

# SC's whip in Patanjali case a wake-up call for FMCG sector

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Mumbai, 24 April

With the Supreme Court cracking down on Patanjali over misleading advertisements, the advertisement industry is concerned. While industry players acknowledge that some degree of exaggeration in claims is common, the Supreme Court's firm action signals an impending shift.

On Tuesday the SC said that its interest was not limited to Patanjali but all those Fast-Moving Consumer Goods (FMCGs) and drug companies that mislead consumers through their advertisements.

And Patanjali is not the first one to have crossed the line of puffery. There have been many cases in the past, like Horlicks Ltd versus Zydus Wellness

Products where the former sought for a permanent injunction against Zydus for the broadcast of false advertisement.

Similarly, in Rajendra versus Union of India, the Bombay High Court restrained any good or service sale claiming it had supernatural and miraculous powers. "Puffery in advertising is as old as advertising. There is always an element of exaggeration. Over the years, the government has looked the other way. Guys on the ground should take companies and brands to task and have largely been in cahoots with most of the brands," said Sandeep Goyal, chairman and managing director of Rediffusion Brand Solutions. Goyal believes that the SC coming down heavily on Patanjali would be a deterrent



for other brands. "Puffery or not is for someone to figure out. In most food products, FSSAI doesn't care. Who is to identify these ads? I think the SC has done something. This won't deter other brands and get them to make claims which are within the realm of what is correct,"

Goyal said.

Industry experts point out that the primary objective of advertisement is to stimulate desire in the consumer's mind. This happens by hook or by crook. "Misleading a consumer has become inherent in advertising to a certain extent. I

think this is dangerous when it comes to food, as it is basic nutrition. If you are embedding misleading information or misstating facts in ads then it has a real impact on whoever the customer or consumer is of that product. It is good that the issue has been highlighted," said brand expert Devangshu Dutta, founder of Third Eyesight.

Then there is the Advertising Standards Council of India and discussions about ethical standards within the industry. But Dutta believes there is a clear disconnect between what advertisements should say and what actually transpires. "I hope it gets acted upon from the government's side as well. Self-regulation doesn't seem to work. We all wish that it works, but it doesn't. If it becomes more stringent, then it will be good

overall," he said.

While FMCG players are concerned about the stringent action of the Supreme Court, they believe that this will lead to improved advertisement regulation.

A senior executive of a leading FMCG company said, "The industry is already disciplining itself due to the growing consumer awareness, stringent ASCI guidelines and the impact of influencer marketing. This will further ensure that misleading ads will be few and far in the future."

Some companies also ensure that their ads adhere to ASCI guidelines before launching them. "We run our ads with ASCI before we release them. This practice has worked in our favour," said another executive on condition of anonymity.