



# To what extent has advertising evolved and has the rise of social media and influencer marketing triggered false advertising further?

**Sahana Dua**

Student

The Shri Ram School Mousari, Gurugram, India

## **Abstract**

For the innovation of a company to reach the market, a strong advertising and marketing strategy is vital. Over the years, advertising has evolved dramatically and so has the choice of media. Whilst the options used to once be limited to newspapers and magazines, the digital age has led to many brands discovering digital advertising and thus flooding social media platforms with their content. One common way in which brands reach their audiences via social media is by having influencers promote their products. Influencer marketing has become very popular recently and while it has its fair share of perks, it unfortunately also has some drawbacks with the spread of false advertising being the most dangerous. This paper aims to discover the dangers of false advertising by analyzing some examples of it from recent times. Additionally, there is also a discussion of the existing laws regarding false advertising and an evaluation of why they may not be as effective as thought to be.

## **Introduction**

Advertising is an important concept in the business world; however, it is also one for which there is no distinct definition. The most basic way of explaining advertising is by acknowledging that it is most commonly a paid promotional tool used to bring public attention to an offering or a specific company. Over the years, advertising has become increasingly important as a result of brands realizing its potential to form connections between the brand and the consumer which further facilitates the achievement and progression of several business purposes - as will be discussed in this paper.

Advertising is usually executed through varying forms of media including television, radio, newspaper, magazines and more recently, the internet. In most countries, advertising is actually one of the most important sources of income for the media. Initially, advertising started with the simpler word of mouth. Gradually, with the development of printing services in the 15th and 16th centuries, the aforementioned transformed into what we now recognize as modern advertising. A common example was when weekly newspapers in London started to showcase advertisements during the 17th and 18th centuries (Britannica, 2018).

The 19th century was particularly important for the business world. There are many reasons for this, however, one of the most important was the Industrial Revolution that spread from England to New England around the 1820s. As a result of this, there was increased use of machinery and economies of scale started to give rise to the factory system. This phenomenon combined with improvements in transportation and communication further facilitated a trend of mass production. All the expansion in the business world also led to the strengthening of the advertising agency. For example, the 19th century saw the official establishment of advertising agencies in the United States. Whilst these advertising agencies started as brokers who were competing for space in newspapers, by the early 20th century, the agencies started to get involved in the actual production of advertising messages itself. This included everything from the copy to the artwork.

With the development in the advertising industry, there were also a lot of changes in the media that was used for advertising. The most basic form of media remained the newspaper as it provided the ability to reach a large number of people in a much more localized manner. Magazines also started to become important for more targeted advertising as there are a variety of magazines with each having a different audience. Over time, advertising shifted from just print to even television and radio. Advertisers were enabled to buy spots of time (usually a minute or less) wherein their adverts would be shown in between programs. For example, the first advert to be broadcasted on TV was in July 1941 over the New York station WNBT – which is still going as WNBC, 'channel four' - for watchmaker Bulova, before a baseball game between the Brooklyn Dodgers and Philadelphia Phillies (Flanagan, 2014).

The advertising industry took another big turn in light of the 21st century - a time when businesses started to become increasingly competitive and digital technology was booming. Advertisers started to discover many new and more creative ways to make the public aware of products and businesses. For example, in 2009, the world witnessed the first-ever video advertisement to be embedded in a print publication i.e., Entertainment Weekly magazine. The thin battery-powered screen implanted in the page could store up to 40 minutes of video via chip technology and automatically began to play when the reader opened the page (Britannica, 2018). The trend of digital advertising continued to grow even further considering the ever-increasing influence of social media

platforms and the conceptualization of influencers. However, this has also brought about higher reports and claims of false advertising with many questioning the ethics of adverts published and circulated on social media.

Based on the aforementioned, this paper aims to analyze the purpose of advertising for companies, the growing popularity of social media advertising and how influencer marketing has further fueled false advertising. In doing so, the research question to be answered is **“To what extent has advertising evolved and has the rise of social media and influencer marketing triggered false advertising further?”**

### **The purpose of advertising**

Regardless of the media through which an advertisement is communicated, there is always a purpose behind the advertisement i.e., the brand advertising wishes to fulfil a certain aim. While there are many different purposes that advertising can fulfil, the main ones are to inform, persuade and remind. Many companies can innovate and produce new goods or services, however, if these are not communicated to the public, then they hold almost no value. By informing the target market about the new product or service in question, advertising helps companies overcome this hurdle. Sometimes, merely informing consumers is not enough. Instead, in competitive landscapes, some businesses may have to use advertising to persuade their target market to believe that their product or service is in fact better than that of any competitor. To do this, companies take on many approaches, but the most common practices entail an emphasis on the product quality, service, exclusive features, environmental safety, cool factors, trailblazing technology, and low costs. A lot of research also shows that an advertisement which is able to connect with the emotions of the consumers will be even more successful at persuading them. Finally, it is also very important for brands to continuously remind consumers about the benefits of the product or service they are offering. Maintaining this top-of-mind awareness is crucial and can ensure that your consumers develop brand loyalty and do not stray to other brands (Cole, 2021).

On the basis of the above, it is clear to conclude that advertising is crucial for companies. In fact, the existing literature also makes many connections between advertising and brand image development. For example, a paper by Meenaghan (1995), concludes that “advertising represents a most potent source of brand identity”. This is explained by the author through the two main functions of advertising that are recognized in the paper i.e., to present and thereby position the brand attributes against consumer expectations and to imbue the brand with values symbolically attractive to the target market. Whilst Meenaghan mentions that the first function is relatively informational, he suggests that the second function is particularly important as it entails imbuing the brand with human-like rather than mechanical performance-oriented values. When the advertisement focuses on the symbolic values of the product or service being advertised, it places the brand in a more relevant lifestyle context and creates an emotional connection with the target market. The aforementioned can be a great source of competitive

advantage. Therefore, “the development of brand image is reliant on both the informational and the transformational abilities of advertising with the brand image formed by the consumer being the composite of both functional and emotional components absorbed simultaneously”.

Interestingly, advertising can also be very important for society with the public being heavily impacted by such activities. In fact, a paper by Fletcher (2010) suggests that critics of advertising are most concerned about the public when they question the morality and benefits of advertising. Whilst advertising possesses certain benefits - including the creation of employment, support of media independence, increase in quality coupled with decreases in prices, and a wide spread of brand awareness - there is a big question regarding the extent to which advertising can harm the public when the ethics are forgotten, and misleading content is published.

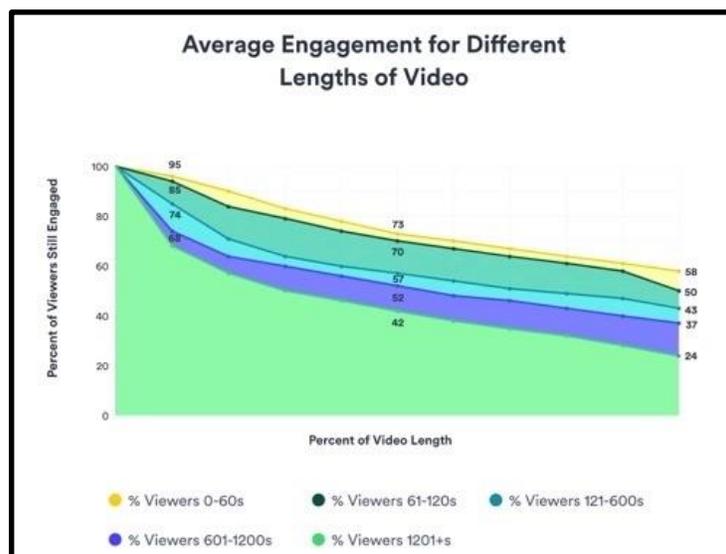
### **Social Media Advertising**

Whilst discovering the evolution of advertising over the years, the introduction mentions how in recent times, advertising via social media platforms has become increasingly popular. Platforms such as Instagram, Facebook, and TikTok are all internet-based and give users quick electronic access to content. Looking at the numbers helps to solidify the true reach of social media. As per statistics from January 2022, 58.4% of the world i.e., 4.62 billion people use social media. Furthermore, each of these users is expected to spend an average of 2 hours and 27 minutes per day using social media (Chaffey, 2019). While social media was originally developed to allow people to interact with their friends and families, it wasn't too long before businesses saw the potential to reach their global audiences through these platforms. The aforementioned is what led to many companies starting to advertise their products and services either solely or partly using social media channels (Dollarhide, 2021).

Other than the wide reach of social media, the demographics of users are another motivator for companies to advertise on these channels. For example, the Pew Research Center (2021) found that overall social media users in the USA tend to be younger - in fact, nearly 90% of people aged between 18 and 29 used at least one form of social media. Moreover, the majority of users tend to be better educated and relatively wealthy or earning over \$75,000 per year. The age mentioned in the conclusions of this research identifies as Gen-Z's i.e., people born between the mid-1990s to early 2000s. By being the first generation to grow up in the digital age, these users are found to be the most comfortable with using and interacting with varying technologies - explaining their evident presence across social media platforms. What's even more interesting, however, is that research repeatedly shows that this generation is also the most easily influenced by online advertising with 52% frequently engaging with company adverts in comparison to an average of 30% across other generations (Dollarhide, 2021). The aforementioned coupled with the fact that people belonging to this generation normally have a lot more money to

burn on products and services makes for the perfect recipe for companies, further fueling their investment in social media advertising.

That being considered, deciding to invest in digital advertising requires businesses to create and execute a sound strategy. As part of this, one of the key choices that have to be made is which social media platforms the advertisements should be displayed on. Each social media site has a unique audience, and it is therefore important for the company to spend time finding which site their target audience is most present on. For example, with a target audience of people aged 60 and above, advertising on a platform like TikTok would be a waste. Instead, Facebook may prove more successful. Another factor that is important to consider is the type of advertisements that would be most suitable to invest in. In a world with endless scrolling, marketers have less and less time to grab the attention of potential consumers (Reed, 2021). For example, it was found that Facebook (2016) users spend only 1.7 seconds, on average, with a piece of mobile content. This has important implications for the choices a company makes as part of its social media advertising strategy. Say for instance a company decides to use video ads on social media platforms, research suggests that they should ensure it is timed under 1 minute. As per Vidyard (2022), as a video becomes longer than 1-minute, fewer users watch the entirety of it - as can be seen in the graph below.



On the whole, when social media advertising is done right, it can benefit companies in a myriad of ways. Firstly, this form of advertising is known to increase brand awareness exponentially. When you place your brand on a social media platform, you are making it visible to millions of people. When these users view the content, the brand stays at the top of their heads and this can be good for both new and established businesses. Secondly, other than just having the brand more known, chances are that many companies would benefit from higher conversion rates. In particular, when social media adverts are linked to direct purchasing calls to action, many users may be tempted to buy products. This, therefore, generates a high return on investment. Other than these, some of the

other advantages may include the low costs of advertising on social media, better lead generation for the businesses and the ability to access an in-depth analysis of the consumers (Medlicott, 2021).

However, similar to most things, even social media advertising has a dark side to it which has become more visible since the birth of influencer marketing. This will be further discovered in the following section of the paper.

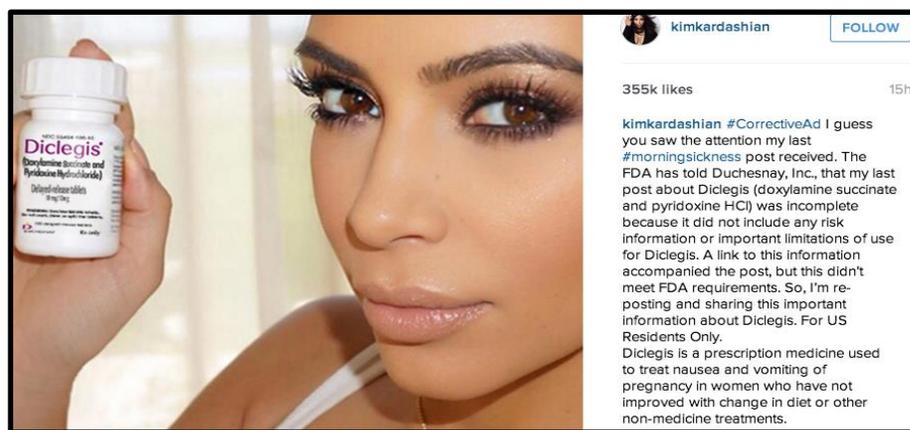
### **The spread of false advertising**

Celebrity endorsements - advertising products using celebrities - have been around for many years. However, in recent times, influencer marketing has become a tactic that almost all brands have ensured to integrate into their digital advertising plans. So, what exactly is influencer marketing? As social media has grown, certain users have retained loyal followers and become trusted figures within a niche community. Seeing potential in this, many brands started to create relationships with such influencers to get their brand and products out there. The influencers who advertise the products usually possess high levels of knowledge regarding it and are therefore deemed trustworthy in the eyes of their followers. Since influencers act independently and create their own content, a company wanting them to advertise their products would normally provide specifications for the advert. Beyond this, the influencer can decide how they want to communicate the content to their audience (Mathew, 2018). One of the biggest advantages of influencer marketing lies in its ability for advertisements to reach the specific target market that companies want and need it to. However, as social media advertising has become more popular, one recurring problem that has come to light is the misleading content integrated into company advertisements.

When the advertising literature is analyzed, most of it focuses on truthful advertising. However, some initial work by the likes of Nelson (1974) has highlighted false advertising and the potential for it to be executed due to the moderate regulations in place to prevent it. But what really is false advertising? At the end of the day, buyers are heavily reliant on the information that they receive regarding product characteristics from firms. A lot of research suggests that, therefore, some firms might deliberately engage in false advertising which is essentially the use of incorrect product claims. The reason for doing this has been explained in some academic research with the most plausible explanation being the link that false advertising has with increased product demand. Many real-life examples of false advertising have been seen. For example, Skechers had claimed that their toning shoes could facilitate weight loss. However, this was later found to be a mere strategy to boost sales and had no truth behind it - resulting in the company having to pay 40 million as a fine. As time has gone by, most of the false advertising that used to take place on other forms of mass media including television, radio and magazines has gradually

shifted to social media advertising as well. The wide reach of influencers and content which is posted on social media platforms makes this even more dangerous than it ever was before (Rhodes and Wilson, 2018).

A few examples of the dangers of influencers incorrectly advertising products can be analyzed. A few years back, Kim Kardashian, who was once also the most followed individual on Instagram, posted a picture where she was promoting a morning sickness drug named DICLEGIS. However, her post failed to list the side effects of the drug which is a legal requirement when advertising any pharmaceutical product. As a result of this, the FDA had to order Kim Kardashian to remove her post and re-publish the content following the correct guidelines (as seen in the image below) (Stewart, 2017). Aside from the fact that this move cost the company a lot of money, there are some evident ethical problems which cannot be ignored. Whilst it is true that one may not consider this a case of misleading advertising from the get-go, as there was no falsely promoted information, withholding information which could have health and safety implications for consumers may also amount to false advertising. When influencers with minimal knowledge regarding health products are made to advertise them, the product might reach the masses but do so in a dangerous manner.



Moreover, products promoting weight loss have been repeatedly advertised falsely on social media platforms via influencers. An article by ITV for example highlights how a 2017 Instagram ad posted by Sophie Kasaei - a famous TV personality in the UK - stated; “#ad Tummy Game Plan? You know it’s @flattummytea. Nothings [sic] gonna get you flat the same as this tea will. The excuses are in the past, much like the water weight I used to have”. Shortly after, the Advertising Standards Authority (ASA) received a complaint about the post. When they approached the company behind the advertisement, the company admitted to having no scientific data to support the claims that their teas could help with water weight loss (Kasper, 2017). Why is this dangerous? Well, research shows that consumers belonging to GenZ are most impacted by influencer adverts. In fact, GenZ females are around 57% likely to purchase any items pertaining to beauty and self-care as a result of influencer advertising (Gutierrez, 2021). On the basis of this, when products such as Flat Tummy Tea are advertised to large follower bases, chances are that many consumers will make purchases based on the false promise of achieving a dream

body. This becomes even more detrimental if the consumption of the product has health implications which are kept discreet and not communicated with the final consumer.

### **Laws against false advertising**

Based on the examples provided in the previous section, it is evident that even though false advertising takes place, there are some guidelines and regulations which prevent these adverts from prevailing on the internet for lengthy periods. This section aims to provide an overview of the regulations implemented in different countries against false advertising.

Firstly, in the United States advertising is regulated by the federal trade commission (FTC). When it comes to the topic of misleading advertising, the main goal of the FTC is to prevent rather than punish. Therefore, the strategy most commonly implemented is to order advertisers to stop illegal ads or then to include disclosure of any additional information which could eliminate potentially deceptive material (Federal Trade Commission, 2013). Whilst the FTC handles most claims of false advertising of health products, many state governments in the United States also have several unfair competition laws which regulate false advertising to different extents. These laws are known as “unfair, deceptive or abusive acts and practices” laws. An example of such a statute is the Unfair Competition Law in California - one which is heavily inspired by section 5 of the FTC act. The main rules for the advertisers that have to be followed as part of this statute are that; the advertisement has to be truthful and non-deceptive, contain proof to show that what is being advertised is true and ensure that the advertisement is not unfair. In light of this, a company may face certain penalties if they are found to be falsely advertising a product. Examples of these penalties are the issuance of cease-and-desist orders which would require the business to stop running the misleading advertisement, mandatory annual reporting to the FTC employees on the justification used for claims in new advertisements and fines up to \$43,280 per day that an advertisement is run if the businesses breach the laws in the future (Schwartz, 2020).

Another large market is in the United Kingdom where advertising is regulated under the Consumer Protection from Unfair Trading Regulations 2008 (CPR). This act presents certain minimum standards for consumer protection that legally bind advertisers in England, Scotland, Wales and parts of Ireland. There is a particular focus on business-to-consumer interactions and a specific criterion which is meant to assess unfairness by making evaluations against four tests expressed in the regulations to dictate if an advertisement is deceptive. A deceptive advert is thus one which meets one of the following four terms: contrary to the requirement of professional diligence, false or deceptive practice in relation to a specific list of key factors, omission of material information, and aggressive practice by harassment, or undue influence. Whilst the practices followed in the United Kingdom are similar to those reflected by the FTC - they disallow false messaging, prohibit unfair and unethical commercial

practices and omit important information - they differ largely with regards to monitoring aggressive sales practices.

Lastly, another large and growing market is India. However, the laws in this country are different as there is in fact no government agency or legislation that particularly regulates false advertising. Instead, the entirety of the advertising industry is monitored by a group of volunteers known as the Advertising Standards Council of India (ASCI) which was established in 1985. The main goal of this council is to evaluate the truthfulness and fairness of advertisements and to ensure that all ads that are circulated are respectful and in line with the widely accepted principles of society.

So, the question arises of why false advertising is still such a big problem regardless of it being illegal in most countries worldwide. Much of the research suggests that despite the laws being present they are quite difficult to enforce correctly with the main reason being that they are not full proof. As with most legal regulations, even these have certain loopholes that many advertisers can work around to misrepresent their products. The best suggestion, therefore, is for consumers to get educated about such practices so they are able to protect themselves even when the legislation designed to protect them falls short. The main ways to do this are ensuring not to take ads for granted i.e., not take them at face value and be mindful of not falling prey to one of the advertising fallacies, conduct thorough research before making any purchases and knowing your rights to file a complaint in case you fall victim to false advertising.

### **Conclusion**

Ultimately, advertising is the backbone of a business. Without advertising, businesses would not be successful as they would not be able to reach the target market. Over time, advertising has evolved to a great extent. What used to once be the simple promotion of a brand and its products through media such as newspapers and magazines, has now transformed thanks to the advent of digital technology and social media. Furthermore, the conceptualization of influencers and their loyal fan bases fueled the desire to invest in social media advertising even further. The main reasons for this are the many advantages that can be enjoyed including lower costs, the ability to reach a wider and more global audience and higher conversion rates.

However, the problem of false advertising has increasingly come to light with the number of cases undoubtedly growing. With influencers reaching wider markets and influencing the shopping habits of certain consumers drastically, questions regarding the truth behind certain advertisements have been made. Many products in the realm of beauty and self-care, specifically weight-loss products, are commonly advertised by influencers online. Though these posts reach their millions of followers successfully, allowing the brand to achieve its main aim,

unfortunately, many of them do so by being deceptive. This deception could entail either withholding vital information or making unpacked claims as seen in the examples in the paper.

Whilst many laws are in place to prevent such false advertising, unfortunately, brands commonly find the loopholes and continue to advertise their products deceptively. The main takeaway for consumers is therefore to know how to protect themselves and ensure they do not fall into the traps that companies may lay out in the name of profits.

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