



## A Study on Marketing Scam and Its Impact with reference to MyV3 Ads

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### ABSTRACT

Marketing scams have surged in the digital age, exploiting consumer trust and the rapid expansion of online advertising. This study examines MyV3 Ads, a marketing scheme that promised users financial returns through advertisement viewing and referrals but operated with characteristics of a pyramid scheme. By analysing deceptive tactics such as exaggerated claims, misleading testimonials, and multi-level marketing strategies, this research evaluates the financial and psychological impact on victims. The findings reveal that a significant number of users suffered monetary losses and lost trust in digital marketing platforms. The study also identifies regulatory loopholes that enabled MyV3 Ads to operate before intervention. Additionally, the research emphasizes the role of digital literacy in preventing such frauds. To mitigate future scams, the study recommends stricter regulations, enhanced consumer awareness, and improved transparency in online marketing. These measures can safeguard users from falling prey to similar fraudulent schemes in the future.

### INTRODUCTION

The digital marketing landscape has transformed significantly, but this evolution has also led to the rise of unethical practices known as marketing scams. These scams exploit consumer trust, resulting in financial and personal losses. Types of marketing scams include false advertising, pyramid schemes, phishing scams, fake affiliate marketing, and social media scams. This study focuses on 'My V3 Ads,' a notable case of a marketing scam that appeared legitimate but ultimately defrauded many consumers and businesses.

### STATEMENT OF PROBLEM

The problem addressed in this study is the rising prevalence of marketing scams, specifically examining the case of 'My V3 Ads,' which has led to significant financial losses, consumer distrust, and damage to brand reputation. Despite regulations, such scams continue to exploit vulnerable consumers and businesses, highlighting a gap in effective prevention and response measures. This study seeks to explore the operational methods of 'My V3 Ads,' assess its impact on victims, and evaluate the adequacy of current safeguards to prevent such fraudulent activities.

### OBJECTIVE OF THE STUDY

- To Identify common tactics and strategies in marketing scams, using 'My V3 Ads' as an example.
- To Examine how 'My V3 Ads' operated, including channels, messaging, and deceptive techniques.

### SCOPE OF STUDY

The scope of this study on "Marketing Scam and its Impact with reference to 'My V3 Ads'" encompasses an in-depth analysis of the mechanisms and tactics employed by 'My V3 Ads' to perpetrate the scam, as well as its short-term and long-term effects on victims, including financial losses, psychological distress, and loss of trust in online marketing. The study will also examine the broader market impact, assessing how such scams affect consumer behaviour, brand reputation, and industry credibility. Additionally, it will explore the effectiveness of existing regulatory frameworks in preventing and addressing such scams, and provide recommendations for improving consumer protection and awareness. The geographic focus is primarily on regions where 'My V3 Ads' operated, and the study will include both qualitative and quantitative data collected from affected individuals, businesses, and regulatory bodies.

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## REVIEW OF LITERATURE

1. O'Connor and Rumelt (2019)<sup>1</sup> Defining Marketing Scams: Marketing scams are fraudulent schemes designed to deceive consumers by offering misleading information or false promises such scams often exploit consumer trust and the lack of regulatory oversight in digital marketing channels.
2. Xu et al (2020)<sup>2</sup> Subscription Traps: Scammers entice consumers with free trials or low-cost offers that automatically convert into expensive subscriptions without clear consent.
3. Gottschalk (2021)<sup>3</sup> Detection and Prevention: Forensic accounting and red flags like high returns and complex structures are key to early detection and prevention
4. Patel and Rodriguez (2023)<sup>4</sup> Overview of 'My V3 Ads': Indicate that the 'My V3 Ads' scam has led to increased scepticism towards similar marketing platforms, with consumers now demanding more transparency and verifiable results.
5. Jignesh vidhani (2024)<sup>5</sup> To study the impact of online fraud and scams on online purchasing behaviour of consumers, this research investigates the impact of online fraud and focuses on the prevalence of different types of scams, their repercussions and strategies to reduce such risk.

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## PROFILE OF THE STUDY

A "marketing scam" refers to deceptive or fraudulent practices used in advertising, sales, or promotions to trick or mislead consumers into parting with their money or personal information.

### *A Ponzi scheme:*

A Ponzi scheme is a type of investment fraud where returns to earlier investors are paid using the capital from new investors, rather than from profit earned by the operation of a legitimate business. Ponzi schemes can also evolve into multi-level marketing (MLM) structures, where participants earn commissions not only from their own investments but also from recruiting new members. This can create a façade of legitimacy, as the scheme may appear to be a legitimate business model. However, the underlying principle remains the same: reliance on new investors to pay returns.

### *Multi-Level Marketing (MLM):*

Multi-Level Marketing is a strategy where salespersons earn income through direct sales of products and by recruiting new salespeople. Participants earn commissions based on their sales and the sales made by their recruits, creating multiple levels of income. While some MLMs sell legitimate products, many operate in a way that prioritizes recruitment over actual sales, leading to significant financial losses for most participants.

### *MyV3Ads:*

MyV3Ads is a mobile application that allows users to earn money by watching advertisement videos and completing captcha verifications. Primarily popular in India, the platform claims to offer a simple way to generate passive income. Users start as Ordinary Members (OM), earning around ₹5 per day for watching ads.

MyV3Ads has gained traction, boasting over a million downloads and a high rating on the Google Play Store. However, scepticism surrounds its legitimacy. Many similar platforms operate as Ponzi schemes, relying on new investments to pay older users rather than generating actual revenue. Users should exercise caution, as withdrawal issues and sudden shutdowns are common in such models. Before investing money, it is crucial to research thoroughly and consider the risks involved in apps that promise easy income with minimal effort.

### *COMPARISON ON MyV3 Ads:*

Marketing scams and the MYV3 ADS scam share common characteristics, primarily their reliance on deceptive practices to lure individuals into participating. Both often promise quick financial gains, exploiting the desire for easy income. MYV3 ADS, specifically, operates as a multi-level marketing (MLM) scheme, which can resemble a pyramid structure, where earnings are primarily generated through recruitment rather than actual product

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<sup>1</sup> Journal of RACMA, 2019.

<sup>2</sup> Journal of Marketing Research, 3528-3548, 2020.

<sup>3</sup> Journal of Financial Crime, 28(2), 457-472, 2021.

<sup>4</sup> Journal of Digital Marketing, 15(4), 215-230, 2023.

<sup>5</sup> International Journal of Applied Economics, Accounting and Management, 2(2), 24-36, 2024.

sales. This mirrors broader marketing scams that utilize similar tactics, such as fake testimonials and high-pressure sales techniques, to mislead potential victims. Ultimately, both types of scams thrive on manipulation and the exploitation of consumer trust.

**DATA ANALYSIS AND INTERPRETATION**

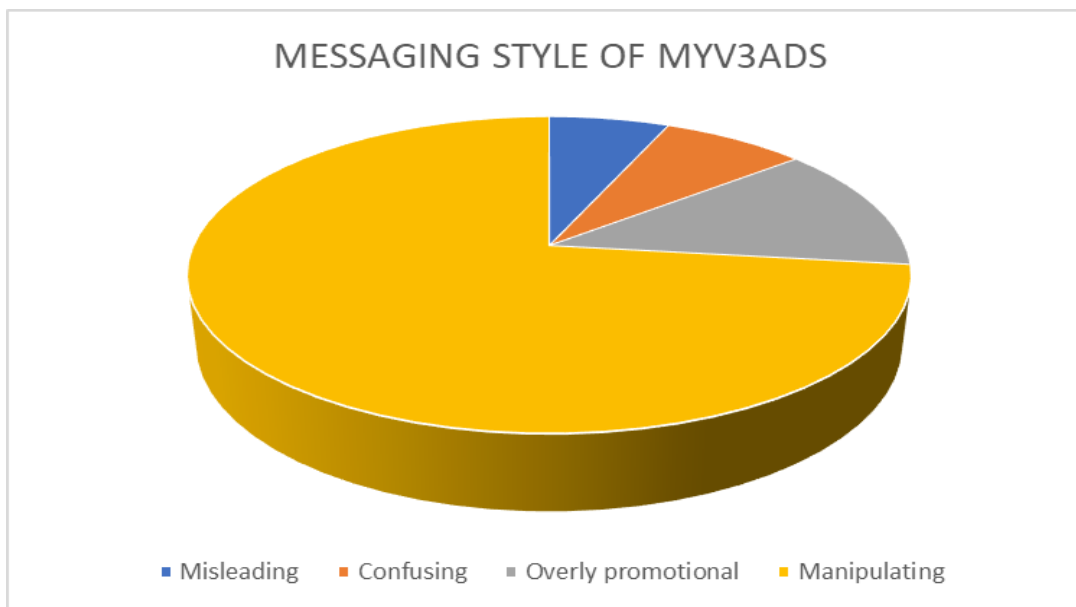
**The Messaging Style of ‘MyV3Ads’ of respondents**

MESSAGING STYLE OF MYV3 ADS	NO. OF RESPONDENTS	PERCENTAGE
Misleading	10	6.41
Confusing	12	7.69
Overly promotional	20	12.82
Manipulating	114	73.03
TOTAL	156	100

[Source: Primary data]

**INTERPRETATION:**

The Exhibit shows that the majority of respondents (73.03%) perceive MyV3 Ads’ messaging style as manipulative, indicating concerns about deceptive or persuasive tactics. Smaller groups find the ads overly promotional (12.82%), confusing (7.69%), or misleading (6.41%), reinforcing a general scepticism about their messaging approach.



**The Deceptive Techniques Used by ‘MyV3Ads’ of respondents**

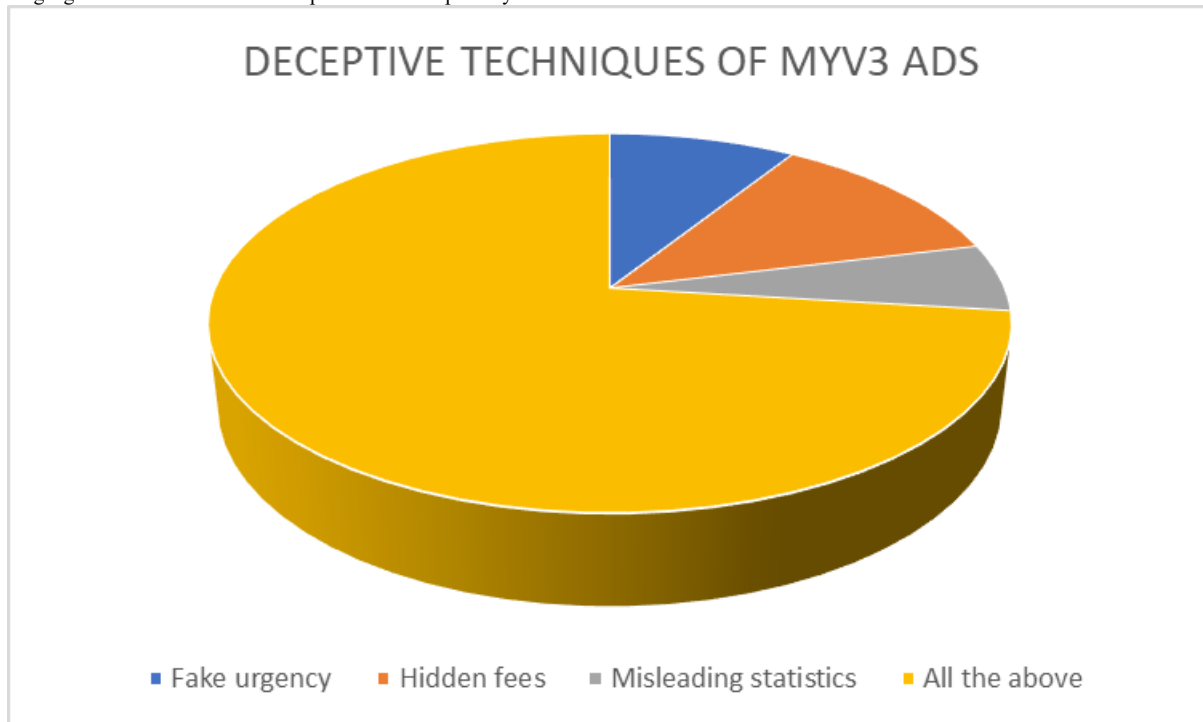
DECEPTIVE TECHNIQUES OF MYV3 ADS	NO. OF RESOPONDENTS	PERCENTAGE
Fake Urgency	14	8.97
Hidden Fees	19	12.17
Misleading Statistics	9	5.76
All the above	114	73.07
TOTAL	156	100

[Source: Primary data]

**INTERPRETATION:**

The Exhibit shows that the majority of respondents (73.07%) believe that MyV3 Ads use a combination of fake urgency, hidden fees, and misleading statistics as deceptive techniques. Among individual tactics, hidden fees (12.17%) are the most recognized, followed by fake urgency (8.97%) and misleading statistics (5.76%),

indicating significant concerns about the platform's transparency.



## FINDINGS:

### *General Findings*

- **Prevalence of Scams:** A significant majority of respondents (57.69%) believe that MyV3 Ads had a high prevalence of fraudulent marketing practices.
- **Persuasive Techniques:** 69.23% of respondents reported that MyV3 Ads used a combination of emotional appeals, scarcity tactics, and social proof to attract customers.

### *Financial & Psychological Impact*

- **Financial Losses:** 64.74% of respondents reported losing money due to MyV3 Ads.
- **Trust Issues:** 49.35% of respondents stated that their trust in digital marketing decreased after their experience with MyV3 Ads.

## SUGGESTIONS

### **Consumer Awareness & Protection**

- **Educational Workshops:** Organizing awareness programs to educate consumers on scam detection.
- **Independent Verification:** Encouraging consumers to research before engaging in online investment opportunities.

### **Business & Marketing Ethics**

- **Transparency in Marketing:** Companies should ensure their marketing strategies are ethical and free from misleading claims.
- **Consumer Trust Restoration:** Brands should build trust by providing clear terms, fair pricing, and legitimate testimonials.

## CONCLUSION

The study highlights the significant prevalence and impact of marketing scams, particularly through the case of 'My V3 Ads.' It reveals that these scams exploit consumer vulnerabilities, leading to financial losses and a decline in trust in digital marketing. Victims often experience anxiety and frustration, underscoring the need for better consumer education and awareness. The research identifies regulatory gaps that necessitate stronger measures to prevent such scams. Recommendations include implementing stricter regulations and promoting ethical marketing practices. Ultimately, the study advocates for a comprehensive approach to combat marketing scams and protect consumers, contributing valuable insights for policy and consumer protection strategies.

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3. [www.racma.edu.au](http://www.racma.edu.au)
4. [www.consumerprotectionjournal.org](http://www.consumerprotectionjournal.org)
5. <https://www.journalofconsumerpolicy.com/>