

## Sansad TV Perspective: New Endorsement Guidelines

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: '**New Endorsement Guidelines**'.

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### Participants:

1. Brijesh Singh, Additional Director General of Police, Govt. of Maharashtra
2. Khushbu Jain, Advocate, Cyber Security Laws
3. Neha Bhandari, Social Media Influencer

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### Introduction:

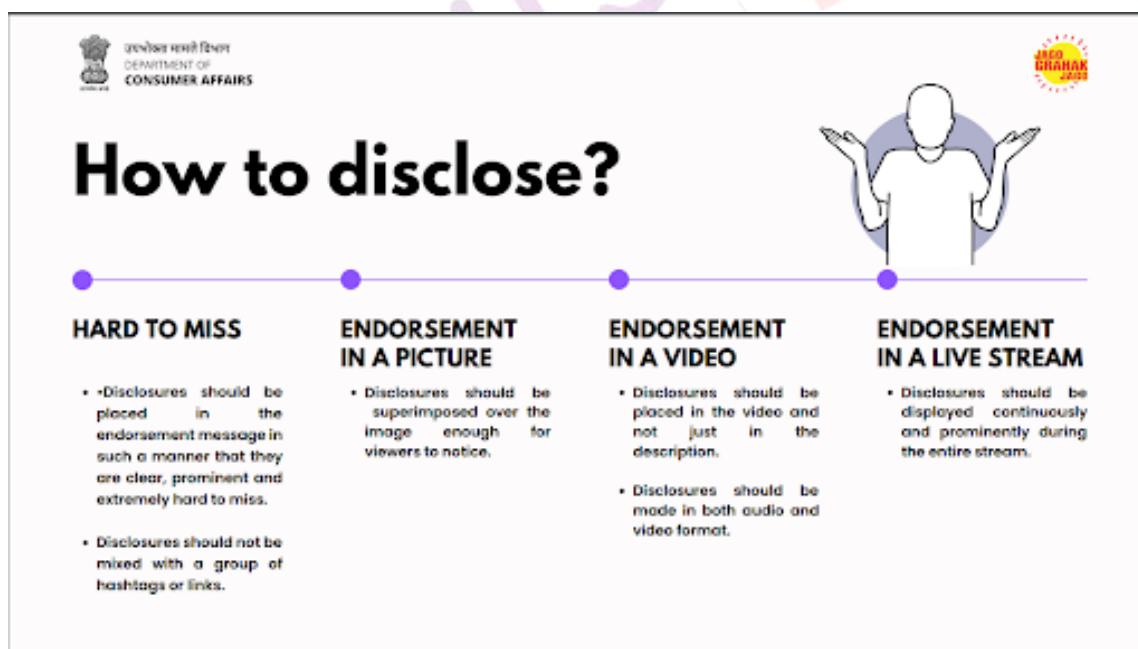
- The Union Ministry of Consumer Affairs, Food and Public Distribution released a guideline 'Endorsements Know-hows!' for celebrities and social media influencers.
- The guidelines is for celebrities, influencers and virtual influencers on social media platforms and also aims to ensure that individuals do not mislead their audiences when endorsing products or services and that they are in compliance with the Consumer Protection Act and any associated rules or guidelines
- This is released after considering the increased use of social media for promotional activities that goes beyond advertisements or advertorials in print or electronic media.
  - This has led to an increased risk of consumers being misled by advertisements and unfair trade practices by these individuals on social media platforms.
  - The size of the social media influencer market in India in 2022 was of the order of ₹ 1,275 crore and by 2025, it is likely to rise to ₹ 2,800 crore with a compound annual growth rate of about 19-20%.

## Highlights of Guidelines:

- New guidelines for celebrities and social media influencers mandates compulsory disclosure of monetary or material benefits of a product or a brand they are promoting through their social media platforms.
- The disclosures must be prominently and clearly displayed in the endorsement and terms such as 'advertisement', 'sponsored' or 'paid promotion' should be used for all sorts of endorsements.
- Benefits and incentives, and monetary or other compensation, trips or hotel stay, media barter, coverage and awards, free products with or without conditions, discounts, gifts and any family or personal or employment relationship come under material benefits according to the guidelines.
- They should not endorse any product or service in which due diligence has been done by them or that they have not personally used or experienced.

## How to Disclose?

- The new guidelines have specified who all need to disclose, when to disclose and how to disclose.



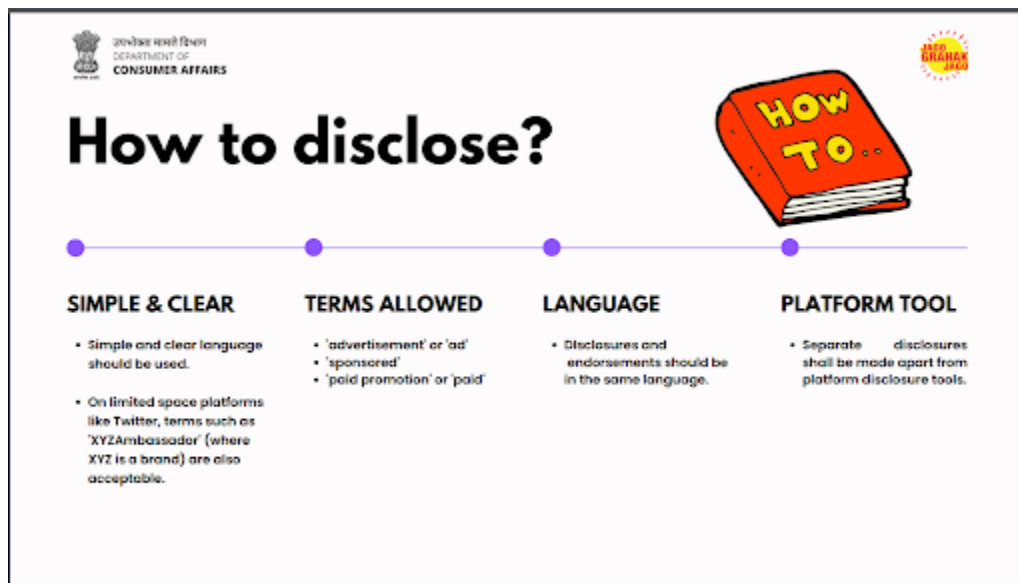


Image Source: Department of Consumer Affairs

### Penalty for violation of guidelines:

- Any violation of guidelines will attract strict legal action.
- The penalty prescribed for misleading advertisements under the Consumer Protection Act 2019 will be applicable.
  - In that case, the Central Consumer Protection Authority (CCPA) can impose a penalty of up to ₹ 10 lakh on manufacturers, advertisers and endorsers and for repeated offences, a penalty of up to ₹ 50 lakh can be imposed.
  - The CCPA can also prohibit the endorser of a misleading advertisement from making any endorsement for up to one year and for subsequent contravention, prohibition can extend up to three years.

### Significance of new guidelines:

- Endorsements are a form of advertising that uses famous personalities or celebrities who command a high degree of recognition, trust, respect or awareness amongst the people.
- Such people advertise for a product lending their names or images to promote a product or service. Advertisers and clients hope such approval, or endorsement by a celebrity, will influence buyers favourably.
  - For example, Sachin Tendulkar endorsing motorcycles and biscuits can influence young men or children who look to him as a role model.
- Such advertising connects with a lot more people than ordinary advertising can, because people will notice celebrities, famous personalities and role models even from a vast clutter of noise, people or products. Such ads work well for aspiration products or lifestyles.

- Social media platforms are often used to advertise products and services, but some businesses use misleading or false advertising, which is an unfair trading practice.
- Social media platforms are also used to post product reviews by influencers, but some reviews may be fake or biased, which can be misleading to consumers and also a violation of fair-trading practices.
- The guidelines are intended to ensure that those endorsing products or services do not mislead their audiences.
- The new guidelines emphasise the increased risk of consumers being misled by advertisements and unfair trade practices by some individuals on social media platforms.

