



**JIMMA UNIVERSITY**  
**ጅማ ዩኒቨርሲቲ**



**COLLEGE OF LAW AND GOVERNANCE**

**SCHOOL OF LAW**

**LIABILITY OF CELEBRITIES THAT ENGAGE IN COMMERCIAL  
ADVERTISING UNDER ETHIOPIAN LAWS: A COMPARATIVE  
ANALYSIS**

**LL.M. THESIS IN COMMERCIAL AND INVESTMENT LAW**

**BY: WONTASHA WOSARA**

**ADVISOR: ABDATA ABEBE (Ass/Prof of Law)**

**CO-ADVISOR: GEBRE NEGASH (LLB; LLM)**

**JIMMA ETHIOPIA**

**AUGUST, 2022**

**LIABILITY OF CELEBRITIES THAT ENGAGE IN COMMERCIAL ADVERTISING  
UNDER ETHIOPIAN LAWS: A COMPARATIVE ANALYSIS**

**WONTASHA WOSHARA**

**A THESIS SUBMITTED TO THE COLLEGE OF LAW AND GOVERNANCE  
SCHOOL OF LAW**

**JIMMA UNIVERSITY**

**JIMMA; ETHIOPIA**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF  
LL.M IN COMMERCIAL AND INVESTMENT LAW**

**AUGUST, 2022**

**COLLEGE OF LAW AND GOVERNANCE**

**SCHOOL OF LAW**

**ADVISOR'S APPROVAL**

This is to certify that the thesis entitled: Liability of Celebrities That Engage in Commercial Advertising Under Ethiopian Laws: A Comparative Analysis; was submitted in partial fulfillment of the requirement for the degree of Master of Law (LLM) with a specialization in Commercial and Investment Law to the Post Graduate Program of Jimma University School of Law, has been carried out by Wontasha Woshara under our guidance. Therefore, we recommend that the student fulfilled the requirements and hence hereby can submit the thesis to the school.

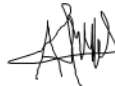
Approved by;

Name of the advisors

Signature

Date

1. Abdata Abebe (Ass/Prof of Law).



Dec-20-2022

2. Gebre Negash (LLB; LLM).

\_\_\_\_\_

\_\_\_\_\_

**EXAMINERS' APPROVAL**

**SCHOOL OF LAW**

**JIMMA UNIVERSITY EXAMINERS' APPROVAL**

As members of the board of examiners for the final master's degree open defense, we attest that we have read and assessed the thesis written by Wontasha Woshara with the title "Liability of Celebrities That Engage in Commercial Advertising Under Ethiopian Laws: A Comparative Analysis" and recommend that it be accepted as fulfilling the thesis requirement for the degree of master of law at Jimma University with specialization in commercial and investment law.

Name of Chairperson

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of Internal Examiner

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of External Examiner

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### CERTIFICATION OF THE FINAL THESIS

I Wontasha Woshara hereby certify that all the corrections and recommendations suggested by the board of examiners are incorporated into the final thesis entitled “**Liability of Celebrities That Engage in Commercial Advertising Under Ethiopian Laws: A Comparative Analysis**”.

Name: Wontasha Woshara      Signature: \_\_\_\_\_ Date \_\_\_\_\_

### DECLARATION

I Wontasha Woshara hereby declare that the thesis entitled “**Liability of Celebrities That Engage in Commercial Advertising Under Ethiopian Laws: A Comparative Analysis**” is my original work and has not been presented for a degree in any other university, and all sources of material used for this thesis have been duly acknowledged.

Name: Wontasha Woshara      Signature: \_\_\_\_\_      Date: \_\_\_\_\_

---

## **ACKNOWLEDGMENT**

First and above all, I would like to extend my deepest gratitude to the almighty God. My deepest gratitude goes to my advisors Abdata Abebe (Ass/Prof of Law) and Gebre Negash (LLB, LLM) for their extrovert, invaluable scholarly and friendly advice, and insightful comments throughout this study. My sincere gratitude also goes out to my family and friends who have supported me throughout my quest to finish this thesis by providing financial, emotional, and moral assistance.

---

## Contents

ABSTRACT.....	i
CHAPTER ONE.....	1
INTRODUCTION .....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem .....	3
1.3 Research Questions .....	7
1.4 General Objective of the study.....	7
1.4.1 Specific Objectives .....	7
1.5 Significance of the Study .....	7
1.6 Methodology of the Study.....	8
1.6.1 Research Methods.....	8
1.6.2 Types of Data and Data Collection Techniques .....	8
1.6.3 Methods of Data Analysis.....	10
1.7 Scope of the Study.....	10
1.8 Limitations of the Study .....	10
1.9 Structure of the Study.....	10
1.10 Ethical Considerations.....	11
CHAPTER TWO .....	12
2. THE GENERAL OVERVIEW OF CELEBRITY ENDORSEMENT IN COMMERCIAL ADVERTISING .....	12
2.1 Introduction .....	12
2.2 Advertising and Celebrity Endorsement; A Conceptual Overview. ....	12
2.3 Historical Development of Commercial Advertising.....	16
2.4 The Impacts of Commercial Advertising .....	17

---

2.5 Development of Celebrity Endorsement in Advertising .....	19
2.6 Source Credibility of Celebrity Advertising.....	20
2.6.1 Attractiveness of Advertising Celebrities .....	21
2.6.2 Trustworthiness of Advertising Celebrities .....	23
2.6.3 Expertise of Advertising Celebrities.....	24
2.7 Advertising of Celebrities and Its Impact on the Rights of Consumers .....	24
2.8 The Main Concerns of the Regulation of Celebrity Advertising .....	27
2.8.1 Protection of Consumers from False Advertising of Celebrity .....	29
2.9 An Overview of Celebrity Advertising and the Media Industry .....	31
2.9.1 Indoor Advertising of Celebrities .....	32
2.9.2 Outdoor Advertising of Celebrities.....	34
2.10 Impact of Celebrity Advertising on Consumer Behavior.....	35
CHAPTER THREE .....	37
3. REGULATING AND ESTABLISHING LIABILITIES OF ADVERTISING CELEBRITIES; FROM INTERNATIONAL AND DOMESTIC PERSPECTIVES .....	37
3.1 Introduction .....	37
3.2 Celebrities in Advertising; Regulations and Liabilities .....	37
3.3 Establishing the Liabilities of Advertising Celebrities.....	39
3.4 The Liabilities of Advertising Celebrities from an International Perspective.....	41
3.5 The Liabilities of the Advertising Celebrities: Experiences from Some Selected Jurisdictions.....	44
3.5.1 The Chines Experience .....	44
3.5.2 The United States of America's Experience .....	47
3.5.3 The Indian Experience.....	50
CHAPTER FOUR.....	53

---



4. LIABILITY OF CELEBRITIES THAT ENGAGE IN COMMERCIAL ADVERTISING UNDER ETHIOPIAN LAWS .....	53
4.1 Introduction .....	53
4.2 The Regulation of Commercial Advertising in Ethiopia; A General Overview .....	53
4.3 Recent Trends and Needs to Regulate Celebrity Advertising in Ethiopia.....	55
4.4 Obligations and Liabilities of Celebrities in Advertising Under Ethiopian Laws.....	57
4.4.1 Obligations of Celebrities in Advertising .....	58
4.4.2. Liabilities of Celebrities in Advertising.....	60
4.5 Introducing the Liabilities of Celebrities in Advertising Under the Laws of Ethiopia .....	68
4.6 Celebrity Liabilities in Advertising and Practice of Regulator Authority in Ethiopia .....	70
CHAPTER FIVE .....	74
5. CONCLUSIONS AND RECOMMENDATIONS .....	74
5.1 Conclusions .....	74
5.2 Recommendations .....	79
Bibliography .....	81
Annex-1-Interview Guide Questions .....	89
Annex-2- Work Plan .....	90
Annex-3- Budget Summary .....	90

---

## **ABSTRACT**

*In today's consumer world, it is what said is that sells. Advertisement is an age-old practice and is currently part and parcel of commercial marketing strategy. It is used by producers to drive consumer behavior to its commercial offering and increase consumption of its product. Companies and marketers today place a greater emphasis on branding and marketing than on real products and use a variety of strategies to persuade consumers to purchase their goods and services. When these advertisements are false or intend to deceive consumers, they impair the economic behavior of the consumers and cause injury to their rights to exercise informed choice. Celebrities are increasingly being used to create a larger-than-life image and pique the interest of consumers. They play the role of magnets, which attracts consumers and makes them buy the product and the product has become alike with the face value of the celebrity endorsing it. Currently, in Ethiopia, the popularity of such celebrities is being used to entice consumers into buying products or availing of services and their advertisements are often deceptive, as they are flamboyant exaggerations. As a result, the study investigated the liabilities of celebrities that participate in commercial advertising under the laws of Ethiopia by using doctrinal and non-doctrinal research methods and found that no comprehensive legal and institutional approach establishes the liabilities for the false and misleading endorsement of celebrities. Thus, the study recommends developing comprehensive legal and institutional frameworks that regulate and establish the obligations and liabilities of advertising celebrities including the mechanisms that introduce and attribute the liabilities of celebrities to compromise celebrities' advertising rights and consumer rights to be informed. And also, it has to provide the rights of the consumer to bring allegations against celebrities in case of sustained damage by goods and services acquired because of misleading endorsement, and the investigation and prosecution powers of the concerned institution have to extend to advertising celebrities in case of their misleading endorsement.*

**Key Words;** Advertise; Liability; Consumer; Celebrity; Commercial; Ethiopia.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

In the current business world, companies and business persons are needed to communicate with consumers concerning their products and services by using different outlets of media within expectation to enhance the status of their goods and services to influence purchasing decisions of consumers.<sup>1</sup> One of the most accepted marketing communications systems of companies and business persons to attract consumers is the advertisement of celebrities.<sup>2</sup> It is an announcement that is used to provide the users the detailed information about various goods, services, and ideas by using different social and public media to get the attention of consumers.<sup>3</sup> Indeed, advertising celebrities play a prominent role in introducing products and services to the public facilitating marketing communication with a consumer, and augmenting the needs for related goods and services.<sup>4</sup>

A celebrity is someone well-known, particularly in the areas of entertainment<sup>5</sup> such as films, music, scripture, sport, etc. Since celebrities are perceived as a model of the public, their endorsement of the goods and services are encourage the consumption and usage of current or prospective consumers, including getting new patrons to related goods and services.<sup>6</sup> In this regard, advertising celebrities have substantial influence power on consumers<sup>7</sup> so companies and traders are using these “popular faces” from the film and music industry, sports, etc to use their “face value” in campaigns for their goods and services.<sup>8</sup> Besides, using the admiration of celebrities to induce the selling of products and services becomes one of the prevalent practices of businesses

---

<sup>1</sup> Muda, Mazzini, Rosidah Musa, and Lennora Putit, Celebrity endorsement in advertising: A double-edged sword. *Journal of Asian behavioral studies* 2, no. 3, 21-32, 22 (2017).

<sup>2</sup> *Id.*

<sup>3</sup> Svetlana Frolova, the role of advertising in promoting a product, 5, (2014), [https://www.theseus.fi/bitstream/handle/10024/80777/Frolova\\_Svetlana.pdf](https://www.theseus.fi/bitstream/handle/10024/80777/Frolova_Svetlana.pdf).

<sup>4</sup> Mingqian Li, On Regulation of Celebrity Endorsement in China, *Journal of Politics and Law*, Vol. 4, No. 1, 153-158, 153 (2011).

<sup>5</sup> Srishti Vaishnav & Nidhi Tewari, Liability of celebrities with regard to commercial endorsements, *Amity Journal of Media & Communication Studies*, Vol. 5, No. 3, 208-216, 211&212 (2016).

<sup>6</sup> *Id.* at 209.

<sup>7</sup> Thwaites Des; Lowe Ben; Monkhouse Lien L & Barnes, Bradley R, The Impact of Negative Publicity on Celebrity Ad Endorsements, *Psychology & Marketing*, Vol. 29 (9), 663-673, 665 (2012).

<sup>8</sup> Srishti Vaishnav & Nidhi Tewari, *supra* note 5, at 210.

since the advertisement of the celebrities is a significant apparatus to attract the attention of the consumers.<sup>9</sup> Consequently, the use of “celebrity's persona” in business is to envisioned to “increase the value or sales of the product by fusing the celebrity's identity with the product and thereby siphoning some of the publicity value in the celebrity's persona into the product.”<sup>10</sup>

Based on the current development of both social and public media, advertisements of celebrities become an effective communication intermediary for companies and traders with consumers to endorse their products and services.<sup>11</sup> In this case, though advertising celebrities used to appraise, sway and remind the consumption of products and services,<sup>12</sup> the rights of consumers “to be informed, safety, choose freely, and to be heard” are protected. Thus, consumers have a right to get precise information about the goods and services related to the quality, quantity, purity, and safety of the products and services they consume in everyday life.<sup>13</sup>

However, commercial advertisement of celebrities does not usually efficacious and has an optimistic effect.<sup>14</sup> In this regard, celebrities are endorsing goods and services for their pecuniary benefits, even without bearing in mind the effects of endorsed products and services specifically on the consumers. Thus, to perform their contractual duties toward the advertiser, advertising celebrities induce consumers to purchase and use the product and services even though they have no experience and proficient knowledge of the effects of those products and services.<sup>15</sup> Meanwhile, the advertiser also uses advertising celebrities to attract consumers through false and misleading advertisements of qualities, quantity, function, weight, etc of the products and services in violation of their right to be protected from deceptive advertisements.<sup>16</sup> As a result, advertising celebrities should have been liable for their misleading endorsement of goods and services.

---

<sup>9</sup> *Id.* at 208.

<sup>10</sup> Kertz, Consuelo Lauda and Ohanian, Roobina, Recent Trends in the Law of Endorsement Advertising: Infomercials, Celebrity Endorsers and Nontraditional Defendants in Deceptive Advertising Cases," Hofstra Law Review: Vol. 19, Article 3, 603-656, 604 (1991).

<sup>11</sup> Calvo-Porrall, C., Rivaroli, S. & Orosa-González, J. The Influence of Celebrity Endorsement on Food Consumption Behavior, 3 (2021), <https://doi.org/10.3390/foods10092224>.

<sup>12</sup> Mwendwa Mildred Zipporah & Dr. Hellen K. Mberia, The effects of celebrity endorsement in advertisements, International Journal of Academic Research in Economics and Management Sciences, Vol. 3, No. 5, 178-188, 182 & 183 (2014), <http://dx.doi.org/10.6007/IJAREMS/v3-i5/1250>.

<sup>13</sup> Anirban Chakraborty, Curbing False or Misleading Advertisements in India, Challenges and Solutions, 50-64, 53, <https://clap.nls.ac.in/wp-content/uploads/2021/01/Curbing-False-or-Misleading.pdf>.

<sup>14</sup> Kertz, Consuelo Lauda and Ohanian, Roobina, *supra* note 10, at 666.

<sup>15</sup> Srishti Vaishnav & Nidhi Tewari, *supra* note 5, at 210.

<sup>16</sup> Anirban Chakraborty, *supra* note 13, at 51.

Ethiopia has been enacting laws that protect consumers' well-being against false and misleading commercial advertisements of goods and services. In this regard, Trade Competition and Consumer Protection Proclamation No. 813/2013 prohibit false and misleading commercial advertisements of goods and services and establishes the right of consumers to be informed about the quality, quantity, components, origin, nature, quality marks, trademarks, etc of the goods or services.<sup>17</sup> In the same manner, Advertisement Proclamation No.759/2012 proscribes misleading advertisement and makes liable the advertiser, licensed advertising agent, and advertisement disseminator jointly and severally in the case of misleading advertisement.<sup>18</sup> Besides, Electronic Transaction Proclamation No.1205/2020 obliges a supplier of goods and services by utilizing an electronic transaction to provide a sufficient description of the main characteristics of the goods and services made available by that supplier to help a purchaser decide on the planned electronic transaction in a well-informed manner.<sup>19</sup> Finally, the food and medicine administration proclamation No 1112/2019 provides that every advertisement and promotion has not contained false and misleading information related to regulated products.<sup>20</sup>

Nevertheless, these laws of the country do not seem to have provided both civil and criminal liabilities for the advertising celebrities for their false and misleading advertisement of goods and services. In the case of previous works done in this study area have failed to get sufficient attention from legal scholars. Thus, this study explored the liabilities of advertising celebrities under Ethiopian laws for their false and misleading advertisements from the perspective of the violation of the rights of consumers.

## **1.2 Statement of the Problem**

Contemporary advertising celebrities are used to encourage purchasing products and services and become one of the most acceptable mechanisms for companies and businesspeople. Advertisers have been found entering into contracts of endorsement concerning their goods and services with a celebrity since they are effective marketing communicators to create acceptance of endorsed products toward the public.<sup>21</sup> Thus, companies and different industries including business persons

---

<sup>17</sup> Ethiopian Trade Competition and Consumer Protection Proclamation No. 813/2013, Article 19(1-8).

<sup>18</sup> Ethiopian advertisement Proclamation No.759/2012, Article 8 &30.

<sup>19</sup> Ethiopian electronic Transaction Proclamation No. 1205/2020, Article 28(1(f)).

<sup>20</sup> Ethiopian food and medicine administration proclamation No 1112/2019, Article 58.

<sup>21</sup> Victoria A. Seitz; Nabil Razzouk & Sudawadee Eamsobhan, celebrity endorsements in U.S. and Thai Magazines: content analysis comparative assessment, journal of promotion management, Vol. 13, 383-397, 385 (2007).

are found using advertising celebrities' endorsements by using different social and public media for their goods and services, including attaching celebrity images on packed products.

Although celebrities' endorsement is an effective mechanism to persuade consumers to purchase and use endorsed goods and services, their false and misleading advertisements hurt consumers' right to be informed and protected from deceptive advertisements that need to take regulatory measures. In this aspect, under the Ethiopian legal system, advertising celebrities are not seeming liable for their false and misleading advertisements against the rights of consumers though they have trust in the public. Since they are free riders even, in the case of their deceitful advertisement, they should not feel indebted to the public and endorse even though they are certain that the product and services are defective, which is detrimental to consumers. Thus, companies and business persons usually use an advertising celebrity as a mask that puts the deficiency in their products and services out of sight since the consumers believe the celebrities are “demy-gods” concerning the products endorsed by them.<sup>22</sup>

In this subject matter, some foreign jurisdiction like the USA regulates and oversight any person including advertising celebrities to address unlawful endorsements<sup>23</sup> and provides penalties for their false advertisements including any false suggestion, misrepresentation, and failure to reveal facts to induce directly or indirectly the purchasing of food, drugs, devices, services, cosmetics, etc.<sup>24</sup> Similarly, China obliges advertising celebrities to bear equal responsibility with food producers on the condition that the endorsed food caused harm to consumers.<sup>25</sup> Thus, the victim consumers can claim compensation directly from the celebrity who has advertised and recommended untruthful advertisements of the food. Besides, the celebrities are jointly and severally liable together with an advertiser for the false and misleading advertisements of goods and services<sup>26</sup> including confiscation of illegal income from advertising celebrities and a fine punishment.<sup>27</sup> Moreover, the Indian legal system provides that any person party to a misleading

---

<sup>22</sup> Meenal P. Dhotre, Celebrity Advertising – A Critical Perspective, Turkish Journal of Computer and Mathematics Education Vol.12 No. 9, 2901-2906, 2904 (2021).

<sup>23</sup> Federal Trade Commission Act, Incorporating U.S. SAFE WEB Act amendments of 2006, § 52 Section 12 (2006).

<sup>24</sup> *Id.* § 54 section 14.

<sup>25</sup> Food Safety Law of the People's Republic of China, (Adopted by the Standing Committee of the 11th National People's Congress at its 7th session on February 28, 2009 and amended by the Standing Committee of the 12th National People's Congress at its 14th session on April 24, 2015), Article 140.

<sup>26</sup> Advertising Law of the People's Republic of China Law, H. F. G, (2015), Article 56.

<sup>27</sup> *Id.* Article 62.

advertisement as to the nature, substance, or quality of any food is subject to punishment.<sup>28</sup> Thus, advertising celebrities are subjected to the penalty for their false or misleading advertisement that affects consumers' protected rights.<sup>29</sup>

In this scenario, Ethiopian advertisement Proclamation No.759/2012 under article 8 provides misleading advertisement that gives false information about goods and services, as that misleads consumers about the country or place of origin, nature, ingredients, weight, volume, price of goods, quality, and standard certification from a recognized body and presenting a product or a service beyond its real usage, quality, flavor, taste, ingredient, strength, durability or sufficiency. Thus, it proscribes any advertisements that contain misleading and unfair statements under article 6(1(b)). In this regard, article 27 obliges any advertising agent or advertisement disseminator to verify the precision of the information provided to them by an advertiser and makes liable jointly and severally under article 30 for any false and misleading advertisements, the advertiser, licensed advertising agent, and advertisement disseminator. It also authorized the consumer association under Article 32(2) to institute a civil suit on behalf of its members who have sustained damage. Nonetheless, it does not seem to provide the liabilities of the individual celebrities that participate in the false advertisements of the goods and services that mislead and influence consumers to purchase and use flawed products and services. It also seems not prescribed who is obliged to control and verify the accuracy of the advertisement of celebrities on the internet by using social media.

Similarly, Trade Competition and Consumers Protection Proclamation No 813/2013 article 19 provides that commercial advertisements shall not be false and misleading about the goods and service nature, components, quantity of the goods, expected results by using the goods or services, the sources, weight, volume, etc. In this regard, Article 20(3) empowers consumers to claim, payment of compensation only for any damage resulting from the use of the defective goods or services against the seller of the goods and services. Besides, Electronic Transaction Proclamation No. 1205/2020 under article 28(1(f)) obliges a supplier of goods and services to provide sufficient factual nature of goods and services. Likewise, Food and Medicine Administration Proclamation

---

<sup>28</sup> Indian the Food Safety and Standards Act, 2006 act no. 34, Parliament in the Fifty-seventh Year of the Republic of India 2006, Article 53.

<sup>29</sup> Indian the Consumer Protection Act, 2019 no. 35, Parliament in the Fifty-seventh Year of the Republic of India 2019, Article 21.

No 1112/2019 article 58 obliges mass media and advertisement disseminators that every advertisement of regulated products has not to contain false and misleading advertisements and made jointly and severally liabilities under sub-article 3 advertiser, advertisement disseminator, and promotion agent. Yet, these laws do not seem to provide the liabilities of advertising celebrities for their false and illusory advertisement of goods and services against the rights of a consumer that tempts the consumers to acquire and use defective goods and services.

In the same manner Media Proclamation, no 1238/2021 under article 47(3) authorizes to regulate of the “contents of broadcast material” to protect consumers from misleading advertisements and obliges Broadcasting Service Licensee under Article 55(1(i)) to respect the rules of advertisements, to verify the content and not broadcast deceptive advertisements. Likewise, the criminal code of Ethiopia under article 692(1) forbids fraudulent misrepresentation and misleading statements to induce an act in a prejudicial manner against the owner or others’ rights in the property. It also vetoes immoral advertisements under Art 643 and provides punishment under article 812 for violation of advertisement laws. Nevertheless, these laws do not seem to provide the liabilities of advertising celebrities for their false and disingenuous advertisements of goods and services to the public in a way that affects the rights of the consumers. Furthermore, the Ethiopian civil code establishes fault-based liabilities for false information under article 2059 that cause impairment to whom acts accordingly. In this aspect, it seems to lack clarity and is ambiguous as to not stipulate what kind of false information establishes liability and whether it is limited to the domain of individuals or comprises the public notice specifically related to commercial advertisements of the advertising celebrities.

Currently, the use of celebrities (artists, film actors, musicians, etc) in commercial advertisements has been a ubiquitous practice in Ethiopia using different public and social media. In this regard, the laws of the country do not seem to provide the liability of the advertising celebrity to dupe consumers including compensation, penalty, a manner to take corrective measures, the jurisdiction of the court to admit complainant consumers, and the regulatory authorities to investigate and prosecute misleading advertising celebrities. Therefore, in a scenario where the consumers put high trust in respected celebrities and use companies and business persons to advertise their products by using celebrities and the consumers’ trust in them at the forefront is highly increasing and also in a situation where the laws regarding consumer protection and advertisement not



providing the liabilities of advertising celebrities for false and misleading advertisements, to study the liabilities of advertising celebrities under Ethiopian laws is crucial importance.

### **1.3 Research Questions**

The study is directed by and going to answer the following main research questions in light of the stated problem to accomplish its goal.

1. Are the existing legal and institutional frameworks governing and establishing the liabilities of advertising celebrities for their false and misleading advertisements?
2. What are the main concerns associated with governing advertising celebrities and making them liable for their false and misleading advertisements?
3. What mechanisms would expect to be introduced into the Ethiopian laws to regulate and establish the liabilities of advertising celebrities?
4. What potential lessons can Ethiopia draw from the experiences of other jurisdictions?

### **1.4 General Objective of the study**

The study's general objective is to investigate and identify the liabilities of advertising celebrities under the existing legal and institutional frameworks of Ethiopia.

#### **1.4.1 Specific Objectives**

The specific objectives of the study are;

1. To examine the liabilities of advertising celebrities under existing legal and institutional frameworks of Ethiopia for their false and misleading advertisements.
2. To identify the major concerns associated with the governing advertising celebrities and make them liable for their false and misleading advertisements.
3. To identify the mechanisms that would expect to be introduced into the Ethiopian law to regulate and establish the liabilities of advertising celebrities.
4. To examine the potential lessons that Ethiopia can draw from the experiences of other jurisdictions.

### **1.5 Significance of the Study**

The study has a significant contribution to the legislators to come with legal advancement to the liability of advertising celebrities in case of false and misleading advertisements against the protected rights of consumers. Besides, it has a good contribution in providing insights for

concerned bodies such as policymakers and different authorities related to the subject matter of study to reconsider the sufficiency of the existing legal and institutional framework concerning establishing the liabilities of advertising celebrities to protect consumers from false and misleading advertisements of celebrities. The research also contributes to creating awareness of a mechanism that establishes the liabilities of advertising celebrities and protects consumers from misleading advertisements in light of other jurisdictions' experiences. It also has importance to the protection community in general and consumers in particular from misleading commercial advertisements of celebrities. Finally, it adds to existing literature that serves as input for further studies in the area.

## **1.6 Methodology of the Study**

### **1.6.1 Research Methods**

To handle this thesis, the researcher used the qualitative doctrinal research method by using both primary and secondary data to examine the liabilities of advertising celebrities under the existing legal framework of Ethiopia for their false and misleading advertisements of goods and services and to identify other countries' experiences regarding the liabilities of the advertising celebrities.

The researcher also used qualitative non-doctrinal research methods to examine existing institutional frameworks and practices in the country concerning the liabilities of advertising celebrities for their deceptive advertisements of goods and services.

### **1.6.2 Types of Data and Data Collection Techniques**

To conduct research the researcher used both primary and secondary sources of data.

#### **1.6.2.1 Primary Source of Data**

The researcher gathered primary data from pertinent laws of Ethiopia, the U.S.A, China, and Indian laws to analyze and answer research questions and achieve its objectives. Thus, domestic legislation such as advertisement proclamation no759/2012, Trade Competition and Consumers Protection proclamation no 813/2013, Electronic Transaction proclamation no 1205/2020, Food and Medicine Administration proclamation no 1112/2019, Media Proclamation, no 1238/2021, and other relevant laws are used as a primary source of data. From foreign jurisdictions, the Advertising Law of the People's Republic of China (2015), Food Safety Law of the People's Republic of China (2015), the U.S.A Federal Trade Commission Act, amendments of 2006, India the food safety and

standards act (2006), Indian the consumer protection act (2019) and other their related relevant laws are used as a primary source of data.

Furthermore, the researcher collected primary data related to institutional frameworks and practices regarding the liabilities of advertising celebrities concerning their false and misleading advertisements through the unstructured interview with the key informant of the officials and experts of the Ethiopian Media Authority.

### **1.6.2.2 Secondary Source of Data**

The researcher collected secondary data from reviewing relevant literature such as books, journals, articles, thesis papers, and internet sources to analyze major conceptual, hypothetical, and legal framework reviews of the liabilities of advertising celebrities related to their fraudulent endorsement of goods and services in Ethiopia and some others selected jurisdictions.

### **1.6.2.3 Selection and Sampling Technique**

The purposive sampling method is applied to select informant experts from the Ethiopian Media Authority is also empowered to regulate broadcasting media to ensure whether they are operating per the law,<sup>30</sup> regulate advertisements as per the advertisement law,<sup>31</sup> examine and suspend any advertisements, other than outdoor advertisement, and transmit to the appropriate government body any information relevant for the prosecution of any offender.<sup>32</sup> Thus, this authority is also expected to affiliate with the subject matter of the study and have practical experience.

Purposive sampling was used to analyze the experiences of the U.S.A, China, and India on the liabilities of the advertising celebrities for their deceptive advertisements of goods and services. These countries have a fast development of media technology and experiences in commercial advertisements including celebrity endorsements. Also, they have already developed a legal framework for the regulation of the advertisement of an advertising celebrity through social and public media. Thus, they have relevant experiences associated with the liabilities of advertising

---

<sup>30</sup> Ethiopian Media Proclamation No. 1238/2021, Article 5(2).

<sup>31</sup> *Id.* Article 6(6).

<sup>32</sup> Ethiopian advertisement Proclamation No.759/2012, Article 31; Ethiopian Media Proclamation No. 1238/2021, Article 89(2).

celebrities for their misleading advertisements that could be a potential lesson for Ethiopia. Besides, their legal materials are freely accessible, making them suitable to conduct the study.

### **1.6.3 Methods of Data Analysis**

Finally, the researcher analyzed primary and secondary data from designated sources concerning the reviewed literature and interview results. Thus, the gathered data was organized and analyzed using logical reasoning and interpretation per the specific objectives of the research.

### **1.7 Scope of the Study**

The study is limited to analyzing the major legal and institutional problems associated with establishing the liabilities of advertising celebrities for their false and misleading advertisements under Ethiopian laws. Thus, it examined the existing Ethiopian legal framework concerning the liabilities of advertising celebrities from the perspective of violation of the rights of consumers protected from false and misleading advertisements of goods and services. It also examined the institutional framework practices associated with the liabilities of advertising celebrities. Finally, the study analyzed the experiences of the selected foreign countries related to the liabilities of advertising celebrities' misleading endorsements.

### **1.8 Limitations of the Study**

At the domestic level, it is hard to get materials written on the issue of misleading commercial advertisements and concerning the liabilities of celebrities so this challenged the effective accomplishment of the study by creating shortages of sources. Besides, some materials related to the subject matter of study on the internet are not accessed since it requires payment to access in foreign currency (\$USA) so it also created other impediments to the achievement of the study.

### **1.9 Structure of the Study**

This study is organized into five chapters. The first chapter contained an introductory chapter that introduced the background, statement of the problem, research questions, objectives, scope, limitations, and methodology of the study. The second chapter set the conceptual overview, foundation, and the interactions of advertisement with the rights of consumers and advertising celebrities. It also discussed the types and nature of the advertisements associated with advertising celebrities. The third chapter deals with the legal and institutional framework regarding the advertising of celebrities related to false and misleading advertisements from the international

perspective. It also discussed the experiences of other countries related to the liabilities of advertising celebrities for their false and misleading advertisements of goods and services. Chapter four analyzed the liabilities of advertising celebrities under the Ethiopian regulatory regime. It focused on the liabilities of the advertising celebrities under the existing legal framework and institutional practice for the false and misleading endorsement of goods and services while comparing to other selected jurisdiction experiences. Chapter five contained a conclusion and recommendations.

### **1.10 Ethical Considerations**

The researcher respected all necessary ethical responsibilities during conducting the whole study. All statements taken from the works of others are cited properly to avoid plagiarism. Respondents' privacy should also be kept confidential unless they consented to reveal their identity.

## **CHAPTER TWO**

### **2. THE GENERAL OVERVIEW OF CELEBRITY ENDORSEMENT IN COMMERCIAL ADVERTISING**

#### **2.1 Introduction**

This chapter of the thesis is devoted to providing a brief examination of commercial advertising of celebrities, including its antique development, effects on consumer attitudes, and inclusion of celebrities' endorsements into marketing. The factors that determine whether a celebrity will promote a product or service and why consumers believe celebrities as reliable sources of information were also briefly examined. Another main focus of the chapter is the interaction between consumer rights and celebrities' advertising related to the products and services of advertisers, as well as the necessity for regulate of celebrities' commercial advertisements. Besides, the regulatory concerns of celebrities' commercial marketing are also briefly examined in the chapter, along with protecting consumers from misleading advertising of celebrities. After addressing the effects of celebrity commercials on consumer persuasion and purchase behavior, the advertising media of celebrities and different sorts of advertisements are another examined issue in this chapter.

#### **2.2 Advertising and Celebrity Endorsement; A Conceptual Overview**

An advertisement is a form of inspiration that presents “social and economic values as security, health, education, freedom, democracy, free enterprise, and tolerance” to the public. In marketing communication, it is important to influence the purchasing decision of consumers by providing “impersonal ideas” of goods or services by advertisers.<sup>33</sup> It is also loquacious initiation to convince the customers to buy and consume the goods and services either existing previously or novel produced by using different media in any system of objective promotion of goods and services.<sup>34</sup> The origin word ‘advertising’ is from a Latin word called “advertere”, which means “to turn toward,” and more specifically from the verb “animadvertere” which means “to turn the mind

---

<sup>33</sup> Halit Karaxha, Berim Ramosaj & Arian Abazi, The Influence of Advertisements in Increasing the Sales in Kosovo, *ILIRIA International Review*, Vol 6, No 2, 76-84, 76 & 77 (2016).

<sup>34</sup> Remziye Terkan, Importance of Creative Advertising and Marketing According to University Students' Perspective, *International Review of Management and Marketing* Vol. 4, No. 3, 239-246, 240 (2014).

toward.”<sup>35</sup> In this regard, advertisements specifically related to mass media have a prominent role in business consumers' marketing and empower companies to communicate other advertising drives.<sup>36</sup> Consequently, the main target of advertising is to “turn the mind” of the potential consumer to<sup>37</sup> certain products and services of companies or business persons.

Moreover, advertisement is defined as any paid form of non-personal presentation and promotion of ideas, goods, and services by an identified sponsor.<sup>38</sup> And is mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.<sup>39</sup> Thus, commercial advertisement is a form of communication by an advertiser transferred to the public upon payment without direct presentation rather than using different means of communication to sell the advertised products or services.<sup>40</sup> Besides, in practice, it includes the promotion of goods and services which is called “promovere” in Latin terms that means “to move forward or advance,” to cause instant deed to the acquisition of the goods.<sup>41</sup>

Advertisers use commercial advertisement as the main instrument for contemporary businesses transaction by dispatching information about their advertising products in a manner that persuades the spectators to be aware and purchase related products and goods.<sup>42</sup> Hence, commercial advertisement is defined as a public notice to get the attention of consumers for different goods and services to challenge buying decisions of purchasers related to advertised products and services.<sup>43</sup> It is a form of an announcement of information about the product to the customers<sup>44</sup> to inspire the usage of the goods and services. Thus, advertising is any form of communication or information dispatched to an unspecified group of people to entice the consumers to the goods and

---

<sup>35</sup>John R. Rossiter, Larry Percy, and Lars Bergkvist, marketing communications Objectives, Strategy, Tactics, 8 (2018).

<sup>36</sup> Linda Karlsson, Advertising Theories and Models ñ how well can these be transferred from text into reality, 5 (2007).

<sup>37</sup> John R. Rossiter, Larry Percy, and Lars Bergkvist, *supra* note 35, at 18.

<sup>38</sup> Kazmi, S.H.H and Satish K. Batra, advertising and sales promotion, Excel Books India, 10 (2009).

<sup>39</sup> Terence A. Shimp, Advertising, Promotion, and Other Aspects of Integrated Marketing Communications, 7<sup>th</sup> edition, 240 (2007).

<sup>40</sup> *Id.*

<sup>41</sup> John R. Rossiter, Larry Percy, and Lars Bergkvist, *supra* note 35, at 9.

<sup>42</sup> Halit Karaxha, Berim Ramosaj & Arian Abazi, *supra* note 33, at 77.

<sup>43</sup> Dr. Aamir Rashid, Syed Salman Qadri & Dr. Rizwana Rasheed, Impact of Advertisement on Consumer Purchase Behavior: Cosmetic Products in Karachi, Journal of Jilin University (Engineering and Technology Edition), Vol: 40, 14-35, 14, 2021, <https://jilindaxuexuebao.com/dashboard/uploads/2.%20REYWG%20JJU.pdf>.

<sup>44</sup> Svetlana Frolova, *supra* note 3, at 12.

services subject to the promotion in a way that benefits the advertisers by providing their products evidently to the public.<sup>45</sup>

The essential goal of marketing communication or advertising is to grasp consumers and promote their products to be eminent to the public length way with keeping the consumers aware of the company related to advertising product.<sup>46</sup> In this regard, the companies and traders use different advertisement outlets to promote their products and services frequently in a way that grasps the attention of the patrons.<sup>47</sup> It is vital to advertise the nature, type, use, etc of the products and services by using “signboards newspapers, TV commercials, and social media” in a manner that benefits the companies and traders to influence the usage of their goods and services in markets.<sup>48</sup> Moreover, commercial advertisement has its core importance in economic, social, marketing, and communications to the advertiser and public. Economic advantage encourages the transaction of goods and services and increases the financial development of advertisers. It also aware the users of advertising products in a manner that establishes demand for related goods and services that inspires procurement. Beyond, marketing communication has its value for the social function of creating awareness of the public and “form ideological values of the society” including its benefits on societal interactions. In this regard, it also inspires the public to advance their economic status and habits of consumption for the products and services subjected to advertising. Marketing advantage is another function of the commercial advertisement of goods and services by providing the goods and services in a form of satisfying the demand of consumers and connecting the advertiser and customer as its communicating function.<sup>49</sup>

The endorsement of celebrities is the prevalent form of commercial advertisement advertisers use to announce their products and services to the community by attributing the optimistic attitude of luminaries to the goods and services to initiate patrons to acquire and use the products subject to endorsement.<sup>50</sup> It is one of the effective advertisement apparatuses so that the advertiser uses celebrities such as “actors, supermodels, and athletes and social media influencers also called

---

<sup>45</sup> *Id.* at 15&16).

<sup>46</sup> Linda Karlsson, *supra* note 36, at 5.

<sup>47</sup> Dr. Aamir Rashid, Syed Salman Qadri & Dr. Rizwana Rasheed, *supra* note 43, at 15.

<sup>48</sup> *Id.* at 17.

<sup>49</sup> Svetlana Frolova, *supra* note 3, at 10.

<sup>50</sup> Alexander P. Schouten, Loes Janssen & Maegan Verspaget, Celebrity vs. Influencer endorsements in advertising: the role of identification, credibility, and Product-Endorser fit, *International Journal of Advertising*, Vol. 39, No. 2, 258-281, 258 (2020).



micro-celebrities such as vloggers and Instafamous personalities, to endorse their brands.”<sup>51</sup> Consequently, companies and traders strongly need to use celebrities' endorsement of their goods and services since they have credit to challenge the purchasing decision of consumers, and also, their enthusiasts or fans believe them as the origin of unswerving information.<sup>52</sup> Besides, since celebrities are figurative and ambitious their endorsement has the power to attract the attention of consumers in a manner that establishes succinctness toward their communication based on their “trustworthiness, believability, persuasiveness, and likeability”.<sup>53</sup>

Celebrities are eminent and exposed to the public to be seen everywhere in a way that draws the attention of the people so that their endorsement of the goods and services can challenge the decision of the consumer to purchase endorsed products.<sup>54</sup> Thus, celebrity endorsement is an instrument for advertisers to advertise their products and services since the enthusiastic consumer of celebrities is encouraged to obtain the products endorsed by the celebrities.<sup>55</sup>

Advertisers use the endorsement of celebrities in different mechanisms as presentations about their goods and services such as “testimonials, endorsement, actor, and spokesperson” to the public. In the case of testimonial presentations, celebrities about the good qualities of products after their usage in a form of admiration. During the actual endorsement of goods and services, celebrities give their names to the advertisers to use in the advertisement of their products nevertheless they have no real acquaintance concerning the product or services subject to the advertisement.<sup>56</sup> Besides celebrities participates in the advertisement of goods and service playing a character of an “actor” in a means that presents goods and services in the advertisement. Finally, celebrities participate in the advertisement of goods and services as a “spokesperson” in form of the delegate of the companies with the consumer to the specific period.<sup>57</sup>

---

<sup>51</sup> *Id.* at 259.

<sup>52</sup> *Id.* at 260.

<sup>53</sup> Thwaites Des; Lowe Ben; Monkhouse Lien L & Barnes, Bradley R, *supra* note 7, at 665.

<sup>54</sup> Mohammad Kheder, Celebrity Endorsement, Consumers' willingness to pay for celebrity endorsed products, 1 (2018).

<sup>55</sup> *Id.* at 4.

<sup>56</sup> *Id.* at 5.

<sup>57</sup> *Id.* at 7.

### 2.3 Historical Development of Commercial Advertising

In the contemporary world, commercial marketing evolved fast not only in terms of creativity but also in terms of strategy and media technology. As a result, many unique advertisements were created not only as a result of unexpected, original notions but also as a result of advanced fashion.<sup>58</sup>

The development of commercial advertisement dates back thousand years ago. During this period, the advertiser used different visible signs, the indication symbol of their businesses, to show the place and presence of the advertised products and appoint the announcer in a public by mouth words the availability of their products. Thus, in the historical development of commercial advertisement the announcement of goods and services to the public is used by mouth words, and “posters and walls painting” were also the most practiced system of advertisement in antique civilizations which is most acceptable even in the contemporary world.<sup>59</sup> Besides, around 3000 B.C. the traders of Babylonian used different symbols in front of their gates and paintings on their fences.

In the same way, some 3000 years ago, Egyptians used word of mouth to promote the capture of a fugitive slave. During the 11th to 7th century BC, the ancient Chinese invented the idea of mouth-spoken advertising in the form of “Classic Poetry”, where bamboo flutes were utilized to market their goods.<sup>60</sup> Moreover, the paper announcement was developed by ancient Egyptians called “papyrus” around the 1400s to entice spectators by attaching it to the wall. Subsequently, advertisement in a form of printed paper comes in the practiced form of an announcement by using different types of booklets in a way that establishes public consciousness. In this regard, some noted that the idea of newspaper advertising emerged in the initial part of the seventeenth century and later expanded around the entire world.<sup>61</sup>

The invention of the radio in the early 1900s breathed new life into marketing and around 1920 established radio stations were to sell different goods to customers also, it served as a new platform

---

<sup>58</sup> Bambang Sukma Wijaya, The Development of Hierarchy of Effects Model in Advertising, international Research Journal of Business Studies Vol. V, No. 01, 73 – 85, 73 (2012).

<sup>59</sup> Ur Rehman, Fazal, Farwida Javed, Rosman Md Yusoff, Amran Harun, Anwar Khan, and Fadillah Ismail, what is advertising? a short review of historical development, Academic Research International Vol. 10, 128-143, 130 (2019).

<sup>60</sup> *Id.* at 131.

<sup>61</sup> *Id.* at 131 &132.

for advertising at the time.<sup>62</sup> The first advertising on television was established in America during a baseball game in 1941. In 1950, television commercials were ubiquitous, attracting spectators' consideration to presented items or services, and incorporated cartoons and Hollywood celebrities in commercials to increase their uniqueness.<sup>63</sup> Finally, the innovation of the internet also creates a new channel for conveying products and services information. Though Web advertising is limited to individual communication, it has evolved today into multi-system communication. Thus, this invention paved the way for internet marketing and advertising to emerge in the commercial world.<sup>64</sup>

## **2.4 The Impacts of Commercial Advertising**

The importance of advertisement ongoing to increase in lockstep with the growth of human civilization. In this regard, in the beginning, information serves as an announcement of the presence of some products, and later it serves as an instrument for business competition when similar products give rise to rivalry so that advertisement becomes more vital a form of entertainment.<sup>65</sup> As an instrument of business competition, the production companies manufacture different goods and services based on the dynamic needs of consumers and they use advertisement in a different system to announce their products and services to the public in a manner that increases the purchasing demand of the targeted consumers.<sup>66</sup> Also, advertisers use advertising to communicate mass public in an effortless system to compete with each other in markets in a way that attracts patrons.<sup>67</sup> Consequently, the producers of consumer goods and services are the main advertisers around the business world so all businesses use advertising in different forms depending on their alternatives. In respect of the function of advertisement to the business, it is not possible to say advertising directly causes the sale of goods and services.<sup>68</sup> In this regard, advertising may succeed in changing a person's unfavorable opinion toward a product and service into a positive one, even though it cannot alter consumers' extremely entrenched beliefs and attitudes.<sup>69</sup> Consequently, using advertisements for goods and services facilitates the transaction

---

<sup>62</sup>*Id.* at 133 &134.

<sup>63</sup> *Id.* at 134.

<sup>64</sup> *Id.* at 134 &135.

<sup>65</sup> Bambang Sukma, *supra* note 58, at 75.

<sup>66</sup> Remziye Terkan, *supra* note 34, at 240.

<sup>67</sup> *Id.* at 241.

<sup>68</sup> Kazmi, S.H.H and Satish K. Batra, *supra* note 38, at 33.

<sup>69</sup> Bambang Sukma Wijaya, *supra* note 58, at 76.

or sale than producing direct purchasing of advertising products.<sup>70</sup> Moreover, business advertisement is backing to aware of the existence of goods and services and inspires the purchasing of targeted spectators in a manner that increases the need and sale of marketing goods.<sup>71</sup>

Thus, commercial advertisement serves to result in “psychological” effects as a means of influencing the cognizance of consumers to purchase the goods and services supported by advertisements. Besides, it is also significant to announce effective messages of the advertiser to the consumer.<sup>72</sup> Advertisement persuades the intended consumers towards advertised goods and services to purchase and use through different phases to introduce unaware products in a system called the “hierarchy of effect model” that contains the phases of “awareness, knowledge liking, preferences conviction, and purchasing”.<sup>73</sup> In persuasion of advertisement, the advertiser uses numerous tactics to draw the concerns of the consumer to challenge their choice of decision toward advertising goods and services.<sup>74</sup> Consequently, the ultimate goal of an advertisement is ingratiating consumers to purchase goods related to it even though the consumers have a piece of knowledge about the nature and usage of products. It also confirms to the consumers that they did a prudent choice since they acquired the goods and services subject to the advertisement. In this aspect, the importance of commercial advertisement towards the advertisers is that it helps to preserve the reputation of consumer goods production companies stay in the mind of consumers for long period, and arouse the patrons' needs for certain goods and services by recommending their availability in markets.<sup>75</sup> Consequently, in addition to being aware and convincing, preserving the product in the cognizance of customers is another object of advertisements for goods and services.<sup>76</sup> It also “builds brand image” in a way that confirms that goods and services are more vital to users.<sup>77</sup> Finally, advertisement “develops brand preferences” by using a consumer as testimony by delivering advertising goods and services in advertised quality and value.<sup>78</sup>

---

<sup>70</sup> Kazmi, S.H.H and Satish K. Batra, *supra* note 38, at 33.

<sup>71</sup> Remziye Terkan, *supra* note 34, at 241.

<sup>72</sup> Kazmi, S.H.H and Satish K. Batra, *supra* note 38, at 34.

<sup>73</sup> *Id.* at 34.

<sup>74</sup> Remziye Terkan, *supra* note 34, at 242.

<sup>75</sup> Kazmi, S.H.H and Satish K. Batra, *supra* note 38, at 35.

<sup>76</sup> Mwendwa Mildred Zipporah & Dr. Hellen K. Mberia, *supra* note 12, at 181.

<sup>77</sup> Kazmi, S.H.H and Satish K. Batra, *supra* note 38, at 35.

<sup>78</sup> *Id.* at 36.

Commercial advertisement has also prominent importance to the consumer in different ways. In this respect, it serves as a piece of effective information for the consumers about advertising goods and services by averting the waste of the time and effort of intended patrons.<sup>79</sup> On the other hand, advertising serves not only to announce items or services to consumers but also to remind them of existing products and services. Besides, it emphasizes qualities, benefits, and advantages available to a large consumer.<sup>80</sup> It also enables the consumer to decide easily their choice of goods and services before going to purchase and to know newly available products in the markets including their values.<sup>81</sup>

## **2.5 Development of Celebrity Endorsement in Advertising**

Celebrity endorsements in commercial marketing originally arose in the 19th century, and they were significantly expanded in the 20th century with the development of new advertising mediums, including radio, television, and the internet.<sup>82</sup> Thus, it has long been a practice to use famous people as brand emissaries. Lillie Langtry, a British actress, is generally credited with becoming the first celebrity endorser when her image was seen on Pear's soap containers in 1893.<sup>83</sup> Also, using advertising celebrities is mostly practiced in the United States of America and is instantly practiced in the rest part of the world due to the different media technology advancements. Mostly celebrity endorsement is experienced in the countries such as New Zealand, South Korea, Turkey, Japan Malaysia, and India becomes ubiquitous in the rest of the world.<sup>84</sup> Currently, celebrity endorsements are utilized in newspapers, outdoor billboard advertising, and broadcast media (including television and radio).<sup>85</sup>

From a marketing communication standpoint, advertisers develop campaigns to advance competitive distinguishing advantages for their advertising goods or services. As a result, to build favorable consciousness in the cognizance of patrons, marketing activities support other

---

<sup>79</sup> Remziye Terkan, *supra* note 34, at 241.

<sup>80</sup> Haque, Ahasanul, Sabbir Rahman, Ismail Sayyed Ahmed, Farzana Yasmin, & Almas Asri, assessing the impact of advertisement towards Malay consumers: an empirical study of fast-food restaurants in Malaysia, *Business Management Dynamics* Vol.1, No.2, 39-53, 40 (2011).

<sup>81</sup> Remziye Terkan, *supra* note 34, at 241.

<sup>82</sup> Karasiewicz, Grzegorz, and Martyna Kowalczyk. "Effect of celebrity endorsement in advertising activities by product type." *International Journal of Management and Economics*, 74-91, 74 (2014).

<sup>83</sup> Jan Johansson & Jorgen Sparredal, *Celebrity endorsements: A case study of Axa and the Ludmila Engquist incident*, 1 (2002).

<sup>84</sup> Muda, Mazzini, Rosidah Musa, & Lennora Putit, *supra* note 1, at 22.

<sup>85</sup> Jan Johansson & Jorgen Sparredal, *supra* note 83, at 1.

components of the “marketing mix”, such as product design, branding, packaging placement, and pricing.<sup>86</sup> One of the most popular methods of marketing activities or advertisements is celebrity endorsement, which has been widely applied to the advertising of companies, goods, and services.<sup>87</sup> In this regard, celebrity endorsers are frequently used as part of commercial advertisement campaigns to realize the purpose of the advertisement of products and services.<sup>88</sup> Besides, celebrities are frequently used as brand ambassadors in advertisements as a common marketing strategy to promote new products and grow the market share of established brands.<sup>89</sup>

Furthermore, the use of celebrity endorsement as a communication tool has grown substantially in current years and has become a significant phenomenon on a domain of worldwide. The factors contributing to this include its prominent effect as a vehicle for communication, its favorable effects on customer attitudes and behavioral intentions toward the endorsed good, and its impact on customers' buying decisions and crediting of the brand. Besides, advertisements of celebrities serve as a marketing strategy that increases the attractiveness and desirability of items and brands to prospective customers. As a result, many shoppers are eager to buy and pay a significant price for the products that their favorite celebrities advocate. Alike to this, celebrities are becoming more influential today due to their increased use of public and social media, and suggestions made by celebrities on social networking sites have an increasing impact on how consumers make decisions.<sup>90</sup>

## **2.6 Source Credibility of Celebrity Advertising**

Celebrity endorsements are quite effective at alluring the target consumers as well as bringing credibility and trust to the brands they support. Celebrities are present-day routinely used in advertising since they are trusted sources of information for consumers when making buying decisions.<sup>91</sup> Also, it helps with brand recognition, launch, reinforcement, positioning, and repositioning. Since it affects how consumers perceive a “product's quality and uniqueness,

---

<sup>86</sup> David Sandin, & Patrik Widmark. Celebrity endorsement, motives and risks: case study of Skanemejerier, 1 (2005).

<sup>87</sup> Calvo-Porrall, C.; Rivaroli, S. & Orosa-González, J., *supra* note 11, at 1.

<sup>88</sup> David Sandin, & Patrik Widmark, *supra* note 86, at 1.

<sup>89</sup> Consuelo Lauda Kertz and Roobina Ohanian, Source Credibility, Legal Liability, and the Law of Endorsements, *Journal of Public Policy & Marketing* Vol. 11, 12- 23, 12 (1992).

<sup>90</sup> Calvo-Porrall, C.; Rivaroli, S.; Orosa-González, J., *supra* note 11, at 1.

<sup>91</sup> Kusi, Lawrence Yaw, Henry Ameyaw Domfeh, and Pansoo Kim, Impact of celebrity advertising on purchase intention of University Students: The moderating role of celebrity advertising risk, *WSEAS Transactions on Business and Economics* 15, 128-142, 129 (2018).

advertising effectiveness, brand recognition, brand recall, purchase intentions,” and even obtaining behavior when likened to products not endorsed by celebrities, marketers around the world view celebrity endorsement as an effective promotional tool.<sup>92</sup> Besides, celebrity endorsements have a favorable effect on an advertiser’s pecuniary outcomes. Thus, properly appeal to customers, marketers need to locate goods and service endorsers that have the right source attributes.<sup>93</sup>

Certain personality features that are referred to as celebrity personality traits assist celebrities in “stand out” in celebrity marketing initiatives. Since not everyone possesses these qualities, those that do use their personality draw in customers through advertising. Celebrities lend their personality, popularity, social standing, or subject-matter knowledge to advertisers. Thus, it is necessary for advertisers to meticulously choose an endorser who presently has a positive reputation and who will probably be able to maintain this reputation in the future. Celebrity creates a point of uniqueness, which makes them “stand out,” subject to the significant influence of ongoing customer exposure via media presence.<sup>94</sup> Thus, in celebrity endorsements, the optimistic celebrity personality traits (attractiveness, likability, expertise) can be transferred between the celebrity's brand and the brand they are endorsing, leading to successful advertising campaigns.<sup>95</sup> In this case, “credibility, attractiveness, and likeability” are three source qualities of potential product endorsers. Consumers are more inclined to buy products and services recommended by a celebrity if they thought that person was “expert, trustworthy, and attractive”.<sup>96</sup> Therefore, factors such as attractiveness, expertise, and trustworthiness, can influence and be used to measure celebrity endorsement.

### **2.6.1 Attractiveness of Advertising Celebrities**

Attractiveness refers to the perceived social value of the source. Physically attractive communicators have shown to be more effective in persuading consumer attitudes and views than obnoxious endorsers, making their usage in television and print advertising a widespread practice.<sup>97</sup> This characteristic may result from the person's physical characteristics, personality,

---

<sup>92</sup> Bhatt, Nishith, Rachita M. Jayswal, and Jayesh D. Patel, Impact of celebrity endorser's source credibility on attitude towards advertisements and brands, *South Asian Journal of Management* Volume 20 No. 4, 74-95,75 (2013).

<sup>93</sup> Tran, Gina A, The role of celebrity endorsers." *Society for Marketing Advances Proceedings* 25, 156-159, 156 (2013).

<sup>94</sup> Kusi, Lawrence Yaw, Henry Ameyaw Domfeh, and Pansoo Kim, *supra* note 91, at 130.

<sup>95</sup> *Id.* at 129.

<sup>96</sup> Tran, Gina A, *supra* note 93, at 156.

<sup>97</sup> Kusi, Lawrence Yaw, Henry Ameyaw Domfeh, & Pansoo Kim, *supra* note 91, at 130.

social standing, or likeness to the recipient.<sup>98</sup> For identification, attitude toward the goods, and purchase intention, the celebrity endorser's attractiveness is a crucial prerequisite. In this case, consistently, customers choose attractive presenters over those who lack beauty. Furthermore, beautiful communicators have a positive effect on the goods they are linked with.<sup>99</sup> However, the degree of attractiveness can affect not just how people react to advertisements and how their behavior changes, but also other aspects of source credibility including “expertise and trustworthiness,” and affection for the endorser. Because of this, the source attractiveness places more emphasis on physical traits including “similarity, familiarity, and likeability”. While familiarity relates to knowing the source through exposure, the similarity is the alleged likeness between the source and the recipient of the message it can be determined if the source and recipient have similar needs, goals, interests, and lifestyles. Likeability is a feeling of fondness for the source brought on by their looks, actions, or other characteristics.<sup>100</sup>

In addition to physical appearance, attractiveness can also refer to a variety of virtues that customers may find appealing in a celebrity endorser, such as intelligence, personality traits, and lifestyle choices. It has been suggested in advertising that a communicator's “physical attractiveness” determines the success of persuasion through a process called identification. Identification is thought to happen when information from an attractive source is accepted due to a desire to identify with such endorsers.<sup>101</sup> As per the product Match-up hypothesis, for advertising to be successful, the messages sent by the celebrity's image and the message about the product must be consistent. The perceived degree of “fit” between a brand's (name, qualities) and a celebrity's image is the key factor in determining whether a celebrity and a brand are compatible.<sup>102</sup> Thus, beautiful models' inclusion in an advertisement may subconsciously trigger in certain consumers the notion that using a product promoted by a celebrity will increase the attractiveness as it did for the celebrity, providing them with adaptive information.<sup>103</sup>

---

<sup>98</sup> Michael Solomon & Gary Bamossy, *Consumer Behaviour a European Perspective* Third edition, 178 (2006).

<sup>99</sup> Tran, Gina A, *supra* note 93, at 157.

<sup>100</sup> Bhatt, Nishith, Rachita M. Jayswal, & Jayesh D., *supra* note 92, at 79.

<sup>101</sup> Erdogan B. Zafer, *Celebrity Endorsement A Literature Review*, *Journal of Marketing Management*, 15, 291-314, 299 & 300 (1999).

<sup>102</sup> *Id.* at 302.

<sup>103</sup> *Id.* at 303.



## 2.6.2 Trustworthiness of Advertising Celebrities

Trustworthiness determines a person's honesty, integrity, and capacity be believed, and also the perceptions of the planned audience are relevant to determine it.<sup>104</sup> This encourages consumers to have faith in and accept the endorser's messages as well as those of the famous person. Long-term, this influences consumer beliefs, views, attitudes, and purchase habits. The credibility source model, which holds that a message's acceptance depends on its source's credibility, includes the concept of trustworthiness.<sup>105</sup> Thus, selecting endorsers who are well-known for being honest, believable, and trustworthy allows advertisers to benefit from the value of trustworthiness.<sup>106</sup> The listener's level of assurance in and acceptance of the utterer and the communication is referred to as trustworthiness. An individual has a more positive attitude toward a source and the message when they believe it to be reliable. The greatest amount of opinion change is generated by sources that are seen as both knowledgeable and reliable. Celebrities are seen as more trustworthy by consumers since they are motivated by their real love for the product rather than the financial rewards of endorsement deals.<sup>107</sup>

The target audience's perception of the endorser's honesty, credibility, and integrity is referred to as trustworthiness. In this regard, the issue is figuring out whether the consumer has faith in the source for the truthful, impartial manner in which the information is given.<sup>108</sup> Thus, trustworthiness shows how sincere a celebrity is about a given product and symbolizes a person's honesty, integrity, and capacity to be believed so customers' attitudes alter as a result of reliability.<sup>109</sup> Irrespective of their other attributes, consumers consider unreliable celebrity endorsers as suspect message providers. When a reputable celebrity is desired to advocate for businesses, advertisers should choose well-liked personalities.<sup>110</sup>

---

<sup>104</sup> *Id.* at 297.

<sup>105</sup> Oyeniyi, Omotayo, Celebrity endorsements and product performance: a study of Nigerian consumer markets, *Management & Marketing-Craiova* volume 12, 41-51, 44 (2014).

<sup>106</sup> Erdogan B. Zafer, *supra* note 101, at 297.

<sup>107</sup> Tran, Gina A., *supra* note 93, at 157.

<sup>108</sup> Fleck, Nathalie, Michael Korchia, and Isabelle Le Roy, Celebrities in advertising: looking for congruence or likability? *Psychology & marketing* 29, No. 9, 651-662, 652 (2012).

<sup>109</sup> Kusi, Lawrence Yaw, Henry Ameyaw Domfeh, & Pansoo Kim, *supra* note 91, at 130.

<sup>110</sup> Erdogan B. Zafer, *supra* note 101, at 297.

### 2.6.3 Expertise of Advertising Celebrities

According to the definition of expertise, it relates to the information, training, or abilities that an endorser possesses and measures how much of an informer's statements are believed to be true.<sup>111</sup> So, the degree to which an informer is regarded as a source of reliable assertions is known as expertise.<sup>112</sup> The “authoritativeness, competence, or qualification” dimensions of the information of endorsers are connected to the expertise component. A celebrity expert who is knowledgeable about the product is much more effective than a non-celebrity expert. This impact is referred to as a “match” between the product and the celebrity when the celebrity endorser is knowledgeable about the product. As a result, consumers' attitudes can be positively changed by the source's perceived knowledge. Consumers, on the other hand, do not believe a celebrity to be reliable when the source is not perceived as an authority.<sup>113</sup> Consumers buy complicated, pricey things that have expert endorsements by adopting the internalization process,<sup>114</sup> since it speaks of the experience, or talents that an endorser possesses. However, in this case, the target audience's perception of the endorser is what matters, not whether they are considered experts.<sup>115</sup> Thus, the question is if the audience for the advertisement believes the endorser has a certain level of expertise, skill, and understanding that makes their endorsement of a company or product believable.<sup>116</sup>

The credibility of expert sources affects opinions about the product's quality. Thus, it has been discovered that a more knowledgeable source or celebrity will persuade more people to purchase the brand.<sup>117</sup> Thus, a celebrity endorser's skills should be related to the product they are endorsing since, to explain purchasing intentions, the perceived knowledge of celebrity endorsers is more crucial than their attractiveness and reliability.<sup>118</sup>

## 2.7 Advertising of Celebrities and Its Impact on the Rights of Consumers

The purpose of advertisements is to enlighten, persuade, and make consumers cognizant of the qualities and features of the product or service, as well as the efficacy of the choice process, to

---

<sup>111</sup> Bhatt, Nishith, Rachita M. Jayswal, & Jayesh D. Patel, *supra* note 92, at 78.

<sup>112</sup> Erdogan B. Zafer, *supra* note 101, at 298.

<sup>113</sup> Tran, Gina A, *supra* note 93, at 157.

<sup>114</sup> Bhatt, Nishith, Rachita M. Jayswal, & Jayesh D. Patel, *supra* note 92, at 78.

<sup>115</sup> Erdogan B. Zafer, *supra* note 101, at 298.

<sup>116</sup> Fleck, Nathalie, Michael Korchia, & Isabelle Le Roy, *supra* note 108, at 652.

<sup>117</sup> Erdogan B. Zafer, *supra* note 101, at 298.

<sup>118</sup> Bhatt, Nishith, Rachita M. Jayswal, & Jayesh D. Patel, *supra* note 92, at 78.

convince them to buy or use that product or service.<sup>119</sup> It is also used to enhance consumer deeds toward its commercial presence and product usage.<sup>120</sup> As a result, most advertisers employ print media to persuade customers, such as periodicals, billboards, and other forms of advertising. Because technology is rapidly evolving, advertisers are taking advantage of this by anticipating commercials on television and radio to capture consumers' attention. In addition, web marketing is an effective and successful technology tool for acquiring customers. Since advertising may be found on the road, in stores, on television, in the mail, on the internet, in newspapers, and on the train in today's culture, it has been a part of consumers' lives.<sup>121</sup>

Through the many television channels, print publications, radio stations, and social media platforms, celebrity endorsement has become one of the most common marketing strategies at the moment.<sup>122</sup> The benefits of celebrity endorsement are greater and it has the potential to have a dramatic impact because the public views celebrities as role models. Thus, celebrities' endorsements in advertising garner greater attention than those of non-celebrities, assist companies in repositioning their product, and give them more leverage when they enter a new market.<sup>123</sup> As a result, celebrity endorsement has grown in most acceptable because of its capacity to capture audiences' attention and improve businesses' chances of reaching customers with their messages. The use of celebrities' endorsements is thought to help patrons understand the information of the advertisement and the brand name the celebrity is endorsing. It also helps to develop the personality of a brand because when a celebrity is associated with a brand, this image helps mold the perception of that brand in consumers' minds.<sup>124</sup> In this regard, customers' opinions are changed by advertising's "entertainment and likeability", which has an economic consequence by increasing consumer spending power.<sup>125</sup> As a result, it is an effective system of the competitive market because it encourages consumers to buy the products and services subject to the advertisement. Many consumers trust every billboard, scroll, or television watchword they see,

---

<sup>119</sup> Pari Khaledi Doborji & Abbas Qasemi Hamed, The Role of Advertisements in Protection of consumers Right of Choice, *Journal of Politics and Law*, Vol. 9, No. 8, 65-72, 65 (2016).

<sup>120</sup> Nikita Modi & Dr. Ramarao P., misleading advertisements, - *International Journal of Research and Analytical Reviews*, vol 6, 569-576, 570 (2019), [http://ijrar.com/upload\\_issue/ijrar\\_issue\\_20543209.pdf](http://ijrar.com/upload_issue/ijrar_issue_20543209.pdf).

<sup>121</sup> Haque, Ahasanul, Sabbir Rahman, Ismail Sayyed Ahmed, Farzana Yasmin, & Almas Asri, *supra* note 80, at 39.

<sup>122</sup> Mwendwa Mildred Zipporah & Dr. Hellen K. Mberia, *supra* note 12, at 179.

<sup>123</sup> *Id.* at 182.

<sup>124</sup> *Id.* at 179.

<sup>125</sup> Haque, Ahasanul, Sabbir Rahman, Ismail Sayyed Ahmed, Farzana Yasmin, & Almas Asri, *supra* note 80, at 39.

and they claim when the product or service does not equivalent to the advertised qualities.<sup>126</sup> Thus, frequently consumers believe the information in the advertisements and decide to purchase advertising goods and services.<sup>127</sup>

Unfortunately, currently, consumers are deceived by fraudulent persons who take advantage of the victims' inexperience.<sup>128</sup> Frequently, advertising celebrities are regarded as role models, and the general public desires to blindly imitate them from what they use to what they consume. However, they commonly provide their endorsements of goods and services without even looking at the products and services subject to endorsement. Thus, they simply advertise the goods, get their paychecks, and depart, disregarding the obligation to the general public to refrain from persuading people misleadingly to purchase any detrimental or defective products. Consequently, consumers will purchase the product even if it is defective since they have the erroneous idea that their role model does not ask them to acquire anything detrimental and defective.<sup>129</sup>

In this aspect, it is common problem for commercial advertisements to inform misleadingly and deceptively consumers concerning advertised goods and services<sup>130</sup> when the endorsement of goods and services is by advertising celebrities.<sup>131</sup> Currently, there have many commercial advertisements that introduce products and services falsely and misleadingly.<sup>132</sup> Though the advertisement is vital to announce the goods and services to the patrons, it may also be used by advertisers to mislead the consumers<sup>133</sup> since it does not provide accurate and ample information about the advertised goods and services. It may have one or more qualities that deceive the consumers, such as incorrect price, hyperbole, incorrect information, etc.<sup>134</sup> Thus, hyperbole in elucidation, likening products or services with other items and services, dissemination of the owner of the other products or services' brand, signs, or one of the reference characteristics, like an

---

<sup>126</sup> Shapoval S. & Radchenko, A., Careless advertisement about «delicious» foodstuffs of Ukrainians, 41, <https://knute.edu.ua/file/NjY4NQ==/08c0a0c3f388bad383162a87a0e8e122.pdf>.

<sup>127</sup> Kamal Halili Hassan, E-commerce and Consumer Protection in Malaysia: Advertisement and False Description, International Conference on Economics and Finance Research IPEDR Vol.32, 45-48, 46 (2012).

<sup>128</sup> Jeeva, C., Impact of Misleading Advertisements: Issues and Remedies. Bonfring International Journal of Industrial Engineering and Management Science, Vol. 6, No. 4, 155-157, 156 (2016).

<sup>129</sup> Srishti Vaishnav & Nidhi Tewari, *supra* note 5, at 208.

<sup>130</sup> Kamal Halili Hassan, *supra* note 127, at 46.

<sup>131</sup> Shapoval S. & Radchenko, *supra* note 126, at 41.

<sup>132</sup> Jeeva, C., *supra* note 128, at 155.

<sup>133</sup> Kamal Halili Hassan, *supra* note 127, at 47.

<sup>134</sup> Al Sharu, Ahmad Ibrahim, Fauziah Binti Mohd Noor, and Rohana Binti Abdul Rahman, Legislation on Consumer Protection against Misleading Advertisement: A Comparative Studies between Jordanian Legislation and Malaysia Consumer Protection Law 1999." ABC Research Alert Volume 7, No 2, 98-109, 100 (2019).

expression of dominance of the competitors and use of the name, sign, business licenses, or quality certificates of another or absurd manufacturers are also cases considered as deceptive marketing.<sup>135</sup> Consequently, advertisements that purposefully exaggerate the benefits of items or services cause the violation of consumer rights related to the “right to information” that affects the economic status of the consumers.<sup>136</sup>

In this regard, advertisers use misleading endorsements of celebrities for their goods and services to deceive consumers in a manner that exaggerates the nature, type, quality, and price, of the advertising products by hiding factual information about their goods and services. Consequently, false and misleading advertisements affect the economic rights of the users by influencing them to engage in commercial transactions of goods and services that they might otherwise avoid if they had a piece of knowledge concerning advertising goods and services. In this respect, it gives rise to asymmetry in information, so this type of advertising compromises the consumers' right to make the conversant decision, as well as the right to know the quality, quantity, purity, and safety of the product or service they are using. Thus, it violates the rights of consumers, such as the “right to an informed choice, security, and protection from unfair and anti-competitive trade practices.” They also have unanticipated and unfavorable market impacts, which reduce competition. In this regard, the economic abuse of consumer rights is compromised persistently by influencing the customer's financial conduct through fraudulent misrepresentation. The latent messages in such advertising also add to the attack on the customer's psychology and good judgment.<sup>137</sup> As a result, in the contemporary world, the phrases “Consumer is sovereign” and “Consumer is king” are only flattering and alluring phrases that are nothing beyond falsehoods in the current situation.<sup>138</sup>

## **2.8 The Main Concerns of the Regulation of Celebrity Advertising**

Due to their congeniality and adopted approaches to living and working, endorsers operate as a link between manufacturers and consumers and frequently establish a deep and relevant demonstrative tie with them. They also serve as judges of the value, appeal, and effectiveness of goods and services. Due to the different public and social media's rising influence on how people make purchases, businesses are also developing new strategies for increasing sales, with channel

---

<sup>135</sup> Pari Khaledi Doborji & Abbas Qasemi Hamed, *supra* note 119, at 66.

<sup>136</sup> Jeeva, C., *supra* note 128, at 155.

<sup>137</sup> Nikita Modi & Dr. Ramarao P, *supra* note 120, at 570.

<sup>138</sup> Jeeva, C., *supra* note 128, at 156.

endorsements being one of the more successful ones.<sup>139</sup> Besides, a lot of well-known celebrities are linked to big businesses to endorse their goods, brands, and services. Since consumers put a higher value on goods and services promoted by celebrities, consumers who are fans of the endorsers feel they are receiving advice from the brand about the product. As a result, the endorsements in some way raise awareness, trust, and acquaintance with the goods they are endorsing. Consumers also think that by purchasing the products that celebrities endorse, they will either become like them or acquire their appearances so that they appear to have a greater desire for products and services with celebrity endorsements.<sup>140</sup>

However, firms are taking unfair advantage of consumers by using advertising celebrities to promote their products. Besides, consumers' rights to demand healthy, consumer-friendly products and have their right to an income and justifiable lifestyle are affected in the free market by the falsification of critical information, misleading and non-obvious statements, and superficially promising results that frequently affect consumers' choice as well as preference. The endorser, however, may be held accountable for the items' false claims in situations. Therefore, there is unfair pressure placed on customers' "freedom of choice" and right to be informed factual status of the goods and services subjected to the advertisements. Besides, there is a shared malevolent interest of the endorsers with advertisers in making money, therefore regulating and imposing liability on the celebrity is a legitimate action for any subsequent immediate loss or harm from the usage of products or services by the consumers.<sup>141</sup>

In this regard, false and deceptive advertising creates an informational imbalance that, if not adequately addressed by judicial and regulatory bodies, results in what is known as "market failure" in the field of economics. Such knowledge imbalance leads to "market collapse", which reduces productivity and has unforeseen and undesirable effects. Additionally, factors that influence a consumer's purchasing decisions due to false advertising permanently erode their rights as consumers. Besides, the health of the customers is significantly and negatively impacted by this type of advertising about products and services subjected to deceptive endorsement. As a result, consumers' well-being, consumer rights, and market financial sustainability are all irreparably

---

<sup>139</sup> Amrita Mishra & Amruta Das, Manufacturers' and Endorsers' Liability 'Shifting the Onus' Approach, *Medico-legal Update*, Vol.20, No. 1, 13-17, 13 (2020), <https://ijop.net/index.php/mlu/article/view/316/279>.

<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

harmful if the circumstance persists without effective legal and policy-based intervention measures.<sup>142</sup>

### **2.8.1 Protection of Consumers from False Advertising of Celebrity**

Commercial advertisement is the most common method of attaining possible purchasers with information about goods and services and is used to help businesses flourish. Every person interprets advertising material differently, so the information provided to consumers is never totally objective.<sup>143</sup> Consumers are access to advertisements that contain information that describes the features of a product or service, so the contents of ads are seen as a source of information that helps them make purchasing decisions.<sup>144</sup> Thus, producers and providers of goods and services respectively nowadays use a variety of strategies to promote their products to increase sales and attract new customers in a way that influences the consumer's decision.<sup>145</sup>

The competition for consumers' attention and the release of new products make advertising particularly difficult today, forcing marketers and advertisers to deploy attention-getting media personalities. Thus, by attracting and holding consumers' focus to commercials, the usage of celebrity endorsers becomes advantageous. Celebrities not only make advertisements stand out from the surrounding media confusion, but they also make them speak more clearly by drowning out irrelevant background noise. Additionally, celebrity endorsements aid in product recall and recognition and have a positive effect on key measures of advertising performance, such as consumer sentiments toward the product and buy intent.<sup>146</sup> Consequently, endorsement advertising is most frequently used to advertise experiences or credibility items, such as losing weight and beauty and personal care products and services, for instance, health food and pharmaceuticals, whose quality cannot determine from a visual inspection before acquisition.<sup>147</sup>

However, misleading advertising refers to information conveyed about a good or service with the intent to deceive customers into deciding on the item or service.<sup>148</sup> Thus, deceptive advertising

---

<sup>142</sup> Anirban Chakraborty, *supra* note 13, at 52.

<sup>143</sup> Mohammed T Nuseir, Impact of misleading/false advertisement to consumer behavior, *Int. J. Economics and Business Research*, Vol. 16, No. 4, 453-465, 454 (2018).

<sup>144</sup> *Id.* at 456.

<sup>145</sup> Pari Khaledi Doborji & Abbas Qasemi Hamed, *supra* note 119, at 65.

<sup>146</sup> Muda, Mazzini, Rosidah Musa, and Lennora Putit, *supra* note 1, at 26.

<sup>147</sup> Chang, Mei-Hua, Liu Nien-Pen & Wu, Dachrahn, Endorsement Advertising, and Legal Liability, volume 8, No 3, 83-98, 84 (2010).

<sup>148</sup> Mohammed T Nuseir, *supra* note 143, at 456.

influences consumers to acquire things at a high-cost price or of lesser quality than expected or push to obtain the incorrect product or service. In this case, when marketing claims that a product or service possesses unrivaled qualities, consumers' rights are violated. Consumers are also being manipulated by false and deceptive marketing, leaving them more exposed to harm and less likely to make reasonable decisions. False announcement of products takes several consumers to decide wrong decisions related to the choices of the advertising products and services since it is a falsification of the factual status of goods and services.<sup>149</sup> Consequently, advertisers use fraudulent announcements about their products to attentionally deceive consumers in a manner that gives erroneous impressions to the conscious of the customers that affect their decisions. In the same way, false advertisements are declared unreliable information concerning advertising goods that creates the wrong impression deceitful way.<sup>150</sup>

In this regard, when consumers have limited knowledge of a product, advertisers have an enticement to mislead or deceive them by giving them a misleading picture of advertising goods and services. Thus, they even go so far as to use endorsers or advertising celebrities to claim that a product is of a lower quality than it is.<sup>151</sup> As a result, some commercials provide the idea of a product that is not real or types that are not available so consumer preferences and purchasing processes have resulted from deceptive advertising.<sup>152</sup> The apparatuses to determine whether or not an advertisement is false are related to an unreal connection between goods or services and expression in advertisements, a lack of explanation of vital elements of the products in advertisements, the manner of presentation, and the content of advertisements that creates purchasers' misperception and choice disorder, right choices, as well as the presence of a deceptive element that provided in the advertisements.<sup>153</sup> Moreover, consumers are convinced to buy a product since it is portrayed as the best rather than it is the best among the alternatives. On the other hand, many consumers may detect patterns of imitation in a product's features compared to similar products and perceive them as deceptive. However, they are also likely to suffer emotional and financial losses because of false or misleading advertising since they make emotional and mental decisions about products and services based on deceptive advertising. Consequently,

---

<sup>149</sup> *Id.* at 454.

<sup>150</sup> *Id.* at 455.

<sup>151</sup> Chang, Mei-Hua, Liu Nien-Pen & Wu, Dachrahn, *supra* note 147, at 84.

<sup>152</sup> Mohammed T Nuseir, *supra* note 143, at 455.

<sup>153</sup> Pari Khaledi Doborji & Abbas Qasemi Hamed, *supra* note 119, at 66.



consumers have limited resources, and when they purchase things based on false advertising, they lose those resources. Thus, when people are helpless, lonely, and have low self-esteem, they suffer emotional, financial, and medical losses.<sup>154</sup>

Moreover, the regulation of commercial advertisement in most jurisdictions is used to control false and misleading announcements as illegitimate advertisements of goods and services. In this respect, advertising goods and services deceitfully about the eminence or quality, nature, type, use, price, and origin is condemned as an illegal act of the advertisers.<sup>155</sup> Hence, the need for consumer protection legislation was raised to regulate the use of the “right to security, the right to information, and the right of choice” about tremendous corporations, the variability of goods, extensive advertising, and the use of various brands and trademarks.<sup>156</sup> In this regard, commercial advertisements are subject to the regulations of national governments, and governmental and non-governmental organizations, such as associations of private marketers, the media, and marketing companies.<sup>157</sup> The regulators control advertisements of goods and services both in the national and international domain to stop marketing shady practices and misleading marketing, prevent advertisements from inducing social bias, prevent the misappropriation of a celebrity, and regulate every commercial that conveys a false sense of superiority over others to establish a gullible climate in the marketplace.<sup>158</sup> Hence, to regulate advertisements of goods and services both, national and international regulators including, non-governmental associations, use a variety of regulatory restrictions, including domestic legislation, managerial rules and directives, and commendation of international organizations and guidelines.<sup>159</sup>

## **2.9 An Overview of Celebrity Advertising and the Media Industry**

Advertisement has developed as a significant social entity in the current community, influencing in practice everybody, irrespective of age, gender, career, or religion, and having a powerful virtuous, and detrimental effect on choices. Advertisers have the opportunity to persuade

---

<sup>154</sup> Mohammed T Nuseir, *supra* note 143, at 458.

<sup>155</sup> *Id.* at 454.

<sup>156</sup> Pari Khaledi Doborji & Abbas Qasemi Hamed, *supra* note 119, at 65.

<sup>157</sup> Navninderjit Singh, Regulation of advertisements: national and international perspectives, *Elixir International Journal, Marketing Mgmt.* 34, 2391-2397, 2391 (2011), [https://www.elixirpublishers.com/articles/1349951175\\_34%20\(2011\)%202391-2397.pdf](https://www.elixirpublishers.com/articles/1349951175_34%20(2011)%202391-2397.pdf).

<sup>158</sup> *Id.* at 2392.

<sup>159</sup> *Id.* at 2391.

customers through various marketing communication, and consumers' purchasing progression usually begins with the processing of information provided by marketing.<sup>160</sup>

In this respect, advertisers use different advertising media such as television, radio, newspapers, and magazines to present their commercials to a large spectator as an advertising instrument. These media outlets utilize advertising to enlighten the public and stay in touch with their audience.<sup>161</sup> Besides, companies and traders also use advertisements such as billboards, paintings, and banners. Thus, different forms of advertisements are typically used to introduce a product, strengthen understanding of the product, and persuade people to buy the product through various systems of presentation. Today advertising appears to be everywhere and always present, having a profound impact on people's daily lives.<sup>162</sup> In this regard, commercial marketing can be generally grouped as either indoor or outdoor advertisements. In this case advertisements in print media such as newspapers, magazines, etc. and digital communication such as TV and radio are both common types of indoor advertising. Besides, billboards, and hoardings, are the earlier forms of outdoor advertising, and paintings, banners, and kiosks are the contemporary form of outdoor commercial advertisements.<sup>163</sup>

### **2.9.1 Indoor Advertising of Celebrities**

Indoor advertising is a sort of commercial advertisement in which notifications and information concerning goods, occasions, or services are posted in a controlled, enclosed space. Therefore, in practical terms, interior commercials like those found in supermarkets, bars, cafes, restrooms, public buses, and sports clubs are indoor business advertising. As one of indoor marketing, print media is still just as efficient today as it was back in the day. Thus, print advertisements are a vital component of any advertiser's advertising tool, and they account for a substantial portion of the advertising budget.<sup>164</sup> The purpose and scope of marketing, nevertheless, have expanded as a result of technologies and increasing societal lifestyles. In this regard, marketing has had to alter because

---

<sup>160</sup> Eunice Adiko, Outdoor Advertisement on Purchase Decision: A Study on Academic City College Accra, Ghana, <https://ijictm.org/pdf/folder-1/2018-04-27-10-35-52.pdf>.

<sup>161</sup> Akhmedovich, Madiyarov Gofurjon, Madiyarov Okiljon Gofurjon Ugli, and Mamajanov Jahongir., Types of advertising in sphere of services, Academy 4 (55), 38-40, 39 (2020).

<sup>162</sup> Eunice Adiko, *supra* note 160.

<sup>163</sup> Lall, Seema, & Shankha Mukherjee, Attitude of consumers towards indoor and outdoor advertising-an empirical study, sustainable competitive advantage through integrated marketing approach, 120 (2015).

<sup>164</sup> Prateek Maheshwari, Nitin Seth & Anoop Kumar Gupta, advertisement effectiveness for print media: a conceptual model, International Journal of Economics and Management Engineering Vol:9, No:2, 701-706, 701 (2015).

of technological advancements that have caused the transition of communication to the digital epoch. The advancement of information technology and electronic media has made it possible to spread knowledge and increase both the quality and quantity of companies in a variety of ways. Digital marketing (digital platforms & media) is another indoor advertisement method that is used in the contemporary digital era to tell people about products.<sup>165</sup>

In this regard, social media is one of the indoor advertisements for celebrities' access to consumers. It is a term used to describe a collection of web-based programs that support the production and sharing of consumer information and are founded on the conceptual and technical underpinnings of the Web. Thus, software technologies that produce user-created information that may be distributed fall under the wide category of social media<sup>166</sup> and it overtook quickly other available activities in terms of popularity and effectiveness. Moreover, it stands above other advertising channels in part due to the fans' direct connection to their favorite celebrities that it offers. It also helps those celebrities become more approachable since their fans can see the real person hiding behind the famous persona. So, this promotes a different dialogue between the parties and their admirers.<sup>167</sup> Both celebrities and their admirers make use of social media because both want to communicate with their followers at an international level and be a part of the exclusive world of their favorite stars. A fan's chances of running into their favorite star in real life are lower than that of them being followed on social media. Thus, social media use serves as a substitute for face-to-face interaction for fans of their favorite celebrities. Due to the interaction between celebrities and their followers and the ability of celebrities to answer instantly questions put forth by their fans, communication becomes even more significant on social media than in other types of advertising media. Fans following their favorite celebrities on social media to learn about their lives without having to wait for the release of a new issue of a publication is acceptable given that people utilize social media to pursue information.<sup>168</sup> Consequently, these social media celebrities are often known as bloggers or YouTubers, Instagram-celebs typically coordinate their personas and their material across a variety of social media platforms and offer a new, potent platform for marketing

---

<sup>165</sup> Hendrix Tommy, Ajie Firman Tri & Berliandaldo Mahardhika, the outlook digital indoor advertising in mini-market using techno economy analysis: implementation in Indonesia," ASEAN Marketing Journal, Vol 13, No.1, 86-103, 87 (2021).

<sup>166</sup> Samarasinghe, U. social media and celebrity endorsement: An analysis of literature review. International Journal of Scientific & Engineering Research, Volume 9, Issue 12, 125-150, 125 (2018).

<sup>167</sup> *Id.* at 126.

<sup>168</sup> *Id.* at 127.

companies and goods. These celebrities publish different information in outlets covering a wide range of subjects, fashion and lifestyle, and beauty and cosmetics.<sup>169</sup>

Furthermore, print and electronic media advertisement is another earlier form of indoor advertisement that is used by advertising celebrities to promote items to quickly connect with the audience, which eventually increases the likelihood that the consumers will select the goods with a chance to compete. Thus, these mediums such as Television, radio, newspapers, and magazines are a few of the often-used media for indoor celebrity advertisement to fascinating communication strategies utilized to spread the advertising content.<sup>170</sup>

### **2.9.2 Outdoor Advertising of Celebrities**

Outdoor advertising is a significant type of media that is widely used globally. It frequently serves the objective of drawing attention to the branded product as simply one or two key characteristics of the product.<sup>171</sup> Thus, one of the competitive advantages of the advertising medium is the use of billboards and hoardings. This commercial has undergone significant progress as digital displays have replaced traditional billboards, and new technologies are constantly getting developed and implemented in marketing.<sup>172</sup> A strong mixture of sights and activities makes outdoor advertising among all types of marketing one of the most effective and persuasive. It is used to attract the general public with messages that address their needs, feelings, aspirations, etc., and encourage people to react by purchasing the marketed good or using the specified service. Besides, customers' purchase decisions are significantly impacted by outdoor advertising.<sup>173</sup> Any form of marketing that gets a consumer outside of the home is referred to as outdoor advertising, also known as out-of-home advertising. The emphasis is on reaching customers while they are “on the go” in public spaces, in transportation, while waiting, or at particular retail locations. When it comes to the transmission of the advertisement to the customer, outdoor advertising is extremely different from

---

<sup>169</sup> Kolo, Castulus, & Florian Haumer. "Social media celebrities as influencers in brand communication: An empirical study on influencer content, its advertising relevance and audience expectations, *Journal of Digital & Social Media Marketing* 6, Vol. 6, No. 3, 273-282, 275 (2018).

<sup>170</sup> A. H. Choudhury & Dr. K. Mukherjee, celebrity endorsement: a marketing communication technique and changes in buying behavior of Indian consumers, *intercontinental journal of marketing management* vol 2, issue 1, 16-28, 16 & 17 (2015).

<sup>171</sup> Bethel Kassahun, An Assessment of Outdoor Advertising Practice, the Case of Addis Ababa, *Proceedings of the 9th Annual National Student Research Forum*, 190-210, 191 (2015).

<sup>172</sup> Javed Hussain & Rizwan Khan Nizamani, Factors Affecting Consumer Attention in Billboards Advertising, *South Asian Journal of Management Sciences* Vol. 5, No. 2, 60-64, 60, (2011).

<sup>173</sup> Eunice Adiko, *supra* note 160.

other forms of media. Consumers rarely pay direct attention to outdoor advertising, and access to it is often inadvertent. In some ways, outdoor advertising is an inactive channel. There is no opportunity for in-depth descriptions in outdoor advertising because the maximum number of words that can be used properly is limited. Outdoor advertising may be most effective as a reminder medium that assists in registering the brand to attain top-of-mind recall when the customer's "desire" has to be satisfied. The capacity to continuously and persistently send information to a chosen target market is a significant attribute of outdoor advertisements. The distinctive attribute that enables the brand to exceed the minimum level of awareness and generate significant increases in the brand preference share is such a continuous reminder.<sup>174</sup>

In this regard, several companies choose celebrities' outdoor advertisements because it has a stronger local influence and generates greater transactions. The company's attitude and other pertinent information, such as price, are depicted using huge writing, celebrity images that reflect the product or brand, and small captions. Thus, imaginative appeal in support of a product's credibility is determined by billboard commercials.<sup>175</sup> It is clear at this point that celebrity image is one of the main building blocks of any billboard advertisement and has a serious influence on grabbing customers' attention.<sup>176</sup>

## **2.10 Impact of Celebrity Advertising on Consumer Behavior**

Celebrities are viewed as role models in today's society so people's lifestyles are shifting in response to their favorite celebrities. Today, the most effective tactic employed by advertisers to persuade consumers is to pair celebrities with their goods. This has a significant influence on how people behave while making purchases. This draws consumers and consequently boosts business efficiency, also it has a significant impact on consumers' perceptions while purchasing products. It includes many appeals like exciting, ludicrous, erotic, etc, and generating strong brand revelation, craving, focus, and interest is the primary goal of developing such techniques. Advertisers do this by associating well-known people with their goods.<sup>177</sup> It is astounding how celebrities can

---

<sup>174</sup> *Id.*

<sup>175</sup> Javed Hussain & Rizwan Khan Nizamani, *supra* note 172, at 61.

<sup>176</sup> Shivany. S, Billboard Advertisement Strategies, International Journal of Application or Innovation in Engineering & Management, Volume 7, Issue 4, 40-49, 41 (2018), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3208648](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3208648).

<sup>177</sup> Rizwan Raheem Ahmed, Sumeet Kumar Seedani, Manoj Kumar Ahuja & Sagar Kumar Paryani, Impact of Celebrity Endorsement on Consumer Buying Behavior, Journal of Marketing and Consumer Research, An International Peer-reviewed Journal Vol.16, 12-20, 12 (2015).

influence consumers' purchasing intentions for the promoted brand by serving as brand endorsers. Thus, the main purpose of modern advertising is to instruct consumers about a specific brand, to influence them psychologically so that they begin using it or continue using it, and to continually remind consumers about brand advertising and promotions to build total brand equity. Marketers are doing everything they can to build and maintain a strong brand personality in the thoughts and perceptions of the targeted customers using celebrity endorsements.<sup>178</sup>

The foundation for the success of celebrity-endorsed advertising is related to societal persuasion mechanisms. In this regard, “compliance, identification, and internalization” are the social influence factors that lead to individuals acquiring the communicator's preferred perspective. Compliance implies that a person is being influenced by some other person or group of people to receive positive feedback from them. In this respect, since there is hardly any communication between both the celebrity and the consumer, this social impact process cannot be directly applied to celebrity advertisements. Identification refers to the circumstance in which people copy the beliefs or actions of another person only out of a desire to look like that person. In this case, it was revealed that people enjoy celebrities more often than they like a standard consumer spokesman. Consequently, when people adopt another person's conduct because they believe it to be real and honest and in line with their values, this is considered to be internalization as a process of social influence.<sup>179</sup> Consequently, any celebrity's endorsement of a certain product or service is immediately recognizable. Many marketers use celebrity endorsement to enhance the information in their customers' minds.<sup>180</sup> In this respect, advertisements with celebrities are more enticing than those without endorsements so celebrity traits are positively correlated with consumer behavior and brand perception. Thus, the influence of celebrity endorsement on consumer behavior is significant.<sup>181</sup>

---

<sup>178</sup> Adnan, A., Jan, F.A., Alam, W. and Ali, M.A., Impacts of celebrity endorsements on consumer purchase intention. *Journal of Management Research*, 3(2), 144-158, 145 (2017).

<sup>179</sup> CS, Jayanthi Prasad, Brand endorsement by celebrities impacts towards customer satisfaction, *African journal of business management*, Vol 7, No. 35, 3630-3635, 3631 (2013).

<sup>180</sup> Abbas, A., Afshan, G., Aslam, I. and Ewaz, L., The effect of celebrity endorsement on customer purchase intention: A comparative study. *Current Economics and Management Research*, 4(1), 1-10, 2 (2018).

<sup>181</sup> Rizwan Raheem Ahmed, Sumeet Kumar Seedani, Manoj Kumar Ahuja & Sagar Kumar Paryani, *supra* note 178, at 13.

## **CHAPTER THREE**

### **3. REGULATING AND ESTABLISHING LIABILITIES OF ADVERTISING CELEBRITIES; FROM INTERNATIONAL AND DOMESTIC PERSPECTIVES**

#### **3.1 Introduction**

This chapter covered the general overview of the regulation of celebrities in advertising as well as the liabilities of advertising celebrities concerning the deceptive and fraudulent advertisement of goods and services. The chapter also discusses the fundamental issues with establishing the liabilities of advertising celebrities from one perspective and the arguments for establishing their liabilities from other perspectives. Additionally, it included the worldwide obligations of celebrities in the advertising industry to uphold consumer rights. In this case, it is discussed how some foreign jurisdictions have dealt with the issue of regulating and establishing the legal and institutional liabilities of advertising celebrities related to false and misleading advertising, with a brief discussion of the legal and institutional framework including how celebrities are found monitoring and supervising their endorsements of products and services.

#### **3.2 Celebrities in Advertising; Regulations and Liabilities**

Celebrities have historically had no obligations when exercising their right to publicity and garnered enormous rewards from this privilege by marketing and selling every aspect of their identity, but they have not been held accountable for any harm that others may experience as a result of their exploitation of their right to publicity. Though celebrity marketing was formerly mostly limited to visual media, the internet and social media have grown in popularity, and it has become a highly feasible medium for commercial marketing. In this regard, all famous people are active on social media, where they communicate with their fans regularly and give them a look into their daily lives.<sup>182</sup> In this regard, most developed countries currently have laws and regulations that govern celebrities' advertising campaigns. These protect the public against such behavior by traditional celebrities as well as online celebrities or celebrities of the internet such as bloggers and vloggers. Besides, it requires that celebrities' commercials be legitimate, truthful, and ethical. Finally, most jurisdiction regulates advertisements of celebrities to clarify what constitutes

---

<sup>182</sup> Semanti Choudhury, Will the Celebrities Pay for their Stardom? Looking into the New Consumer Protection Bill, 2015, *Media watch*, 46-56, 50 (2017).

an inaccurate or deceptive advertisement or representation, as well as when a particular encounter qualifies as an endorsement of celebrities or an advertisement.<sup>183</sup>

The liabilities of misrepresentation rise when someone relies reasonably on misleading statements. Making false claims to entice or influence the specific behavior of another person is known as misrepresentation or deception. In the case of advertising, customers frequently rely on the representation that is provided by the media, which means that they are persuaded to take certain actions based on the content of advertisements. The reliance on endorsements has the potential to deceive the consumer if the advertiser misleads them by creating a false impression of a product's attributes or by having the endorser make claims that are not entirely true since an expectation of truthfulness from endorser messages. Consequently, the special role and obligations placed on an endorser and other parties participating in the advertising message, as well as the legal restrictions explicitly placed on endorsement advertising to prevent deception, are legal processes that mandate the marketing to be truthful and non-deceptive.<sup>184</sup>

The celebrity, like other property owners, should not be allowed to use his property irresponsibly or in a way that is detrimental to others since the law recognizes a celebrity's reputation as property that he may use, lend, or sell to others for profit. In this regard, recognizing a proprietary right to one's identity should come with the need to abstain from exploiting that right unfairly against other people. Thus, the law has given the celebrity the sole authority to utilize his name, image, or opinion in commercial transactions or marketing, his right to publicize only has an economic value from a business perspective.<sup>185</sup>

Most nations impose civil liability for fraudulent endorsements and stipulate the degree of care a celebrity must use to release themselves from such liability. In addition, they will not be shielded from the criminal liability that the law seeks to impose, despite the civil responsibilities and cost of compensation imposed on them. In this case, most legal systems strongly emphasize the endorser's obligation to disclose any material benefits they may have received from the advertisers. Consequently, these liabilities of endorsing celebrities essentially prevent celebrities from endorsing goods and services unless they are completely certain that they will perform as promised

---

<sup>183</sup> *Id.*

<sup>184</sup> Consuelo Lauda Kertz and Roobina Ohanian, Source credibility, legal liability, and the law of endorsements. *Journal of public policy & marketing*, 11(1), 12-23. 13&14 (1992).

<sup>185</sup> Jay S. Kogan, Celebrity endorsement: recognition of a duty, 21 *J. Marshall L. Rev.* 47, 47-78, 54 &53 (1987).



and before they attest to the goods and services' performance, they have to utilize goods for a while personally. However, the liabilities of endorsers are limited to exercising reasonable care and transparency.<sup>186</sup> In this sense, it is common in most jurisdictions to subject celebrities in the advertising industry to rules surrounding their endorsing of goods and services to protect consumers from deceptive promotions. As a result, the endorser is held liable for misrepresenting products and services in a way that harms consumers through both criminal and civil remedies.

### **3.3 Establishing the Liabilities of Advertising Celebrities**

To create an image for the product, the celebrity's reputation is leveraged and the companies can access a market opportunity thanks to their fan following. A more subtly stated reason why endorsements are effective is that they initiate a transaction by confirming to buyers the excellence of the endorsed brand, though before buying a product, the consumer is not in a position to judge its genuine quality. Because of this, people trust the decision made by their favorite celebrities and they can affect followers' decisions due to the dependence that the general public places on them. In this regard, laws require celebrities to use their luminary status appropriately and establish and impose liabilities for advertising celebrities associated with deceptive endorsements of products.<sup>187</sup>

Though in the legal community, the subject of endorsement liability for defective goods and services has emerged, it becomes arguable whether it is appropriate or inappropriate to hold brand endorsers responsible for the lack of necessary understanding regarding the advertising products and simply influence consumers' purchasing decisions.<sup>188</sup> Furthermore, it also contended that, because of the law governing product liability, some are responsible when a product is damaged. The goal of product liability law is to hold those responsible for making items accessible to the public, including producers, merchants, wholesalers, providers, and others, liable for any harm or damage that may result from their usage. These liabilities may result from knowing about specific product flaws and failing to either inform people right away about the risk and hazard associated with using such items or failing to force their removal from the marketplace.<sup>189</sup>

---

<sup>186</sup> Semanti Choudhury, *supra* note 182, at 53.

<sup>187</sup> *Id.*

<sup>188</sup> Agukwe, Lynda Chinenye, Liability of Brand Ambassadors for Defective Products, 7 (2022), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4011120](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4011120).

<sup>189</sup> *Id.* at 3.

Based on this, some contend that a corporation's or an advertiser's use of public figures or advertising celebrities in advertising serves as an “invitation to offer” the consumers. As a result, it has been encountered that when an endorser participates in marketing commercials, they are inviting potential customers to submit an offer to the producer. In this regard, when endorsers are merely extending an invitation to treat, they cannot be held liable for a valid acceptance because it is an offer to bargain or an invitation to receive offers from advertisers.<sup>190</sup> Likewise, since advertising celebrities usually depend on the claims made by the administrators of the corporation or advertisers, they are not in a position to independently investigate the true nature of the product and services subjected to advertisements.<sup>191</sup> According to this thought, endorsers are not the offerors or the recipients of offers and are not in a position to investigate the true nature of goods and services subjected to advertisements. Thus, they are not parties to the sales agreement between the producer and the consumer and participants in the production of products. In light of this parallel, it would appear that holding them liable when a product looks to be defective goes against the logic of laws.<sup>192</sup>

As opposed to these, the liability of advertising celebrities or endorsers based on a failure to undertake due diligence when advertising the products and services comes as another quarrel of law. The advocate of this counter argument claims that an enticer or celebrity who gives guidance should exert reasonable care and caution, as obliged by law, to avoid liability.<sup>193</sup> As an advocate of the liability of advertising celebrities, the purpose of endorsements is to help sell goods and services and the most persuasive advertisements come from those celebrities with a high level of credibility. As a result, it is relatively simple to entice consumers by placing a celebrity at the forefront and the product behind them. In this instance, engaging in a misleading marketing strategy that results in anti-competitive behavior owing to misleading or careless misrepresentation produces the liabilities endorsed by disregarding the credibility of advertising celebrities to the public.<sup>194</sup>

---

<sup>190</sup> Agukwe, Lynda Chinenye, *supra* note 188, at 8.

<sup>191</sup> Semanti Choudhury, *supra* note 182, at 56.

<sup>192</sup> Agukwe, Lynda Chinenye, *supra* note 188, at 8.

<sup>193</sup> *Id.*

<sup>194</sup> Aicher, Robert H. Endorsement liability: Putting your good name at risk, *Aesthetic Surgery Journal* 21, No.4, 373-374, 373 (2001).

Moreover, celebrities must be subject to a duty of reasonable care when endorsing goods and services since they are aware that advertisements so will encourage consumers to buy those goods and services. However, it must be made clear that enforcing such a requirement would not make advertising celebrities guarantee or insurers of the goods or services they advertise. Only celebrities who provide endorsements irresponsibly or falsely should be subject to liability. In this respect, a celebrity does a negligent act when he advertises a good or service without conducting a prudent investigation into the accuracy of his advertisement or the reliability of the products he supports. Thus, when celebrities advertise a good or service while being aware that their claims are false, they commit fraud. In this instance, even though using the advertised commodity or service causes harm to the customer, the celebrity will not be held liable when they conduct a proper inquiry.<sup>195</sup>

However, advertisers enjoy the benefits of this circumstance and attempt to sway impressionable consumers by garnering the endorsement of celebrities. Also, celebrities receive enormous sums of money for these endorsements, so they are eager to spread about goods they have neither used nor ever heard of. As a result, it is important to ensure that celebrities do not abuse their influence to promote by imposing liabilities for their misleading advertisements.<sup>196</sup> Based on this, the majority of countries already regulate celebrity advertisements and the marketing practices of advertising celebrities, despite the argument against the liabilities of such celebrities. In this case, the majority of jurisdictions have judged it necessary to create liabilities of advertising celebrities for their deceptive endorsements of the goods and services to protect the rights and safety of consumers, including their economic rights.

### **3.4 The Liabilities of Advertising Celebrities from an International Perspective**

The consumers' rights to information seem to be mostly concerned with notions of procedural justice and it is associated with many components and laws. This right is explicitly structured around the availability of effective information that gives the consumer the freedom to make an informed decision about the advantages and disadvantages of various marketing offerings. All forms of commercial communication, such as advertising, packaging, labeling, and selling, are

---

<sup>195</sup> Jay S. Kogan, *supra* note 185, at 78.

<sup>196</sup> Srishti Vaishnav & Nidhi Tewari, *supra* note 5, at 215.

covered under the right to information. Thus, the development of standards of conduct to regulate advertisements of celebrities is one of the procedural policy solutions.<sup>197</sup>

The rules for consumer protection, which provide an international framework for the formation and evaluation of consumer policy, were authorized by the General Assembly on April 9, 1985, under resolution 39/248, which was accepted by agreement. This recommendation forwarded serves as a global reference for the basic qualifications of consumer protection. Thus, the recommendation exhorts states to prioritize consumer protection issues like providing compensation to consumers for sustained damage associated with defective goods and services when designing effective consumer protection laws and programs.<sup>198</sup> Concerning this, United Nations recognizes consumer protection as one of its main concerns and establishes the rights of the consumers protected against false or misleading advertising.<sup>199</sup> The guidelines of the United Nations for consumer protection mandate governments and consumers organization to control false and misleading practices of advertisements of goods and services, including establishing legal and administrative measures that bestow the consumer compensatory rights in an “expeditious, fair, inexpensive and accessible” manner.<sup>200</sup> Besides, the Resolution adopted by the General Assembly obligates businesses to not provide misleading information about goods and services to deceive consumers' decisions based on endorsed information. It also authorizes consumers organization to control misleading marketing of goods and services specifically related to the foods. And to address consumer compensation complaints through administrative, judicial, and alternative dispute resolution, mandate Member States to promote the formation of fair, effective, transparent, and impartial institutions.<sup>201</sup>

Furthermore, United Nations adopted resolution 39/248 to safeguard consumer compensatory rights. It states that government should set up or maintain legal and administrative mechanisms that make it possible for consumers or, if necessary, relevant institutions to claim compensation

---

<sup>197</sup> Gretchen Larsen and Rob Lawson. Consumer rights: An assessment of justice. *Journal of business ethics*, Vol. 112, No. 3, 515-528, 522 (2013).

<sup>198</sup> Cipriano, Ana Candida Muniz, and Hector Valverde Santana. “The UN Guidelines for Consumer Protection: Review and Next Steps.” *Consumer Law and Socioeconomic Development: National and International Dimensions*, 26 (2017).

<sup>199</sup> Gretchen Larsen and Rob Lawson, *supra* note 197, at 516.

<sup>200</sup> United Nations Guidelines for Consumer Protection (as expanded in 1999), Department of Economic and Social Affairs New York (2003) B (15) & E (32).

<sup>201</sup> United Nations Resolution adopted by the General Assembly on 22 December 2015 [on the report of the Second Committee (A/70/470/Add.1)] 70/186. Consumer protection, IV, 11(c); V, C (21) & V, F (37).

through formal or informal processes that are speedy, fair, inexpensive, and attainable. The demands of low-income customers should be given particular consideration during such procedures.<sup>202</sup> In this regard, obtaining a reasonable payment for legitimate claims, such as compensation for misleading advertisements of defective goods and services, is an issue of the right to compensate. Thus, the resolution recommendation seems to favor compensatory measures by giving some form of recompense. In this case, a resolution also could involve retribution or punishment for the injustice committed, depending on the specific laws that apply in the circumstances. Consequently, these rights encompass restorative justice since it promotes the restoration of fairness in situations where damage has been done as well as the creation of laws that guarantee procedures for misleading endorsements of defective products.<sup>203</sup>

As per the United Nations General Assembly resolutions, member states are recommended to set up judicial and institutional processes to compensate consumers for the damage they suffer as a result of false advertising for defective goods and services. Based on this, it is significant for the States to establish under their legal and regulatory framework who is liable for false and deceptive advertising of goods and services that harms consumers who are lured in. This is necessary to secure restorative justice as well as to protect consumers' compensatory rights. In this case, advertising celebrities currently play a significant role in advertising, and to secure restorative justice for consumers various jurisdictions found establishing regulations and imposing the liabilities associated with celebrities' deceptive advertisements of goods and services in the same manner as forwarded under the United Nations consumer protection resolution. Therefore, establishing their relevant liabilities plays a significant function in terms of restoring justice including recompensing victim customers and redressing the loss of consumers to safeguard them from defective goods and services that are endorsed by celebrities. In this regard, it has been discovered that some jurisdictions, including the USA, China, and India, regulate the celebrity endorsements of products and services and have established liabilities related to such endorsements.

---

<sup>202</sup> United Nations General Assembly, Consumer protection: resolution / adopted by the General Assembly, *Journal of Business Ethics*, 16 April 1985, A/RES/39248, E (28).

<sup>203</sup> Gretchen Larsen and Rob Lawson, *supra* note 197, at 524.

### **3.5 The Liabilities of the Advertising Celebrities: Experiences from Some Selected Jurisdictions**

Advertisers employ dishonest marketing strategies to seduce people with exaggerated claims about the benefits and features of their goods. False and deceptive marketing affects consumers' "right to information" and damage both their interests and those of competing businesses. To combat the problems caused to consumers by deceptive and fraudulent advertising, most jurisdictions have recently reinforced their legal and regulatory frameworks on advertising specifically related to advertising celebrities.<sup>204</sup> In this instance, in different jurisdictions, ( such as China, the USA, and India) various legal and regulatory frameworks are established to safeguard consumers from deceptive and misleading advertising of celebrities, and different regulators are given authority to take regulatory measures. Also, independent regulators have the authority to receive complaints and issue penalties in addition to Consumer Courts, which are authorized by consumer protection laws to hear cases involving deceptive and false advertising. As a result, international jurisdictions including China, the United States of America, and India have legal and regulatory frameworks that govern the liabilities of advertising celebrities related to their fraudulent and deceptive endorsement. There have also been several recent instances involving celebrities supporting products and services and also involving plaintiff consumers alleging injury as a result of relying on the endorsements. In this instance, some selected countries such as China, the USA, and India experience related the regulation and establishment of the liabilities of advertising celebrities for false and misleading advertisements discussed hereinafter.

#### **3.5.1 The Chines Experience**

China has witnessed rapid growth in the economy ended the past few years, along with significant changes in patterns, structure, and attitudes of consumers. one of the biggest emerging economies in the world is China. However, China's economic growth strategy has also shown signs of the business chaos that many developing nations have historically suffered. The "information gap" is the principal cause of economic chaos. It manifests as insufficiency, imbalance, and a lack of certainty and openness in the information of advertisements, which causes a "confidence crisis" and a "loss of confidence" to emerge in several different spheres of existence obviously, in the

---

<sup>204</sup> Anirban Chakraborty, *supra* note 13, at 51.

aspect of customer relation. Thus, China's markets have been overrun with vast numbers of fake and defective items, and there are significant food safety concerns.<sup>205</sup>

Celebrity endorsements are frequently employed in marketing in China as a result of the country's recent economic expansion and rapid development of digital communication. Though advertisements involving celebrities have been widely used in China, issues were soon raised.<sup>206</sup> There has been a growing consensus that establishing a set of laws to oversee celebrities' involvement in advertising is very desirable due to the concerns associated with irresponsible celebrity endorsement. Thus, China has introduced laws and rules to oversee and control celebrities' commercial endorsement of goods and services.<sup>207</sup>

In this regard, the People's Republic of China's Advertising Law of 2015 is one of the country's laws regulating celebrities' endorsement of products and services in the nation. It defines an endorser as “a natural person, a legal person, or any other organization, other than the advertiser, that recommends or certifies goods or services in an advertisement in its name or image”.<sup>208</sup> In this regard, excluding the advertiser, any natural person including advertising celebrities or legal persons, like the organization that takes part in the recommendation of the products to the consumer in the form of advertising, is comprised in this legal definition of “endorser” of the goods and services. Therefore, as it governs the advertisement of goods and services to the general public through advertising, advertising celebrities are subject to its regulations as endorsers of goods and services.

In this instance, this law requires advertising celebrities to endorse or verify products and services in advertisements based on factual information. And advertising celebrities as an endorser are not allowed to recommend or approve any products or services that they have not yet used or obtained. In this regard, advertising celebrities who present deceptive or false advertisements of goods and services are subjected to penalties. In line with this, if it has not been three years since the administrative penalty was issued on advertising celebrities for endorsement or certification in the false advertisement of goods and services, that celebrity is not permitted to function as an

---

<sup>205</sup> Dan Wei, *The New Consumer Law in China: Improvements and Enforcement*, IJCLP 1-14, 2 (2016).

<sup>206</sup> Mingqian Li, *supra* note 4, at 153.

<sup>207</sup> *Id.* at 154.

<sup>208</sup> Advertising Law of the People's Republic of China Law, H. F. G, (2015), Article 2.

endorser.<sup>209</sup> Under this law, advertising celebrities, advertising agents, and advertisement publishers who participate in advertisements of products and services through fraudulent or deceptive advertising are jointly and severally liable, when an advertised product or service endangers consumers' lives or health and causes impairment. Besides, advertising celebrities are jointly and severally liable together with advertising agents and publishers for deceptive advertisement in cases even if they knew or should have known the advertisements were false but still created, produced, acted as an agent for, published the advertisements, or gave a recommendation or certification to the goods and services other than damage the consumers' lives and health.<sup>210</sup> Consequently, advertising celebrities who engage in deceptive marketing of goods and services in violation of this law in a way that affects consumers' lives and health, including impairing those consumers' legitimate rights and interests who purchase the goods or accept the service, are liable to them under the civil law of the country.

Similarly, the Food Safety Law of China stipulates that any individual who actively participates in fraudulent or deceptive food product advertising shall share equal liability with producers if consumers' legitimate rights are damaged. Hence, if a celebrity endorser is found guilty of falsely endorsing food, they may be held just as liable as the food producers but only if the advertised goods hurt consumers. Consumers who have been harmed by a product may file a claim against advertising celebrities with the production companies or sue an advertising celebrity separately who has endorsed the product for compensation directly. Besides, anyone, including advertising celebrities in the advertising industry, whom falsely and deceptively markets products and services is subjected to penalties<sup>211</sup> including being subject to punishment by the public security body of the country as prescribed by law.<sup>212</sup>

Regarding the institutional framework, the department for industry and commerce of the State is empowered to oversee and control the national advertising of goods and services.<sup>213</sup> Additionally, it has the authority to create guidelines for how to undertake print and broadcast advertisements

---

<sup>209</sup> *Id.* Article 38.

<sup>210</sup> *Id.* Article 56.

<sup>211</sup> Food Safety Law of the People's Republic of China, (Adopted by the Standing Committee of the 11th National People's Congress at its 7th session on February 28, 2009, and amended by the Standing Committee of the 12th National People's Congress at its 14th session on April 24, 2015), Article 140.

<sup>212</sup> *Id.* Article 141.

<sup>213</sup> Advertising Law of the People's Republic of China Law, H. F. G, (2015), Article 6.



for products and services.<sup>214</sup> In this instance, the supervisory role of this authority extends to every participant in the advertisement, including the disseminators, agents, and advertising celebrities. In other words, the State Administration of Industry and Commerce has the power to deal with celebrity endorsers who intentionally mislead, make false statements, or do something else that violates advertising ethics. Furthermore, the administrative department for industry and commerce authority is authorized to impose some penalties on advertising celebrities who violate advertising laws, for any endorsement or certification of a good or service in an advertisement even when they know or should have known that the advertisement is false and any endorsement or certification of a product or service that has not been utilized or received. The authority, in this case, has the power to punish advertising celebrities for their false and deceptive advertisements by confiscating any unlawful income related to such advertisements and punishing them with a fine that is not less than one time nor greater than two times their unlawful income from deceptive advertisements of goods and services.<sup>215</sup>

In a nutshell, China's advertising laws have clear criminal punishment for advertising celebrities and civil liability jointly along with those liable for false and misleading advertisements of goods and services. The purpose of these laws is to make advertising celebrities highly responsible to the public concerning the safety of advertised goods and services. Advertising celebrities are expected to pay closer attention to the safety of the product they are endorsing to protect the interests of the consumers. The country also has a legitimate regulatory body that has a significant role in monitoring celebrity advertisers' advertisements and imposing penalties on celebrities for deceptive and fraudulent marketing made in their product and service advertisements.

### **3.5.2 The United States of America's Experience**

Between 1979 and 1997, the employment of celebrity endorsers in American advertisements rose of all advertisements. As per a recent estimate, advertising celebrities are featured in about a quarter of all American television advertising.<sup>216</sup> In this instance, American culture nowadays is allegedly attracted by celebrities. Besides, celebrities frequently rise from achievement in a wide range of industries, including entertainment, sports, food, business, and politics and they have high profiles, unique features, and beautiful images in the public's eyes since the mass media is

---

<sup>214</sup> *Id.* Article 50.

<sup>215</sup> *Id.* Article 62.

<sup>216</sup> Victoria A. Seitz; *supra* note 21, at 385.

overflowing with images and information about them.<sup>217</sup> In this regard, celebrity-based advertising makes up a substantial percentage of USA markets and is governed and supervised by the Federal Trade Commission.<sup>218</sup>

As per the Federal Trade Commission Act, it is unlawful to disseminate misleading advertisements through particular media to convince customers to purchase products like food, medications, equipment, services, or cosmetics. This false advertising transmission is seen as unfair or deceptive behavior.<sup>219</sup> Thus, as an entity that oversees, the Federal Trade Commission has issued some regulations called “Guides” to strengthen its control and oversight of deceptive activities. These regulations especially cover celebrity and expert endorsements and offer numerous instances of endorsements that qualify as celebrity endorsements.<sup>220</sup>

Endorsement is defined under the Federal Trade Commission guides as any advertisement including verbal statements, images that represent the name, signature, likeness, or other identifying personal characteristics of an individual, that consumers are likely to believe expresses the opinions, beliefs, findings, or experiences of a party other than the sponsoring advertiser. The party that the message appears to reflect in terms of attitudes, beliefs, discoveries, or experiences is referred to as the endorser and might be an individual, a group, or an institution.<sup>221</sup> Thus, as explicitly mentioned in the definition of endorsement, advertising celebrities are comprised in this elucidation of the endorsers, and the endorsement is further clarified in a way that includes the advertisements of the advertising celebrities.

Federal Trade Commission guidelines demand a celebrity advertisement must reflect the celebrity's real perspective, results, opinions, or experience to not be false and deceptive marketing of goods and services. It also obliges the advertising celebrities if the advertising states they use the product or service, they must truly be a real user. Besides, as per this regulation, advertising celebrities are explicitly liable for any false or deceptive statements they make when advertising

---

<sup>217</sup>Choi, Sejung Marina, Wei-Na Lee, & Hee-Jung Kim, Lessons from the rich and famous: A cross-cultural comparison of celebrity endorsement in advertising, *Journal of Advertising*, Vol. 34, No. 2, 85-98, 85 (2005).

<sup>218</sup> Anita M. Moorman, False Advertising and Celebrity Endorsements: Where's My Script? *Sport Marketing Quarterly*, Vol. 15, No. 2, 111-113, 111 (2006).

<sup>219</sup> Federal Trade Commission Act, Incorporating U.S. SAFE WEB Act amendments of 2006, § 52 Section 12 (2006).

<sup>220</sup> Anita M. Moorman, *supra* note 218, at 111.

<sup>221</sup> Federal Trade Commission 16 CFR Part 255 Guides Concerning the Use of Endorsements and Testimonials in Advertising, § 255.0 (b).

products or services.<sup>222</sup> In this instance, this guide of the commission establishes the standards for establishing the liabilities of advertising celebrities for their false and deceptive advertising. Thus, to determine if an advertisement has “good cause to believe that”, which means the endorser has “adequate grounds to believe” that the specific characteristic of the product it is recommending, is true, standards need celebrities to investigate items beforehand and to be actual users. Furthermore, it also authorizes the consumer to take a claim of liability against the advertising celebrities for their deceptive advertisements of goods and services.<sup>223</sup>

Furthermore, Federal Trade Commission Act addresses specifically unlawful marketing including false and deceptive advertisements of advertising celebrities of goods and services. Under this law of the country, it is illegal for “any person” to distribute or cause to be distributed false advertisements that have an impact on commerce and are intended to or are likely to directly or indirectly persuade consumers to buy products such as food, drugs, and devices, services, or cosmetics.<sup>224</sup> And also an advertisement that omits to disclose information on common adverse effects caused by the use of the advertised product or information regarding facts material in the perspective of such statements is regarded as a false and misleading advertisement.<sup>225</sup> As a result, it regulates any marketing for products and services that are disseminated falsely or deceptively to tempt consumers by taking advantage of their lack of familiarity with the advertising products. This statute refers to “any person” when referring to a participant in a fraudulent advertisement of goods and services, which includes advertising celebrities. In this regard, advertising celebrities are prohibited by this Act of the Commission from fraudulent or misleading advertisements of goods and services.

Concerning the liabilities related to misleading advertisements, “any person” who advertises goods and services fraudulently or misleadingly is guilty of a crime and will be penalized, either with a fine or with imprisonment, upon conviction.<sup>226</sup> This is especially true of advertising celebrities who use false or misleading statements in their marketing of goods and services. As a result, in conclusion, in the USA, celebrities who advertise goods and services falsely and

---

<sup>222</sup> Federal Trade Commission 16 CFR Part 255 Guides Concerning the Use of Endorsements and Testimonials in Advertising, § 255.1 (a, c & d).

<sup>223</sup> Amrita Mishra & Amruta Das, *supra* note 139, at 16.

<sup>224</sup> Federal Trade Commission Act, Incorporating U.S. SAFE WEB Act amendments of 2006, § 52 Section 12 (2006).

<sup>225</sup> *Id.* § 55 Section 15.

<sup>226</sup> *Id.* § 54 Section 14.

misleadingly are subject to criminal and civil liability under the law of the country. In this case, the complaining customer may bring an action against celebrities in the advertising market for misleading advertisements of goods and services that harm consumers. Additionally, the country's legal system establishes imprisonment and fine punishment based on the sentence.

Concerning the institutional framework to regulate advertisements of celebrities, the Federal Trade Commission is the main regulatory body for endorsements of celebrities in the country.<sup>227</sup> The Commission conducts any investigation required to carry out its obligations in any region of the United States, as well as collects information and periodically looks into the structure, operations, conduct, and monitoring of any individual, partnership, or corporation engaged in or whose business has an impact on commerce.<sup>228</sup> In this instance, celebrity-related advertisements for goods and services in the USA are governed and are under the supervisory control of an empowered regulatory authority. As a result, the Federal Trade Commission in the USA, which focuses on deceptive and illegal advertising of celebrities, is in charge of regulating and monitoring their endorsements. The Federal Trade Commission has also produced a guideline to highlight the precise specifications that advertisements must follow.<sup>229</sup> Anytime the Commission has cause to believe that someone, including advertising celebrities, is infringing the law and is about to do so, the Commission, through any of its attorneys designated for this purpose, may file a lawsuit in a district court of the United States to stop any such act or practice.<sup>230</sup> In nutshell, the Federal Trade Commission regulates celebrity endorsements of products and services by stipulating guideline rules regarding such endorsements. It is also a body with the legal authority to bring legal action against celebrities who endorse products or services when they do so in a way that violates the law.

### **3.5.3 The Indian Experience**

Since the 1980s, celebrity marketing has been more popular in India. In India, the celebrity endorsement craze began to gain popularity at the turn of the twenty-first century. Both international and domestic businesses go over and beyond to secure the support of prominent

---

<sup>227</sup> Federal Trade Commission 16 CFR Part 255 Guides Concerning the Use of Endorsements and Testimonials in Advertising, § 255.0 (a).

<sup>228</sup> Walker, Patrick Douglas. "FTC v. Garvey: A New Trend or an Aberration, The Atlantic Law Journal, Vol. 11, 170-193, 171 (2009).

<sup>229</sup> Srishti Vaishnav & Nidhi Tewari, *supra* note 5, at 212.

<sup>230</sup> Federal Trade Commission Act, Incorporating U.S. SAFE WEB Act amendments of 2006, § 53 Section 13 (2006).

Indian movie celebrities for their brand endorsements.<sup>231</sup> Due to the diversity of the Indian consumer base in terms of their religion, traditions, value systems, and most crucially economic differences, it is a successful alternative for Indian advertisers. To differentiate their marketing strategies from those of their rivals, marketers in India place a lot of importance on brand memory and client persuasion, and for this reason, celebrity endorsement is an efficient mechanism.<sup>232</sup> The majority of people in India keep adulatory their celebrities. They act per the impression that is presented to them. As a result, it is relatively simple to entice them by placing a celebrity in the foreground and the product in the background.<sup>233</sup> In this regard, a consumer demands protection from acquiring defective goods and services as well as from dishonest company practices. It has been noted that these elements have contributed to laws in India protecting consumers' rights.<sup>234</sup>

In this regard, the legal liabilities of advertising celebrities are set forth by laws in India for their deceptive and fraudulent advertising of goods and services in a manner that jeopardizes the rights of consumers in their daily lives and in their ability to make a living. As per Section 53 of the Food Safety and Standards Act, 2006, any person who participates in false and misleading advertisements about the quality, standard, quantity, grade, or usefulness of a food product or who makes information or claims about the product's effectiveness to the public without adequate or scientific support is subject to a fine punishment of INR 10 lakh. In this instance, advertising celebrities are comprised in the definition of “any person” in this law because everyone is covered by the law. Therefore, it encompasses advertising celebrities as well and they are held liable for fraudulent advertisements under this Act. The onus of proof falls on the celebrities to demonstrate that such claims were made on a solid foundation.<sup>235</sup>

Furthermore, the Central Authority by order, issues directions to the advertising celebrities for issues related to the endorsement of goods and services, as the case may be, to withdraw such advertisement or to adjust the same in such manner and within such time as may be specified in that order, if it finds, succeeding an investigation, that an advertisement is false or misleading,

---

<sup>231</sup> Prof. Supriyo Patra & Prof. Saroj K. Datta, *Celebrity Advertising in Indian Culture? Emerging Trends & Challenges Under globalization*, IMS Manthan Vol. V, No. 1, 180-187, 181 (2010).

<sup>232</sup> Vaghela, Pratiksinh Sureshsinh, *A study on consumer attitude perception about celebrity endorsement*, International Journal of Marketing and Technology Volume 2, Issue 12, 150-163, 151 (2012).

<sup>233</sup> Srishti Vaishnav & Nidhi Tewari, *supra* note 5, at 212.

<sup>234</sup> Navninderjit Singh, *supra* note 157, at 2391.

<sup>235</sup> Indian the Food Safety and Standards Act, 2006, No. 34, Article 53.

adverse to the interests of any consumer, or violates consumer rights. In addition to this, if the Central Authority decides that a penalty should be imposed for such false or misleading advertising by advertising celebrities, it may order that the endorser be subject to a fine punishment of up to 10 lakh rupees.<sup>236</sup> Consequently, in nutshell, under the Indian legal system, the advertisements of celebrities related to goods and services are subjected to regulation as per the law of the country. Furthermore, the liabilities of the advertising celebrities are established under the law of the country in form of punishment for their false and misleading advertisements of the goods and services.

Regarding the institutional framework of the country associated with regulating the liabilities of advertising celebrities, the Central Consumer Protection Authority is the institution set up at the Federal level to regulate and investigate any advertisement of false or misleading advertising celebrities that is harmful to any consumer's interest or violates consumer rights. Additionally, this organization has the power to hold celebrities in the advertising industry liable including imposing legitimate punishment for their deceptive and false product and service advertisements.<sup>237</sup>

---

<sup>236</sup> Indian the Consumer Protection Act, 2019 No. 35, Parliament in the Fifty-seventh Year of the Republic of India 2019, Article 21.

<sup>237</sup> *Id.*

## **CHAPTER FOUR**

### **4. LIABILITY OF CELEBRITIES THAT ENGAGE IN COMMERCIAL ADVERTISING UNDER ETHIOPIAN LAWS**

#### **4.1 Introduction**

The chapter's primary focus is a basic overview of advertisements of goods and services by celebrities and its regulations specifically related to liabilities of advertising celebrities in the regime of Ethiopia, including any ongoing regulatory developments are addressed. Another crucial idea of the chapter addressed herein is the necessity to regulate and establish the liabilities of advertising celebrities in the context of current trends of advertising celebrities. In another instance, this segment of the study focused on the obligations and liabilities of advertising celebrities under Ethiopian laws and addressed them in detail, including any legal liabilities enforced in the courtroom and institutional liabilities imposed by the concerned government authority that is mandated by the laws of the country to impose them in cases of false and misleading advertising of goods and services. Determining the liabilities of the advertising celebrities is also another vital concern of this chapter that addresses the mechanisms regulating and applying the liabilities of false and misleading advertising to the advertising celebrities. Finally, this chapter of the study deals with the Ethiopian regulatory institution advertising of goods and services specifically the Media Authority's authorization to regulate celebrity advertising including imposing administrative measures to advertise celebrities in case of their false and misleading advertising of goods and services.

#### **4.2 The Regulation of Commercial Advertising in Ethiopia; A General Overview**

In Ethiopia, it is thought that advertising started in the 19th century, under the rule of Emperor Menelik II. At that time, the “Negarit,” a traditional war drum, was utilized to proclaim advertisements in public spaces like squares and streets. Although media consumer marketing first arose during the reign of Emperor Haile Selassie, the few advertising agencies and the practice itself vanished in 1974 after the monarchy fell and the Derg a military junta, took control of the government. From the middle of the 1970s to the beginning of the 1990s, all types of marketing were severely restricted except for a few government-censored commercials, there was no longer any consumer goods and service marketing. In Ethiopia, advertisements flourished once more in

1991 after the Derg was overthrown and the Ethiopian People's Revolutionary Democratic Front (EPRDF) took office. Along with this, the law passed by the Ethiopian government in 1994 has permitted the growth of print media by private organizations, government, religious, and political organizations. These media have covered advertisements among other topics. Additionally, the Ethiopian Broadcasting Proclamation of 1999 saw the establishment of the Broadcasting Authority, which grants licenses to broadcasters and oversees their operations. Ethiopian Broadcast Authority also reformed the rules governing media sponsorship and advertising for general items.<sup>238</sup>

The advertising sector began to grow in Ethiopia as a result of the economic liberalization that took place in 1991 and the next situation, where companies constantly compete to offer their products and services.<sup>239</sup> Along with the development of technology, several forms of advertising are being employed in Ethiopia to market goods and services through a variety of social and public media. Among others, celebrity endorsements are one of the most effective advertising strategies for enticing customers and helping to recognize the brands in the country. Consequently, celebrities are increasingly being used in Ethiopia as part of a successful advertising strategy to convey the brand's image and product information to the target consumer. As a result, Ethiopia's institutional and legislative framework was critically assessed hereinafter to ascertain the regulation of advertising celebrities in the event of their fraudulent advertising of goods and services.

In this instance, the FDRE constitution guarantees the right to freedom of expression including freedom of the press and mass media.<sup>240</sup> However, these constitutional rights are subjected to limitations for public safety<sup>241</sup> and are not an excuse to mislead commercial advertising systems. As a result, Ethiopia has been passing legislation to safeguard the interests of consumers from deceptive and fraudulent commercial advertisements for goods and services, restricting freedom of expression that interferes with the consumers' protected rights. In this case, the Trade Competition and Consumer Protection Proclamation No. 813/2013 establishes the right of consumers to information and prohibits deceptive and misleading commercial advertising of goods

---

<sup>238</sup> Merga Sori, General Assessment of Advertising on Competition Side in Ethiopia, 1, (2016), [https://www.academia.edu/26175044/Title\\_General\\_Assessment\\_of\\_Advertising\\_on\\_Competition\\_Side\\_in\\_Ethiopia](https://www.academia.edu/26175044/Title_General_Assessment_of_Advertising_on_Competition_Side_in_Ethiopia).

<sup>239</sup> Tamrat Astatke, Advertising in Ethiopia, <https://ethiopianbusinessreview.net/advertising-in-ethiopia/>.

<sup>240</sup> Constitution of the Federal Democratic Republic of Ethiopia Proclamation No. 1/1995, Article 29(2&3).

<sup>241</sup> *Id.* Article 29(6&7).



and services.<sup>242</sup> In the same way, deceptive advertising of goods and services is prohibited by Advertisement Proclamation No. 759/2012 and makes responsible advertisers, advertising agents, and disseminators for any misleading commercial advertisements.<sup>243</sup> Also, Electronic Transaction Proclamation No. 1205/2020 requires a supplier of goods and services who engages in an electronic transaction to adequately describe the significant features of the goods and services.<sup>244</sup> Lastly, the Food and Medicine Administration Proclamation No. 1112/2019 stipulates that no advertisement or promotion contains information about regulated items that is inaccurate or deceptive and makes accountable the advertiser, disseminator, and advertising agent for not confirming the rules of advertisement of regulated products under this law including participating in the misleading advertisement of goods and services.<sup>245</sup> As a result, however, the regulation of commercial advertisement of goods and services under these laws which are passed to protect the rights of consumers from false and deceptive advertisements are limited only to advertisers, broadcasters, and production agents of advertisement including providers of advertised goods and services. In this case, even though advertising celebrities are the main participants in commercial advertisement, the laws of the country put them out of the domain of obligations for the deceptive advertisement of products unlike advertisers, broadcasters, advertising agents, and sellers of goods and services.

#### **4.3 Recent Trends and Needs to Regulate Celebrity Advertising in Ethiopia**

Today in Ethiopia most common form of advertising is celebrity endorsement of goods and services. It is a highly well-liked trend and a successful marketing and brand-building strategy in the country. We see a lot of famous people promoting and endorsing various products and services by using different public and social media claiming that those products are the best for consumers. Consequently, in Ethiopia, people are found drawn to the looks, and way of life of celebrities, since they are more influential on public opinion and their well-known qualities (beauty, talent, athleticism, strength, etc.), which frequently serve as attractions desired by the products and services they advocate, advertisers frequently use celebrities in their advertising. Celebrities receive large sums of money from advertisers in the hopes that they would bring success to their

---

<sup>242</sup> Ethiopian Trade Competition and Consumer Protection Proclamation No. 813/2013, Article 3(1), 19 & 14(1).

<sup>243</sup> Ethiopian Advertisement Proclamation No. 759/2012, Article 8 & 38.

<sup>244</sup> Ethiopian Electronic Transaction Proclamation No. 1205/2020, Article 28(1(f)).

<sup>245</sup> Ethiopian Food and Medicine Administration Proclamation No. 1112/2019, Article 58 (1&3).

goods and services. And also, marketers believe that this is the best strategy for impressing people and raising awareness of their goods. Moreover, consumers favor the brand because they enjoy the celebrity it endorsed.<sup>246</sup>

Thus, in Ethiopia, celebrities play a major role in advertising as one of the most effective ways to promote a variety of products and services. In this regard, celebrities are currently participating in various countrywide campaigns to promote goods and services under the current advertising system. In this instance, their advertisements of products and services can be seen in all types of public media, including print magazines, billboards, and other indoor and outdoor forms of advertising. Celebrities have also been observed promoting products and services on their social media accounts, including Instagram, YouTube, Facebook, Telegram, TikTok, and others. In Ethiopia, most celebrities participate in commercial advertisements for their financial advantage, and only a small number are aware of their duty of care to the public and refrain from promoting anything that might be deceptive or dishonest. Even though Ethiopia has the law of advertising and consumer protection, celebrities are often found free from any liabilities related to endorsing various fraudulent and deceptive commercials by using various public and social media.<sup>247</sup> The mass media, outdoor advertising, internet websites and services, cinema, film, video, and any other related means of advertisement dissemination that are currently dominated by celebrity advertisement are all considered as means of advertisement dissemination under the Ethiopian advertisement law.<sup>248</sup> In this regard, the law of advertising requires any advertising agent or advertisement disseminator to confirm the accuracy of the information including outdoor advertising, provided to them by an advertiser and holds them jointly and severally liable for a false and misleading advertisement that persuades consumers to purchase defective products.<sup>249</sup> Nevertheless, it is not specified who is responsible for monitoring and confirming the veracity of celebrities' social media endorsements, internet websites and services, cinema, and film, as well as not establishing their liabilities as advertising agents and broadcasters for their deceptive

---

<sup>246</sup> An Interview was held with Mr. Fikru Bezabh, Ethiopian Media Authority Advertisement Supervising and Monitoring Expert, on Aug 15, 2022, at 2:00 pm, Addis Abeba.

<sup>247</sup> An interview was with Dese Kefale, Ethiopian Media Authority Communications Affairs Coordinating Director, on Aug 15, 2022, at 10:00 am, Addis Abeba.

<sup>248</sup> Ethiopian Advertisement Proclamation No.759/2012, Article 2(2).

<sup>249</sup> *Id.* Article 27 & 30.

endorsements and lets them free to promote goods and services whether or not their endorsements are deceptive or not, at the expense of the public.

In this aspect, although Ethiopia has a robust legislative and institutional framework in place to regulate unfair, deceptive, and misleading advertising, the system in place to stop it has noticed that the activity persists nearly unabatedly. In this regard, despite the legal action taken against dishonest advertising, there is still a constant stream of false and deceptive celebrity advertisements in the public and on social media. As a result, there have been hard successes with the legal framework to protect the misleading advertisements, specifically utterly failed to protect against misleading advertisements of celebrities through different social media including imposing liability for their false and misleading advertisements. Besides, many concerns about deceptive advertisements of celebrities that emerge on various social media platforms go unanswered at this moment under the laws of Ethiopia related to the liabilities for those who use fraudulent or deceptive advertising.<sup>250</sup> It is, therefore, vital to the regulation of advertising celebrities' endorsements of goods and services on different public and social media platforms in a manner that enables control of their false and misleading advertising of products and establishes their liabilities related to their deceptive advertisement of items and services that sustain damages to a consumer who obtained and consumed as a result of such endorsement, to protect consumer wellbeing.

#### **4.4 Obligations and Liabilities of Celebrities in Advertising Under Ethiopian Laws**

When celebrities endorse products and services, the advertiser or advertising agent and the celebrities only have a legal relationship regarding the terms of their endorsement contract, including the terms of payment, length, and other associated obligations. However, the contract of endorsement of the goods and services entails the parties' obligation to one another while eliminating the obligations including liabilities of celebrities related to the acquired defective goods and services as a result of celebrity advertising.<sup>251</sup> In this scenario, the advertiser, the owner or provider of the defective goods and services, is obligated and liable under the product liability principle to compensate the consumers. The celebrity, however, who promoted the products and persuaded consumers to buy them escaped from the liabilities related to their false and misleading

---

<sup>250</sup> Dese Kefale, *supra* note 10.

<sup>251</sup> *Id.*

advertisement of goods and services. In this aspect, consumers are safeguarded from any harm caused by goods and services, and their access to true information about those goods and services is also protected. In the regime of Ethiopia based on the product liability concept, the seller and producers are often liable for consumer losses resulting from the endorsed defective goods and services. Also, advertisers, broadcasters, and production agents of advertisement are liable for deceptive advertisements of products under the advertising law of Ethiopia.<sup>252</sup> In this sense, celebrities in advertising are free riders and exempt from any obligations and liabilities for consumers in a way that benefits them at the expense of consumers.

#### **4.4.1 Obligations of Celebrities in Advertising**

An advertising agent or advertisement disseminator is expected to verify the accuracy of any information that has been provided to it by an advertiser by Ethiopian Advertisement Proclamation No. 759/2012. As per this law's requirements, the advertisement broadcasters must confirm the veracity of information about the advertised goods and services before broadcasting the advertisement. Moreover, advertising agencies are prohibited from the production of advertisements for goods and services without guaranteeing the accuracy of the information about those products and services being advertised.<sup>253</sup> These obligations of disseminators and agents to confirm the accuracy of information related to advertised goods and services are designed to ensure that only accurate product information is made available to the public and not disclose deceptive advertising of products. In this regard, if an advertisement does not disclose accurate information about goods and services, the production agents and broadcaster including the advertiser subject to liability for not disclosing the advertising of goods and services with accurate information.<sup>254</sup> As well the licensee of the broadcasting service is required as per Article 55(1(i)) of Media Proclamation, no 1238/2021 to verify the content and refrain from broadcasting misleading advertisements. As a result, the Licensee of the broadcasting service is required by this law to disseminate only accurate advertisements to disclose factual information about goods and services to the public.

---

<sup>252</sup>Ethiopian advertisement Proclamation No.759/2012, Article 27, 30, 6(1(b)) & 32(2); Trade Competition and Consumers Protection Proclamation No 813/2013, Article 19 & 20(3); Electronic Transaction Proclamation No. 1205/2020, Article 28(1(f)); Food and Medicine Administration Proclamation No. 1112/2019, Article 58; Media Proclamation, No. 1238/2021, Article, 55(1(i)).

<sup>253</sup> Ethiopian Advertisement Proclamation No. 759/2012, Article 27(1(a)).

<sup>254</sup> *Id.* Article 30.

As the primary actors in Ethiopia's advertising business, nevertheless, advertising celebrities are not required and obliged by the laws of the country to disclose factual detailed information about endorsed products and services including their positive outcomes and side effects upon consumption and promote only truthful advertising of goods and services. In this case, celebrities are free riders in this part of advertising, regardless of whether the claims made about the products they are endorsing are accurate or not. In Ethiopia, celebrities are currently seen taking part in a variety of product and service advertisements in public and on social media, including outdoor advertisements, based on the information given to them by the advertiser or advertising agents, however, they are not required to do anything more than appropriately advertise products and provide information about sponsored goods and services.

In the experience of the USA, advertising celebrities are obligated to disclose any pertinent information about the products and services they are endorsing and if a product or service is mentioned in an advertisement as being used by a celebrity, the celebrity's use must be genuine. When advertising celebrities fail to do so, it is deemed to be false and misleading advertising and subject to liabilities related to deceptive advertising. This includes information about the most common side effects of using the products and services being advertised. Besides, as per China's advertising law, celebrities who participate in deceptive commercial advertising to advertise goods and services are liable for their fraudulent claims if they should have known their endorsement was false. This law of China obligated celebrities in advertising to truly know the information about the products and services they are endorsing to avoid disclosing any misleading or fraudulent advertising. In this aspect, however, the advertising laws of Ethiopia disregard obligating advertising celebrities to not disclose deceptive and misleading advertisements of goods and services, despite their major role in Ethiopia's advertising industry.

Thus, considering the recent problems in Ethiopia around a certain set of laws not establishing the obligations of celebrities in advertising, these laws need to review to regulate celebrity endorsements by obligating them to disclose not deceptive advertising of goods and services. Also, since celebrity endorsements currently dominate public and social media advertising, the need to protect consumer rights is a top concern for the government, obliging advertising celebrities under the regime of the USA and China to disclose essential facts and adverse effects of advertising products and services is the best lesson to drive, and the regime of Ethiopia must adopt this

experience of the USA in a manner that celebrities who appear in advertisements are required to make a complete disclosure in advertising regarding the product's composition, effects, and quality and are also fully aware of those factors.

#### **4.4.2. Liabilities of Celebrities in Advertising**

The Ethiopian government has introduced various laws to protect the general public and consumers in particular from unfair business competition related to deceptive advertisements of goods and services and to encourage commercial activities to be conducted by the appropriate practice per the country's free-market economic policy. To protect the consumers from anti-competitive and unfair market practices, specifically deceptive advertising conducts the laws were devised by the Ethiopian government. In this case, several laws were enacted to establish the institutional and legal framework to protect consumers from false and misleading advertising. The advertising of celebrities is one of the key marketing activities in Ethiopia that encourage the public in general and their fans to buy and use the products and services they are endorsing. The liabilities of advertising celebrities for their fraudulent and deceptive endorsement of goods and services, though, have been the subject of an intense legal gap and found out of the domain of the law of the country since the applicability of laws of the country is not extended to advertising celebrities and their endorsement of goods and services.<sup>255</sup>

In this case, some jurisdictions have determined that regulating the advertising of celebrities and imposing some sort of legal and institutional liabilities to advertising celebrities for their inaccurate and misleading commercials is necessary. In this regard, the USA extends the legal and institutional regulation to advertising of celebrities so the Federal Trade Commission serves as the central regulatory institution of celebrity advertising, and as a result of increasing complexity in the analysis of advertising and its effects, the commission has, over the years progressed a widely accepted set of principles for regulation. Thus, advertising celebrities are subjected to legal and institutional imposed liabilities for their false and misleading advertising of goods and services. Also, it is a common practice in India to use celebrities in advertisements and there is a legal and institutional framework relating to the regulation and liability of celebrities endorsing a brand based on false and misleading advertisements. The use of celebrities as brand advertisers are also

---

<sup>255</sup> Ethiopian Advertisement Proclamation No. 759/2012, Article 2 & 3 (1); Trade Competition and Consumers Protection Proclamation No 813/2013, Article 3 &4.

governed by laws in China and celebrities are held legally and institutionally liable for misleading advertisements that influence consumer purchasing behavior. As a result, China, India, and the USA have explicitly regulated celebrities in advertising in general and established particular liabilities (legal and institutional) for their deceptive promotions of goods and services.

#### **4.4.2.1 Personal Liabilities of Celebrities in Advertising**

The establishment of consumer protection laws is a practice carried out by the current regime in Ethiopia to protect consumers from false and misleading advertisements of goods and services. As a result, in this section, the author explored numerous legal frameworks that are relevant to consumer protection from false and deceptive advertising of celebrities in Ethiopia. The author attempted to present a substantive legal framework to determine how those laws regulate and establish the liabilities of advertising celebrities to achieve restorative justice for the public in general and victim consumers in specific. Thus, to give pertinent concerns the researcher used each relevant law to show the relevancy and adequacy of such laws regarding the regulation of advertisements of celebrities to establish the legal liabilities of advertising celebrities.

In this instance, begin with, the Advertisement Proclamation no.759/2012, of Ethiopia, defines an advertisement as commercial marketing of goods and services that is transmitted through the means of advertisement dissemination to promote sales of goods or services or to publicize a name, logo, trademark, or objectives, and includes public and private advertisements. The transmission of information in the form of marketing to persuade the general public to purchase the goods and services designated under this law as a commercial advertisement. As per this law, it is legal to use a variety of platforms and methods to disseminate commercial advertisements for goods and services to the general public. These include television, radio, newspapers, outdoor advertisements, fax machines, internet websites, telecom services, movies, films, and other similar media.<sup>256</sup> Besides, this law defines an advertising agent as someone who engages in advertising activity, an advertisement disseminator as someone who uses means of advertisement transmission to disseminate advertisements by offering airtime, column coverage, or other related services, and an advertiser as someone whose advertisement is advertised using such means.<sup>257</sup> Unfortunately, this legislation, nevertheless, does not include in its scope of application the celebrity

---

<sup>256</sup> Ethiopian advertisement Proclamation No.759/2012, Article 2(1&2).

<sup>257</sup> *Id.* Article 2(6, 7 & 8).

endorsements of goods and services other than advertising agents, advertisement disseminators, and advertisers even though advertising of celebrities plays a significant role in contemporary industries of commercial advertisements, it appears to be outside the subject of this law.<sup>258</sup>

In this instance, when we recap the experiences of the Trade Commission guidelines of the USA clearly describe the advertising of celebrities as endorsement goods and services and endorsers as specific celebrities who take part in the advertising of goods and services, in contrast to Ethiopia's advertising law. This law of the country was created and adopted in a way that makes it applicable to celebrities' endorsements. Additionally, anyone, including advertising celebrities in the advertising industry, is subject to the Federal Trade Commission Act of the USA in cases of deceptive and fraudulent advertising of goods and services. In a similar vein, the advertising legislation of China expressly lists endorsers of goods and services, including advertising celebrities, as being covered by the nation's advertising laws. Under the Indian regime also advertising celebrities are subject to the law of the country regarding issues related to the deceptive advertising of goods and services. Regarding this, it is a relevant lesson for Ethiopia's regime to regulate the commercial advertisement of celebrities under national law in a similar manner to the advertiser, advertising agent, and broadcaster by drawing from the experiences of these countries to regulate the advertising of celebrities under national law.

Furthermore, it is required under the advertisement law of Ethiopia that the advertisement of goods and services must be free from any false and misleading, or unfair statements.<sup>259</sup> It describes deceptive advertising of products and services as any that provides inaccurate information regarding a product's origin, manufacture date, nature, ingredients, weight, volume, intended use, or consumer acceptance of the product. It also prescribes advertisement of goods and services that gives false information about the country or place of origin, date of production, nature, ingredients, weight, volume, use, or acceptance by consumers of a product, and also product advertising that goes beyond its actual usage, quality, flavor, component, strength, durability, sufficiency, as a misleading advertisement<sup>260</sup> and it establishes the liabilities for any deceptive or false advertising of goods and services that contravenes national advertising regulations. In this case, any false or misleading advertisement that is disseminated to the public is deemed to have been done so with

---

<sup>258</sup> *Id.* Article 3 (1).

<sup>259</sup> *Id.* Article 6(1(b)).

<sup>260</sup> *Id.* Article 8 (1, 2 &3).



the advertiser, advertising agent, and disseminators' approval so as a level of their obligation, they are jointly and severally liable for the false and misleading advertisements of the goods and services.<sup>261</sup> Hence, it establishes the liabilities of advertising agents, advertisers, and disseminators for the broadcasting of deceptive and fraudulent infomercials of goods and services.

As well advertising celebrities are also significant role players in advertisements of goods and services, including influencing the purchasing decision of consumers. As it is not provided the liabilities and even not incorporated under the definition and scope of application, nonetheless, endorsements of celebrities are not regulated under this Advertisement Proclamation No.759/2012 and, they are not subjected to liabilities established under this law for their false and misleading advertisements. Antithetical to this law of the country, the experience of China's advertising law holds advertising celebrities, who participate in advertisements of goods and services through dishonest or misleading advertising liable for their deceptive commercial advertising. Furthermore, even if they knew or should have known the advertisements were false nonetheless acted as an endorser or agent and gave a recommendation for the goods and services, and they are liable for such deceptive advertising.

In a similar vein, the Trade Competition and Consumers Protection Proclamation No. 813/2013 was enacted with the objective of, among other things, safeguarding consumers from deceptive business practices and ensuring that they receive goods and services that are safe, suitable for their health, and comparable to the price they are paying.<sup>262</sup> Likewise, it forbids the transmission of advertisements for goods and services that are false or deceptive regarding their nature, components, amount, expected outcomes from use, origins, weight, volume, etc<sup>263</sup>. This law gives consumers the right to sue the seller of defective goods or services for the damage that comes from using those goods or services.<sup>264</sup> In general, nevertheless, it is not regulating and provide the liabilities of the participants in the false and misleading advertisements for goods and services that cause damage to consumers and the liabilities of advertising celebrities specifically recommending such specific products. As per the experience of the Chinese Food and Safety Law of 2015, though, consumers who have been affected by celebrity-endorsed food and related products are permitted

---

<sup>261</sup> *Id.* Article 30.

<sup>262</sup> Ethiopian Trade Competition and Consumers Protection Proclamation No. 813/2013, Article 3(1&2).

<sup>263</sup> *Id.* Article 19.

<sup>264</sup> *Id.* Article 20(30).

to submit a claim against advertising celebrities specifically to sue a celebrity who has promoted such a product for compensation. Besides, in the USA's experience, it requires advertising celebrities to be actual users of the product or service they are advertising unless they are held liable for any false or misleading endorsements, they make in their advertisements, in a manner that enables consumers to take a claim against celebrity endorsers.

Likewise, Food and Medicine Administration Proclamation No 1112/2019 requires advertisers and advertisement disseminators to ensure that no regulated product advertisement contains false or deceptive claims. It also makes the advertiser, the advertisement disseminator, and the advertising agency equally and severally liable for the dissemination of false and misleading advertisements for related products.<sup>265</sup> In this instance, advertising celebrities have a significant role in promoting food-related and cosmetic products that are subjected to this law. Thus, nothing can be denied that celebrity endorsements in food and medicine-related item including cosmetics products have a significant positive impact on sales. Consumers, however, are not fully aware of the products' significance subjected to celebrity endorsements. Therefore, it is simple to produce some undesirable outcomes through, unscientific consumption habits because of misleading advertisements by celebrities.<sup>266</sup>

In this regard, this law of the country stipulates that anyone who violates the advertising regulations about regulated products (food, cosmetics, medicines, medical devices, and tobacco) faces liabilities such as fines or imprisonment penalties.<sup>267</sup> This law, though, does not apply to celebrity endorsements since it is not defined and regulated under this law as clearly stated in the law of the USA as what constitutes celebrity endorsement and who serves as an endorser of goods and services in advertisements. In this instance, also, it eliminates celebrity endorsements of other regulated items and instead defines tobacco advertising as any recommendation or action that has the intention, result, or likelihood of promoting a tobacco product or tobacco usage.<sup>268</sup> Thus, the Food and Medicine Administration Proclamation does not govern celebrity endorsements of foods, medicines, or other related cosmetic products through various public or social media, and the

---

<sup>265</sup> Ethiopian Food and Medicine Administration Proclamation No. 1112/2019, Article 58.

<sup>266</sup> Nie, Chang, and Wutong Liu. Exploring the Impact of Celebrity Endorsement of Food Advertising on Brand Sales, 2021 International Conference on Social Development and Media Communication (SDMC 2021). Atlantis Press, 362-366, 365 (2022).

<sup>267</sup> Food and Medicine Administration Proclamation No 1112/2019, Article 58 (1) & 67 (18).

<sup>268</sup> *Id.* Article 2(34).

liabilities of advertising celebrities for their misleading and deceptive advertising are not further established by this legislation. The laws in India, specifically Food Safety and Standards Act 2006, however, hold advertising celebrities liable for their dishonest and fraudulent advertising of foods in a way that jeopardizes the rights of consumers in their daily lives and their ability to make a living.

Furthermore, Broadcasting Service Licensee is required under Media Proclamation, no 1238/2021 to adhere to the advertising regulations, check the content, and avoid broadcasting misleading advertisements.<sup>269</sup> Similarly to this, the criminal code of Ethiopia outlaws the use of deceptive statements and fraudulent representations to persuade someone to take action that would be detrimental to the property owner's rights or the rights of others.<sup>270</sup> Also, it vetoes immoral commercials<sup>271</sup> and imposes a penalty for violating advertisement laws.<sup>272</sup> These laws, nevertheless, do not regulate how to maneuver celebrity advertising, including their liability for fraudulent marketing. In the experience of the USA, advertising celebrities who engage in deceptive or fraudulent marketing of goods and services are subject to criminal prosecution and punishment, which may include a fine or imprisonment, upon the guilty judgment of the court. In contrast to this experience of the USA, it is not the intent of the Media and criminal laws of Ethiopia to hold advertising celebrities liable for their dishonest and deceptive public advertising of products and services that endanger consumer rights. Last but not least, the Ethiopian civil code outlines fault-based obligations for inaccurate information that results in an impairment to someone who acts accordingly. In this sense, this law does not affirm whether it applies to commercial advertisements by regulating the use of celebrities in product and service advertisements.<sup>273</sup> Consumers in China, however, are permitted to file lawsuits seeking compensation from celebrities who engage in such deceptive advertising because their legitimate interests are harmed by their false endorsements.

The Ethiopian regime, in a nutshell, does not have any regulations that govern and set the obligations and liabilities of celebrities who endorse products and services in different indoor and outdoor advertisements. Advertising for goods and services distributed by advertisers, advertising

---

<sup>269</sup> Ethiopian Media Proclamation, No 1238/2021, Article 55(1(i)).

<sup>270</sup> The Criminal Code of the Federal Democratic Republic of Ethiopia Proclamation No.414/2004, Article 692 (1).

<sup>271</sup> *Id.* Article 643.

<sup>272</sup> *Id.* Article 812.

<sup>273</sup> Ethiopian Civil Code 1960, Article 2059.

agencies, and broadcasters is governed by national legislation that safeguards consumer rights, including their health and safety, as well as the general well-being of the public. In this case, the country's laws held marketers, broadcasters, and advertising agencies liable for any misleading or fraudulent commercial advertisements for goods and services that violated those regulations. Even though celebrities are prominent participants in commercial advertisements through a variety of social and public media, nevertheless, the laws of the country do not regulate their endorsements of consumers' goods and services and do not establish their liability for making false or misleading claims in their advertisements. Regarding the experience of regulating the endorsement of celebrities and setting their liabilities, China, the USA, and India, however, have regulations governing celebrity endorsements of products and services, as well as set liabilities related to false and misleading endorsements within their respective legal frameworks. In this instance, the advertising celebrities are subjected to both criminal and civil liabilities under the mentioned jurisdictions as prescribed under their laws. Thus, considering that celebrity endorsements are currently one of the most prevalent forms of advertising in Ethiopia and that it is imperative to safeguard consumers' rights from misleading advertising, the government should regulate and establishes their legal liabilities in this particular case under its laws similar to what the USA, China, and India have experienced.

#### **4.4.2.2 Institutional Liabilities of Celebrities in Advertising**

In Ethiopia, regarding the institutions responsible for the implementation and combat of false and misleading advertisements related to consumer goods and services, different authorities are empowered under a variety of laws to combat and take relevant measures against deceptive advertisements in the commercial market. In this regard, the Trade Competition and Consumers Protection Authority were established as an independent institution at the federal government level with its legal personality.<sup>274</sup> It is the government body with the authority to protect customers against unlawful commercial activities including false and misleading advertisements of goods and services and also forbid the advertisement of goods and services that infringe health and safety regulations of consumers when it becomes aware of them on its own or when they are brought to its attention by anyone and to order the publication of announcements of corrections for such advertisements in the manners in which the advertisements were made at the expense of the party

---

<sup>274</sup> Ethiopian trade Competition and Consumers Protection Proclamation No. 813/2013, Article 27(1).

whose interest they promoted.<sup>275</sup> The authority in this situation is authorized to give orders for the dissemination of announcements to corrections relating to the fraudulent and misleading endorsement of the goods and services since as indicated by this law, consumers have a right to get adequate and accurate information or an explanation regarding the nature and quality of the goods or services they purchased.<sup>276</sup>

In this regard, the investigation and prosecution power for the violation of the rights of consumers protected under Trade Competition and Consumers Protection Proclamation No. 813/2013, including false and misleading advertisements of goods and services are given to the Federal police commission and Federal Attorney General respectively.<sup>277</sup> It is not specified, nevertheless, whether the investigation and prosecution by these authorized institutions are extended to the false endorsement of the celebrities. And also, the Trade Competition and Consumers Protection Authority is not authorized under this law to impose liabilities on advertising celebrities for their deceptive endorsement of goods and services. Consequently, these institutions have no authority to investigate and prosecute as well as impose some institutional liabilities on advertising celebrities for their false endorsement of goods and services. While discussing other jurisdictions' experiences, the Federal Trade Commission is the primary regulatory body for celebrity endorsements in the USA and it is authorized to file a lawsuit in a district court of the United States to prevent any such act or practice whenever it has reason to suspect that advertising celebrities are breaking the law or is about to do so, through any of its attorneys. The Administrative Department for Industry and Commerce Authorities in China is also responsible for supervising celebrity endorsements. For any endorsement or certification of a commodity or service, the State Administration of Industry and Commerce has the authority to deal with celebrity endorsers who purposefully deceive, make misleading claims, or engage in other acts that are against the standards of ethical advertising, as well as to hold them liable including imposing a penalty and confiscating any illegal revenues derived from their deceptive and misleading marketing.

Furthermore, the Ethiopian Media Authority has the authority to control advertisements in compliance with the advertisement law and to oversee broadcast media to make sure they are

---

<sup>275</sup> *Id.* Article 30 (7&8).

<sup>276</sup> *Id.* Article 14 (2).

<sup>277</sup> Federal Attorney General Establishment Proclamation No. 943/2016, Article 22 (6 & 7).

operating legally.<sup>278</sup> The authority is also given the jurisdiction to make sure that advertising is done in a way that advances the political, social, and economic development of the nation. Additionally, it reviews and suspends any commercial advertisement besides outdoor advertisements and transmits any information necessary for the prosecution of any perpetrator to the proper government entity.<sup>279</sup> In this case, even though the Media Authority is empowered with controlling and banning advertisements like false and misleading endorsements of goods and services, it is not empowered to do the same for advertising celebrities since they are not subjected to the advertising law of the country<sup>280</sup> and also, the outdoor advertisements of celebrities are situated outside of the control of this authority.<sup>281</sup> Thus, the media authority has no power to regulate advertising celebrities and take them to prosecution including imposing liabilities by its decision for their misleading advertisement of goods and services as per this law. Unlike this law of the country, in India, the Central Consumer Protection Authority is the institution established at the Federal level to regulate and investigate any false or misleading advertising celebrity that is detrimental to any consumer's interest or violates consumer rights, as well as to hold celebrities in the advertising industry liable, including imposing just punishment for the false and deceptive claims made in their product and service advertisements. Thus, to sum up, China, India, and the USA have regulatory institutions to control celebrity advertising, including the imposition of reasonable punishments for fraudulent and misleading celebrity endorsers. In this case, the Ethiopian government should take note of China, the USA, and Indian lessons and provide concerned institutions authorization to control celebrity endorsements together with other pertinent regulatory liability-related measures to safeguard consumers from misleading endorsements of celebrities.

#### **4.5 Introducing the Liabilities of Celebrities in Advertising Under the Laws of Ethiopia**

The solution that can be thought to deal with the problem of celebrities endorsing products falsely and misleadingly is the necessity for a legal framework to determine the liabilities of celebrities in advertising for making false and misleading advertising. During the issue of regulating the

---

<sup>278</sup> Ethiopian Media Proclamation No. 1238/2021, Article 5(2) & 6(6).

<sup>279</sup> Ethiopian advertisement Proclamation No.759/2012, Article 31(1, 3, & 4) & Ethiopian Media Proclamation No. 1238/2021, Article 89(2).

<sup>280</sup> Ethiopian advertisement Proclamation No.759/2012, Article 3(1).

<sup>281</sup> Ethiopian advertisement Proclamation No.759/2012, Article 31(3) & Ethiopian Media Proclamation No. 1238/2021, Article 89(2).

endorsement of celebrities and determining their liabilities for deceptive endorsement of goods and services under the legal and institutional framework of the country, it encounters obstacles that can be related to defining celebrity endorsement including determining who is and is not an endorser and identifying the conditions for doing so establishing a system to resolve any disagreements that may arise and assessing the nature, extent, and amount of liability.

In this case, the Ethiopian law of advertising, defines and determines an advertising agency as a person who engages in advertising activity, and an advertisement disseminator is a person who employs means of advertisement transmission to disseminate advertisements by providing airtime, column coverage, or other related services, and an advertiser is a person whose advertisement is advertised through such means. Also, advertising activities are described as activities that involve creating and disseminating advertisements, providing promotional services, and engaging in other related activities.<sup>282</sup> In this regard, it is necessary to regulate including imposing obligations and determining the liabilities related to deceptive advertisements of celebrities, however, the advertising law of the country is not defined like an advertising agent, disseminator, or advertiser, who is an endorser in the case of endorsement of goods and services.

As well it is also not described under the legislation of the country which types of advertisement amount to an endorsement of the goods and services by celebrities. Meanwhile, celebrities are not identified under the laws of Ethiopia, they are found out of the domain of the legal and institutional regulations of the country even for the issues related to the endorsement of goods and services in a manner that deceives consumers about the products subject to their endorsement. As a result, the law of the country established the liabilities related to false and misleading advertisement of goods and services, nevertheless, it does not apply to advertising celebrities as long as the scope of applicability of the law of the country extended to celebrities in advertising and their endorsement of goods and services are determined and defined by the legislation of the country. In this regard, the liabilities including regulatory measures prescribed under the laws of Ethiopia related to false and misleading advertisement of goods and services do not apply to celebrities who are participating in the endorsement of goods and services deceptively by using various public and social media platforms, so the liabilities of advertising celebrities including the nature, extent, and

---

<sup>282</sup> Ethiopian advertisement Proclamation No.759/2012, Article 2(5-8).

amount of liability under the laws of Ethiopia related to advertising is not introduced and determined.<sup>283</sup>

In the experience of the USA, an endorsement is defined as any advertisement that contains verbal statements, pictures of people's names, signatures, likenesses, or other identifying features and leads consumers to believe that it represents the views, convictions, conclusions, or experiences of a party other than the sponsoring advertiser. As well an endorser is an individual including a celebrity who appears in advertising for products and services that expresses his thoughts, beliefs, outcomes, or experiences. Under this law of the country, the endorsement and celebrity endorsers are determined clearly in a manner that enables the identification of the liabilities of advertising celebrities who participates in false and misleading endorsement of goods and services. In this regard, celebrities who participate in false and misleading endorsements of goods and services are subjected to liabilities as prescribed under the laws of the country for deceptive advertising. Likewise, as stipulated in China's Advertising Law, an endorser is any natural person, including advertising celebrities, who participate in the recommendation of products to consumers through advertising. As a result, advertising celebrities are subject to its regulations as endorsers of goods and services and are subject to liabilities as determined for the false and misleading advertisement of goods and services under the advertising law of the nation. Thus, it is currently necessary to regulate and establish the liabilities of celebrities in advertising, it is significant to clearly define celebrities in advertising and what constitutes their endorsement of goods and services, Ethiopia should take a lesson from the USA's and China's experiences in respect to regulating and determining what constitutes celebrity endorsement and establishing the applicable liabilities to celebrities for deceptive advertising of goods and services.

#### **4.6 Celebrity Liabilities in Advertising and Practice of Regulator Authority in Ethiopia**

At the level of the practical institutions that regulate the advertisement of goods and services in Ethiopia, Federal the Media Authority is the regulator empowered to supervise, control, and take measures against false and misleading commercial advertisements of goods and services.<sup>284</sup> In this regard, the authority issued Directive No 1/2008 to implement advertising proclamation no

---

<sup>283</sup> Ethiopian advertisement Proclamation No.759/2012, Article 30 & 34 & Food and Medicine Administration Proclamation No. 1112/2019, Article 58 & 67(18).

<sup>284</sup> Ethiopian advertisement Proclamation No.759/2012, Article 31 & Ethiopian Media Proclamation No. 1238/2021, Article 89(2).



759/2004 by controlling false and deceptive advertising and the manner of the dissemination of advertising. The directive applies to advertising agents, advertisers, and broadcasting service media.<sup>285</sup> This directive mandates the advertising agent to verify the veracity of the information provided, related to products and services subject to advertising. Broadcasting media is also obligated to establish procedural systems that lead the manner of the dissemination of the advertisement of goods and services.<sup>286</sup> However, in terms of their involvement in the marketing of goods and services, advertising celebrities are exempt from this regulation of authority and do not fall within its purview. It also does not apply to the advertisement on social media platforms and does not provide who is empowered to control the advertisement on social media specifically celebrity endorsement marketing to the public. In this regard, the Media Authority's regulation does not apply to advertising celebrities who actively engage in the promotion of products and services through the use of social media and other platforms, including outdoor advertising.

Furthermore, the media authority in practice issues licenses to advertisement agents and controls the advertisement of goods and services disseminated through different broadcasting services. The authority is also controlling the advertising agents and broadcasting services that disseminate false and misleading advertisements of goods and services. In this regard, the authority works with the public prosecutors and police to take justice against advertising agents and broadcasting media which violate the laws of advertisement by producing and disseminating respectively the advertisement that damages the rights of the consumers. The authority receives any complaint related to false and misleading advertisement of the goods and services that affects the interest of the consumers through its free calling line number 9192 from any individual complainant. Based on the evidence transferred by authority and investigation evidence of police, the public prosecutor institutes prosecution against advertising agents and broadcasting media that produces and disseminates false and misleading advertisements of goods and services and are found subjecting to the punishment of court currently. In case of the allegation provided to the authority, it also takes administrative measures against the advertisement agents and broadcasting media including licensed social media advertisers. The administrative measures of the authority include an order to stop broadcasting advertising that is reported as false and misleading advertising of goods and services. Besides the authority imposes administrative measures on advertising agents and

---

<sup>285</sup> Broadcasting Service Advertisement Directive No 1/2008, Article 3.

<sup>286</sup> *Id.* Article 23 & 27.

broadcast media such as issuing warning notices, suspending advertising licenses, and ordering to disseminate of counter advertisements.<sup>287</sup>

In an aspect of the liabilities of the advertising celebrities, the authority is not imposing the administrative measures individually on celebrities for their false and misleading advertising of goods and services rather than on advertising agents that signs contracts of advertisement with celebrities since advertising celebrities are not regulated under the law of advertising. In this regard, in practice, the authority is not empowered to impose any liabilities in the case of celebrities who participates in false and misleading advertising of goods and services. Currently, in practice advertising celebrities signs the contract of advertisement of goods and services with the production agent of advertisement to advertise goods and services and the obligation to verify the reality of information about goods and services subjected to advertisement is the mandate of the agent in case of both indoor and outdoor advertising rather than advertising celebrities so, the authority is found imposing the administrative measures on advertising agent and broadcaster media in case of deceptive advertising of products but not on advertising celebrities. The advertising celebrities are also not subject to the measures of the Media Authority for the case of advertising falsely and misleadingly even case as an ambassador of goods and services of the advertisers so the authority imposes administrative measures against the advertising agents and broadcasters including suspending licenses of advertising agents and ordering removal outdoor advertisements. Furthermore, even though there have been victims of the false and misleading advertisement of celebrities the allegation against the celebrities is not received by the Media Authority since the authority does not regulate the case related to individual celebrities who endorse goods and services falsely and misleadingly.

In this case, currently in Ethiopia, celebrities who participate in the different advertisements of goods and services refrain from false and misleading advertisements of goods and services considering only their moral obligation to the public even though they are not subjected to any authority measures. Due to the gap in policy and laws regarding the regulation of celebrities separately like advertising agents and broadcasting media, even though their endorsement of goods is false and misleading the media authority imposes its administrative measures and takes complaints of consumers against agents of advertisement that enter a contract with celebrities to

---

<sup>287</sup> Dese Kefale, *supra* note 10.

advertise goods and services. Thus, advertising celebrities are free from any obligation and liabilities of the Media Authority in case of a false and misleading advertisement of goods and services and also, they are found out of the domain of regulatory power of authority currently.<sup>288</sup>

Currently, advertisements of goods and services on social media platforms are not regulated under the law of the country, including any endorsement of goods and services by celebrities so the Ethiopian media authority is not mandated to regulate and impose liabilities on celebrities for their false and misleading advertisement on different social platforms. Moreover, advertising celebrities are requiring currently by the authority to have a license to advertise goods and services on their social media accounts followed by several fans from the media authority. In this case, the licensed celebrity's endorsement of goods and services who raises falsely and misleadingly the goods and services are subject to an administrative measure of authority like suspending their license but this system is not functional currently in a manner that makes liable advertising celebrities and enables the authority to impose liabilities for their false and misleading advertisements because of the non-existence of any liabilities imposing as a punitive measure against their economic interest like a fine or confiscating their illegal income got from deceptive advertising of products. In this case, there are no imposing liabilities on celebrities for their misleading advertisement as a measure of Media Authority since an absence of their obligation and liabilities under the law empowers the authority and provides the liabilities because of the gap between the law and policy of the country.<sup>289</sup>

In this instance, in experience, the USA, and China have regulator institutions that are empowered to regulate and impose the liabilities respectively in form of administrative measures against advertising celebrities including fines and confiscating their income from deceptive advertisements. Thus, considering the need to effectively control the deceptive advertisement of goods and services by advertising celebrities and to enable the concerned institutions to take administrative measures that control the benefits of advertising celebrities at a public cost, it should have drawn the lesson of the USA and China that enable their concerned institution empowered to regulate advertising of celebrities and imposing administrative liabilities for their deceptive advertising of goods and services.

---

<sup>288</sup> *Id.*

<sup>289</sup> Fikru Bezabh, *supra* note 9.

## **CHAPTER FIVE**

### **5. CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Conclusions**

In the current business world, commercial advertisement of goods and services among other marketing mix is one of the prominent mechanisms to entice consumers to obtain and consumes the goods and services subjected to advertisements. In this case, manufacturing firms and business people employ a variety of advertising campaigns to persuade consumers to buy and use their goods and services. Among others, utilizing celebrity adoration to advertise and encourage the sale of their goods and services becomes one of the common practices of businesses since celebrity endorsements are a vital tool for grabbing the attention of customers. Thus, the relationship between the production company and the advertising celebrity is interdependent and the business capitalizes on the famous person's popularity. Celebrities are frequently viewed as positive examples, and as a result, the general public desires to blindly imitate them from what they dress to what they consume, they copy everything. As a result, they frequently provide their endorsements nevertheless without even looking at the goods and services subjected to their endorsement, simply they advertise the goods, get their paychecks, and depart disregarding their obligation to the general public. As a result, celebrities should have been held liable for their false and misleading advertising of products and services, and consumers should have been protected from such false and misleading commercial advertisements. In this instance, in the experiences of some selected jurisdictions, such as China, the USA, and India, are in charge of enforcing their laws and regulating the celebrity endorsement of products and services as well as the liabilities related to their deceptive and false advertising.

In this regard, as well the endorsement of celebrities of goods and services is the main rail in the advertising industry of Ethiopia through different public broadcasting media and social media platforms. Only a few Ethiopian celebrities are aware of their responsibility to the public and refrain from endorsing anything that might be misleading or dishonest. Thus, the study examined the liabilities of advertising celebrities who participate in commercial advertising under the laws of Ethiopia and answered the questions of whether the existing legal and institutional frameworks govern and establish the liabilities of advertising celebrities for their false and misleading

advertisements?, the main concerns associated with governing advertising celebrities and making them liable for their false and misleading advertisements?, the mechanisms would expect to be introduced into the Ethiopian laws to regulate and establish the liabilities of advertising celebrities?, and the potential lessons can Ethiopia draw from the experiences of other jurisdictions?. Thus, the study addressed the objective of investigating and identifying the liabilities of advertising celebrities under the existing legal and institutional frameworks of Ethiopia in general, and the major concerns associated with governing advertising celebrities and making them liable for their false and misleading advertisements including the mechanisms that would be expected to be introduced into the Ethiopian laws to regulate and establish the liabilities of advertising celebrities and the potential lessons that Ethiopia can draw from the experiences of other jurisdictions in specific. The study employed addressed its questions and objectives by using the qualitative doctrinal research method using both primary and secondary data to examine the liabilities of advertising celebrities under the existing legal framework of Ethiopia for their false and misleading advertisements of goods and services and to identify other countries' experiences regarding the liabilities of the advertising celebrities. And also used qualitative non-doctrinal research methods to examine existing regulator institution practices in the country concerning the liabilities of advertising celebrities for their deceptive advertisements of goods and services.

In general, commercial advertising is a paid form of informing the general public about products and services to influence consumers' purchase decisions. A thousand years ago, commercial advertising of goods and services was established, and it is still used today as a tool to influence consumer psychology to purchase and utilize advertised goods and services. In addition to other forms of advertising, celebrity endorsements are one of the most successful methods for promoting products and services. Celebrity endorsements were first used in commercial advertising in the 19th century ago to persuade and sway consumers to buy products they had endorsed, and the public came to trust these endorsements as reliable sources of information. As a result, variables such as their attractiveness, trustworthiness, and expertise assess how credible they are to advertise and sway consumer choices. Since celebrities are often used by advertisers to disguise flaws in their products and services, celebrity advertising is detrimental to consumer rights. To protect consumers from false and misleading advertising of goods and services, as well as the safety and health risks associated with purchasing and consuming defective products as a result of celebrities' fraudulent endorsements, celebrity endorsements must be regulated.

Celebrity endorsements are currently available everywhere, both inside and outside the home, using a variety of public and social media platforms to sway consumers' decisions to buy and utilize the advertised goods. The regulation of celebrities' advertising conduct is necessary to ensure that celebrities' endorsements are morally upstanding and accurate since celebrity endorsements play a prominent role in public in influencing customers' decisions to purchase the goods and services they are endorsing. In this regard, even though the law recognizes their reputation as a property right that can be used for economic profit, their improper use of it by endorsing products and services falsely is governed. In this situation, advertising celebrities are required to exercise due diligence to ensure that the products and services endorsed are accurate and also subject to liability for their deceptive advertising. Most nations, including China, the USA, and India, have regulations governing celebrity endorsements of products and services, as well as liabilities related to such endorsements within respective institutional and legal frameworks. In this instance, the advertising celebrities are subjected to both criminal and civil liabilities including institution-imposed punishment under the mentioned jurisdictions as prescribed under their laws.

Under Ethiopian laws, advertisements of goods and services are regulated so as not to be in form of false and misleading in a way that deceives consumers obtained and used advertised goods and services due to such advertising. The laws of the country, even though advertising celebrities are major participants in the recommendation of goods and services in form of endorsement, put them out of their domain of applicability. Currently, endorsement of goods and services is a major form of advertising in the country on different public broadcasting and social media platforms like YouTube, Instagram, TikTok, Facebook, and others in form of deceiving consumers about the nature, qualities, function, and results of usage of the goods and services advertised at the cost of the public that obtains and use defective products without obligating and making liable advertising celebrities for their deceitful advertising. In this case, the laws of the country do not provide the obligations and liabilities of the advertising celebrities personally for their false and misleading endorsement of goods and services currently that needs regulation, and making advertising celebrities liable for their deceitful advertising is the main concern to protect the safety, health, economic and others interest of the consumers in a way of regulated the issue under the laws of China, the USA, and India.

Regarding the obligations of advertising celebrities to disclose detailed information about goods and services and not to endorse goods and services, though, they are frequently participating currently in Ethiopia in the endorsement of goods and services through different indoor and outdoor advertising, the laws of the country do not provide the obligation of celebrities not to do deceitful advertising of goods and services and not provided as they have to disclose detailed information about the products subjected to their advertising and should have to know the nature, quality, outcome result of such usage of goods and services, as prescribed under the laws of the USA, China, and India. Furthermore, the liabilities for deceitful advertising of the goods and services are provided under the laws of Ethiopia for advertising agents, broadcasters, and advertisers, rather than advertising celebrities who endorse products falsely and misleadingly to entice consumers who obtained and consumed defective products because of such endorsement. In this aspect, as provided under the laws of the other selected jurisdictions like China, the USA and India provide the liabilities of advertising celebrities related to their deceitful endorsement of goods and services that are enforced in the court and institution-imposed liabilities as authorized by their laws. Under the laws of Ethiopia, however, the liabilities of the advertising celebrities either legal or institutional is not established for their false and deceptive advertising. In this regard, advertising celebrities under the laws of the country are free from in aspect to the liabilities of false and misleading endorsement of goods and services.

As a mechanism to introduce the liabilities of the advertising celebrities for their false and misleading advertising, the laws of the other selected jurisdiction like China, and the USA defines clearly who is an endorser and what amounts to an endorsement of goods and services in a manner of the liabilities associated to false and misleading advertising becomes applicable to advertising celebrities in case of their deceitful advertising. Under the laws of Ethiopia, nevertheless, the endorsement is not defined and not stated as what amounts to an endorsement of goods and services including who is an endorser. In this regard, the liabilities established under the law of the country for false and misleading advertising do not apply to advertising celebrities for their misleading endorsement of goods and services in different indoor and outdoor advertising. In practice, the concerned institution i.e., Ethiopia Media Authority empowered to take administrative measures for the misleading advertisement of goods and services is not taking the same measure against celebrities personally for their deceitful endorsement of goods and services against the right and interest of the consumer. Furthermore, advertising celebrities are also not sued for their misleading

advertising of goods and services in court by the authorized institution and the right of consumers to bring allegations against advertising celebrities is not established for their deceitful advertising of goods and services that consumers obtained and used and sustained damage because of such advertising. This study concluded that the challenges posed by false and misleading advertisements of advertising celebrities in Ethiopia do not effectively tackle the current approach of legislation and regulators. Ethiopia requires a comprehensive legal and institutional approach that establishes the liabilities for the false and misleading endorsement of celebrities. Thus, the finding that has developed under this study is that a regulatory policy of a country requires to be developed by adopting comprehensive legislation that discards the current legal and regulatory gap concerning the regulation of celebrities advertising as well as their obligations and liabilities to the aims of strike a balance between the wellbeing of consumer and endorsement of celebrities in advertising industry.



## 5.2 Recommendations

Hence, having made a brief recapitulation of the findings of the study, the researcher shall determine the below-mentioned points by way of recommendations thereof:

1. The legislative branch of the Ethiopian government must develop a comprehensive legal and institutional framework to regulate advertising celebrities and their liabilities associated with the misleading endorsement of goods and services through different indoor and outdoor advertising industries in the country.
2. The Ethiopian legislature must establish the obligation of advertising celebrities under legislation that enforces them to they should have to investigate, verify and know the detailed information about goods and services in due diligence which are subjected to their endorsements to disclose in their advertisements only truthful information of goods and services.
3. The Ethiopian legislature must establish under the laws the liabilities of celebrities in the advertising industry in form of criminal punishment and civil remedy to compensate the victim who obtained and consumed defective goods to protect the interest of the consumer in general, bring restorative justice, and defend advertising celebrities who benefit from their offense by misleading the public through their false and misleading advertisements of goods and services.
4. The legislative body of the Ethiopian government must establish the rights of the consumer in the country's advertising laws that allow them to bring claims against advertising celebrities personally in court to protect their rights to access justice generally and to ensure their compensatory rights in case of celebrities endorsed goods and services sustained damage.
5. The existing Ethiopian Media authority that regulates the advertisement of goods and services currently must be given the authority to regulate and impose regulatory measures on individual celebrities in advertising on public and social media platforms for their false and misleading endorsement of goods and services, and the Police Commission and Justice Ministry's power to investigate and bring legal action respectively in the event of a false and misleading celebrity advertisement must be extended to personal advertising celebrities.
6. The legislative organ of the Ethiopian government must review the existing legal and institutional framework and incorporate comprehensive procedural standards in legislation to introduce and determine the liabilities of advertising celebrities in advertising the goods and

services in a way that ensures a balance between the advertising rights of celebrities and consumers' well-being including their right to be informed.

## **Bibliography**

### **A. Books and Journals**

1. A. H. Choudhury & Dr. K. Mukherjee, celebrity endorsement: a marketing communication technique and changes in buying behavior of Indian consumers, *intercontinental journal of marketing management* vol 2, issue 1, 16-28, (2015).
2. Abbas, A., Afshan, G., Aslam, I. and Ewaz, L., The effect of celebrity endorsement on customer purchase intention: A comparative study. *Current Economics and Management Research*, 4(1), 1-10, 2 (2018).
3. Adnan, A., Jan, F.A., Alam, W. and Ali, M.A., Impacts of celebrity endorsements on consumer purchase intention. *Journal of Management Research*, 3(2), 144-158, (2017).
4. Agukwe, Lynda Chinenye, Liability of Brand Ambassadors for Defective Products, 7 (2022). [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4011120](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4011120).
5. Aicher, Robert H. Endorsement liability: Putting your good name at risk, *Aesthetic Surgery Journal* 21, No.4, 373-374, (2001).
6. Akhmedovich, Madiyarov Gofurjon, Madiyarov Okiljon Gofurjon Ugli, and Mamajanov Jahongir., Types of advertising in the sphere of services, *Academy* 4 (55) 38-40, (2020).
7. Al Sharu, Ahmad Ibrahim, Fauziah Binti Mohd Noor, and Rohana Binti Abdul Rahman, Legislation on Consumer Protection against Misleading Advertisement: A Comparative Studies between Jordanian Legislation and Malaysia Consumer Protection Law 1999." *ABC Research Alert* Volume 7, No2, 98-109, (2019).
8. Alexander P. Schouten, Loes Janssen & Maegan Verspaget, Celebrity vs. Influencer endorsements in advertising: the role of identification, credibility, and Product-Endorser fit, *International Journal of Advertising*, VOL. 39, No. 2, 258-281, (2020).
9. Amrita Mishra & Amruta Das, Manufacturers' and Endorsers' Liability 'Shifting the Onus' Approach, *Medico-legal Update*, Vol.20, No. 1, 13-17, (2020).
10. Anirban Chakraborty, Curbing False or Misleading Advertisements in India, *Challenges and Solutions*, 50-64.
11. Anita M. Moorman, False Advertising and Celebrity Endorsements: Where's My Script? *Sport Marketing Quarterly*, vol. 15, No. 2, 111-113, (2006).
12. Bambang Sukma Wijaya, The Development of Hierarchy of Effects Model in Advertising, *International Research Journal of Business Studies* vol. V no. 01, 73 – 85, (2012).

13. Bethel Kassahun, An Assessment of Outdoor Advertising Practice, the Case of Addis Ababa, Proceedings of the 9th Annual National Student Research Forum, 190-210, (2015).
14. Bhatt, Nishith, Rachita M. Jayswal, and Jayesh D. Patel, Impact of celebrity endorser's source credibility on attitude towards advertisements and brands, South Asian Journal of Management Volume 20 No. 4, 74-95, (2013).
15. Calvo-Porrall, C., Rivaroli, S. & Orosa-González, J. The Influence of Celebrity Endorsement on Food Consumption Behavior, 3 (2021) <https://doi.org/10.3390/foods10092224>.
16. Chang, Mei-Hua, Liu Nien-Pen & Wu, Dachrahn, Endorsement Advertising, and Legal Liability, Volume 8, No 3, 83-98, (2010).
17. Choi, Sejung Marina, Wei-Na Lee, & Hee-Jung Kim, Lessons from the rich and famous: A cross-cultural comparison of celebrity endorsement in advertising, Journal of Advertising, vol. 34, no. 2, 85-98, (2005).
18. Cipriano, Ana Candida Muniz, and Hector Valverde Santana. "The UN Guidelines for Consumer Protection: Review and Next Steps." Consumer Law and Socioeconomic Development: National and International Dimensions, 26 (2017).
19. Consuelo Lauda Kertz and Roobina Ohanian, Source Credibility, Legal Liability, and the Law of Endorsements, journal of public Policy & Marketing Vol. 11, 12- (1992).
20. CS, Jayanthi Prasad, Brand endorsement by celebrities impacts towards customer satisfaction, African journal of business management, vol 7, no. 35, 3630-3635, (2013).
21. Dan Wei, The New Consumer Law in China: Improvements and Enforcement, IJCLP 1-14, (2016).
22. David Sandin, & Patrik Widmark. Celebrity endorsement, motives and risks: case study of Skanemejerier, 1 (2005).
23. Dr. Aamir Rashid, Syed Salman Qadri & Dr. Rizwana Rasheed, Impact of Advertisement on Consumer Purchase Behavior: Cosmetic Products in Karachi, Journal of Jilin University (Engineering and Technology Edition), Vol: 40, 14-35, (2021).
24. Erdogan B. Zafer, Celebrity Endorsement A Literature Review, Journal of Marketing Management, 15, 291-314, (1999).
25. Eunice Adiko, Outdoor Advertisement on Purchase Decision: A Study on Academic City College Accra, Ghana.

26. Fleck, Nathalie, Michael Korchia, and Isabelle Le Roy, Celebrities in advertising: looking for congruence or likability? *Psychology & marketing* 29, No. 9 651-662, (2012)
27. Gretchen Larsen and Rob Lawson. Consumer rights: An assessment of justice. *Journal of business ethics*, Vol. 112, No. 3, 515-528, (2013).
28. Halit Karaxha, Berim Ramosaj & Arian Abazi, The Influence of Advertisements in Increasing the Sales in Kosovo, *ILIRIA International Review*, Vol 6, No 2, 76-84, (2016).
29. Haque, Ahasanul, Sabbir Rahman, Ismail Sayyed Ahmed, Farzana Yasmin, & Almas Asri, assessing the impact of advertisement towards Malay consumers: an empirical study of fast-food restaurants in Malaysia, *Business Management Dynamics* Vol.1, No.2, 39-53, (2011).
30. Hendrix Tommy, Ajie Firman Tri & Berliandaldo Mahardhika, the outlook digital indoor advertising in mini-market using techno economy analysis: implementation in Indonesia," *ASEAN Marketing Journal*, Vol 13, No.1 86-103, (2021).
31. Jan Johansson & Jorgen Sparredal, Celebrity endorsements: A case study of Axa and the Ludmila Engquist incident, (2002).
32. Javed Hussain & Rizwan Khan Nizamani, Factors Affecting Consumer Attention in Billboards Advertising, *South Asian Journal of Management Sciences* Vol. 5, No. 2, 60 – 64, (2011).
33. Jay S. Kogan, Celebrity endorsement: recognition of a duty, 21 *J. Marshall L. Rev.* 47, 47-78, (1987).
34. Jeeva, C., Impact of Misleading Advertisements: Issues and Remedies. *Bonfring International Journal of Industrial Engineering and Management Science*, Vol. 6, No. 4,155-157, (2016).
35. John R. Rossiter, Larry Percy, and Lars Bergkvist, marketing communications Objectives, Strategy, Tactics, 8 (2018).
36. Kamal Halili Hassan, E-commerce and Consumer Protection in Malaysia: Advertisement and False Description, *International Conference on Economics and Finance Research IPEDR* Vol.32, 45-48, (2012).
37. Karasiewicz, Grzegorz, and Martyna Kowalczyk. "Effect of celebrity endorsement in advertising activities by product type." *International Journal of Management and Economics*, 74-91, (2014).
38. Kazmi, S.H.H and Satish K. Batra, advertising and sales promotion, Excel Books India, (2009).

39. Kertz, Consuelo Lauda and Ohanian, Roobina, Recent Trends in the Law of Endorsement Advertising: Infomercials, Celebrity Endorsers and Nontraditional Defendants in Deceptive Advertising Cases," Hofstra Law Review: Vol. 19, Article 3, 603-656 (1991).
40. Kolo, Castulus, & Florian Haumer. "Social media celebrities as influencers in brand communication: An empirical study on influencer content, its advertising relevance and audience expectations, Journal of Digital & Social Media Marketing 6, Vol. 6, No. 3 273-282, (2018).
41. Kusi, Lawrence Yaw, Henry Ameyaw Domfeh, and Pansoo Kim, Impact of celebrity advertising on purchase intention of University Students: The moderating role of celebrity advertising risk, WSEAS Transactions on Business and Economics 15 128-142, (2018).
42. Lall, Seema, & Shankha Mukherjee, Attitude of consumers towards indoor and outdoor advertising-an empirical study, sustainable competitive advantage through integrated marketing approach, 120 (2015).
43. Linda Karlsson, Advertising Theories and Models ñ how well can these be transferred from text into reality, (2007).
44. Meenal P. Dhotre, Celebrity Advertising – A Critical Perspective, Turkish Journal of Computer and Mathematics Education Vol.12 No. 9, 2901-2906, (2021).
45. Merga Sori, General Assessment of Advertising on Competition Side in Ethiopia, 1, (2016).
46. Michael Solomon & Gary Bamossy, Consumer Behaviour a European Perspective Third edition, (2006).
47. Mingqian Li, On Regulation of Celebrity Endorsement in China, Journal of Politics and Law, Vol. 4, No. 1, 153-158, (2011).
48. Mohammad Kheder, Celebrity Endorsement, Consumers' willingness to pay for celebrity endorsed products, 1 (2018).
49. Mohammed T Nuseir, Impact of misleading/false advertisement to consumer behavior, Int. J. Economics and Business Research, Vol. 16, No. 4, 453-465 (2018).
50. Muda, Mazzini, Rosidah Musa, and Lennora Putit, Celebrity endorsement in advertising: A double-edged sword. Journal of Asian behavioral studies 2, no. 3, 21-32, (2017).
51. Mwendwa Mildred Zipporah & Dr. Hellen K. Mberia, The effects of celebrity endorsement in advertisements, International Journal of Academic Research in Economics and Management Sciences, Vol. 3, No. 5, 178-188, (2014) <http://dx.doi.org/10.6007/IJAREMS/v3-i5/1250>.

52. Navninderjit Singh, Regulation of advertisements: national and international perspectives, *Elixir International Journal, Marketing Mgmt.* 34 2391-2397, (2011).
53. Nie, Chang, and Wutong Liu. Exploring the Impact of Celebrity Endorsement of Food Advertising on Brand Sales, 2021 International Conference on Social Development and Media Communication (SDMC 2021). Atlantis Press, 362-366, (2022).
54. Nikita Modi & Dr. Ramarao P., misleading advertisements, - *International Journal of Research and Analytical Reviews*, vol 6, 569-576, (2019).
55. Oyeniyi, Omotayo, Celebrity endorsements and product performance: a study of Nigerian consumer markets, *Management & Marketing-Craiova* volume 12 41-51, (2014).
56. Pari Khaledi Dobarji & Abbas Qasemi Hamed, The Role of Advertisements in Protection of consumers Right of Choice, *Journal of Politics and Law*; Vol. 9, No. 8; 65-72, (2016).
57. Prateek Maheshwari, Nitin Seth & Anoop Kumar Gupta, advertisement effectiveness for print media: a conceptual model, *International Journal of Economics and Management Engineering* Vol:9, No:2, 701-706, (2015).
58. Prof. Supriyo Patra & Prof. Saroj K. Datta, Celebrity Advertising in Indian Culture? Emerging Trends & Challenges Under globalization, *IMS Manthan* Vol. V, No. 1, 180-187, (2010).
59. Remziye Terkan, Importance of Creative Advertising and Marketing According to University Students' Perspective, *International Review of Management and Marketing* Vol. 4, No. 3, 239-246, (2014).
60. Rizwan Raheem Ahmed, Sumeet Kumar Seedani, Manoj Kumar Ahuja & Sagar Kumar Paryani, Impact of Celebrity Endorsement on Consumer Buying Behavior, *Journal of Marketing and Consumer Research, An International Peer-reviewed Journal* Vol.16, 12-20, (2015).
61. Samarasinghe, U. social media and celebrity endorsement: An analysis of literature review. *International Journal of Scientific & Engineering Research*, Volume 9, Issue 12, 125-150, (2018).
62. Semanti Choudhury, Will the Celebrities Pay for their Stardom? Looking into the New Consumer Protection Bill, 2015, *Media watch*, 46-56, (2017).
63. Shapoval S. & Radchenko, A., Careless advertisement about «delicious» foodstuffs of Ukrainians, <https://knute.edu.ua/file/NjY4NQ==/08c0a0c3f388bad383162a87a0e8e122.pdf>.

64. Shivany. S, Billboard Advertisement Strategies, International Journal of Application or Innovation in Engineering & Management, Volume 7, Issue 4, 40-49 (2018).
65. Srishti Vaishnav & Nidhi Tewari, Liability of celebrities with regard to commercial endorsements, Amity Journal of Media & Communication Studies, Vol. 5, No. 3, 208-216 (2016).
66. Svetlana Frolova, the role of advertising in promoting a product, (2014), [https://www.theseus.fi/bitstream/handle/10024/80777/Frolova\\_Svetlana.pdf](https://www.theseus.fi/bitstream/handle/10024/80777/Frolova_Svetlana.pdf).
67. Tamrat Astatke, Advertising in Ethiopia, <https://ethiopianbusinessreview.net/advertising-in-ethiopia/>.
68. Terence A. Shimp, Advertising, Promotion, and Other Aspects of Integrated Marketing Communications, 7<sup>th</sup> edition, 240 (2007).
69. Thwaites Des; Lowe Ben; Monkhouse Lien L & Barnes, Bradley R, The Impact of Negative Publicity on Celebrity Ad Endorsements, Psychology & Marketing, Vol. 29 (9), 663-673 (2012).
70. Tran, Gina A, The role of celebrity endorsers." Society for Marketing Advances Proceedings 25 156-159, (2013).
71. Ur Rehman, Fazal, Farwida Javed, Rosman Md Yusoff, Amran Harun, Anwar Khan, and Fadillah Ismail, what is advertising? a short review of historical development, Academic Research International Vol. 10, 128-143, (2019).
72. Vaghela, Pratiksinh Sureshsinh, A study on consumer attitude perception about celebrity endorsement, International Journal of Marketing and Technology Volume 2, Issue 12, 150-163, (2012).
73. Victoria A. Seitz; Nabil Razzouk & Sudawadee Eamsobhan, celebrity endorsements in U.S. and Thai Magazines: content analysis comparative assessment, journal of promotion management, Vol. 13, 383-397, (2007).
74. Walker, Patrick Douglas. "FTC v. Garvey: A New Trend or an Aberration, The Atlantic Law Journal, Vol. 11, 170-193, (2009).

## **B. International Instruments**

1. United Nations Guidelines for Consumer Protection (as expanded in 1999), Department of Economic and Social Affairs New York, 2003.



2. United Nations Resolution adopted by the General Assembly on 22 December 2015 [on the report of the Second Committee (A/70/470/Add.1)] 70/186.
3. United Nations General Assembly, Consumer protection: resolution / adopted by the General Assembly, Journal of Business Ethics, 16 April 1985, A/RES/39248.

### **C. Legislation of Foreign Countries**

1. Advertising Law of the People's Republic of China (2015).
2. Federal Trade Commission 16 CFR Part 255 Guides Concerning the Use of Endorsements and Testimonials in Advertising of the USA.
3. Federal Trade Commission Act, Incorporating U.S. SAFE WEB Act amendments of 2006.
4. Food Safety Law of the People's Republic of China, (Adopted by the Standing Committee of the 11th National People's Congress at its 7th session on February 28, 2009 and amended by the Standing Committee of the 12th National People's Congress at its 14th session on April 24, 2015).
5. Indian consumer protection act, 2019 no. 35, Parliament in the Fifty-seventh Year of the Republic of India, 2019.
6. Indian food safety and standards act, 2006 act no. 34, 23rd August, 2006.

### **D. Domestic legislation**

1. Constitution of the Federal Democratic Republic of Ethiopia Proclamation No. 1/1995.
2. Ethiopian Trade Competition and Consumer Protection Proclamation No. 813/2013.
3. Ethiopian Advertisement Proclamation No.759/2012.
4. Ethiopian food and medicine administration proclamation No 1112/2019.
5. Ethiopian Electronic Transaction Proclamation No. 1205/2020.
6. Ethiopian Media Proclamation No. 1238/2021.
7. Ethiopian Civil Code 1960.
8. The Criminal Code of the Federal Democratic Republic of Ethiopia Proclamation No.414/2004.
9. Broadcasting Service Advertisement Directive No 1/2008.
10. Federal Attorney General Establishment Proclamation 943/2016.

## **E. Interviews**

1. An Interview was held with Mr. Fikru Bezabh, Ethiopian Media Authority Advertisement Supervising, and Monitoring Expert, on Aug 15, 2022, at 2:00 pm, Addis Abeba.
2. An interview was with Dese Kefale, Ethiopian Media Authority Communications Affairs Coordinating Director, on Aug 15, 2022, at 10:00 am, Addis Ababa.

### **Annex-1-Interview Guide Questions**

1. Do you think false and misleading advertisement of goods and services by celebrities on public and social media is currently a problem in Ethiopia?
2. Is the authority empowered to impose liability on celebrities who participate in the false advertisement of goods and services using public and social media?
3. Are the celebrities in advertising liable for their false and misleading advertisement of goods and services under the administrative rules of authority?
4. Is the authority been taking measures against celebrities for their false advertisements of goods and services on public and social media?
5. Did any allegations been made by the victims against the celebrities who deceive them by participating in the false advertisement of goods and services?
6. Are there any administrative measures that have the authority taken against celebrities who falsely advertise products and services on public and social media?
7. What measures or liabilities have the authority been taking against celebrities for their deceptive and false advertisements of goods and services on different public social media?
8. Does the authority transmit evidence of celebrities for criminal or civil prosecution for their false and misleading advertisement of goods and services?

### Annex-2- Work Plan

No	Phases	Activities	Duration of time
1	one	Developing data collection tools	May 2022
2	Two	Data collection	June 2022
3	Three	Data interpretation and analysis	July 2022
4	Four	Literature review and progress report	August 2022
5	Five	Submission of the final draft thesis	August 2022
6	Six	Final thesis defense	_____

### Annex-3- Budget Summary

No	Description	Total price	
		Birr	Cents
1	Supervision expenses	3,000	00
2	Peridium	4,120	00
3	Transportation fee	2,100	00
4	Data collector peridium	3,640	00
5	Miscellaneous Expenses	2,130	00
Total		14,990	00

**Source of Fund: Jimma University.**