisements can influence consumer decisions?

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	24	26	50
Offline Consumer	37	13	50
Grand Total	61	39	100

8. Are you aware that the Consumer Protection Act, 2019, prohibits misleading advertisements?

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	19	31	50
Offline Consumer	15	35	50
Grand Total	34	66	100

**9. Do you think misleading advertisements should be strictly punished?**

Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	22	28	50
Offline Consumer	15	35	50
Grand Total	37	63	100

CONTINGENCY TABLE

CONTINGENCY TABLE			
Categories	Lower Knowledge	Higher Knowledge	Grand Total
Online consumer	21.7	28.3	50
Offline Consumer	22.3	27.7	50
Grand Total	44.0	56.0	100

EXPECTED VALUE CALCULATION**Expected Value (E)**

$$= \frac{(\text{Row Total for the row of that cell}) \times (\text{Column total for the column of that cell})}{\text{Grand Total}}$$

Grand Total**ONLINE CONSUMERS (77%)**

$$\text{HIGHER KNOWLEDGE: } (56 \times 50) \div 100 = 28$$

$$\text{LOWER KNOWLEDGE: } (44 \times 50) \div 100 = 22$$

OFFLINE CONSUMERS (23%)

$$\text{HIGHER KNOWLEDGE: } (56 \times 50) \div 100 = 28$$

$$\text{LOWER KNOWLEDGE: } (44 \times 50) \div 100 = 22$$



EXPECTED VALUE = (Row Total x Column Total) / Grand Total				
Categories	Lower Knowledge - Observed	Lower Knowledge - Expected	Higher Knowledge - Observed	Higher Knowledge - Expected
Online consumer	21.7	22.0	28.3	28
Offline Consumer	22.3	22.0	27.7	28
Grand Total	44.0		56.0	

CHI SQUARE X²

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

CHI SQUARE X² :

Where O = Observed Value, E = Expected Value

Categories		Observed Value	Expected Value	O-E	(O-E) ²	(O-E) ² /E
Online consumer	Lower Knowledge	21.7	22.0	-0.3	0.11	0.01
	Higher Knowledge	28.3	28	0.3	0.11	0.00
Offline Consumer	Lower Knowledge	22.3	22.0	0.3	0.11	0.01
	Higher Knowledge	27.7	28	-0.3	0.11	0.00
Grand Total		100.0	100.0			0.02

TABLE: CALCULATION OF CHI-SQUARE (X²)

Chi-Square (X²) Calculation

X² = 0.02

DEGREES OF FREEDOM (df)

Df = (r-1) × (c-1)

= (2-1) × (2-1)

= 1



The Table value of Chi Square value (X^2) for 1 Degree of freedom at 5% level of significance is 3.841. Since calculated $X^2 = 0.02 < 3.841$, The data suggests that there is no significant association between consumer awareness and their knowledge of misleading advertisements under the Consumer Protection Act, 2019. This indicates that most consumers remain unaware of the legal safeguards against misleading advertisements, reinforcing the need for greater awareness and enforcement efforts.

CHAPTER VI: CONCLUSION AND SUGGESTIONS

CONCLUSION:

The findings indicate a significant gap in the awareness of misleading advertisements under the Consumer Protection Act, 2019, between online and offline consumers. Online consumers tend to have a higher level of awareness, likely due to their exposure to digital platforms, consumer forums, and regulatory updates. In contrast, offline consumers exhibit lower familiarity with the legal safeguards available against misleading advertisements. This disparity underscores the need for enhanced consumer education efforts to ensure that all consumers, regardless of their mode of engagement, are adequately informed about their rights and protections under the law.

The hypothesis that there exists a gap in the level of awareness of misleading advertisements under the Consumer Protection Act, 2019, between online and offline consumers is supported by the data. Online consumers demonstrated a relatively higher awareness of misleading advertisements and related regulations, whereas offline consumers exhibited lower familiarity with such protections. This disparity can be attributed to greater exposure to digital platforms, consumer forums, and online regulatory resources among online consumers, whereas offline consumers may lack adequate access to structured awareness initiatives and regulatory information. The study highlights a significant disparity in awareness regarding misleading advertisements under the Consumer Protection Act, 2019, between online and offline consumers. The analysis reveals that online consumers demonstrate a higher level of understanding of deceptive advertising

practices and legal protections, whereas offline consumers exhibit lower familiarity with these regulations.

Greater exposure to digital platforms – Online consumers frequently engage with regulatory updates, consumer forums, and legal awareness campaigns conducted through digital media.

Limited access to information for offline consumers – Many offline consumers rely on traditional sources of information, such as television, newspapers, and word of mouth, which may not provide in-depth awareness of consumer rights and legal protections.

Lack of structured consumer education programs – There is an absence of systematic financial and legal literacy initiatives targeting the general public, particularly offline consumers.

Variations in complaint redressal mechanisms – Online consumers may find it easier to access grievance redressal mechanisms, while offline consumers might lack awareness about available forums and procedures. This awareness gap poses a significant challenge to consumer protection efforts, as misleading advertisements continue to exploit uninformed consumers. Therefore, targeted measures are necessary to bridge this gap and ensure equitable consumer protection across all demographics.

SUGGESTIONS

1. Strengthening Public Awareness Campaigns

To bridge the gap in consumer awareness, large-scale public awareness campaigns should be conducted by government agencies, consumer rights organizations, and regulatory



bodies. These campaigns should target both urban and rural consumers, ensuring that information about misleading advertisements is accessible to all. Multiple channels, including television, newspapers, radio, and social media, should be used to maximize outreach. Special attention should be given to offline consumers, who may lack access to digital awareness resources.

2. Incorporating Consumer Protection in Educational Curricula

Consumer rights education should be integrated into school, college, and vocational training curricula to equip individuals with essential knowledge about misleading advertisements and their legal implications. Universities and law schools should collaborate with consumer protection agencies to offer specialized workshops, certification programs, and seminars on consumer laws. Early education on consumer protection will help individuals make informed decisions and recognize deceptive marketing tactics.

3. Expanding Digital and Offline Awareness Initiatives

While online campaigns have proven effective, offline awareness programs must be strengthened to reach consumers with limited digital exposure. Community workshops, seminars, and interactive sessions should be organized in local community centers, markets, and public institutions. Additionally, printed brochures and regional language guides on consumer protection laws should be distributed to ensure accessibility for a wider audience.

4. Enhancing Regulatory Monitoring and Enforcement

Regulatory bodies such as the Central Consumer Protection Authority (CCPA) and the Advertising Standards Council of India (ASCI) should strengthen their monitoring mechanisms to detect and penalize misleading advertisements. Strict penalties must be imposed on businesses that violate advertising regulations. Additionally, consumer grievance

redressal mechanisms should be made more accessible, particularly for offline consumers, through helplines, local consumer protection offices, and legal aid centers.

5. Encouraging Industry Self-Regulation

Businesses and advertisers should be encouraged to adopt self-regulation measures to ensure transparency and ethical advertising practices. Industry associations and corporate stakeholders should collaborate with regulatory bodies to establish advertising guidelines, periodic audits, and certification programs that promote responsible advertising. Companies should also be required to provide clear disclaimers and factual information in advertisements to prevent misleading claims.

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SURVEY DATA

Survey on an analysis of consumer awareness on misleading advertisement, conducted on march 10, 2025. And The methodology adopted for the present research topic "An Analysis of



Consumer Awareness on Misleading Advertisements” is purely non-doctrinal. I conducted an online survey by issuing nine questions categorized under Knowledge, Involvement, and Assessment, with three questions in each category. The survey targeted online and offline consumers to analyze their awareness of misleading advertisements, their responses to such ads, and their understanding of existing legal protections. The findings indicate a significant gap in awareness levels, with online consumers demonstrating higher awareness compared to offline consumers.

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ANNEXURE – GOOGLE FORM

An Analysis of consumer awareness on misleading advertisement This survey aims to analyze consumer awareness of misleading advertisements in both online and offline platforms. It will help understand how well consumers recognize misleading ads, their experiences, and their knowledge of consumer protection laws.

NAME

Short-answer text

EMAIL*

Short-answer text

AGE GROUP*

18 – 30

31–50

Above 50

PRIMARY MODE OF SHOPPING

ONLINE

OFFLINE



1. Have you ever heard of the term "misleading advertisement"?*

YES

NO

2. Have you ever personally encountered a misleading advertisement?*

YES

NO

3. Do you believe online advertisements are more misleading than offline advertisements?*

YES

NO

4. Do you check reviews before trusting an advertisement?*

YES

NO

5. Have you ever purchased a product based on an ad and later felt deceived?*

YES

NO

6. Would you report or take any action if you encountered a misleading advertisement?*

YES

NO

7. Do you think misleading advertisements can influence consumer decisions?*

YES

NO

8. Are you aware that the Consumer Protection Act, 2019, prohibits misleading advertisements?*

YES

NO

9. Do you think misleading advertisements should be strictly punished?*

YES

NO

