



# **A Study on the Influence of Deceptive Advertising on Brand Loyalty**

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**ABSTRACT:** Advertising plays a huge role in shaping how people perceive products and services and ultimately making a decision to purchase them. When advertisers resort to deceptive or misrepresentative practices they often deceive consumers into forming incorrect opinions or purchasing decisions. Consumer protection legislation has been enacted in many jurisdictions to protect consumers from these type of practices. An assessment of these laws is required to ensure that advertising practices are fair and accurate for the protection and benefit of consumers perceptions of product benefits. Because customers have become suspicious of advertising and are more selective in their purchasing of products, such as skincare or other mass consumer goods, they place higher expectations on products' benefits. This study investigates how perceptions of product benefits are shaped.

This qualitative study explores how deceptive advertising practices affect brand loyalty. This descriptive research design comprises of a survey with 110 random participants. The survey was distributed through Google Forms. Results were presented in tables and graphs and analyzed using percentage. The results show that deceptive advertising practices affect a brand negatively by decreasing trust of its consumers and as a result decreasing brand loyalty. This study reveals the importance of being honest in advertising a product and also in other marketing practices. Honest communication is key not only to short-term sales but also to long-term brand loyalty.

**KEYWORDS:** Deceptive Advertising, Consumer Trust, Brand Loyalty, Consumer Perception, Purchase Decision.

## **CASE STUDY**

Natural skincare product PureGlow launched a campaign with Media Playground entitled 'pure growth' as part of a push for its new skin cream, which it promised 'would deliver 100% natural results in just three days'. PureGlow Pure (aka Nina), was recruited having purchased the product after seeing the ad. However things took a turn for the worse with Nina revealing her skin had gotten worse as a result of using the product.

However, Nina was unable to contact customer services and was met with automated responses which were of little use. Unknown to her, the brand had been panned online by a litany of negative reviews. Here Nina shares her story of being let down by fake promises which fail to translate into customer loyalty.

## **I. INTRODUCTION**

In our continued post-Brand Sabotage expose on how dishonesty and lack of trust can affect a brand, we look at 'natural' skincare PureGlow. On initial impressions Nina was won over by the brand's marketing message of "100% natural results in three days" – and I can see why. But what looked like wonderful, natural ingredients soon led to irritation to her skin, and a refusal from PureGlow to assist her with the problem was the final straw. Exposed online for her unpleasant experience with the brand Nina has left many consumers in no doubt that the brand's misrepresentative initial marketing is not enough to bring in lasting customer loyalty.

### **RESEARCH PROBLEMS**

1. Misleading Advertising Claims – Pure Glow was the first product to create early and misguided customer expectations through its advertising copy by stating “100% natural results in three days”.
2. Customer disappointment caused by incorrect expectations.
3. Customers will lose trust in your brand and perceive a decline in your brand image.
4. Consumers reported an increase in poor experiences with the brand and as a result had a decline in trust with the brand and switched to alternative brands.
5. Reduced customer repeat purchase / customer loyalty: False product advertising severely impacts customer loyalty and reduces their likely repeat purchase of the deceived product.

### **RESEARCH TOPIC [MAJOR PROBLEM]**

A Study on the Influence of Deceptive Advertising on Brand Loyalty

- How do fake advertisements affect customer trust and loyalty.

### **VARIABLES OF THE STUDY**

- Independent Variable – Deceptive Advertising
- Dependent Variable – Brand Loyalty.

### **RELATED BEHAVIOURAL FACTORS**

**Trust at the Consumer Level:** Consumer trust is the level of trust consumers have in a particular company and the specific claims made by the company about a product.

**Repeat Purchase Behavior:** Buyers repeat the same purchase of a product or brand over time.

**Transparent Communication:** It is essential to let customers know what is going on.

### **OBJECTIVES OF THE STUDY**

The objective of this study is to examine how deceptive advertising affects consumer loyalty to a brand.

### **SECONDARY OBJECTIVES:**

- How service impact repeat buying
- Open lines of communication as a catalyst in restoring trust
- Examining effects on customer retention
- Assessing impact on consumer trust

## **II. REVIEW OF LITERATURE**

Darke P.R., Ritchie R.J.B. (2007) - Deceptive advertising can increase intention to purchase in the short term. However, when the deception is discovered, trust in the brand is compromised.

Kotler P., Armstrong G. (2010) - Advertising can help build brand trust and customer relationships, but false or exaggerated product claims can decrease credibility and decrease long-term customer loyalty.

Oliver R.L. - Customer satisfaction as a determinant of brand loyalty. In order to create customer loyalty, advertisements should not create overly high customer expectations.

Chaudhuri A., Holbrook M.B. (2001) - Brand trust is a fundamental reason for brand loyalty. When consumers perceive advertising as deceptive brand trust and loyalty collapse.

R.C. Mayer, J.H. Davis, F.D. Schoorman (1995) - ability, benevolence and integrity all contribute to the development of trust. Open communication helps organisations maintain credibility.

Lewicki R.J., Bunker B.B. (1996) - Their work found that trust is established over time, but can also be lost over time. Honest and open communication can repair breached trust.

Small Review - quotes by Jacoby J., Small R. (1975) - Advertising is deceptive when it creates false impressions about any product. Ultimately, all such misleading claims impair consumer perceptions of advertising credibility.  
Xie G.X., Boush D.M. (2011) - What makes consumers recognize deceptive advertisements? An examination of level of deception, brand trust, and outcome.

### **SCOPE OF THE STUDY**

The main focus of this study is on Consumer Perception of Deceptive Advertising. This study investigates the perceptions that consumers have of Deceptive Advertising messages; including how consumers perceive, interpret, and respond to Deceptive Advertising. Finally, the study examines whether or not consumers notice such advertising messages.

This study examines the effect of deceptive advertising on brand loyalty. The question that the study attempts to answer is whether or not deceptive advertising affects consumer loyalty.

Useful for Marketers and Businesses - These findings (for marketers and businesses) explore the impact advertising has on relationships with customers, as well as the value of honest marketing practices.

### **III. RESEARCH METHODOLOGY**

This essay discusses the methodology that I would use if I were to conduct research on any topic. Methodology, in research terms, refers to the method or methods that a researcher would use to collect and organize information, or data, for a research project. In essence, methodology forms the foundation of a research study, and is used to organize and justify a researcher's approach to acquiring information or data for the study. The methodology also outlines the tools or approaches the researcher will use to collect data.

#### **RESEARCH TYPE**

This study is Descriptive Research. Descriptive research studies characteristics of people, organizations and phenomena i.e. it aims to find and record people's opinions / behavior in relation to a study topic. In this case, participants were asked to share their views / feelings about advertising and brands.

#### **SAMPLING TECHNIQUE**

**CONVENIENCE SAMPLING:** Convenience sampling was used where participants were selected based on their availability and willingness to participate in the study and complete the survey. This analysis involved distributing the questionnaire to friends, schoolmates, and family members. It was easier and quicker in completing this analysis.

#### **SAMPLE SIZE**

This research study consisted of 200 participants and their responses were analyzed in order to gain insight into the general opinion of a specific topic investigated in this study.

### **IV. DATA COLLECTION METHOD**

#### **PRIMARY DATA**

Primary data or in another words information acquired from primary sources are used in this research. The data collected are in the form of questionnaire from the respondents.

#### **SECONDARY DATA**

Secondary data or information is obtained from previous researches, studies and observation. For this research analysis, reference was made from various research articles, journals and online websites pertaining to the topic.

#### **DATA ANALYSIS TOOLS**

Data analysis tools are used for organisation and analysis of the data gathered. In addition they can be used for presenting the results in an appropriate format.

**Pie charts:** Pie charts are used to display data in the form of a circle, or pie, and contain sections that represent the proportion of responses for each category of the poll.

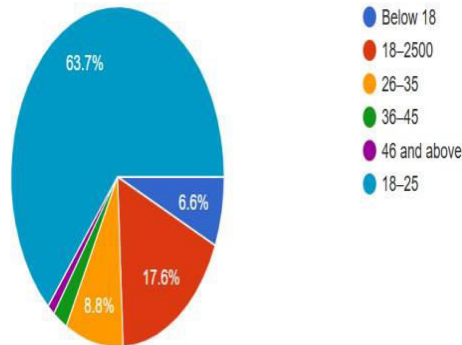
**Percentage Analysis:** Percentage analysis displays data in the form of percentages. This type of analysis is extremely

useful in clearly viewing the proportion of responses.

**DATA COLLECTED FROM QUESTIONNAIRE**

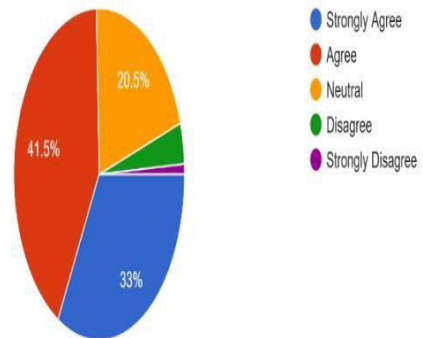
**Age Group**

91 responses



Deceptive advertising reduces my trust in a brand.

200 responses



**ANOVA: Descriptives**

Trust reduced

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
below 18	61	2.43	.884	.113	2.20	2.65	1	5
18-25	74	2.35	.867	.101	2.15	2.55	1	5
26-35	36	2.14	.762	.127	1.88	2.40	1	5
36-45	17	1.76	1.300	.315	1.10	2.43	1	5
46 & above	12	1.25	.622	.179	.86	1.64	1	3
Total	200	2.22	.931	.066	2.09	2.35	1	5

**ANOVA**

Trust reduced

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	18.923	4	4.731	6.014	.000
Within Groups	153.397	195	.787		
Total	172.320	199			

**INFERENCE:**

The pie chart highlights the distribution of respondents who believe that deceptive advertising negatively affects their trust in a brand. The majority of respondents indicated that they strongly agreed (33%) or agreed (41.5%) that deceptive advertising negatively affects their trust in a brand.

Results of ANOVA test are presented in Table 1. The results indicate that there is a significant difference at .00 level between mean of trust reduction scores of different age groups ( $F = 6.014$ ,  $Sig. = 0.000$ ). Results further reveal that the trust reduction scores of younger age groups (below 18 years and 18-25 years) are significantly higher which means they perceive more that deceptive advertising reduces trust as compared to their older counterparts.

**KEY FINDINGS:**

- Age heavily affects reductions in trust
- 46+ group differs from those younger
- No meaningful differences by gender
- Income is not related to brand switching
- Overall: limited demographic influence.

**RECOMMENDATIONS:**

- Target older consumers strategically.
- Ensure transparent advertising
- Reduce reliance on influencers
- Focus on trust-building
- Avoid deceptive practices

**EXPECTED OUTCOME & SOLUTION:**

- Increased consumer trust
- Stronger brand credibility
- Better targeting efficiency
- Higher customer retention
- Sustainable brand growth

**V. CONCLUSION**

Recent studies indicate that false or misleading advertising can influence consumers' opinions of a brand. As advertisements usually represent the first contact between consumers and a brand, when consumers learn of misleading ads, their trust in a brand is likely to decrease. In business, trust is essential for maintaining repeat business and ensuring customer loyalty to a particular business or product. Without trust, consumers are likely to choose a competing business over yours. Therefore, it is vital for businesses to advertise honestly and transparently in order to ensure sustainable business growth.

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