

D2C brands and influencer non- disclosures push personal care to Top 3 violative sectors – says ASCI Sector report

- 272% rise in monthly average of ads scrutinised by ASCI for the personal care sector
- 84% violations from DTC brands, 68% by influencers
- Sharp and focused suo-moto surveillance by ASCI in the digital space using AI based technology results in expanded surveillance footprint

<u>Mumbai, February 01, 2023:</u> The Advertising Standards Council of India (ASCI), in its latest report titled **"Objectionable ads in the Beauty & Personal Care category and the rising impact of influencer marketing & D2C brands"**, has revealed how the personal care sector has emerged among the top three violators contributing to 12% of all objectionable advertisements scrutinised by ASCI. While personal care has always been among the top ten violating categories, in the past two years, it has risen to the top three on account of high volumes of ads violating ASCI's guidelines. The launch of influencer guidelines in May 2021 along with ASCI's proactive monitoring using AI-based tools has added to the increased number of ads under scrutiny.

With respect to the personal care sector, in the period 2021-2022 to Q1-Q3 2022-2023, ASCI processed complaints against 1,126 advertisements in this sector versus just 347 ads in the previous two years. The sector report has also thrown light on some interesting facts:

- There was a 272% rise in the monthly average of ads processed in the last four years, starting from 2019.
- 5.7% of ads in violation of the ASCI Code were from the personal hygiene category, 30.3% from the skin care category, 24.7% from the cosmetics category, 19.4% from hair care. 17.5% of ads showcased multiple categories.
- Social media influencers were responsible for 68% of the ads processed in the personal care category, out of which 92% violated the ASCI Code and required modifications. Of these, 77% were not contested and the voluntary compliance rate stood at 91%.
- 84% of violative ads belonged to the D2C brands, which have a large presence on social and digital platforms.
- 24% of total complaints across categories received at ASCI from consumers, industry and consumer organisations between Q1-Q3 in '22-'22 were for personal care ads.
- The platform split for violative ads in personal care was Instagram (55.3%), YouTube (25.9%), Facebook (11.3%) and websites (4.8%).

Talking about the report, Manisha Kapoor, CEO & Secretary General, ASCI, said: "Personal care, particularly on digital platforms, is a high engagement space for consumers, and it is important that their interests be protected. Over the past few years, ASCI has constantly strived to update its guidelines to extend consumer protection to many emerging sectors and platforms. This, coupled with our AI based digital monitoring is making a real impact in being able to identify violations and drive compliance. We are glad that we could get in early, formulate appropriate guidelines and work towards making the online space safe for consumers."

PRESS RELEASE



The other top two violators mentioned in the report were Education (26%) and Healthcare (15%).

Read the Report: Objectionable ads in the Beauty & Personal Care category and the rising impact of influencer marketing & D2C brands

About The Advertising Standards Council of India (ASCI)

The Advertising Standards Council of India (ASCI), established in 1985, is committed to the cause of self-regulation in advertising, ensuring the protection of consumer interests. ASCI seeks to ensure that advertisements conform to its Code for Self-Regulation, which requires advertisements to be legal, decent, honest, and truthful and not hazardous or harmful while observing fairness in competition. ASCI looks into complaints across ALL MEDIA such as Print, TV, Radio, hoardings, SMS, Emailers, Internet/website, product packaging, brochures, promotional material and point of sale material etc. In January 2017, the Supreme Court of India in its judgement affirmed and recognised the self-regulatory mechanism as an effective pre-emptive step to statutory provisions in the sphere of advertising content regulation for television and radio in India. ASCI's role has been acclaimed by various Government bodies including The Department of Consumer Affairs (DoCA), Food Safety and Standards Authority of India (FSSAI), Ministry of AYUSH as well as the Ministry of Information and Broadcasting (MIB). MIB issued an advisory for a scroller providing ASCI's WhatsApp for Business number 77100 12345, to be carried by all TV broadcasters for consumers to register their grievance against objectionable advertisements. On the international front, in 2021, ASCI CEO and Secretary General, Ms. Manisha Kapoor, was elected as one of the four Vice-President's on the Executive Committee of the International Council on Ad Self-Regulation (ICAS). Among several awards bestowed by the European Advertising Standards Alliance (EASA), ASCI bagged a Gold Global Best Practice Award for the Mobile App "ASCIonline" (2016), a special recognition for its "Guidelines for Celebrities in Advertising" at the first-ever 'Global Awards for Effective Advertising Self-Regulation' hosted by the ICAS (2019). In 2021, ASCI also won two ICAS awards, one for the ASCI scroll telecast across television in the 'Best Awareness Raising Initiative' and for its extensive digital suo-moto monitoring through the NAMS initiative, in the 'Special Category'. It also got a special mention in the 'Best Sectoral Initiative' category for its efforts and regulatory recognition of its Gaming Guidelines.

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