

RESEARCH ARTICLE

AN EMPIRICAL RESEARCH ON MISLEADING ADVERTISEMENTS AND ITS IMPACT ON CONSUMER BUYING BEHAVIOUR

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ABSTRACT

Existing research has documented that consumers can be highly vulnerable to misleading advertising claims that lead them to acquire false information, form misperceptions, and become involved in consumptive behaviors to their detriment. The experimental studies, in particular, explore the possible causal relationships between claims and consumer psychological or behavioral responses.

Key words: Advertising, Consumer Behavior, Consumer Sentiment.

INTRODUCTION

The main aim of marketing is to generate large volumes of sales and revenue for the firm. Advertisement is a tool available to the marketers to communicate with the prospective buyers and entice them to buy their products and make their products known to the people. In this effort, advertisements are filled with tall claims that are sometimes too hard to believe. Fairness cream ads try to depict that only a fair person has a good chance to succeed in life. An American will call it downright racism, but it is perfectly fine in India. Energy drinks are depicted as if they give superhuman powers to the consumer. Some even suggest that their children will not grow up properly if they do not consume their chocolate-flavored milk powder or the addition of these powers help in absorbing more of calcium. The worst culprits are celebrity endorsements. The celebrities never use the product, but they appear in the advertisements of products that promise consumers the same skin and hair of the celebrity. In all cases, the glow on the skin of the actress is due to the skills of the makeup artist. Coming to the lower levels of print ads, many people would have observed the blatant lie in the "Before and After" ads for fat-loss, hair loss, tooth loss, etc. The use of computer graphics is obvious to create these ads. Then there are plays with words like "Up to 50% sale", or "Just 3 flats remaining", or "Free, but conditions apply". Why are the applied conditions typed in so minuscule font? We would be conducting an empirical research to test and evaluate the hypotheses and use a tool like questionnaires to quantify and qualify the responses. The questionnaire will contain both open-ended as well as close-ended questions. The responses would be coded for purpose of quantitative analysis. A chi-square test would be done to form a logical conclusion. The research will aid marketers to understand the impact advertisements have on consumer buying decisions.

It would give a suggestion, what actually entices a customer to choose a particular product. Do consumers have a good memory to recollect the claims that the advertisements have made or do they shop on impulse? What are the other factors that lead a customer to buy a product? And finally, can advertisers still sell their products based on pure facts, or do they need the added chutzpah of tall claims to push their products forward?

Literature Review

Sometimes the advertisers over exaggerate about the product's benefits in such a tactful manner that consumer goes psychologically under the pressure of advertising persuasiveness and intentionally decides to buy the advertised product (Smith *et al.*, 2006). In the point of view of some people, now most of the consumers avoid the advertisement, because they consider the advertisement, just annoying and misleading (Bishop, 1997). Advertisements have been attacked on psychological, sociological, aesthetic and political grounds. From the point of view of a common lay man, what is the purpose of advertising? Some critics even criticize and consider advertising very harmful to the collective behaviors of the society (Barbara, 1997). But defenders of advertising always give a strong argument in its favor that basic aim of advertising is to sell the products, rather its effects on cultural values of the society (Gold, 1987). In the ancient days, human used to be self-sufficient. In other words, the plant or hunt for their food. Furthermore, they will try to find or make things that can satisfy their basic needs. As time goes by, their self-sufficient production began to show signs of surplus and sometime this surplus cannot fulfil other necessities. Incidentally, they have to turn to trading to fulfil their needs and to cash in their production surplus. They began to realize that in trading, they have to compete with other individuals with the same products, and thus advertising takes its first peek into the world. All the developments and changes in

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advertising do not come without a price. Some scholars argue that advertising can prop up ethical issues (Drumwright, 1993; Indrayana, 2004; Tinarbuko, 2002; Kunkel, Wilcox, Cantor, Palmer, Linn and Dowrick, 2004; Aitchison, 2002; Tanudjaja, 2002). These ethical issues include women exploitation, subliminal perception, and advertising to children, deceptive advertising, and other issues which can lead to moral deterioration of the society (Shabbir and Thwaites, 2007; Murphy, 1998; Blair, Stephenson *et al.*, 2006). The fact that potentially unethical advertisements are reaching the marketplace suggested that current methods of evaluating advertisements may be insufficient for some of today's controversial or innovative campaigns (Bush and Bush, 1994). Ethics is one of the branches of philosophy (Zubair, 1987). According to Spence and Heekeren (2005), ethics can be defined as "a set of prescriptive rules, principles, values, and virtues of character that inform and guide interpersonal: intrapersonal conduct". Schlegelmilch (1998) further argues that ethics is hard to define due to the fact that it cannot be directly measured and it originates from many influences such as internal and external environmental influences. Dr H. Hamzah Ya'qub (1985) in his book, *Etika Islam: Pembinaan Akhlaqulkarimah*, perceives ethics as a body of knowledge that examines good and bad/right and wrong by observing human behaviours. There are extensive researches done on business ethics in general (De George, 1987; Tsalikis and Seaton, 2007; Sabrin, 2002). Researches in business ethics covers all the functions of business thus it also covers the area of advertising and promotion. Due to the fact that advertising stirs ethical controversies, numerous studies from different perspectives have been done to understand this phenomenon (Nebenzahl and Jaffe, 1998; Fam, Waller, and Erdogan, 2004; Waller and Kam, 2000). There is a general point of view of many societal members, that advertising may have a negative, unintended or intended influence on consumers' buying trends (Burr and Burr 1977 and Verbeke, W. 1992). Actually advertising has a strong potential on changing our social values, as well our buying behaviors through influencing our cultural values (Schudson, 1984). Specifically, advertising may lead a consumer to prefer material objects over more morally and socially oriented alternatives; it may potentially increase, conflict and lead to an unhappier and a more disappointed person of the society (Goldberg and Gom 1978). While the major aim of advertising is to give something new, creative and useful to get long term benefits of brand loyalty and image building of the product and company by establishing an emotional relationship and persuasion for buying that product. This is also a debatable issue that which kind of impact of advertising effects the beliefs and collective attitudes of the consumer with respect to the buying behavior (Barbara, J. 1997). In the modern times, it's really, difficult to be successful in persuasion and to mould or effect the buying behavior of consumer in this era of tough competition (Robinson, 1997). With the success of advertising field, now it has been admitted as a universal factor that advertising plays a very influencing role in the consumers' behaviors (Beil and Bridgewater, 1990).

MATERIALS AND METHODS

Research Questions: We have formulated two hypotheses that we will be testing in the research. The first hypothesis to test is there a relationship between misleading ads and consumer purchase. Second hypothesis that we will be testing is whether

there is any relationship between age and gender difference and susceptibility to misleading ads.

Research Design: The type of study for this paper is descriptive (Under the descriptive study technique the statistical method has been used. Here the researcher must design their studies to give as much evidence as possible for reflecting the cause and effect relationships from the data collected through the „survey“ technique. The designs of such studies should be planned with the type of required analysis already in mind). For our research we have tried to get a good representation of the sample by diversifying our sample collection. We did a stratified random sampling with a sample size of 100 respondents from the age 22 – 42 both male and female at various locations in Mumbai. We used a questionnaire for our data collection which consisted of both open and closed ended questions. The period of the study was from 1st January 2014 to 31st January 2014. Simple mathematical calculations and chi-square test were used for the purpose of data analysis and interpretation.

Limitations of the study: One of the major limitations faced by us was the time. Another constraint which we felt was the ignorance of the selected subjects. Lastly we cannot judge whether the respondents gave us a completely true reply. 4. Results and Discussion From the responses received and by conducting a chi-square test on the first hypothesis, it was observed that there is a strong relationship between misleading ads and consumer purchase. This means that the misleading ads have a strong impact on the consumer buying behavior of the consumers and are major determinant for the purchase decision. The consumers accept the information being provided in the advertisement as true and the buyer suffer dissonance if the product does not function as advertised. From the responses received and by conducting a chi-square test on the second hypothesis, it can be inferred that misleading ad affects consumers mind differently based on the age and gender. The younger age group was more susceptible to the misleading ads and this was the same age group that indulges in impulsive purchases. It was also found out that females make a more informed decision prior to their purchase, but their source of information is usually the advertisements or word-of-mouth information from peers or other reference group.

Conclusion and Recommendation

False advertising, in the most blatant of contexts, is illegal in most countries. However, advertisers still find ways to deceive consumers in ways that are legal, or technically illegal but unenforceable. A classic example is that of the cigarette ad that shows a free-spirited confident cowboy on his horse galloping through the rough terrain, catching wild cattle without breaking a sweat. In reality, cigarette smoking is a purely wasteful habit, with no beneficial or nutritional value. It is highly addictive and a cause of various deadly illnesses. Marketers have just one aim in mind – sell as much as possible to as many as possible. They do not mind using unethical practices. For them, reaching the end is more important than the means. Our research clearly shows that misleading advertisements that make tall claims do not make an impact on the buying behavior of the consumers. There are certain wise consumers.

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