

## **ASCI LAUNCHES ENDORSER DUE DILIGENCE SERVICE TO HELP ENDORSERS AVOID MAKING MISLEADING CLAIMS IN ADVERTISEMENTS**

*~ Service will provide guidance from highly-qualified specialists from over 20 disciplines*

*~ Will help endorsers fulfill their obligations under the law*

**Mumbai, March 10, 2022:** In order to help endorsers, follow the ASCI code and abide by the rules laid down in the Consumer Protection Act (2019), which places an obligation on them, to undertake due diligence for advertisements they appear in, ASCI has launched the Endorser Due Diligence service. A paid advisory, the service will offer ASCI's expertise in advertising assessment, including technical claims that are part of the advertisement. ASCI has established a panel of experts, from over 20 disciplines, ranging from advertising regulation and legal, ayurveda, microbiology, electronics, market research, nutrition, dentistry, product formulations, financial services, and so on. The panel will assess the representations, statements, and claims in the advertisement from a consumer and technical perspective, examine the evidence in support of the claim where necessary, and thereby help the endorser conduct their due diligence. The advertisements can be sent to ASCI at any stage, including pre-production. This ensures that the endorser can do their independent due diligence before the advertisement is produced.

The Consumer Protection Act, 2019 provides for the imposition of fines or even prohibiting the endorser of a false or misleading advertisement from making an endorsement of any product or service for a period, which may extend to one year. However, the act also provides for a waiver of such penalties or suspension if the endorsers have exercised due diligence to verify the claims made in any advertisement endorsed by them.

According to Duff & Phelps' 'Celebrity Brand Valuation Report', around 50% of endorsements in India feature celebrities compared to around 20% in the United States. The same report puts the overall brand value of top 20 endorsers of 2020 in India at an estimated \$1 billion. The TAM AdEx report on celebrity endorsement says that overall, more than 25% advertisements telecast on TV in 2021 were endorsed by celebrities, of these more than 85% were endorsed by film stars.

**Subhash Kamath, Chairperson ASCI, said:** Endorsers, particularly celebrities have a huge fan following and they enjoy the trust of millions of consumers. There is therefore a direct moral and now, legal responsibility that they bear to ensure that they do not make representations in ads that could be considered misleading. ASCI has always required celebrities to be mindful of what they endorse in advertisements, and now the law too, requires them to do due diligence in this regard."

Similar to the Advertising Advice service offered by ASCI, Endorser Due Diligence will be confidential and non-binding and will be issued in the name of the endorser.

## PRESS RELEASE

**Manisha Kapoor, Secretary General ASCI said:** “Endorsers may not always be experts when it comes to the products they push and the claims they make. The law makes endorsers liable for the advertisements they appear in, hence Endorser Due Diligence becomes a critical need. ASCI’s service that is speedy, confidential, and based on the assessment of a multi-disciplinary panel can help endorsers do their due diligence in a timely and comprehensive manner, ensuring that consumers are not misled and that the endorser too, fulfills their legal obligations.

**To know more about ASCI’s Endorser Due Diligence Service, please reach out to [advisory@ascionline.in](mailto:advisory@ascionline.in)**