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## CONSUMER PROTECTION IN THE ERA OF INFLUENCER MARKETING: LEGAL CHALLENGES AND REGULATORY RESPONSES TO SPONSORED CONTENT IN INDIA

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### ABSTRACT

Through the marriage of personal expression and commercial persuasion, sponsored content and influencer marketing have redefined online advertising. Whilst this strategy enables businesses to communicate with consumers in a more genuine manner, it also increases the potential for deception, especially where endorsements are poorly disclosed. False advertising in India is governed by the Consumer Protection Act, 2019 ("CPA 2019"), which also gives the Central Consumer Protection Authority ("CCPA") the authority to govern endorsements and sanction advertisers and promoters.<sup>1</sup> The Advertising Standards Council of India ("ASCI") passed Guidelines for Influencer Advertising in Digital Media (2021) to supplement this regime, making the employment of standardized labels obligatory in disclosures of material relationships.<sup>2</sup> The enforcement of the same proves difficult, given the global and trans-border nature of influencer enterprise. The imperative for increased legal specificity and responsibility can be observed in decisions like *\*PepsiCo India Holdings (P) Ltd. v. Hindustan Coca Cola Beverages (P) Ltd.\**<sup>3</sup> and comparative regulatory patterns, e.g., Federal Trade Commission Endorsement Guides<sup>4</sup> and United Kingdom Advertising Standards Authority (ASA) rulings. To accomplish this study, open disclosures in maintaining consumer autonomy and trust in the age of sponsored content require reconciling industry self-regulation with regulation.

**Keywords:** Influencer Marketing, Sponsored Content, Consumer Protection Act, 2019, Central Consumer Protection Authority (CCPA), Advertising Standards Council of India (ASCI) Guidelines, Misleading Advertising, Disclosure Norms, Cross-Border Digital Advertising

### I. Introduction

India's rapid expansion in social media has transformed marketing strategies, and influencer marketing has emerged as a go-to tool to activate consumers. Influencers as in having massive followers on social media sites such as Instagram, YouTube, and X (formerly Twitter) are increasingly being utilized by businesses to promote goods and services through sponsored endorsements for money.<sup>5</sup> While this strategy is economically efficient, it carries significant consumer protection concerns with it, particularly where sponsored content is not clearly labeled. Sponsored blogs or videos in which influencers are compensated

to promote a product can obscure the commercial intent from the consumer, creating potential for deception or misrepresentation.<sup>6</sup>

Indian authorities, reacting to the expansion of online marketing, have emphasized transparency in influencer marketing. The Advertising Standards Council of India (ASCI) has issued clear cut guidelines that mandate influencers to show their material relationships with firms and brands so as not to mislead the consumer.<sup>7</sup> Simultaneously, the Consumer Protection Act, 2019 (CPA, 2019) legislates consumers' rights against false marketing practices, such as false advertising and unfair trade practices.<sup>4</sup> There are, however, issues of

enforcement, compliance, and consumer literacy that call for scrupulous analysis of the prevailing regulatory framework and its effectiveness in the digital advertisement environment.<sup>8</sup>

## II. Background

### A. Influencer Marketing and Sponsored Content

Influencer marketing in India is conducted at the interconnection of advertisement, social media engagement, and personal branding. Various brands collaborate with influencers who display credibility, reach, and influence over the target number of audience to promote their goods or services. Sponsored content is the primary platform for such promotion, wherein influencers weave brand messages into their own content.<sup>6</sup> The ASCI Guidelines for Influencer Marketing mandate the disclosure of any paid endorsement, gift, or incentive given by brands to consumers by influencers.<sup>7</sup> The disclosures must be "clear, conspicuous, and unambiguous" so that consumers can distinguish between paid endorsements and genuine recommendations. Yet, studies have proven that there is a high rate of influencer posts in India without these disclosures, which points to loopholes and negligence.<sup>9</sup>

### B. Importance of Consumer Protection in the Digital Economy

India's digital economy, driven by high e-commerce, social media, and consumption of digital content growth, has transformed consumer behavior and buying decisions.<sup>10</sup> While consumers have never-before access to information and products, the digital platform also increases the risk of exposure to misleading advertisements and deceptive marketing.<sup>11</sup>

The Consumer Protection Act, 2019 provides an overarching regime addressing unfair trade practices, including deceptive advertising propagated through virtual media.<sup>12</sup> The CPA, 2019 also defines "unfair trade practices" and "misleading advertisements" under Sections 2(1)(r) and 2(1)(c) to encompass online and

offline media.<sup>12</sup> The Act further empowers consumers to file complaints prior to Consumer Dispute Redressal Commissions being set up at the district, state, and national levels, providing a ready mechanism for enforcement.<sup>13</sup>

Effective consumer protection in the digital economy ensures consumers can make informed choices, have confidence in online platforms, and are safeguarded against deceptive or manipulative marketing behaviors.<sup>14</sup>

## III. Statement of the Research Problem

The influencer advertising and sponsored content in India leads to a two-way challenge. One, it facilitates brands reaching and influencing consumers effectively. Simultaneously, it raises problems of consumer deception, loss of trust, and exploitation through hidden promotion.<sup>15</sup> While the CPA, 2019 and ASCI guidelines provide a regulatory framework, enforcement issues, transparency, and consumer awareness continue to persist. This research tries to critically examine whether legal and regulatory mechanisms available currently have the ability to protect Indian consumers adequately under influencer marketing.<sup>16</sup>

## IV. Research Objectives

To review the effectiveness of the Consumer Protection Act, 2019 and ASCI guidelines in regulating of influencer sponsored content in India.

To evaluate the enforcement and impact of undisclosed sponsored content on trust of consumers and their buying decisions.

To identify gaps in the present regulations and to advice and propose changes to strengthen consumer protection in digital marketing.

To determine the social media platform's role and responsibility in monitoring influencer ad compliance.

## V. Legal Context in India

Consumer Protection Act, 2019: Section 2(1)(c)

and 2(1)(r) of the Act give definitions to unfair trade practice and false or misleading advertisements, including online media.<sup>17</sup> The Act entitles consumers to a right to approach Consumer Dispute Redressal Commissions for relief.<sup>18</sup>

Advertising Standards Council of India (ASCI) Guidelines: Mandates transparency in revealing sponsored content so influencer marketing can be transparent.<sup>19</sup> Other Relevant Guidelines: ASCI periodically updates influencer advertising guidelines, particularly for sectors like healthcare and finance, highlighting the ethical responsibility of brands and influencers.<sup>20</sup>

#### VI. Literature Review

Indian advertising has also taken a massive leap, from broadcast and print media to digital media dominated by social media.<sup>21</sup> With the rise of platforms such as Instagram, YouTube, and X (formerly Twitter), brands increasingly rely on influencer marketing to directly engage with customers.<sup>22</sup> Influencers, individuals with a large following, support goods or services through sponsored content—posts, videos, or stories upon which they earn money or compensation.<sup>23</sup> Unlike traditional advertising, sponsored content is woven into personal narratives, making it difficult for customers to distinguish between authentic recommendations and paid endorsement.<sup>24</sup> The Advertising Standards Council of India (ASCI) has recognized such challenges and released guidelines requiring influencers to disclose material connections with brands to prevent misleading advertisements.<sup>25</sup>

Consumer attitude is the linchpin of the effectiveness of influencer marketing.<sup>26</sup> It was found through research that consumers are more likely to trust and act on endorsements that they find genuine and identifiable.<sup>27</sup> However, the presence of unauthorized sponsorships raises a question of authenticity. Where influencers fail to clearly specify paid endorsements, consumer faith is violated, and thus scepticism about the influencer and the promoted brand arises.<sup>28</sup> The problem is

particularly highlighted in India, where consumers increasingly rely on recommendations by influencers in domains of fashion, beauty, technology, and finance.<sup>29</sup> The combination of positive content and lack of transparency can prove misleading on the part of consumers, thus necessitating proper enforcement of norms of disclosure under the Consumer Protection Act, 2019 (CPA, 2019) and ASCI guidelines.<sup>30</sup> Transparency and disclosure are the central issues of the influencer marketing controversy in India.<sup>31</sup> ASCI mandates that influencers must disclose sponsorships through overt labeling such as #ad or #sponsored so that promotional material is distinctly separated from personal content.<sup>32</sup> Adherence is still spotty despite this legislation. Evidence shows that a significant proportion of Indian social media platform influencer content fails to meet the disclosure requirements, reflecting enforcement and consumer literacy gaps.<sup>33</sup> Furthermore, literature queries whether hashtags or labels are sufficient to disclose sponsorship to consumers or whether more robust and clearer disclosure tools are needed.<sup>34</sup>

The Consumer Protection Act, 2019 is complemented by ASCI guidelines by providing legal recourse to consumers against unfair trade practices, such as false advertisements propagated through digital media.<sup>35</sup> "Unfair trade practices" and "misleading advertisements" are defined under sections 2(1)(c) and 2(1)(r) of the CPA, 2019 and comprise digital and social media content.<sup>36</sup> Redressal in the Act consists of the right to complain before Consumer Dispute Redressal Commissions at the district, state, and national level.<sup>37</sup> Experts argue that effective consumer protection in India encompasses regulatory enforcement, social media platform accountability, and increased consumer awareness, particularly within the rapidly evolving digital economy.<sup>38</sup>

In total, literature highlights influencer marketing and sponsored content as powerful engagement tools but as dangers to consumer

trust in the sense of authenticity concerns and insufficient disclosure. Strong legal environments such as ASCI guidelines and CPA, 2019, function to regulate the dangers, but compliance deficiencies and enforcement needs necessitate increased attention.<sup>39</sup>

## VII. Legal Framework

India recognized the growing salience of digital marketing and the related risks of undisclosed sponsored content. To safeguard consumer interests, the legal framework is a mix of statutory provisions and self-regulatory guidelines modified to suit the digital space.

The Consumer Protection Act, 2019 (CPA, 2019) is the foundation of consumer rights in India.<sup>40</sup> False advertisements are, under the Act, any statement or representation capable of leading consumers astray regarding the standard, nature, or quality of goods and services.<sup>41</sup> The Act gives the Central Consumer Protection Authority (CCPA) the authority to investigate such violations, undertake corrective action, and punish errant advertisers.<sup>42</sup> The CCPA has the authority to order withdrawal of misleading advertisements, order recall of goods, and fine errant advertisers, thus establishing a strong enforcement mechanism.<sup>43</sup>

In addition to the CPA, the CCPA Guidelines for Endorsements 2022 also cover influencer marketing in general, namely transparency and disclosure.<sup>44</sup> Influencers should make clear disclosures of any material connection to businesses to empower their consumers to be able to differentiate between their opinions and sponsored material. The guidelines state that a failure to make proper disclosure could constitute an unfair trade practice under the CPA, 2019.<sup>45</sup>

The Advertising Standards Council of India (ASCI) also published Guidelines for Influencer Advertising (2021), which give practical advice for social media marketing.<sup>46</sup>

Guidelines encourage overt sponsorship disclosure using language such as #ad or #sponsored and emphasize that disclosures

must be in a position where they will be clearly visible to the consumer.<sup>47</sup> The CPA, CCPA guidelines, and ASCI guidelines collectively signify a tiered legal and regulatory framework seeking to shield Indian consumers from misleading marketing practices while permitting the influencer economy to evolve responsibly.<sup>48</sup>

India's regulatory strategy can be compared with international models, which also require transparency in influencer marketing. The United States Federal Trade Commission (FTC) Endorsement Guidelines require conspicuous and unambiguous disclosure of paid endorsements, including social media.<sup>49</sup> The FTC has been handing out strongly worded warnings and taking action against influencers and brands who are not making proper disclosure.<sup>50</sup>

In the United Kingdom, influencer marketing is regulated by the Committee of Advertising Practice (CAP) Code and the Advertising Standards Authority (ASA).<sup>51</sup> Based on the guidelines, influencers have to make it easy for their viewers to identify paid-for endorsements. The ASA can issue a removal of content, sanction, and enforce violations, reflecting an active role towards digital consumer protection.<sup>52</sup> In the EU, the Digital Services Act (DSA) provides for obligations of disclosure by online intermediaries such as social media and online marketplaces.<sup>53</sup> The DSA requires sponsored content, advertisements, and algorithmically promoted content to be disclosed to the consumer in a bid to be transparent and accountable for digital services.<sup>54</sup>

By aligning India's regulation to meet these international norms, there is no question that despite the major improvement in the CPA, CCPA regulations, and ASCI guidelines, enforcement problems, consumer education, and general disclosure continue to be issues of concern.<sup>55</sup> Improving compliance infrastructure and increasing more public awareness will be necessary in getting Indian practices at

international par levels while upholding consumer confidence in the digital economy.<sup>56</sup>

#### VIII. Judicial Precedents and Case Laws

Judicial and regulatory steps have always been fundamental in shaping the enforcement measures of consumer protection laws relating to digital marketing and influencer advertisements. Courts do not and have not missed an opportunity to stress on the role of transparency, adequate representation, and disclosure norms in advertisement, particularly in sponsored content cases.

Indian courts have decided various issues of disputes relating to misleading advertisements and unfair trade practices. In *PepsiCo India Holdings Pvt. Ltd. v. Hindustan Coca-Cola Beverages Pvt. Ltd.*,<sup>57</sup> the Delhi High Court had to decide cases relating to misleading comparative advertising. The court reiterated that even in comparative advertising, which is done in competitive markets, companies must avoid making statements that may mislead the consumers with regard to the quality or features of products. This case reaffirmed the rule that advertisements must be fair and transparent and is consistent with the consumer protection objectives of the Consumer Protection Act, 2019.<sup>58</sup>

*Horlicks Ltd. v. Zydus Wellness Ltd.*<sup>59</sup> is another typical case, wherein the Bombay High Court interpreted health and nutrition advertisement claims. The judgment emphasized that a promotional claim, particularly regarding health benefit, will have to be based on sound evidence. Misleading or exaggerated claims were considered to be against unfair trade practices under the CPA, 2019.<sup>60</sup>

The Central Consumer Protection Authority (CCPA) has also been actively keeping a check on digital advertising and influencer advertisements.<sup>61</sup> It has, for example, served notices and fines to social media influencers and brands that fail to disclose sponsorship or the ones that post deceptive online ads. These actions show that the authority's determination

to enforce the responsibility and honesty in India's rapidly growing influencer marketing areas.<sup>62</sup>

Worldwide, legislators have also spoken about the consequences of clandestine sponsorships. In case of *FTC v. Lord & Taylor*,<sup>63</sup> the Federal Trade Commission of the United States gave a decision that Lord & Taylor's Instagram campaign was conflicting with disclosure norms since the influencers advertised products without proper disclosures to the people that their advertisements were sponsored. The case stressed on conspicuous disclosure in order to maintain consumer trust. Similarly, in *Warner*

*Bros.*' case,<sup>64</sup> undisclosed sponsorship in internet campaigns was doubted, reinforcing that transparent promotional material alone will suffice. Global precedents endorse India's CPA, 2019 and ASCI rules, shows the world convergence with regards to disclosure and honesty within and by influencer marketing.<sup>65</sup>

Together, these Indian and international case laws and precedents underline one commonality: consumer protection only succeeds if it not only has strong legal and regulatory frameworks but also strict enforcement and compliance from brands and influencers. Judicial precedents set the stage for the proposition that deceptive or non-disclosed advertising is legally consequential, stressing on the lines of transparency, substantiated claims, and adherence to ethical promotional techniques.<sup>66</sup> Such cases are helpful to regulators, and businesses in formulating laws and rules that ensure a proper balance between innovation in digital marketing and preserving consumer protection.<sup>67</sup>

#### IX. Analysis: Consumer Protection vs. Sponsored Content

The rapid growth of online and digital marketing and influencer advertising has given way an advanced context for consumer protection in India. Although consumers have conferred upon with them certain rights under the Consumer

Protection Act, 2019, sponsored content has introduced unique and different problems that call for critical analysis, enforcement and regulation.<sup>68</sup>

Indian laws safeguard consumers' rights against misleading advertisements, unfair trade practices, and deceptive marketing.<sup>69</sup> Sections 2(1)(c) and 2(1)(r) of the CPA, 2019 define "unfair trade practices" and "misleading advertisements" for traditional, old and digital media.<sup>70</sup> Consumers can file complaints to Consumer Dispute Redressal Commissions at district, state, and national levels, then proceed to seek redressal, and receive compensation for losses caused by deceptive marketing.<sup>71</sup> The aforementioned legal safeguards are the foundation of consumer rights in India and are important in determining sponsored content practices.<sup>72</sup>

Sponsored content, however, can mislead consumers by default.<sup>73</sup> Influencers incorporate promo messages into their own narratives, and blur the lines between actual opinion and sponsored adverts. Regulator and research articles have determined that unmarked sponsorships or under-marked endorsements possess the capability to guide consumer perception, majorly in sectors like health, beauty, fashion, and finance.<sup>74</sup> These practices could be considered violations of the CPA, 2019 and which amount to unfair trade practices, which also recognise the necessity to comply with disclosure requirements in a strict manner.<sup>75</sup>

The studies also reveal a synergy between consumer rights and freedom in the commercial sector. Brands and influencers want creative freedom to express themselves clearly to the audience, but consumer law needs transparency and honesty.<sup>76</sup> Finding a balance between the two is crucial; an unrestrained commercial freedom can lead to deceptive advertising, whereas over-enforcement can stifle innovation in online marketing.<sup>77</sup>

Accountability extends beyond influencers and

brands to platforms and digital intermediaries. Platform sponsors of sponsored content must enforce compliance with disclosure regulations, allow for reporting on misleading content, and facilitate cooperation with regulatory agencies.<sup>78</sup> ASCI guidelines and CPA provisions in India provide a regulatory framework, but challenges to enforcement persist due to the scale and velocity of online content dissemination.<sup>79</sup>

Cross-border enforcement complicates the scenario further. Sponsored content may come from international influencers or brands reaching Indian consumers, making jurisdictional power more difficult.<sup>80</sup> Cross-border enforcement of global precedents, like the FTC v. Lord & Taylor case in the US, show that regulators have the ability to act against undisclosed endorsements, but such cross-border enforcement in India is hampered by practical obstacles.<sup>81</sup> Harmonization of standards for disclosure and cooperation with global regulatory agencies can begin to solve some of these issues, but meaningful gaps still exist in facilitating universal global accountability.<sup>82</sup>

To conclude, the analysis reveals that although Indian law provides a strong support system for consumer protection, sponsored content on the internet poses intangible threats. An integration of statutory enforcement by the CPA, compliance with ASCI guidelines, prompt accountability by platforms and influencers, and global cooperation for cross-border issues delivers effective consumer protection.<sup>83</sup> This multi-faceted approach provides assurance that consumer confidence is not compromised without unduly restricting commercial creativity in online marketing.<sup>84</sup>

#### X. Policy Issues and Loopholes

There are several issues of practical and policy nature concerning regulation of sponsored content and influencer marketing, even though India has a robust legal framework for consumer protection. The loopholes generally negate the effectiveness of the prevailing laws

and guidelines, ensuring that it is not easy to safeguard consumer interests at all times.

One of the greatest challenges is the inadequate enforcement of influencer guidelines.<sup>85</sup> Even though the Consumer Protection Act, 2019 and ASCI Guidelines for Influencer Advertising, 2021 prescribe strict guidelines as regards disclosure and transparency, in reality, the monitoring of compliance is still wanting.<sup>86</sup> Social media platforms aggregate millions of posts daily, and government authorities often lack the resources and technological capacity to keep watching and reacting to non-compliance in time.<sup>87</sup> Hence, most influencers continue posting sponsored content without suitable disclosure, placing consumers at the risk of being misled.<sup>88</sup>

Another significant issue is the reliance on self-regulation in India. ASCI is an industry association-led self-regulatory body that has guidelines and advisory rules for influencers and brands to follow.<sup>89</sup> Although these are important, self-regulation will not ensure complete compliance. There are situations where violations continue to persist despite the ASCI directives, primarily because adherence to it is voluntary and penalties are limited to reputational consequences rather than stricter legal sanctions.<sup>90</sup> This creates a sort of tension between statutory law under the CPA, which states the enforceable penalties, and self-regulatory mechanisms, which depend on the mere cooperation from the industry.<sup>91</sup>

Another policy gap is brought up by a vague assessment of responsibility between brands, influencers, and the social media platforms.<sup>92</sup> If sponsored content is misleading or deceptive, it is then unclear who will be responsible finally, whether it is the influencer publishing the content, the brand hiring them for it, or the platform where it is posted.<sup>93</sup> It is the absence of clear legal guidance on this very point, enforcement becomes way more challenging and accountability is reduced. For instance, while the CPA authorizes the CCPA to penalize deceptive ads, establishing the perpetrator in

internet campaigns involving numerous players becomes difficult.<sup>94</sup> There is a need for clearer provisions in regulations and judicial guidance to demarcate these roles so that the consumer can have meaningful redress if he or she is misled.<sup>95</sup>

In short, while India has established an initial legal and regulatory framework for consumer protection of online advertising, policy loopholes such as weak enforcement, over-reliance on self-regulation, and a lack of clarity on who bears liability continue to imperil success.<sup>96</sup> Closing these loopholes by boosting monitoring, making guidelines legally binding, and defining commitments in clear terms is crucial to building a secure digital advertisement culture that upholds consumers' rights without stifling creativity.<sup>97</sup>

#### XI. Suggestions

To tackle and overcome the problems of sponsored content and to strengthen consumer protection in India specifically, certain crucial steps have to be taken. Improving the regulatory and enforcement regime is imperative to make the digital arena transparent, also to make it reliable for consumers as well as businesses and companies. Firstly, there must be stronger legislative backing for the disclosure standards.<sup>98</sup> Although the ASCI guidelines provide operational guidelines to influencers and brands which hire them, they are predominantly advisory. The inclusion of clear, enforceable disclosure provisions in statute law, either by adding amendments to the Consumer Protection Act, 2019 or in the form of specialized regulations by the Central Consumer Protection Authority (CCPA), can lead to making transparency legally enforceable and not just voluntary and advisory.<sup>99</sup> It would be able to bridge the gap between ethical standards and legally enforceable standards.

Secondly, there must be a proper framework of shared liability for brands and influencers.<sup>100</sup> Currently, there is uncertainty about who is liable when sponsored content that is posted is

deceptive or misleading. Clarifying that the brand commissioning the content as well as the influencer sharing it can be made liable and this will increase the compliance and create a clear cut redressal mechanism under the CPA, 2019.<sup>101</sup> This system can also encourage influencers to rigorously follow disclosure standards and will also motivate brands to check content more stringently. Thirdly, judicial directions to interpret influencer liability would further enhance enforcement.<sup>102</sup> Consumer forums and courts can be pro-active by passing guiding judgments that determine the boundaries of influencer responsibility, especially for multi-stakeholder campaigns.<sup>103</sup> Uniform judicial interpretation will resolve disputes effectively and give guidance to consumers and industry players.

Fourthly, consumer literacy and awareness campaigns are critical.<sup>104</sup> Even the most effective regulatory system is pointless if consumers do not know their rights or cannot recognize sponsored content. Governmental agencies, consumer organizations, and sites need to partner on campaigns about informing consumers on how to recognize undisclosed endorsements, how to understand misleading claims, and how to exercise available legal remedies under the CPA, 2019.<sup>105</sup>

Ultimately, harmonization with international disclosure standards can promote cross-border accountability and bring India in line with international best practices.<sup>106</sup> Implementing principles like those of the FTC Endorsement Guidelines in the United States or the ASA/CAP Code in the United Kingdom will not only serve to safeguard Indian consumers, but will also assist Indian brands and influencers in meeting international standards when marketing globally.<sup>107</sup>

To conclude, the adoption of these suggestions—statutory enforcement, joint liability, judicial definiteness, consumer education, and global harmonization—can go a long way in ensuring a robust regulatory landscape for influencer marketing in India.<sup>108</sup> All

these steps will promote responsible online advertising, protect consumer faith, and reconcile the imperatives of brand and influencer commercial freedom and the inherent rights of consumers.<sup>109</sup>

## XII. Conclusion

The growth of influencer marketing and sponsored content has completely changed the Indian online advertising sphere, offering the brands unprecedented media reach to the consumer. However, this advancement comes with major inherent risks, mainly concerning transparency, authenticity, and consumers' rights and duties. Getting a glimpse of the Consumer Protection Act, 2019, ASCI guidelines, and judicial precedents, it is fully evident that India has to develop a strong legal structure to safeguard the consumers against misleading advertisements and unfair trade practices.<sup>110</sup>

This discussion highlights the fact that sponsored content blurs the lines between genuine opinion and the paid promotion, which leads to creating uncertainty for enforcement and accountability. Judicial decisions in cases such as PepsiCo India Holdings Pvt. Ltd. v. Hindustan Coca-Cola Beverages Pvt. Ltd.<sup>111</sup> and Horlicks Ltd. v. Zydus Wellness Ltd.<sup>112</sup> have reinforced the ideals of transparency and substantiation of claims, and international jurisprudence, such as FTC v. Lord & Taylor,<sup>113</sup> emphasizes the global importance of transparent disclosure in influencer endorsements. These rulings entrench a critical necessity for a balance between encouraging digital advertising innovation and consumer protection.

Policy analysis also pinpoints enforcement gaps, undue reliance on self-regulation, and blurry liability ambiguities among brands, influencers, and platforms. These issues lead to providing the necessity of legislative backing, joint-liability models, judicial interpretation, and consumer education projects to bring about compliance and responsibility.<sup>114</sup> Alignment with international norms, such as those of the FTC and ASA/CAP, also allow Indian regulators and

companies to align best with global practices and to provide consistency in cross-border online adverts.<sup>115</sup>

Basically, the path ahead is multi-faceted: streamlining with the legal provisions, affecting ethical conduct by imposing strict enforceable standards for disclosure, increasing consumer awareness, and allowing for cooperation between the regulators, players in the industry, and international counterparts. These measures not only protect consumer interests but also uphold the vibrancy of India's digital marketing arena. Through a synthesis of statutory protection, practical enforcement, and international cooperation, India can achieve a viable model in which digital innovation co-exists with effective consumer protection.<sup>116</sup>

#### ENDNOTES

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