



A STUDY ON FALSE & MISLEADING ADVERTISEMENT IN THE E-COMMERCE SECTOR CONSUMER AWARENESS & LEGAL REDRESS MECHANISMS

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Abstract:

The proliferation of e-commerce platforms has revolutionized the retail landscape, offering unparalleled convenience to consumers. However, this growth has been accompanied by a surge in false advertising practices that mislead consumers and undermine trust in digital marketplaces. This study aims to investigate consumer awareness of false advertising in the e-commerce sector and evaluate the effectiveness of legal redress mechanisms in addressing such issues. By employing a mixed-method approach, the research collects primary data through surveys and interviews with e-commerce users, supplemented by a review of legal frameworks and documented cases.

The study seeks to identify common forms of false or misleading advertisement, assess consumer awareness of their rights, and analyse the efficacy of existing legal protections. Preliminary findings are expected to reveal gaps in consumer knowledge and challenges in the enforcement of advertising standards. The research will culminate in actionable recommendations for enhancing consumer education, strengthening legal accountability, and fostering ethical advertising practices within the e-commerce ecosystem. This work aims to contribute to the broader discourse on consumer rights and corporate responsibility in the digital age.

Keywords: False Advertisement, E- Commerce, Consumer Awareness and Protection.

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Introduction:

Advertisement is an age-old technique that has become an integral part of our daily life. In today's digital and globalised world advertising plays a curtail role in reaching a wide audience and building a strong brand for the company or its goods. The producers employ it to influence consumer behaviour towards their commercial goods and boost product consumption. Therefore, it can be claimed that the goal of advertising is to educate and raise consumer awareness of the product in order to help them make an informed purchase decision. The Supreme Court of India in the case *Tata Press v. Mahanagar Telephone Ltd.* has also recognized “Commercial

Advertisement” as a protected speech under Art 19 (1) (a) of the Constitution of India.

Advertisement is a beneficial tool as long as the strategies utilised are ethical. The problem arises when advertisers adopt deceptive and fraudulent advertising strategies in an attempt to lure in customers by enticing them with false or misleading claims about the features, benefits, and attributes of their products. False and misleading advertisements affect consumer's “right to be informed” and results in injuring consumer interest as well as the competing commercial brands. Although India has a number of laws and regulatory bodies in place to address the issue, the fact remains that the problem still exists to a

significant degree. This study aims to investigate consumer awareness of false advertising in the e-commerce sector and evaluate the effectiveness of legal redress mechanisms in protecting consumer interests.

Review of literature :

- **Patil, A. A. (2017).** This study evaluates the flaws in the 1986 Consumer Protection Act pertaining to deceptive and fraudulent advertising in addition to doing a comparative and critical analysis of deceptive advertisements in India. It also identifies the obstacles to accomplishing the fundamental goals of the consumer welfare laws to control misleading advertisements and determines the remedies for the same in the consumer protection bill of 2015.
- **Chakraborty, A. (2016).** This study proposes that India needs a comprehensive revamp and briefly addresses how the current legal and regulatory structure is insufficient in addressing the problems caused by the threat of false and misleading advertisements.
- **PraveenKumar, S., & Gunaseelan, D. (2016).** This paper aims to examine the significance of advertisements in modern business and their role in shaping consumer decisions. It highlights the negative aspects of misleading advertisements, including false demands and potential deceit.
- **Girimaji, P. (2013).** This paper explores the pervasive influence of advertising in shaping consumer behaviour and brand perception, while critically examining the ethical concerns surrounding deceptive advertisements. It aims to raise awareness about how misleading advertisements can manipulate consumers and distort values such as materialism and class consciousness.
- **Sharma, R. R., & Chander, S. (2011).** This study aims to identify the key attributes of misleading

advertisements and proposes an approach to advertising that strikes a balance between professionalism and ethics.

- **Gulati, M. (2023).** This study explores the growing importance of advertisements in India, with a focus on understanding misleading advertisements. It also examines the legal frameworks and guidelines in place to regulate such advertisements.

Rationale of the study:

With the rapid expansion of e-commerce, consumers face an increasing number of deceptive advertisements that misrepresent products or services. This undermines consumer confidence, creates unfair competition, and leads to financial losses. Understanding consumer perceptions, awareness, and barriers to reporting false advertising is essential for developing effective solutions. By exploring these issues, this study aims to shed light on the effectiveness of existing measures and propose improvements to safeguard consumer interests.

Objectives of the Study:

- To analyse the prevalence of false advertising across age groups.
- To assess awareness of consumer rights among different demographics.
- To understand barriers to reporting false advertising.
- To evaluate the effectiveness of e-commerce platforms' preventive measures.
- To propose solutions for reducing false advertising in e-commerce.

Scope of the Study:

The study examines the prevalence of false advertising across various age groups and demographics while evaluating consumer awareness of rights and challenges in reporting deceptive advertisements.

Limitations of the Study:

- The study is limited to the responses collected from



a specific group, which may not fully represent the entire population of e-commerce users.

- The research may not account for regional differences in e-commerce practices or consumer behaviour.
- Responses are based on self-reported data, which may include biases or inaccuracies.

Research Methodology:

Research Design:

This study adopts a descriptive and analytical research design to examine the prevalence of false advertising,

consumer awareness, reporting barriers, and the effectiveness of e-commerce platforms in addressing false advertising.

Data Collection: A survey was collected among the participants from various demographic groups. A structured questionnaire was used for the purpose of research which was circulated in the form of a google form. Secondary data collected from Books, Magazines, News reports and Websites.

Data Processing: The data was edited, classified and tabulated for the purpose of testing.

Data Analysis: Chi Square test was used for the purpose of data analysis and hypothesis testing

Hypotheses:

H0: There is no significant difference in the likelihood of encountering false advertising across different age groups.

H1: There is significant difference in the likelihood of encountering false advertising across different age groups.

Age group	% encounter false advertising
18-25	84.6%
26-35	100%
Above 60	67.6%

Interpretation: Chi Square value is 9.21 and p value is 0.04. Since the p-value is less than 0.05, we reject the null hypothesis and accept the alternate hypothesis. This indicates a statistically significant difference in false advertising encounters among age groups. Contrary to the initial assumption, respondents aged 26–35 reported the highest exposure, challenging the perception that younger respondents (18–25) face the most false advertising.

H0: There is no significant relationship between consumer rights awareness and employment status.

H1: Awareness of consumer rights is higher among educated or employed individuals.

Employment	Awareness
Self employed	90% aware
Students	70% aware
Retirees	50% aware

Interpretation:

Chi square value is 12.15 and p value is 0.01. Since the p-value is less than 0.05, we reject the null hypothesis and accept the alternate hypothesis. This indicates a statistically significant relationship between employment status and consumer rights awareness. The findings suggest that self-employed and employed individuals are more aware of their consumer rights, while students and retirees show awareness gaps, highlighting the need for targeted awareness initiatives.



Findings:

1. High prevalence of false advertising: Most respondents report encountering false advertising, particularly among younger and middle-aged groups.
2. Awareness gaps: Employed individuals are more aware of consumer rights than students and retirees.
3. Reporting challenges: A complex reporting process discourages consumers from taking action.
4. Lack of trust in platforms: Consumers find e-commerce platforms' measures inadequate for preventing false advertising.

Suggestions:

1. Enhance consumer education through conducting awareness campaigns targeting students and retirees
2. Simplify access to consumer rights resources.
3. Streamline reporting mechanisms and also Develop user-friendly reporting systems with faster response times.
4. Introduce anonymous reporting options to encourage participation.
5. Use AI-based tools to detect fake reviews and misleading claims.
6. Enforce stricter regulations for online advertisements.
7. Implement penalties for platforms and sellers involved in false advertising.
8. Collaboration with influencers and educators.

9. Encourage responsible endorsements by celebrities and influencers.
10. Certify ethical advertising practices for greater consumer trust.

Conclusion:

False advertising in the e-commerce sector is a widespread issue that undermines consumer trust and market integrity. While awareness and vigilance are increasing, significant gaps remain in consumer education and reporting mechanisms. Collaborative efforts from e-commerce platforms, government agencies, and educational institutions are critical to addressing these challenges. By implementing targeted measures, stakeholders can foster a more transparent and trustworthy e-commerce environment, benefiting consumers and businesses alike.

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