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COMMERCIAL PRACTICES IN CONSUMER PROTECTION

I. INTRODUCTION

The study and interpretation of consumer protection and aggressive commercial practices is a critical challenge for modern society. As a legal and ethical principle, consumer protection aims to protect consumers from harm caused by aggressive advertising and practices other than fair commercial practices. Aggressive commercial practices are designed to influence consumers and often subordinate their interests to their own benefit.

This academic study seeks to understand the nature and effects of aggressive commercial practices and the consumer protection measures that are used to counter them. There are many forms of aggressive commercial practices, including false advertising, misleading information, push selling, manipulative pricing, and emotional manipulation. These practices are often deceptive and can lead to consumer loss, emotional distress and loss of trust.¹

The investigation of aggressive commercial practices is also of paramount importance because in the modern global economy consumers are highly dependent on a wide range of products and services. The proliferation of online commerce and electronic media has further increased the opportunities and scope for aggressive commercial practices, making the development and implementation of consumer protection measures and legislation even more urgent.²

The aim of the study is to explore in depth the different forms of aggressive commercial practices, their effects on consumers and the market, and possible ways to protect against them. The research will also use case studies, statistical data and legal analysis to fully understand the picture. The importance of consumer protection measures and their positive impact on society will also be highlighted, while pointing to further opportunities and challenges for improvement in this area.

The results of this study can help to understand aggressive commercial practices, reduce their impact and promote consumer protection in global markets. Eliminating aggressive trade

¹ Péter Miskolczi Bodnár – István Sándor: *Fogyasztóvédelmi jog I.* Patrocinium, Budapest, 2016, 94.

² for more information see Péter Miskolczi-Bodnár: A kereskedelmet segítő jogintézmények változása, in Homicskó Árpád Olivér (edit): *A technológia fejlődés társadalmi kihívásai és hatása a jogi szabályozásra*, KRE-ÁJK, Budapest, 2022, 159–182.

practices not only protects consumers, but also promotes fair market competition and business ethics.

II. ON CONSUMER PROTECTION AND AGGRESSIVE COMMERCIAL PRACTICES

Consumer protection is a fundamental and indispensable concept in the modern social and economic context. Consumer protection is a legal and ethical principle with the central objective of effectively protecting consumers' interests and rights against various market and commercial challenges. In this field, consumer protection is a complex, multi-faceted discipline that includes the control of the quality and safety of goods and services, transparent information, fair commercial practices and the legal protection of the consumers concerned.³ Consumer protection is crucial because consumers are economic actors who often have little information about the quality and impact of goods and services. Consumers can therefore be particularly vulnerable in situations where market players use powerful and manipulative methods to influence their purchasing decisions.⁴ The primary objective of consumer protection in this context is to ensure that consumers' rights and interests are put first and to protect them from harm caused by unscrupulousness, scams, misrepresentation and other methods other than fair commercial practices.

When defining aggressive trade practices, it is important to understand that there is no single or universal definition, as their forms and manifestations vary from country to country and from one legal framework to another. However, in most countries and legal systems, common features can be identified that define aggressive trade practices. For example, lack of transparency, misleading advertising and price manipulation are common examples of aggressive commercial practices. Aggressive commercial practices can have serious consequences and therefore require special attention and protection in consumer protection measures. A 2008. Act XLVII of 2008 on the prohibition of unfair commercial practices against consumers defines aggressive commercial practices in this way: An aggressive commercial practice is a commercial practice which, taking into account all factual circumstances, by exerting psychological or physical pressure, either by using a position of power over the consumer or by disturbing the consumer, in a given situation, significantly restricts or is likely

³ Kornélia Kozák: Fogyasztóvédelem, in Tibor Ördögh (edit): *Az Európai Unió szakpolitikai rendszere*, Ludovika University Press, Budapest, 2022, 217–230.

⁴ Dávid Keskeny: A megalapozott fogyasztói döntések, in Péter Miskolczi-Bodnár (edit): *XXI. Jogász Doktoranduszok Konferenciája*, Jog és Állam, KRE-ÁJK, Budapest, 2022, 37–44.

to significantly restrict the consumer's freedom of choice or conduct with regard to the product or his ability to make an informed decision, thereby causing the consumer to make a transactional decision that he would not have made or is likely to make otherwise.

III. EFFECTS OF AGGRESSIVE COMMERCIAL PRACTICES ON CONSUMERS

Understanding the effects of aggressive trade practices is essential to understanding the social and economic significance of these practices. Aggressive commercial practices are manipulative tools and methods used by market actors to influence consumers, often with adverse effects on consumers' financial and emotional well-being.

III.1. FINANCIAL LOSSES

Financial losses caused by aggressive commercial practices are real problems that can cause widespread harm to consumers. These losses are often due to consumers buying products or services that they do not actually need or that are sold at an inflated price. Companies often use various marketing tactics and advertising strategies to increase their sales and convince consumers to buy their products or services. However, some companies may also use aggressive and manipulative methods, which raises ethical issues. Such methods may include:⁵

1. Emotional manipulation: some advertisements rely on emotional manipulation, such as presenting sad or happy stories that have nothing to do with the product or service being advertised. Such ads are designed to stir emotions and make the product or service memorable.
2. Misleading information: companies can often be tempted to provide misleading or incomplete information about their products in order to overstate the benefits and hide the drawbacks. This can include concealing important information such as side effects or prices.
3. Presenting low prices but hidden costs: some companies may highlight their low prices in advertising, but in reality they may present customers with hidden costs, such as extra charges or compulsory accessories.

⁵ Martin Lindstrom: *Brandwashed, Tricks Companies Use to Manipulate Our Minds and Persuade Us to Buy*, Crown Business, 2011, 416.

4. Hiding the shortcomings: companies often try to hide the shortcomings of their products or services, and instead emphasize only the benefits. For example, in a car advertisement, this can be done by emphasizing the environmentally friendly aspects, while failing to mention poor fuel efficiency.
5. Pressure and urgency: some companies use aggressive pressure to get customers to make an immediate decision. For example, they create limited-time offers or tight inventory to create urgency.
6. Hiring influencers: companies often pay social media influencers to create positive content about their products or services without clearly stating that the post is a paid advertisement.
7. Direct manipulation: some advertising aims to directly manipulate consumers' thinking or behavior, for example by creating fear or anxiety about not buying the product.

The above shows that financial losses can have a negative impact on the financial stability and well-being of consumers in the long run.

III.2. EMOTIONAL STRESS

Emotional distress is the psychological and emotional pressure that consumers can feel as a result of aggressive commercial practices, manipulative or deceptive marketing tactics, sales techniques and other market pressure methods. The following examples illustrate how aggressive commercial practices can cause emotional distress to consumers:

1. Aggressive telemarketing: for example, a consumer reports that his or her phone is constantly ringing with calls from salespeople trying to persuade him or her to buy products or services that he or she does not really want. Frequent phone calls and persistent sales attempts can increase anxiety and stress.
2. Social media pressure: aggressive commercial practices are also present in the online space. For example, a consumer may find advertisements on social media platforms that encourage them to buy products or services that others use. The feeling that "everyone else has bought it, so I must buy it too" can create stress and pressure on the consumer.

3. Privacy concerns: data collection and the use of personal information is also common in online commerce. If a consumer feels that their data is being used or sold to third parties illegally, it can cause emotional distress as they worry about their privacy and identity being compromised.
4. False or misleading information: Aggressive commercial practices can involve bombarding consumers with false or misleading information, such as over-glorifying the attributes of a product or service and enticing them with promises that are not true. When consumers realise that they have been deceived, this can cause emotional distress and disappointment.

These examples highlight that aggressive commercial practices can not only cause financial losses but can also negatively affect people's mental and emotional well-being. Consumer protection measures and education can be important in mitigating such stressful situations and protecting consumers.

IV. PROTECTING CONSUMERS' RIGHTS

One of the most important roles of consumer protection is to protect consumers' rights and interests. In modern economies, consumers are the fundamental resources for market players and businesses, who finance products and services through their purchases. However, there is often a lack of information and asymmetry in the market, which results in consumers being vulnerable.⁶ Consumer protection measures help to counterbalance this.

Consumer protection has several important tools to protect consumers' rights:

- Information rights: consumers have the right to receive accurate and complete information about products and services. This includes information on prices, quality, ingredients and potential risks.
- Safety and security: consumers have the right to safe products and services. Consumer protection ensures that products placed on the market meet safety standards.

Choice: Consumers have the right to choose and should not be deceived or restricted.

⁶ Michael R. Solomon: *Consumer Behavior: Buying, Having, and Being*, Prentice Hall, 2022, 600.

Consumer protection has proven its effectiveness in solving problems on several occasions. Some examples of positive impacts:

1. Refund policies: consumer protection has led many countries to introduce refund policies and guarantees. For example, if a product is defective or does not meet the promised quality, consumers are often entitled to a refund or replacement. This protects them from losing out on worthless or defective products.
2. Action against false advertising: consumer authorities and organizations often take action against false advertising and misleading marketing practices. For example, if a company makes false claims about the effectiveness of its products, authorities may be able to stop this practice and impose penalties.

Consumer protection has many positive impacts on society:⁷

1. Promoting fair competition: consumer protection promotes fair competition in the market by requiring businesses to comply with regulations and consumer protection laws. This encourages ethical business behaviour and promotes competition in the market, resulting in better products and services for consumers.
2. Building trust: consumer protection helps to build consumer trust in market players. When consumers know that they are protected by public institutions and legislation, they may be more willing to make purchases and engage in business transactions.
3. Consumer safety: consumer protection guarantees consumer safety and health. For example, food safety standards and quality controls help prevent food-related health problems.
4. Economic stability: consumer protection contributes to economic stability by helping to prevent market abuse and consumer financial losses. It helps consumers feel safe and more willing to consume and invest.
5. Social justice: consumer protection can help protect social groups that are more vulnerable to abuse and inefficiency. Equal access to rights and protection promotes social justice.

⁷ John A. Quelch – Katherine E. Jocz: *The New Global Brands: Managing Non-Governmental Organizations in the 21st Century*, Palgrave Macmillan, 2008, 250.

6. The academic literature on consumer protection contains a large number of studies and research that show the positive effects of consumer protection on society. Such research can help to improve policies and legislation and to promote healthy relations between consumers and businesses.

V. CONSUMER PROTECTION LAWS

In the United States, the Federal Trade Commission (FTC) is responsible for fighting unfair and deceptive trade practices, and consumer protection laws are created and maintained by the federal government and state governments. While in the European Union (EU) member states and other European countries, consumer protection is extremely important and there are many laws and measures in place to protect consumers from aggressive commercial practices.

Here are some examples of consumer protection legislation and measures in Europe:

European Consumer Protection Cooperation (CPC): this is a program that operates in the EU and European Economic Area (EEA) countries to tackle aggressive commercial practices by shops. The CPC allows authorities to work together to tackle cross-border problems and take joint action against shops.

Consumer Rights Directive: this directive strengthens consumers' rights when shopping online. For example, it provides consumers with the possibility to withdraw from distance contracts within a certain period.

Measures against false and misleading advertising: the EU has legislation banning false or misleading advertising. For example, if the characteristics or price of a product do not correspond to the information given in the advertisement, this can lead to sanctions.

The General Data Protection Regulation (GDPR): although it deals primarily with data protection, the GDPR also plays an important role in protecting the rights of consumers. The regulation requires companies to provide users with clear and understandable information about their data management practices.

For air passengers: as air passengers in the EU, we also have a number of rights, such as the right to compensation in the event of delayed or cancelled flights, or the right to advance information about flights. This protects consumers from problems when travelling.

E-Commerce Directive: this directive deals with the liability of online platforms and the removal of fake content. It protects consumers from fake or harmful content by allowing service providers to be held liable for the content they publish.

I have given some examples of consumer protection legislation and measures that exist in Europe to protect consumers' rights. These laws and measures help consumers to shop safely and exercise their rights in the single European market.

VI. HOW CAN WE PROTECT OURSELVES? PRACTICAL ADVICE FOR CONSUMERS

In today's world, where aggressive commercial practices and manipulative marketing tools are commonplace, it is essential that consumers are aware of their rights and have the skills to defend themselves. This chapter details specific advice for consumers on how to avoid aggressive commercial practices, how to defend themselves and how to make informed choices when shopping⁸.

VI.1. HOW TO IDENTIFY AGGRESSIVE TRADING PRACTICES

The first and perhaps most important step in avoiding aggressive commercial practices is to recognise these practices. Below we offer some concrete advice on how to do this:

Be critical: Be critical of any offer or advertisement. Don't immediately believe exaggerated promises or immediately aroused emotions. Ask questions, think and investigate.

Authenticity of the offer: check the authenticity of the offer. Often, aggressive commercial practices contain false promises that suggest excessive benefits. Check the company's background, reviews and the true value of the product.

Conscious consumption: learn to consume consciously. Think about whether we really need the product or service. Don't let impulse buying or manipulative emotional pressure determine our decisions.

VI.2 PRE-PURCHASE RESEARCH: WHY IS IT IMPORTANT AND HOW CAN IT HELP?

⁸ Michael R. Solomon: *Consumer Behavior: Buying, Having and Being*, Pearson, 2017, 390.

Pre-purchase research is an essential tool for consumers to defend themselves effectively against aggressive commercial practices. Here are some tips for shopping around:

Product research: before buying any product or service, do thorough research on it. The internet, independent reviews and online forums are great resources for evaluating products and services.

Price comparison: do not ignore the price comparison. Prices offered in different shops and online platforms can vary significantly.

Customer reviews: read reviews from other customers. These experiences can be useful in deciding whether a product or service really meets your expectations.

VI.3. HOW TO USE ONLINE REVIEWS

Online reviews can be a huge help to consumers in their decision-making. However, it is important to use this information critically:

Credibility of the assessment: we check the credibility of the assessments. Some assessments may be fake or manipulated. Pay attention to assessments that provide details and support the assessment with meaningful arguments.

Diversity of evaluators: let's look at several different evaluations. Instead of one-sided opinions, look for evaluations that present different perspectives and experiences.

Community forums and expert opinions: online community forums and expert opinions can also be useful. Community forums are a great way to learn about other consumers' experiences, while expert opinions can provide reliable information⁹.

Avoiding aggressive commercial practices and adopting a conscious consumption approach can help consumers to better defend themselves against manipulative marketing and advertising. It is important that we educate ourselves and share information with others so that together we can promote fair and ethical marketing practices, strengthening consumer rights and interests.

⁹ Andrew N. Smith (et al.): How does brand-related user-generated content differ across YouTube, Facebook, and Twitter? *Journal of Interactive Marketing*, Vol. 26, Issue 2, 2012, 102–113.

VII. SUMMARY

The Study discussed the importance and interaction of consumer protection and aggressive commercial practices. Consumer protection is an important principle to protect the rights and interests of consumers, especially against market actors. Aggressive commercial practices such as false advertising, manipulative pricing and emotional manipulation can cause serious problems for consumers. These practices can cause financial losses and emotional distress.

Consumer protection is extremely important as it protects consumers from such aggressive practices. The example of the European Union shows that effective consumer protection legislation can protect consumers from such practices. Such legislation regulates, for example, general contract terms and conditions and the handling of consumer complaints, thereby increasing consumers' legal certainty and confidence in the market. However, protection against aggressive commercial practices does not depend on legal measures alone. Consumers also need to play an active role to protect themselves. Awareness is key and concrete practical advice on how to avoid aggressive commercial practices must be provided. It is important to research before buying, to take account of online opinions and to make transparent purchasing decisions. For example, consumers should check prices from different sources, read product descriptions and carefully examine offers.

The use of online reviews is one of the many tools available to defend against aggressive commercial practices. Consumers often share their experiences and opinions online and this information can help other consumers to make informed purchasing decisions. However, it is also important to evaluate online reviews with a critical eye, as they are not always objective or reliable.

Consumer protection and protection against aggressive commercial practices raise complex issues. In addition to exemplary EU legislation, consumers' own preparation and awareness is key. Research and awareness-raising at societal level to protect against such practices are essential to strike a balance between consumers and market players and to promote fair competition.

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