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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provided dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

A CRITICAL STUDY OF COMPETITION LAW IN REGULATING ANTI- COMPETITIVE PRACTICES: THE EVOLVING LANDSCAPE OF INFLUENCER MARKETING

AUTHORED BY - C. SOPHIA JEYAKAR

ABSTRACT

In recent years, influencer marketing has emerged as a powerful tool for promoting products and services, particularly in industries such as beauty and wellness. However, the rapid rise of this marketing strategy has brought new challenges in regulating false advertising and anti-competitive practices. This study critically examines the role of competition law and the Consumer Protection Act, 2019, in addressing anti-competitive practices within the context of influencer marketing. The study explores the intersection of competition law, which aims to prevent market distortions, and consumer protection laws, which safeguard consumers from deceptive practices such as false advertising by influencers.

Influencers, often acting as intermediaries between brands and consumers, have a significant impact on consumer decisions. While their endorsements can drive consumer behaviour, there is an increasing risk of misleading or false claims, which can distort competition by promoting certain brands unfairly or manipulating consumer perceptions. The Consumer Protection Act, 2019, addresses these concerns by holding influencers accountable for misleading advertisements and imposing penalties on both brands and endorsers. This study examines how the Act functions alongside competition law to prevent market dominance and price manipulation, thus ensuring a level playing field for all market participants.

By analysing specific case studies and enforcement mechanisms, this study aims to assess the effectiveness of the current legal framework in regulating influencer marketing. It also explores potential gaps in enforcement, particularly in the context of the rapidly evolving digital market. The study concludes by proposing recommendations for strengthening regulatory oversight to protect consumers and promote fair competition in influencer marketing, while ensuring that both laws work in synergy to address emerging challenges.

Keywords: *Competition law, Consumer Protection Act 2019, influencer marketing, anti-competitive practices, false advertising, beauty and wellness industry, digital marketing.*

1. **INTRODUCTION**

Influencer marketing leverages endorsements and recommendations from individuals with loyal and engaged audiences, often regarded as authorities within specific niches. Its effectiveness is rooted in the trust influencers build with their followers, providing social proof that enhances brand credibility. While the concept is not new, the rise of social media platforms like Instagram, YouTube, and TikTok has amplified its impact. These platforms have created opportunities for individuals to influence global audiences, leading to the emergence of micro- and nano-influencers alongside traditional celebrities and macro-influencers. This evolution has democratized influencer marketing, enabling businesses of all sizes to engage with targeted audiences.

The growth of influencer marketing has been substantial. Spending on influencer marketing was estimated at \$13.8 billion in 2021 and is projected to reach \$22.3 billion by 2024.¹ This rapid expansion underscores brands' confidence in influencers as effective channels to reach their target demographics. However, the rise of this strategy has also given way to anti-competitive practices that harm market fairness. These practices include exclusive agreements between brands and influencers, coordinated campaigns to suppress competitors, and misleading endorsements that distort consumer perceptions.

Anti-competitive practices undermine fair competition by enabling dominant players to monopolize influencer partnerships, leaving smaller brands struggling to compete. For example, exclusive agreements with prominent influencers can block competitors from accessing valuable promotional channels. Additionally, new entrants face significant visibility challenges when influential voices in their industry are inaccessible, limiting innovation and market diversity. Regulatory oversight is essential to ensure equitable access to influencer marketing and foster a competitive environment.

Transparency is critical in influencer marketing to protect consumer interests. Undisclosed financial relationships, fabricated reviews, and deceptive endorsements can mislead consumers, resulting in misguided purchasing decisions or harm from unsafe products. Regulations, such as the U.S. FTC's requirement for influencers to disclose paid partnerships,

¹ The Rise of Influencer Marketing, Bannari Amman Institute of Technology (<https://www.bitsathy.ac.in/the-rise-of-influencer-marketing/>).

aim to combat these issues. Globally, similar frameworks are emerging to enforce ethical advertising standards, ensuring audiences are informed and able to make confident decisions. Unethical practices, including spreading false information about competitors or inflating credibility through fake reviews, also distort market trends and erode consumer trust. Regulatory measures can help curb these actions, maintaining fairness and integrity in the industry. Additionally, dominant brands may exploit smaller influencers through unfair contracts or restrictive exclusivity clauses, limiting their growth and potential. Ensuring fair treatment and equitable compensation for influencers through regulation can contribute to a balanced and sustainable influencer marketing ecosystem. Jurisdictions worldwide are increasingly adopting measures to regulate influencer marketing and counter anti-competitive practices. These efforts aim to uphold transparency, safeguard consumer trust, and promote a fair, competitive marketplace that benefits all stakeholders.

2. RESEARCH PROBLEM & OBJECTIVES

2.1. RESEARCH PROBLEM

The research problem in this paper revolves around the growing challenges posed by influencer marketing in the context of competition law and consumer protection, particularly in the face of misleading advertising and anti-competitive practices. While influencer marketing has become a significant driver of business growth, it has simultaneously created issues such as market manipulation, false advertising, and unfair dominance by large brands. The paper seeks to examine how existing legal frameworks, particularly competition law and consumer protection regulations, can address these emerging concerns and ensure a level playing field in the rapidly evolving digital marketing landscape.

2.2. OBJECTIVES OF THE STUDY

- a. To critically analyse the role of competition law in curbing anti-competitive practices in influencer marketing, including exclusive agreements, market manipulation, and brand dominance;
- b. To evaluate the effectiveness of the Consumer Protection Act, 2019, in addressing deceptive practices, false advertising, and influencer accountability;
- c. To explore the intersection of competition law and consumer protection laws, focusing on their combined impact in promoting fair competition and protecting consumer rights.

- d. The study aims to propose actionable recommendations to enhance regulatory oversight, bridge gaps in enforcement, and develop a future-ready legal framework that adapts to the dynamic challenges of influencer marketing.

3. THE EVOLUTION AND ROLE OF INFLUENCERS IN DIGITAL MARKETING

Influencer marketing, rooted in traditional celebrity endorsements, has evolved significantly with the rise of social media. While early endorsements by celebrities lacked authenticity due to evident financial incentives, social platforms like Instagram, YouTube, and TikTok introduced influencers everyday individuals with niche expertise and relatable experiences who connect with audiences on a more personal level.

Micro-influencers have transformed the digital marketing landscape by engaging smaller but highly loyal and niche audiences. Their recommendations, rooted in personal passion and authenticity, resonate with followers as trusted advice rather than sales pitches. Brands quickly recognized the value of this approach, leveraging micro-influencers to achieve higher engagement and credibility.

Modern consumers demand authenticity and transparency. Influencers now share real-life moments, including struggles, creating relatable connections with their audiences. Regulatory measures, such as the Federal Trade Commission's (FTC) disclosure requirements, have emphasized transparency by mandating clear labelling of paid partnerships. This fosters respect and trust between influencers and their followers, enabling informed consumer decisions.

The evolution of influencer marketing has also amplified diverse voices, promoting inclusivity in areas such as body positivity, LGBTQ+ representation, and cultural identity. Influencers now represent not just themselves but entire communities, enabling brands to engage with specific audiences through shared values and experiences. This shift underscores the power of community-building in creating loyal and meaningful connections. Data-driven tools, artificial intelligence, and machine learning have revolutionized how brands identify influencers and measure campaign success. Platforms like TikTok and emerging spaces such as Clubhouse and BeReal have introduced innovative ways for brands to engage with audiences through real-time interactions and creative content strategies.²

The future of influencer marketing is shifting toward long-term partnerships, with influencers becoming brand ambassadors who align with a company's mission and values. These sustained relationships build deeper trust and loyalty, ensuring a stronger impact on consumer behaviour. As influencer marketing faces growing scrutiny over ethics and authenticity, brands must innovate to maintain relevance. Interactive content, live events, and immersive experiences are emerging as key strategies to engage increasingly discerning audiences without overwhelming them. Influencer marketing has become a pivotal strategy for brands across numerous industries, leveraging the trust, reach, and authenticity of influencers to engage targeted audiences effectively. The industries most significantly impacted by influencer marketing include; Beauty and Cosmetics, Fashion and Retail, Health and Wellness, Technology and Gadgets, Travel and Hospitality, Food and Beverage, Gaming and Esports, Home and Lifestyle & Education and Online Learning.

The beauty and cosmetics industry has been at the forefront of influencer marketing. Social media platforms like Instagram, YouTube, and TikTok host a large number of beauty influencers who create tutorials, product reviews, and "get ready with me (GRWM)" content. These influencers significantly influence purchasing decisions by demonstrating the effectiveness of products and sharing authentic experiences. Brands like Fenty Beauty and Kylie Cosmetics have successfully collaborated with influencers to launch products and boost sales. The health and wellness industry, including fitness, nutrition, and mental well-being, has seen a surge in influencer-driven campaigns. Fitness enthusiasts, yoga instructors, and wellness coaches often promote dietary supplements, fitness equipment, and self-care routines. Their endorsements lend credibility to products, making them appealing to health-conscious consumers.

3.1. REGULATORY FRAMEWORK FOR INFLUENCER MARKETING

Influencer marketing has become a powerful tool for brands, but it has raised concerns regarding transparency and fairness, particularly due to the rise of misleading advertising

² Chopra, Anjali & Avhad, Vrushali & Jaju, and. (2020). Influencer Marketing: An Exploratory Study to Identify Antecedents of Consumer Behaviour of Millennial. Business Perspectives and Research.

and anti-competitive practices. To address these concerns, India has introduced a regulatory framework involving several key guidelines and laws. The Advertising Standards Council of India (ASCI) established guidelines in 2021 for influencer advertising in digital media. These guidelines require clear and prominent disclosures for paid content, including labels such as “Ad” or “Sponsored.” Influencers must disclose material connections, such as payments or free products, to maintain transparency with their audiences. ASCI has expanded these guidelines, including new provisions in 2023 for health and financial influencers, who are required to have appropriate qualifications. Moreover, the Central Consumer Protection Authority (CCPA) enforces penalties for misleading advertisements, with fines of up to INR 50 lakh for repeat offenders.

India also utilizes the Consumer Protection Act, 2019 (CPA 2019), which holds influencers accountable for deceptive advertisements. The CCPA enforces compliance by fining and imprisoning those who fail to meet transparency standards. Additionally, the Competition Act, 2002 targets anti-competitive practices like price manipulation, exclusive agreements, and market dominance by influencers promoting one brand over others. Section 3³ and Section 4⁴ of the Act address these issues, prohibiting market distortions and abuse of dominance. Influencer agreements that promote monopolistic behaviour or create artificial demand may face scrutiny.

³ **Anti-competitive agreements-**

(1) No enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India.

(2) Any agreement entered into in contravention of the provisions contained in sub-section (1) shall be void.

(3) Any agreement entered into between enterprises or associations of enterprises or persons or associations of persons or between any person and enterprise or practice carried on, or decision taken by, any association of enterprises or association of persons, including cartels, engaged in identical or similar trade of goods or provision of services, which--

(a) directly or indirectly determines purchase or sale prices;

(b) limits or controls production, supply, markets, technical development, investment or provision of services;

(c) shares the market or source of production or provision of services by way of allocation of geographical area of market, or type of goods or services, or number of customers in the market or any other similar way;

(d) directly or indirectly results in bid rigging or collusive bidding, shall be presumed to have an appreciable adverse effect on competition

⁴ **Abuse of dominant position-**

.1[(1) No enterprise or group shall abuse its dominant position.]

(2) There shall be an abuse of dominant position 2[under sub-section (1), if an enterprise or a group],--

(a) directly or indirectly, imposes unfair or discriminatory--

(i) condition in purchase or sale of goods or service; or

(ii) price in purchase or sale (including predatory price) of goods or service.

4. **INTERNATIONAL PERSPECTIVE – INFLUENCER MARKETING**

The international regulatory landscape for influencer marketing highlights the growing recognition of challenges associated with anti-competitive practices and the need for transparency and accountability. In the United States, the Federal Trade Commission (FTC) enforces its Endorsement Guides under Section 5 of the FTC Act, mandating clear disclosures for sponsored content. Influencers and brands are jointly held accountable for misleading endorsements. Guidelines for digital platforms emphasize the use of explicit hashtags like #ad or #sponsored to ensure transparency. Enforcement actions, such as those against Lord & Taylor for undisclosed influencer payments and Teami LLC for failing to disclose material connections, underscore the FTC's proactive stance on consumer protection.

In the European Union, the Unfair Commercial Practices Directive (UCPD) prohibits misleading advertising, requiring influencers to disclose sponsored content as non-organic. Landmark cases, such as the German Federal Court's decision in *Influencer v. Medienanstalten* (2021)⁵, established precedents for enhanced transparency. Additionally, the General Data Protection Regulation (GDPR) governs the use of consumer data in influencer marketing, ensuring compliance with data protection and consent standards for targeted campaigns.

The United Kingdom relies on the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) and oversight from the Advertising Standards Authority (ASA). The ASA actively enforces disclosure requirements, as demonstrated in rulings against influencers like “Molly-Mae Hague” for inadequately labelling promotional posts⁶. This highlights the U.K.'s emphasis on consumer transparency and fair competition.

In Australia, the Australian Competition and Consumer Commission (ACCC) regulates influencer marketing under the Australian Consumer Law (ACL), which prohibits misleading conduct. While not influencer-specific, cases like *Thermomix v. ACCC*

⁵ Influencer Marketing. Case law of the Federal Court of Justice, (Mar. 18, 2022), <https://www.hoganlovells.com/en/publications/influencer-marketing-case-law-of-the-federal-court-of-justice>.

⁶ Sarah Dennis, Prettylittlething.com Instagram Story rapped for failure to disclose ad status, <https://www.performancemarketingworld.com/article/1793058/prettylittlethingcom-instagram-story-rapped-failure-disclose-ad-status>.

emphasize the ACCC's rigorous enforcement of advertising standards.⁷ The ACCC also warns influencers and brands about penalties for non-disclosure.

Globally, these frameworks share a commitment to transparency, consumer protection, and accountability, though enforcement approaches vary. For example, the FTC in the U.S. focuses on monetary fines and public warnings, while Indian laws under the Consumer Protection Act (CPA) include provisions for imprisonment. The dual application of India's CPA and Competition Act provides a broader framework than the FTC's centralized approach, although Indian regulations are still evolving to address influencer marketing nuances. By examining international practices, India can strengthen its regulatory mechanisms. Aligning domestic laws with global standards while tailoring them to local market dynamics can ensure that influencer marketing evolves responsibly, safeguarding consumer interests and promoting fair competition.

4.1. ANTI-COMPETITIVE PRACTICES IN INFLUENCER MARKETING

Influencer marketing, a powerful strategy for shaping consumer behaviour, has also given rise to anti-competitive practices that challenge market fairness. One significant issue is price manipulation, where influencers create artificial demand or promote misleading price advantages, distorting consumer perceptions. Such practices contravene laws like Section 3 of India's Competition Act, 2002, and Section 5 of the U.S. FTC Act⁸, as exemplified by the FTC's action against Lord & Taylor for deceptive "limited-time offers."⁹

Preferential promotions involve exclusive collaborations that undermine competitors and limit consumer choice, violating competition laws like India's Competition Act and the EU's Unfair Commercial Practices Directive. Similarly, dominant brands leverage their position to monopolize top influencers or suppress smaller competitors, a practice prohibited under Section 4 of the Competition Act, 2002. The FTC's case against Teami LLC illustrates how misleading claims amplified by influencers can distort competition.

⁷ Australian Competition and Consumer Commission V. Thermomix in Australia Pty Limited, [2018] FCA 556; 360 ALR 676

⁸ prohibits "unfair or deceptive acts or practices in or affecting commerce." The prohibition applies to all persons engaged in commerce, including banks.

⁹<https://fastercapital.com/content/Aggressive-Marketing--Navigating-the-Waters-of-Aggressive-Marketing--Strategies-and-Ethics.html>.

False claims and deceptive practices by influencers, such as endorsing unverified product benefits, erode consumer trust and distort fair competition. These practices are addressed by laws like Section 21 of India's Consumer Protection Act, 2019¹⁰, and Section 5 of the FTC Act. For example, the FTC penalized Teami LLC for unsubstantiated health claims promoted by influencers. Collusion among influencers to disparage competitors or amplify demand for specific products also violates competition laws, as does the manipulation of consumer reviews, highlighted in the FTC's case against Sunday Riley for fabricating positive reviews.

The Consumer Protection Act, 2019 (CPA 2019) in India addresses issues of misleading advertisements and holds both influencers and brands accountable. Influencers are required to ensure endorsements are truthful and disclose material relationships, such as sponsorships or gifts. Violations under the CPA 2019 can lead to penalties up to ₹10 lakh for first-time offenders and ₹50 lakh or imprisonment for repeat offenders. The Central Consumer Protection Authority (CCPA) is empowered to enforce these provisions, including issuing cease-and-desist orders for misleading advertisements.

Misleading advertisements through influencer marketing pose significant risks to consumer trust and market competition. The CPA 2019, alongside global regulations, provides a robust framework to ensure accountability and transparency in influencer marketing. However, consistent enforcement and increased consumer awareness are essential to addressing these challenges effectively and fostering a fair marketplace.

¹⁰ ***Power of Central Authority to issue directions and penalties against false or misleading advertisements.***

(1) Where the Central Authority is satisfied after investigation that any advertisement is false or misleading and is prejudicial to the interest of any consumer or is in contravention of consumer rights, it may, by order, issue directions to the concerned trader or manufacturer or endorser or advertiser or publisher, as the case may be, to discontinue such advertisement or to modify the same in such manner and within such time as may be specified in that order,

5. INTERFACE BETWEEN COMPETITION LAW AND CONSUMER PROTECTION

The intersection of competition law and consumer protection laws is increasingly relevant in the context of influencer marketing. These legal frameworks, while distinct in their objectives, often complement each other in promoting fair markets and safeguarding consumer rights. This interface is particularly significant in addressing the challenges posed by deceptive practices and anti-competitive behaviour in influencer-driven promotions. Competition law aims to preserve market integrity by preventing practices that distort competition, such as monopolistic behaviour, cartels, and market manipulation. Consumer protection laws, on the other hand, focus on safeguarding consumers from unfair trade practices, including misleading advertisements and substandard products. In influencer marketing, these areas overlap when deceptive practices also impact market competition.

Influencers can inadvertently contribute to anti-competitive practices by promoting products in ways that mislead consumers or restrict competition. For example, exclusive agreements with dominant brands might reduce consumer choice while potentially violating competition law. Both legal regimes aim to ensure transparency and accountability in business practices. Misleading advertisements can harm consumers and create market inefficiencies, prompting the simultaneous application of competition and consumer protection laws. Influencer marketing poses unique challenges in balancing competition law and consumer protection. Regulating practices that distort markets while protecting consumers from exploitation requires a nuanced approach. The global nature of digital platforms presents significant challenges in regulating influencer activities. Influencers often operate across jurisdictions, promoting products in multiple countries, making enforcement of local laws complex. Different nations have varying regulations for advertising and competition, creating a regulatory vacuum in cross-border cases. Platforms like Instagram and TikTok amplify this complexity by hosting content that transcends geographic boundaries, making it difficult to ensure uniform compliance. Furthermore, the anonymous or pseudonymous nature of many influencers complicates tracking and holding violators accountable.¹¹

Monitoring influencer compliance with disclosure norms and advertising standards poses a significant hurdle for regulators. The sheer volume of content generated daily across

¹¹ <https://www.oecd-ilibrary.org/docserver/clp-11>

platforms makes manual oversight impractical. Automated tools for monitoring, while helpful, are not always equipped to identify nuanced violations, such as subtle non-disclosures or misleading claims embedded within personal narratives. Additionally, influencers and brands may employ tactics like ephemeral content (e.g., Stories) or disclaimers buried in hashtags to circumvent scrutiny. These challenges hinder the consistent application of consumer protection and competition laws. Existing laws often fail to address the unique nuances of digital influencer marketing. Loopholes include vague definitions of “material connections” and inadequate enforcement mechanisms for ephemeral or indirect promotional content. Many laws were drafted before the rise of social media, making them ill-suited for today’s rapidly evolving digital landscape. Emerging technologies, such as artificial intelligence and virtual influencers, further complicate regulation, as traditional frameworks struggle to apply to non-human endorsements or algorithm-driven promotions.

5.1. ANALYSIS OF NOTABLE CASES AND GUIDELINES RELATED TO ANTI-COMPETITIVE PRACTICES AND MISLEADING ADVERTISING BY INFLUENCERS

a) FTC v. Teami, LLC ¹²

High-profile cases such as *FTC v. Teami, LLC* and the CCPA’s actions against misleading advertisements highlight the challenges and outcomes of regulating influencer marketing. In the Teami case, the FTC addressed false health claims and inadequate disclosure of sponsorships by influencers, resulting in significant fines and refunds. Another example is India’s crackdown on misleading advertisements by fitness influencers promoting unverified health products. These cases underscore the need for proactive enforcement and robust regulatory frameworks, as well as the importance of holding both influencers and brands accountable.

b) Marico Limited v. Abhijeet Bhansali (2020) ¹³

In *Marico Limited v. Abhijeet Bhansali*, the Bombay High Court addressed the responsibilities of social media influencers in maintaining ethical practices. The case

¹² *FTC v. Teami, LLC, Adi Halevy, and Yogev Malul*, Case No. 6:20-cv-00481, U.S. District Court for the Middle District of Florida, FTC Matter/File Number 182 3174 (2020).

¹³ 2020 (81) PTC 244 (Bom)

involved a YouTube video where the influencer disparaged Marico's Parachute Coconut Oil, using dubious techniques to claim it was not 100% pure while promoting competing products. The Court found the influencer's actions to be reckless, malicious, and misleading, as he cited unreliable internet sources, blurred distinctions between different types of coconut oil under the Food Safety and Standards Regulations, 2011, and linked alternative products in the video description. These actions were deemed to constitute commercial speech, governed by stricter standards under Article 19(2) of the Constitution. The Court applied the principles of law on disparagement, establishing that the influencer's statements were false, malicious, and caused special damages to Marico, evidenced by consumer comments indicating a shift away from the product. Defences raised, including freedom of speech and bona fide intent, were rejected, as the content was found to mislead under the guise of impartial reviews. The Court granted an injunction to remove the video, emphasizing influencers' responsibility to ensure accuracy and transparency in their content. This case underscores the need for stricter regulations and greater accountability in the growing realm of influencer marketing.

c) Advertising Standards Council of India (ASCI) Guidelines:

ASCI updated its influencer advertising guidelines in 2023, mandating clear disclosure labels to ensure transparency. Influencers endorsing health or financial products must now demonstrate relevant qualifications and disclose affiliations prominently. This move reflects the increasing importance of accountability in influencer marketing in India.¹⁴

d) SEBI's Regulation on "Finfluencers":

The Securities and Exchange Board of India (SEBI) has been scrutinizing financial influencers ("finfluencers") who provide investment advice without proper qualifications. Recent guidelines ensure that only certified individuals can offer such advice, aligning with the ASCI's broader mandate on influencer endorsements.¹⁵ Current laws often lack clarity on the responsibilities of influencers, brands, and platforms. For instance, while the **Consumer Protection Act, 2019** mandates truthful advertising, it does not provide comprehensive guidelines on monitoring influencer activities or

¹⁴ <https://www.ascionline.in/the-asci-code/>

¹⁵ SEBI amends rules to regulate finfluencers The Economic Times, <https://economictimes.indiatimes.com/markets/stocks/news/sebi-amends-rules-to-regulate-finfluencers/articleshow/112921759.cms?from=mdr>

addressing cross-border issues. Similarly, competition laws need clearer provisions on handling exclusive agreements or monopolistic practices facilitated through influencer endorsements.

To address these gaps, clearer and more detailed guidelines are necessary. Regulators must define “material connections” comprehensively and establish standards for disclosure across all digital formats. Accountability mechanisms should be strengthened, with explicit roles for platforms in monitoring and reporting non-compliance. Collaborative efforts between governments, international bodies, and platforms can create a harmonized framework to address the unique challenges of influencer marketing in the global digital economy. The enforcement of competition and consumer protection laws in influencer marketing faces numerous challenges, from cross-border complexities to outdated regulatory frameworks. Addressing these issues requires a combination of legislative updates, technological tools for monitoring, and international collaboration to ensure transparency, accountability, and fair market practices in this dynamic landscape.

6. SUGGESTIONS & CONCLUSION

6.1. SUGGESTIONS

- a) Mandate clear, consistent, and visible disclosures across all types of influencer content (e.g., posts, videos, stories) and extend disclosure requirements to virtual influencers and clearly label them as non-human entities, maintaining transparency in all marketing efforts.
- b) Foster partnerships between international regulatory bodies to address the challenges of cross-border influencer marketing, ensuring global standards and develop a unified framework for influencer disclosures and accountability standards that can be adopted internationally, enabling consistency in enforcement.
- c) Invest in artificial intelligence tools to monitor influencer content in real-time across various digital platforms, improving the ability to detect non-compliance.
- d) Establish accessible whistleblower channels to allow consumers and industry stakeholders to report misleading content or violations of advertising standards and clearly define "material connections" between influencers and brands to ensure that both parties are jointly liable for deceptive or misleading practices.
- e) Implement stricter penalties for repeated violations, including more severe fines and potential legal consequences for influencers and brands that consistently fail to comply.

- f) Launch campaigns to educate consumers on how to identify promotional content, thereby empowering them to make more informed purchasing decisions and increase public awareness of their rights under consumer protection laws, helping consumers recognize and avoid misleading advertisements.
- g) Introduce regulations that prevent dominant brands from monopolizing influencer relationships, ensuring that small businesses also have access to influencer marketing opportunities.
- h) Provide legal frameworks to support smaller influencers, helping them negotiate fairer contracts and ensuring that they are not exploited by larger brands and continuously revise laws to address new challenges, such as AI-driven endorsements and new digital marketing platforms.

6.2. CONCLUSION

Influencer marketing has revolutionized digital marketing, creating both opportunities and challenges for businesses, consumers, and regulators alike. The growing concerns over anti-competitive practices and misleading advertisements highlight the urgent need for a more robust regulatory framework. While competition law and consumer protection laws in India and globally have made strides in addressing these issues, there remain significant gaps, particularly in ensuring transparency and preventing market manipulation. By implementing stronger guidelines for disclosure, fostering international collaboration, and enhancing monitoring and accountability, regulators can create a more ethical and equitable environment for both consumers and businesses. These measures will help maintain consumer trust, ensure fair competition, and promote responsible marketing practices in the influencer-driven digital economy.

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