



**SRI VENKATESWARA INTERNSHIP PROGRAM  
FOR RESEARCH IN ACADEMICS  
(SRI-VIPRA)**



**SRI-VIPRA**


**Project Report of 2023: SVP-2348**

**“Impact of Deceptive Marketing on Consumer Behavior”**

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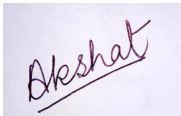



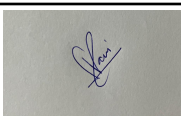

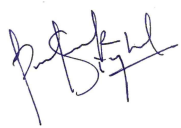

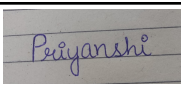

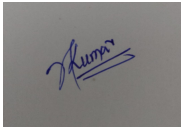
## **SRIVIPRA PROJECT 2023**

**Title : Impact of Deceptive Marketing on Consumer Behavior**

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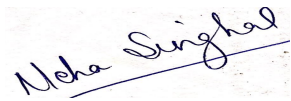
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## **Certificate of Originality**

This is to certify that the aforementioned students from Sri Venkateswara College have participated in the summer project SVP-2348 titled “**Impact of Deceptive Marketing on Consumer Behavior**”. The participants have carried out the research project work under my guidance and supervision from 15 June, 2023 to 15 September 2023. The work carried out is original and carried out in an online mode.

A handwritten signature in blue ink that reads "Neha Singhal". The signature is written in a cursive style and is underlined with a single horizontal line.

**Signature of Mentor**

### **Acknowledgements**

In the course of completing this research project, there have been many people who have contributed in different ways in making this possible.

Firstly, we would like to express our gratitude to Prof. (Dr.) K. Chandramani Singh, Acting Principal, Sri Venkateswara College and the SRI-VIPRA committee who have extended this opportunity of ours pursuing SRI-VIPRA from 15<sup>th</sup> June 2023 to 15<sup>th</sup> September 2023.

The support of the Department of Commerce, SVC and the ICT have also been incredible in the preparation of this project.

We would also like to take this opportunity to thank the Team SVP-2348 and the mentor, Dr. Neha Singhal for their untiring and committed efforts.

Last but not the least, our gratitude is for all those who have helped and contributed to this research endeavor, whether directly or indirectly.

Date: 15<sup>th</sup> September 2023

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### **Abstract**

In the realm of the contemporary business sphere, enterprises tackle a fierce competitive spirit for the attainment of sustenance and growth as a key objective. Many businesses resort to deceptive marketing in order to persuade the customers to buy their products by promising false claims, engaging in pretentious activities and unfaithful strategies. The research study, thus discusses the impact of these deceptive advertisement techniques on the consumer buying behavior. It also analyzes how customers react to these practices and whether or not their buying decision depends upon the reviews and the image of the brand in the market. Once consumers become aware of such practices, they become sensitive to those brands even for the other products from the same brand. The rationale behind the present study is to take into account the factors that affect the consumer behavior regarding false advertisements, after studying the past research. Thus, to settle the understanding over customer's thoughts regarding advertisement ethics in general, a model has been proposed and using the responses collected through the questionnaire, a conclusion pertaining to consumer behavior has been worked out.

**Findings-** The current paper scouts the impact of misleading claims and statements made by the brands on the consumer behavior using primary data. The study analyzes how deceptive advertisements can affect the intention and decision of a consumer to buy a product.

**Implications-** Deceptive advertising impact on consumer behaviour provides a comprehensive understanding of the intricate relationship between advertising practices and consumer decision-making. The findings underscore the far-reaching implications of deceptive tactics, revealing the intricate ways they influence perception, attitudes, choice of consumers.

**Value-** This is one of the primary studies to examine the effect of deceptive claims on consumer



behavior. Its empirical findings are projected to analyze consumer behavior so that such practices can be discontinued in order to protect customer trust and safeguard ethical marketing.

**Keywords-** Deceptive advertisement, consumer behavior, misleading claims, advertisement ethics, ethical marketing.

### **Introduction**

In the dynamic landscape of the modern business world, thriving amidst fierce competition demands businesses to cultivate resilience and continually strive for excellence. Businesses should engage customers through creative and impactful marketing strategies, with a focus on delivering values and building genuine connections. In contrast, corporations have resorted to deception to capture the attention of a substantial customer base.

Deception refers to the act of intentionally misleading or deceiving someone by providing false information, withholding the truth, or manipulating facts in order to gain an advantage or achieve a desired outcome. It involves creating a false perception or impression that is contrary to reality. When you deceive someone, the result may be taking- items you don't really need from people willing to give them, believing they are helping you.

Deception is an act or speech which conceals the truth or reality and even promotes false beliefs to gain personal profit and stand out from competitors. According to Jeremy (2011), deception may take various forms of lies, equivocations, concealments, exaggerations, understatements, or untruth. It has a huge impact on the perception of a person being deceived. Coleman and Kay (1981) provided that false statements had the following three elements: *the objective falsity of the proposition, the sender's belief in this falsity, and his or her intention to deceive the receiver.*

They found that the more of these elements present in a statement, the more likely it was to be labeled a lie.

Deception encompasses a broad spectrum that extends to the realm of marketing, acknowledging that deceptive practices can permeate various aspects of marketing strategies and tactics.

In today's world, marketing is about understanding and meeting the evolving needs of the customer, even before they are aware of those needs. Instead of solely serving the need of the

customer, modern marketing seeks to understand their desires, preferences, and pain points. Modern marketing employs storytelling techniques to engage and captivate consumers, leveraging emotional connections to create meaningful experiences. Rather than viewing it as trickery, modern marketing utilizes narratives to communicate brand values, evoke emotions, and create an illusionary castle of joy for consumers. By crafting compelling stories, marketers can capture attention, ignite curiosity, and inspire consumers to become active participants in the brand's journey.

In their pursuit of attracting customers to purchase their products or services, organizations sometimes resort to deceptive marketing practices, employing persuasive strategies that may not fully disclose all relevant information, aiming to influence consumers' choices towards a specific brand.

Federal Trade Commission (2019) defines deceptive marketing as *"an act or practice that misleads consumers, or is likely to mislead them, acting reasonably under the circumstances, to their detriment"*. The company uses unrealistic promises and overstated statements to influence the consumers which is now usually known as Intellectual, clever and competitive advertising by the business personnel (Khan S.K. et al., 2015). Deceptive marketing tactics can involve false or exaggerated claims, misleading information, hidden fees, bait-and-switch techniques, or other forms of dishonesty.

If an advertisement (or advertising campaign) leaves the consumer with (an) impression(s) and/or belief(s) different from what would normally be expected if the consumer had reasonable knowledge, and that impression(s) and/or belief(s) is factually untrue or potentially (David Gardner). The purpose of advertising should be the guidance of consumers rather than blackmailing and threatening by pushing forcefully to buy that product. Most of the time consumers' buying behavior is influenced by liking or disliking the consumer towards the advertisement of the product, advertised (Smith et al., 2002).

Gorn (1982) emphasized in his study that consumer behavior towards a product is totally dependent on advertising, without any assessment of the quality of the product. Sometimes the advertisers over-exaggerate about the product's benefits in such a tactful manner that the consumer goes psychologically under the pressure of advertising persuasiveness and intentionally decides to buy the advertised product (Smith et al., 2006). Juul E-Cigarettes, for example, are being marketed as a safe alternative to cigarettes despite containing more nicotine

on average.

Moreover, the study of consumer behavior delves into the intricate dynamics of individuals, groups, or organizations and the complete spectrum of actions entailing the acquisition, utilization, and eventual disposal of goods and services. Consumer behavior consists of how the consumer's emotions, attitudes, and preferences affect buying behavior. According to the American Marketing Association, consumer behavior can be defined as "*the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives.*"

It is important to note that to qualify as deceptive, communication must not only involve the provision of false information but also require intentional intent on the part of the communicator. Non- intentional alterations or mistakes, not stemming from deliberate deception, are generally not considered legally culpable under the law.

Extensive research has shed light on various factors such as deceptive advertisements, celebrity endorsements, word of mouth, healthy skepticism, etc. that exert a substantial influence on consumer behavior. These factors encompass the following key insights:

### **Literature Review**

Consumers encounter a vast number of advertisements across different medias and platforms namely television, radio, print publications (newspapers, magazines), outdoor billboards, social media networks, search engines, etc. The advertisements act as a shaping tool for the purchasing behaviors of the consumers. To make up an image in the market, false and deceptive advertisements back up the brand in order to influence the consumers. However, if consumers come across the deceptive tendency of these advertisements, the confidence of the consumers in that brand shakens. The present study thus analyzes different variables that affect consumer behavior because of the false and misleading claims made by the brands.

Influential factors shaping consumer behavior enclose an array of diverse factors which are deceptive advertising or perceived deception, purchase behavior, brand awareness, ad recall, product recall, paternalism, financial and emotional loss, stereotype of a particular brand, current regulation of deceptive advertising, celebrity endorsements, brand loyalty, word of mouth, healthy skepticism, etc.

While the deceptive advertisements are the false and misleading claims to promote the sale of a

product, the purchase behavior is based on the customer's spending habits and preferences. Brand awareness is the level of familiarity of consumers with a particular product or service which can drive the consumer's choice to purchase a product. Ad recall and product recall entails the consumer's ability to recollect a specific advertisement or product without any assistance or prompting. Paternalism is the interference of a state or an individual with another person, against their will, and defended or motivated by a claim that the person interfered with, will be better off or protected from harm. It can lead to consumers with limited choices, an opportunity to make an informed decision making, influencing their behavior in return. Moreover, the consumers can feel that they are facing financial and emotional loss like discontented costing of the product, or the pains and efforts taken for a product or service has been hampered because of deceptive claims, that would tend to affect their purchase behavior. Stereotype of a brand is a well-established idea that connects people about the pre-perceived notion of a product or a service which can govern their decisions. However, if the current regulation concerning deceptive advertising is rigid and rigorously in favor of consumers, it would enhance consumer trust and credibility and increase their chances to buy a product. On the other hand, engaging in false claims, brands use celebrity endorsements which includes using celebrity fame as a technique in order to promote the brand. Brand loyalty is the tendency of consumers to continue buying the same products and services despite the competing brands. With the onset of better brand loyalty, the tendency to make purchase decisions become unchallenging. With the word-of-mouth that is communicating the ideas and information from one person to another about a brand, consumers shape an image of a brand which modulates their actions. Healthy Skepticism refers to the disposition of a consumer characterized by scrutinizing and rigorously assessing the facts and information, refraining from encouragement of verifiable truths. It can make consumers more brand inclined thereby exerting their purchase choices. However, to restrict the scope of the study the current paper limits itself to demographic variables, deceptive ads, consumer behavior, word of mouth, healthy skepticism, consumer attitude, brand loyalty and celebrity endorsements. The variables are explicated in the ensuing section:

### *DEMOGRAPHIC VARIABLES*

Deceptive marketing is false or misleading sales activities and information aimed

At luring, coercing, seducing, persuading, or enticing both potential and existing Consumers of a product to patronize a trader, sellers or manufacturers of a Product. Deceptive advertisement is one of the conventional approaches that unethical Business organizations seek to increase their product demand.

In order to study impact of deception. The present paper considers demographic variables to know more about the background and knowledge of a respondent. A demographic variable is a variable that is collected by researchers to describe the nature and distribution of the sample used with inferential statistics. Within applied statistics and research, these are variables such as age, gender, ethnicity, socioeconomic measures, and group membership, age of youngest child, occupation, marital status, race, income level, home ownership, location, religion, family structure, diagnosis, tenure, car ownership etc.

The present study focuses on following variables: *Age, Gender, Income and Education* keeping in mind the significance of these variables in respect of consumer behavior. The current study limits to these 4 variables in order to limit the scope of paper and it covers all the other variables as well which may be necessary for it. These factors help to study the background of the respondents which evaluate its understanding level or the interpretation level of the respondent. Education levels can impact a consumer's ability to critically evaluate marketing claims.

Different age groups may respond differently to deceptive marketing tactics.

Gender also influences deceptive advertising techniques through biased and gender stereotype in advertisement.

In context of demographic variable past researchers have proposed a theory named as **social judgment theory**. Social judgment theory is a framework that studies human judgment. It is a meta-theory that directs research on cognitive perspective. It states that people make evaluations (judgments) about the content of messages based on their anchors, or stance, on a particular topic message. (ukaegbu, 2020). It emphasizes the importance of message framing and how it influences the recipient's message. Social judgment theory suggests that people have judgmental 'latitude', which is the range of positions they find acceptable. In demographics, individuals from different background may have varying latitude in evaluating certain marketing messages.

*Gender:* Men and women may have distinct shopping behaviors. Men, for instance, may tend to focus more on functionality, whereas women might consider aesthetics and emotional appeal.

Additionally, gender can also be a factor, Males are more susceptible than females in general, but female nonusers of the products like paint tools, hardware etc is more susceptible than male nonusers (Viridi, 2020)

Based on the aforesaid literature, it is hypothesized as following:

**H<sub>1</sub>:** Consumer behavior towards deceptive advertising differs across gender. :

*Age:* Different age groups may have varying levels of vulnerability, susceptibility, and understanding when it comes to advertising and sales tactics. (Carruthers & Jill, 2004) Argue that age is an indicative factor. Also, there is severity of memory-based and knowledge-based deficits when consumers process advertising information. More specifically (Viridi, 2020) found that young adults are less susceptible to certain misleading techniques than older adults, not because they are more capable of distinguishing truthful claims from misleading implications, but due to the tendency of younger people to be more engaged in the process of scrutinizing advertisements. (Viridi, 2020) States that the qualitative research approach is used in the study in Malaysia and converse that advertising negatively affects children's purchasing decision. It affects it in a way that children are not matured enough to act wisely and just accept it in a way, for example: Horlicks made a statement that it can increase height of children drinking it, so it had a huge impact on children mindset in their teenage years.

Drawing upon the previously mentioned literature, we propose the following hypothesis:

**H<sub>2</sub>:** Consumer responses to misleading advertising vary among different age demographics.

*Education:* It is equivalent to awareness as a well literate buyer will look for the facts and experiences of previous consumers over the aforesaid features by a marketer. A well-informed person will tend to its rights and can look for deception in product. According to (Viridi, 2020) consumer knowledge structure and inferential abilities evolve from the perceptual stage (3-7 years), through the analytical stage (7-11 years), and to the reflective stage (11-16 years). Consumer 18 AIMS International Journal of Management 14(1) susceptibility to deceptive claims varies depending upon the different life stages from early childhood to adulthood (Viridi, 2020). A consumer's interpretation skill or knowledge increases with respect to time as one pass

from various stages of life, they gain experience at every stage and carry on throughout their life which forms a base of their education level and lead to decision making abilities. For instance, a child ranging from age 7-11 years is less aware about the persuasion and may fall in trap of deception.

On the basis of extant literature, the following can be hypothesized:

**H<sub>3</sub>:** Consumer behavior towards deceptive advertising vary depending on their level of educational attainment.

*Income:* Income of a person linked to its buying capacity, people prefer deceptive product if it fits in their budget, they look for their needs at first, then for other luxuries. It divides the consumer into socioeconomic groups. Consumers with lower income levels may be more vulnerable to deceptive advertising because they may seek better deals or value for money. (Leipinyte, 2012) has examined that consumer's buying decision is ending up through Misleading practices in advertising at low quality and high prices.

Building on the aforementioned literature, the hypothesis can be stated as follows:

**H<sub>4</sub>:** Consumer responses to deceptive advertising vary based on income levels.

All the demographic variables mentioned directly link to consumer behavior as these factors affect the consumer's loyalty, trust to product and variety of people tends to look up for a product differently.

### *CONSUMER BEHAVIOR*

Consumer behavior is the study of the process involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires (Solomon, 2006). It deals with the various stages a consumer goes through before purchasing a product or service for his end use. Understanding consumer behavior is the most difficult task for the marketers as consumer behavior is very dynamic in nature and keeps changing time to time. Many researchers have tried to understand the complex behavior of consumers, but the present

study discusses consumer behavior in respect to deception in marketing.

A consumer goes through several stages before purchasing a product. S/he undergoes through a decision-making process. Alhadeff & David, (1982) have defined consumer's decision-making process. The various stages identified on the basis of extant literature are:

1. Consumer information search behavior.
2. Consumer product evaluation behavior.
3. Consumer purchase behavior.
4. Consumer post purchase behavior.

### **Consumer information search behavior**

Consumer information search behavior is the foremost stage of consumer decision-making and is considered as an essential area of study (Malhotra, 1983). It also accompanies changes as things like internet which help consumers to search are rapidly evolving (Chaing, 2006). It also helps to reduce uncertainty and perceived risk before an actual purchase (Haridasan, Fernando, & Saju, 2021). Perceived risk directly affects online consumer behavior and their intention to purchase (Arshad, Zafar, Fatima, & Khan, 2015). Deceptive marketing often provides false or misleading information about a product or service which may lead to a mismatch between their information search and the actual attributes of the product and prompt them to engage in more time-consuming and extensive information search.

### **Consumer product evaluation behavior**

Consumer product evaluation behavior is the second stage of consumer decision-making. It is when consumers seek information regarding products or services, they form an initial product-related perception/ attitude (i.e., evaluation) of the object, and subsequently update or validate this evaluation as more information is received from various other sources (Leary, Vann, & Groza, 2016). Deceptive marketing may create unrealistic expectations about a product's performance, benefits, features or its attributes. When consumers encounter such deceptive ads, their evaluations are negatively affected which leads to disappointment and dissatisfaction among the consumers.

### **Consumer purchase behavior**

Once the consumer has got relevant information like availability, price, labeling etc. by searching about the product, and s/he has also evaluated the product, then s/he finally intends to buy the product or makes a trial purchase or buys it. The consumer may also seek for recommendations



from peer groups and compare features like price, add-on benefits etc. before making a final purchase. False or exaggerated claims about a product may tend the consumer to make an impulsive purchase. For example - advertisers these days make false claims like limited-time or limited availability of product in stock etc which in turn pressurizes the consumers to make a quick purchase without thoroughly evaluating the product. These manipulative tactics can influence consumers purchase behavior and also result in negative publicity, reduced trust to the product or brand etc.

### **Consumer post purchase behavior**

Post purchase behavior is the last stage in consumer decision-making. It simply means how a consumer feels, thinks or acts after s/he has made the final purchase. The post purchase behavior may involve repurchase, no purchase/ one-off purchase or return/ refund. It is imperative to study post purchase behavior as it helps us to understand whether our targeted consumers are satisfied or not. Satisfied consumers purchase more, while on the other hand dissatisfied consumers do not make a repurchase, and may also spread negative feedback online or through word of mouth, or even ask for a refund etc. If a consumer is once deceived, he might not make a repurchase of the same product or even the brand most probably due to loss of trust. When consumers feel deceived, they may seek refunds, exchanges etc. Dissatisfied consumers may also share negative experiences about the product with others and that negative word-of-mouth can harm the reputation of the brand and impact its consumer retention negatively.

However, the present study focuses on the impact of deceptive marketing on consumer (purchase) behavior. After evaluating a product or service, the consumer might show an intention to buy the product, or make a purchase on trial basis, or may make an actual purchase for his/ her end use. The different aspects of consumer purchase behavior may be stated as:

1. Intention To Buy.
2. Trial Purchase.
3. Actual Purchase.

The current study emphasizes on the actual purchase made by consumers after being exposed to deceptive advertisements. Actual purchase refers to the act of buying a product or service based on various factors. On the other hand, advertisements also attempt to persuade potential customers to purchase or consume a product or service, thus, playing a very important role in forming consumer behavior (Virdi, 2020). When advertisers engage in misleading or false

advertising, consumer choice is affected because of which consumers are unfairly convinced to believe in the messages of the advertisers, which affect their judgment (Nuseir, 2018). Such practices can influence consumer behavior by shaping their perceptions about a product or service, triggering impulse purchases, and potentially leading to loss of trust and loyalty in the product or brand.

Understanding consumer behavior in respect to deceptive marketing can be complex and the relationship between them may also be negative. When there is deception in marketing, it can lead to creating unrealistic expectations or misrepresent the benefits or features of a product or service in the mind of consumers, which may further be followed by impulsive purchases being made by the consumers based on false, incomplete or unproven facts. In such a scenario, the actual purchase may not align with the consumer's expectations, resulting in dissatisfaction, regret, or a sense of being deceived. And, when consumers discover that they have been misled by advertisements, they tend to no longer trust the product or brand and leads to a loss of customer loyalty as they are very less likely to make a repurchase. Arshad, Zafar, Fatima, & Khan (2015) observed that consumer behavior is affected by, financial or emotional loss, misleading and incorrect interpretation claim that trends to affect trust, consumer loyalty, and brand attitude. Consumers have limited resources; hence, they lose these limited resources when purchasing products based on fraudulent advertising. Consumers experience emotional, financial, and medical losses when they are helpless, lonely, and have low self-esteem (Gensler, Volckner, Liu-Thompkins, & Wiertz, 2013). All the aforementioned past researchers found that deceptive marketing can have detrimental effects on consumer behavior, so it becomes imperative to emphasize the influence of deceptive practices in marketing on consumer (purchase) behavior to foster a healthy marketplace.

### *DECEPTIVE ADVERTISING*

Deceptive advertising has the power to significantly impact consumers' attitudes, perceptions, decision-making processes, and purchasing behaviors. Discovering that they have been deceived or misled by false or exaggerated claims can lead to a loss of faith in the brand, resulting in decreased loyalty and a reduced willingness to engage with the company.

Deceptive Advertising can be defined as the deliberate and artful dissemination of misleading or false information through promotional materials with the intention of misleading consumers.

Deceptive advertising can take various forms, such as false claims, exaggerated statements, omission of crucial information, manipulation of visuals or testimonials, or the use of ambiguous language. The primary objective of deceptive advertising is to manipulate consumer perception and behavior, leading to potential harm or financial loss. Consumers should remain vigilant, employing critical thinking skills and independent research to discern the veracity of such advertisements and make well-informed choices.

Deceptive advertising refers to, time given by the services providers to the customer. It is basically complained resolution time and it has a great impact on customer purchase intention.

**Deceptive advertising** is an advertisement or marketing practice, which is considered misleading if there is a “**representation, omission, or practice that is likely to mislead the consumer**” in (Iqbal, 2019). The claims **are purposefully made in a way to mislead consumers** to read outside the literal message and to appeal wrong conclusion about the product or service advertised (Mazis H. , 2011)

Deceptive advertising influences **consumer attitudes and perceptions** of product quality through cognitive dissonance and skepticism in (Chen, 2017)

Deceptive advertising can shape consumers' attitudes towards products or brands. By presenting misleading information, advertisers can create false expectations or inflate perceptions of a product's features, benefits, or quality. Consequently, consumers may develop positive attitudes based on these misleading claims, leading to a higher likelihood of purchase. However, if consumers later uncover the deception, their attitudes may shift negatively, potentially resulting in decreased brand loyalty or even boycotts.

**H<sub>5</sub>:** On the basis of extant literature, it is hypothesized that Deceptive Advertising affects consumers behavior.

### *WORD OF MOUTH*

Word of Mouth (WOM) is a consumer-to-consumer interaction where people share their opinions, recommendations, experiences, and information about products, services, brands, or events. It is a powerful and influential form of communication that can significantly impact consumer behavior, decision-making, and brand perception.

The literature has demonstrated the interplay between deceptive advertising and the Word of

Mouth (WOM), shedding light on how WOM can either exacerbate or mitigate the effects of deceptive marketing practices. By synthesizing relevant studies, this review provides the insights into the mechanisms through which WOM spreads information about deceptive advertising and its repercussions on consumers, businesses, and regulatory efforts.

Bickart (2001) Mayzlin, (2006) investigated that consumer-to-consumer communication about products and services, often known as “word of mouth” (WOM), is an important source of marketplace information. The Internet is becoming an increasingly active medium for this type of communication. We describe the ways in which word-of-mouth information is communicated on the Internet and argue that those forms of WOM that are published on the Internet, and are thus “referable,” have a considerable potential for expanding the scope and benefits of WOM.

Bansal (2000) studied that how authors argue that to understand these processes, researchers must examine the role of interpersonal influences in the traditional WOM models based within the non interpersonal paradigm. As a result of the current investigation, three distinct relations emerge: first, the effect of the non interpersonal forces (receiver's expertise, receiver's perceived risk, and sender's expertise) on the influence of WOM on service purchase.

De Bruyn (2008) investigated that with the growth and evolution of the Internet, electronic peer-to-peer referrals have become an important phenomenon, and marketers have tried to exploit their potential through viral marketing campaigns. At the same time, spam and e-mail-based viruses have cluttered electronic communications, making viral marketing campaigns problematic and challenging to deploy. The key driver in viral marketing is the effectiveness of unsolicited, electronic referrals to create awareness, trigger interest, and generate sales or product adoption.

Grønholdt, (2021) studied how consumer emotion and choice got affected by word-of-mouth with reference to the service industry. This study aimed to extend the theory of reasoned action (TRA) model by including positive and negative WOM and emotion. It also investigated the mediating role of emotion for WOM and social norms.

Voyer P.V.(2015) investigated the impact of WOM on the service purchase decisions. This paper studied the interaction between the tie strength and the service purchase decision and how it impacted the WOM influence. The outcome risk and the psychological risks were tested for their impact on the involvement of purchase decision

**H<sub>6</sub>:** Deceptive Advertising has a negative word of mouth which significantly affects consumer behavior.

### *CONSUMER ATTITUDE*

*Allport G.W. defines attitudes — “are individual mental processes which determine both actual and potential responses of each person in a social world.”*

Since, attitude is always directed toward some object may be defined as “the state of mind of the individual toward a value.” Thus, attitude is a mental state of readiness organized by experience, exerting influence upon the consumers’ response to marketing inputs. The attitudes are formed on account of an inward need, external environment and taste experience (Gordon, 1935). Hence, knowing a person’s attitudes on subjects can provide brands with clues about how to approach a persuasive effort that is why they have started using deceptive marketing strategy to advertise their product.

Brands uses deceptive marketing wherein they use strategies of false claims, fake testimonials, exaggerating claims, hiding facts and bait and switch in order to make a positive impact on consumer’s mind as it will affect consumer attitudes which significantly impacts consumer behavior towards purchasing a product. Otherwise, these products would not have been purchased if the consumers had prior knowledge and awareness about it.

Attitudes influence consumer behavior through cognitive, affective, and behavioral components. The cognitive component relates to the beliefs and knowledge individuals have about a product. The affective component pertains to the emotional responses and feelings associated with the product. The behavioral component refers to the actions and intentions consumers have based on their attitudes. Attitude towards the brand on the basis of the advertisement of the product or service influences the consumer’s perceived deception towards the brand as well as the product

(Ruiz, Arcas, & Cuestas, 2001). Such as, People often, trust big brands with product information and their advertisements (Kariyawasam & Wigley, 2017).

Each person's attitudes can be placed into three categories. First, there is the latitude of acceptance, which includes all those ideas that a person finds acceptable. Second, there is the latitude of rejection, which provides for all those ideas that a person finds unacceptable. Finally, there is the latitude of non-commitment, which includes plans for which you have no opinion and you neither accept nor reject these ideas. The literature and much empirical evidence hold that the advertisers and their advocates are engaged rigorously in the three types of deception when creating product awareness (Krafft, J and Saito, & R, 2015).

Indeed, it was the belief that individuals with a favorable attitude towards products or services were more likely to buy them, that led to the importance of attitude measurement as a method of data collection (Virdi, 2020).

Thus, on the basis of extant literature, it is plausible to hypothesize that

**H<sub>7</sub>:** Misleading advertising impacts consumer attitude that significantly influences consumer behavior.

### *BRAND LOYALTY*

Brand loyalty can be defined as the extent of consumer faithfulness towards a specific brand. This faithfulness is expressed through repeat purchases and other positive behaviors such as word of mouth advocacy irrespective of the marketing pressures generated by the other competing brands (Kotler & Keller, 2006).

Brand loyalty may exist when a consumer is unwilling to switch from a brand that he or she is familiar with despite changes in environmental variables or actions of a competitor. The customer tends to purchase repeatedly not because the brand is their last option, but simply because they choose to come back to the brand. It comes to a point till the consumer fears consuming the products of any other brand that they do not trust.

It may be seen as one of the variables which appeal to and depend on the emotional sense of the consumer as well, other than only the monetary benefits the brand offers, like discounts and so.

Brand loyalty takes time to develop as a functional and reliable variable since the consumers get to judge the quality and trust offered by the brand over the days.

Where on the one hand brand loyalty offers positive results for the brand products and services, on the other side, when techniques of deceptive marketing are applied, they may tend to negatively affect the existing brand loyalty of consumers.

Deceptive marketing can be seen as one of the tools for building brand loyalty. Misleading claims or simply false statements can be used to lure consumers in. While the satisfaction provided by the brand is a massive factor in building customer loyalty, deceptive marketing can be presented as a gateway to get the consumers to use the brand.

Moreover, the deception created about the trust of the peer consumers in a brand with fabricated facts like the percentage of satisfied customers and so can assure the buyers of their choices in purchasing.

However, deceptive marketing doesn't always yield positive results as is discussed below.

Faerber & Kreling (2014) and Soroa-Kaory & Yang (2010) mentioned that customer loyalty is only attained from true and informative advertising, hence, most misleading advertising is not about long-term relationships with the consumers. This implies that the long-built consumer trust and brand loyalty may be damaged severely by the presence of misleading claims and practices.

On a similar note, Fayaz (2015) has explored how deceptive ads affect customer loyalty, attitude, and behavior. The analysis of the study found that deceptive advertising practices happen in mobile phone advertisements which affect customer loyalty. Once the customer gets to know of the faulty product, their trust in the brand is hurt deeply.

According to Sharma and Sharma (2014), when a product is offered through deceptive advertisements, consumers' requests are not met. Customers' minds are saturated with negative thoughts. It is possible that it will not result in a positive turnout for actual purchase results.

Nooh (2014) investigated how incorrect and improper advertising creates unfavorable beliefs in the minds of people, particularly adults and children.

Moreover, the reaction of a consumer to a brand and product is based on the service they get. If they come across misleading marketing practices, they are likely to be disappointed and may switch completely away from the brand (Parguel et al, 2015; Faerber & Kreling, 2014).

It is also to be noted that when consumers respond to false or misleading advertising, they are likely to experience emotional and financial losses (Sheehan, 2013) which may point to a hostile

blow to the consumer loyalty for the brand. Since consumers have constrained resources, learning that their brand loyalty resulted in a loss of those limited resources, they may consider competitive products.

As Attas (1999) and Davis (1994) stated in their respective works, deceptive marketing may translate to higher profits but it constantly risks greater dissatisfaction, or even injury, to the consumer. If they proceed with the malpractice even so, in high likeliness, they could lose loyal existing consumers, and maybe potential consumers due to word of mouth. Consequently, the following hypothesis can be put forth.

**H<sub>8</sub>:** Deceptive advertising impacts existing brand loyalty which affects the consumer behavior.

### *CELEBRITY ENDORSEMENTS*

Celebrity endorsements involve using the fame of a celebrity to endorse products or services.

Atkins and Block (1983) suggest that consumers associate brands with their favorite celebrities, which adds attractiveness to the advertising. The appeal of a famous person's appearance is linked to their underlying judgment, which is influenced by the characteristics and qualities of the endorser (Bardia, 2011). Attractive endorsers are likely to influence customers' purchasing expectations (Van der Walldt et al., 2009).

Pughazhendi et al. (2012) believed that advertisers employ popular celebrities in their advertisements to enhance the image of their products. Till and Shimp (1998) argue that celebrity endorsements establish a credible image of the company in terms of trust, expertise, objectiveness, and persuasiveness.

According to Erdogan et al. (2001), managers select celebrities based on their attributes for endorsing products. It is crucial to choose the right celebrity brand ambassador, as involvement in scandals or legal cases can diminish consumers' trust in testimonials (Lomboan, 2013). If a famous person is associated with a scandal, it can affect the perception of the endorsed product.

The compatibility between the celebrity and the promoted product should also be considered, as it is equally important as other factors (Hassan & Jamil, 2014). Instances of famous athletes endorsing sporting goods are seen with Nike being endorsed by Michael Jordan and Tiger Woods, and Adidas being endorsed by David Beckham. On the other hand, it is not effective to have a movie star endorse sports products. A strong alignment between a celebrity and a product led to more positive evaluations of advertisements, enhancing the credibility of the endorser and



the effectiveness of the advertising, as opposed to a poor match between the two (Slater, 2015). *A recent controversy regarding compatibility between the celebrity and the promoted product took place between Akshay Kumar and Vimal. The controversy arose when Akshay Kumar joined hands with Vimal (The brand) to enter into an advertisement for tobacco products sold by Vimal. This sparked the fans of Akshay Kumar and general people to rant about the actor because he is a very famous advocate of healthy living and this advertisement for Cardamom (Paan masala) is the opposite of his ideology.* This was a big blow to the credibility of the actor and how people perceive the actor and his words.

Owing to this, Akshay Kumar responded with a heartfelt letter to his fans and followers. He was apologizing in the note that he shared and said that he will use the proceeds from the advertisement for a noble cause.

Ellis (2000) stated that the influence of celebrities, sports personalities, and models is particularly evident among younger generations. When Millennials follow celebrities on social media who endorse products, they are more likely to pay attention because they tend to replicate the looks of celebrities they admire for their identity development (McCormick, 2016). They are also more likely to be persuaded to buy the endorsed product if celebrity endorsers appeal in advertisements that match their self-image (Lippe, 2001) Many people frequently aspire to have comparable values and lifestyles of the celebrities they deem successful (Sami, 2006). Frazer and Brown (2002) concluded that those customers selectively pick out which values and behaviors of movie stars they relate to. Fans of celebrities might also additionally impersonate a movie star's conduct so as to grow their personal non-public self-esteem. This can consist of imitating speech, dress, communication, and the brands they choose to use and purchase (Sami, 2006). Based on the review of literature the following hypothesis is proposed.

**H<sub>9</sub>:** Celebrity Endorsements for deceptive advertisements influence consumer behavior.

### *HEALTHY SKEPTICISM*

Skepticism refers to doubt as to the truth of something but healthy skepticism refers to a mindset of questioning and critically evaluating information or claims without immediately accepting them as true. It involves maintaining a balanced and rational approach, seeking evidence, and avoiding undue credulity or gullibility. Healthy skeptics are open to new ideas but apply a level of scrutiny and critical thinking to assess their validity. *For example: There's a news article*

*claiming that a new miracle pill guarantees effortless weight loss with no exercise or dieting required. A healthy skeptic would approach this claim with skepticism and seek further information before accepting it as true. The skeptic might ask questions such as: what scientific evidence supports the claims of this pill or are there any studies conducted by independent researchers?*

By asking these questions, the skeptic mind aims to gather objective information, verify the credibility of the claims, and identify any red flags or inconsistencies. They understand that extraordinary claims require extraordinary evidence, and they don't accept something as true solely based on initial assertions.

Deceptive marketing plays a role in fostering such healthy skepticism by encouraging consumers to question and critically evaluate the claims and promises made by marketers. Although essential, healthy skepticism has been insufficiently explored in previous researches that investigate deceptive marketing and its influence on consumer behavior.

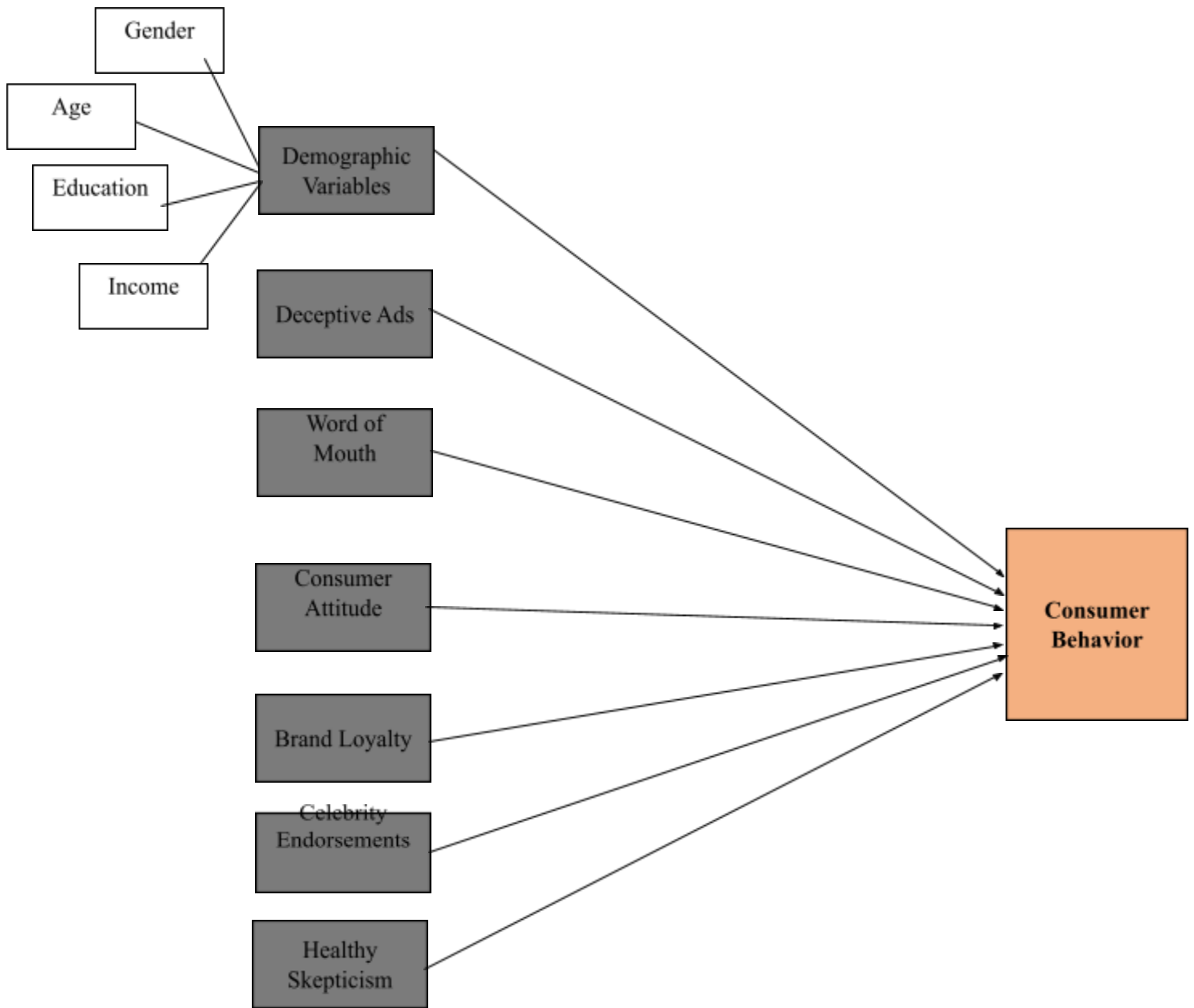
There's no arguing that deceptive marketing is morally wrong and George, R, and Bowie, N in 1985 appealed to the same claims about the importance of honesty for creating an atmosphere of trust and cooperation in order to construct a different kind of argument for the claim that lying and dishonesty in business are morally objectionable.

But it might be argued that the moderate level of distrust fostered by advertising is something that is desirable and beneficial. Advertising helps to foster a 'healthy skepticism' not only for the claims of other advertisers, but for the claims of politicians and government officials also. There is no doubt that a certain measure of distrust is desirable and little doubt that advertising helps to instill this distrust. In 1985, Thomas L. Carson in his study emphasized that such considerations could never justify deceptive advertising. Unethical conduct cannot be justified on the grounds that it helps to warn consumers to be on guard against the conduct of that very sort. Thus, on the basis of extant literature, the following hypothesis is proposed.

**H<sub>10</sub>:** Deceptive Advertising promotes healthy skepticism which influences consumer purchase behavior.

#### **Proposed Research Model**





### **Research Objectives**

The primary objective of this business research paper is to examine the impact of deceptive marketing on consumer behavior. The study aims to achieve the following objectives:

1. To learn more about how consumers view misleading marketing & to investigate how consumers understand dishonest marketing techniques.
2. To comprehend what influences consumers' skepticism, mistrust, or approval of misleading marketing techniques.
3. To examine how deceptive marketing affects consumer attitudes, consumer opinions towards brands, goods, or services.
4. To ascertain whether dishonest marketing results in unfavorable attitudes, such as diminished trust, skepticism, or brand loyalty.
5. To determine how misleading marketing affects consumers' intentions to make purchases by examining the relationship between misleading marketing and consumer purchasing intentions
6. To assess the wider effects of misleading marketing on consumer welfare.

### **Research Methodology**

Based on the review of the literature, the proposed relationships provided an insight into the development of a framework for studying the impact of deceptive marketing on consumer behavior.

The research design used for the empirical investigation of the proposed relationship is explained in the ensuing sections of the study, along with a discussion about the sample selection for the questionnaire-based survey.

The present paper is an empirical study conducted with the help of a primary survey by designing a questionnaire that was circulated online. The sample size of the present paper comprises 202 responses. The present paper employed MS Excel to conduct various statistical analyses.

The current study examines the impact of various independent variables as proposed on consumer purchase behavior; hence, the paper adopts a descriptive survey design. By studying these variables, the research aims to gain insights into the key drivers that shape consumer decision-making processes in today's dynamic market. The targeted audience comprises all kinds

of individual consumers using different kinds of products. The analysis of the study was done on the basis of a quantitative research approach. .

The primary data for the study was collected using a questionnaire designed on Google Forms to understand the impact of deceptive marketing on consumer behavior. An online link was created and posted on social networking sites, which could easily be accessed by clicking on it.

The theoretical framework of the study was developed using secondary sources of information. Therefore, a thorough examination of various academic works in the field was conducted. The sources used to obtain information for the study include books, research papers, articles, journals, online libraries, study reports, and other published works, among others.

### **Ethical Concerns**

In terms of ethical considerations, all respondents were informed about the purpose of the study and assured that their demographic information and collected data would be kept confidential and used solely for research purposes.

### **Questionnaire Design**

The questionnaire is divided into 8 sections which tends to gather information related to consumers, demographics, behavior and other independent variables

The first part included personal questions about gender, age, education, and income. These questions are intended to get background information about the respondents which would help in descriptive statistics in the analysis part. The followed part included questions on Consumer Behavior. These questions will help in the analysis of how consumers make decisions when they choose, buy, use, and dispose of a product or service.

The ensuing section included questions on Deceptive Advertising. These questions are intended to know consumers' responses to advertisements that try to mislead consumers by falsely making claims.

The next section included questions on Word of Mouth. These questions are intended to analyze the influence of mass reviews on usual consumer behavior.

The successive part contains questions on Consumer Attitude. These questions are intended to analyze the personal beliefs, feelings, perspectives, and behavior of a consumer towards a

particular product or business.

The subsequent part contains questions on Brand Loyalty. These questions are intended to analyze when do consumers repeatedly buy the same brand again, despite others offering similar products or services.

The second last part contains Celebrity Endorsements. These questions are intended to analyze the behavior of consumers toward the advertisements endorsed by celebrities.

The last part contains questions on Healthy Skepticism. These questions are intended to analyze whether consumers take a cautious and critical approach towards marketing claims and advertisements.

The questions would get responses on a seven-point Likert Scale. The points range from "1" being "Strongly Agree" to "7" being "Strongly Disagree". The data type used in this research was quantitative approach and all the questions in the questionnaire are closed-ended. Ethical guidelines were respected while designing the questionnaire.

#### **Details of Scale items used for Measured Variables**

DIMENSIONS	STATEMENTS	SOURCES
CONSUMER BEHAVIOR	<ol style="list-style-type: none"><li>1. I do not buy a brand's products anymore once I get aware of the false claims made by them.</li><li>2. I frequently compare features of different products before making a final purchase.</li><li>3. Discounts influence my purchase decision.</li><li>4. I tend to make impulsive purchases.</li></ol>	Ukaegbu, R.C. (2020)

	<ol style="list-style-type: none"> <li>5. Negative image of the product influences my purchase behavior.</li> <li>6. I actively seek out recommendations before buying a product.</li> <li>7. I tend to buy the product even if the product claims are misleading.</li> </ol>	
DECEPTIVE ADVERTISEMENTS	<ol style="list-style-type: none"> <li>1. Misleading advertising compels consumers to purchase items at a higher price.</li> <li>2. Deceptive ads can cause people to purchase a lesser quality of a product than what they actually wanted to.</li> <li>3. False advertisement leads me to purchase a wrong product or service.</li> <li>4. Consumers become cautious when they encounter false advertising.</li> <li>5. False information often presents a more positive portrayal of the product being sold as compared to reality.</li> <li>6. I have been misled by advertisements.</li> <li>7. Ads have played with my emotions to create unrealistic expectations.</li> <li>8. I have fallen for endorsements that turned out to be misleading.</li> </ol>	<p>Kariyawasam and Wigley (2017)</p> <p>Lamabadusuri (2014)</p> <p>Sripathi (2020)</p> <p>Doborji and Hamed (2016)</p> <p>Ukaegbu, R.C. (2020)</p>
WORD OF MOUTH	<ol style="list-style-type: none"> <li>1. I believe what I hear about a product.</li> <li>2. Word of mouth tends to drive my purchase decision.</li> <li>3. I pay attention to what others have to say about a product before buying it.</li> <li>4. I tend to make a belief on the basis of what others say about a brand.</li> </ol>	<p>Kilby (2007)</p> <p>DeCarlo et al. (2007)</p> <p>Silverman (1997)</p>

	<p>5. After using the real product, I try to tell others about it.</p>	<p>Sweeney et al. (2008)</p> <p>Hussain (2015)</p> <p>DeCarlo (2007)</p>
CONSUMER ATTITUDE	<p>1. I tend to see the whole advertisement and interpret accordingly.</p> <p>2. It is difficult for me to judge the qualities of a product in a deceptive advertisement.</p> <p>3. I look up for complete information before buying a product.</p> <p>4. People often trust big brands with product information and their advertisements.</p>	<p>Doborji and Hamed (2016)</p> <p>Kariyawasam and Wigley (2017)</p>
BRAND LOYALTY	<p>1. I critically evaluate the marketing claims by my preferred brand.</p> <p>2. I believe loyalty to a brand affects my perception of its marketing practices.</p> <p>3. Brand loyalty makes me defend questionable marketing practices of preferred brands.</p> <p>4. I am more inclined to trust the marketing messages made by my preferred brand(s) compared to other brands.</p> <p>5. I prefer to buy products of the same brand.</p> <p>6. I feel a sense of trust towards my preferred brand.</p>	<p>Xie, G.X. and Boush, D.M. (2011)</p> <p>Alhabeeb (2007)</p> <p>Anwar (2011)</p> <p>Inamullah (2012)</p> <p>Ahmed (2014)</p>



	<ol style="list-style-type: none"> <li>7. I am likely to recommend a tried brand to others.</li> <li>8. I trust a new product from a brand I am loyal to.</li> </ol>	
CELEBRITY ENDORSEMENTS	<ol style="list-style-type: none"> <li>1. I get persuaded when any of my favorite personalities advertise for a product.</li> <li>2. I believe celebrity endorsements influence the perception of the advertised products.</li> <li>3. I think celebrity endorsements create trustworthiness towards the advertised products.</li> <li>4. I think celebrity endorsements make it harder for me to notice deceptive aspects in advertising.</li> <li>5. I critically evaluate the claims made in an advertisement featuring a celebrity endorsement.</li> </ol>	Kariyawasam and Wigley (2017)
HEALTHY SKEPTICISM	<ol style="list-style-type: none"> <li>1. Deceptive ads influence the consumer behavior towards buying the product which he would not have bought otherwise.</li> <li>2. Deception in advertising is required for healthy skepticism.</li> <li>3. I feel healthy skepticism is a valuable mindset when it comes to evaluating deceptive marketing practices.</li> <li>4. After experiencing misleading ads I now compare products, and make informed decisions.</li> </ol>	Carson, T. L., Wokutch, R. E., & Cox, J. E. (1985)

	<p>5. Healthy skepticism can protect consumers from making impulsive purchases.</p> <p>6. I feel consumers who practice healthy skepticism are more likely to rely on product reviews and expert opinions.</p> <p>7. I think consumers with healthy skepticism are less likely to be influenced by misleading or false advertising.</p> <p>8. I feel healthy skepticism prompts consumers to question the credibility and legitimacy of marketing messages.</p> <p>9. I feel healthy skepticism leads to a more critical evaluation of product claims.</p>	
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### Sample Profile

Demographic variables like gender, age, educational qualifications and monthly family income have a notable impact on the consumer behavior regarding deceptive advertising. The data was collected online; however due care has been paid regarding the authenticity of the data. The table is given below.

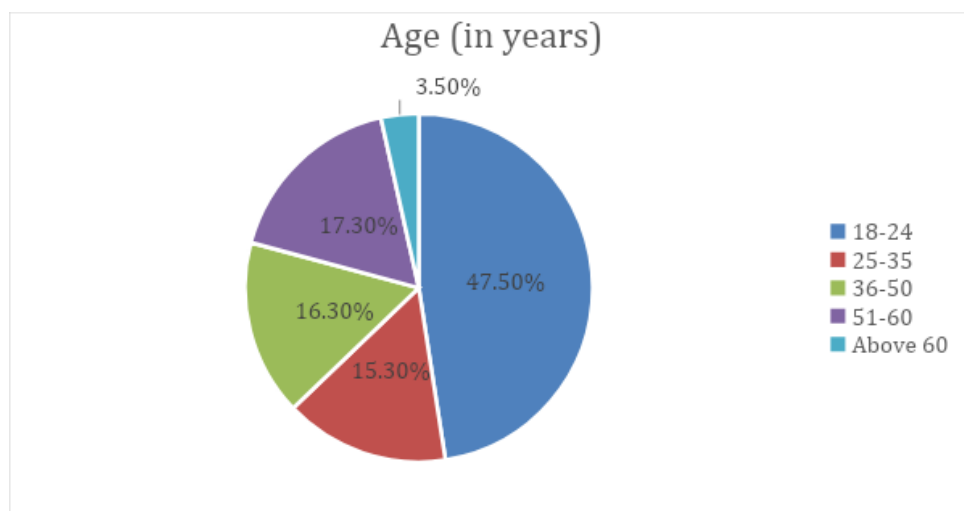
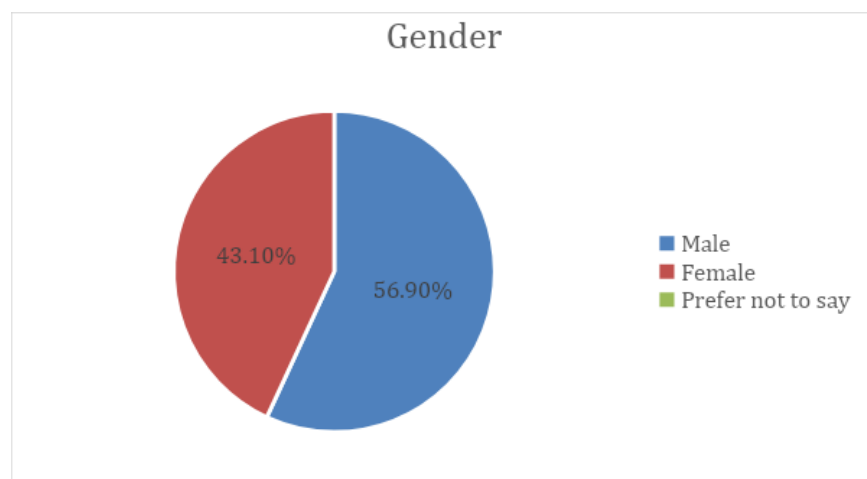
**Table of Sample Profile of Respondents (N=202)**

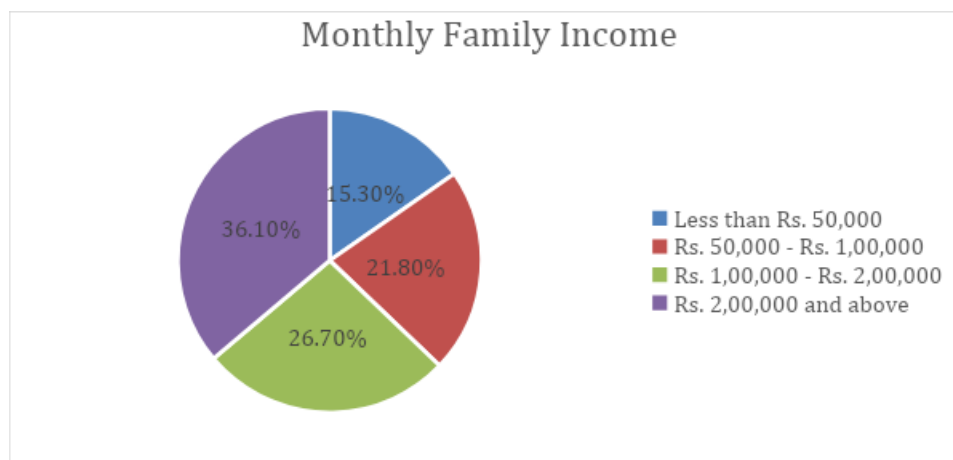
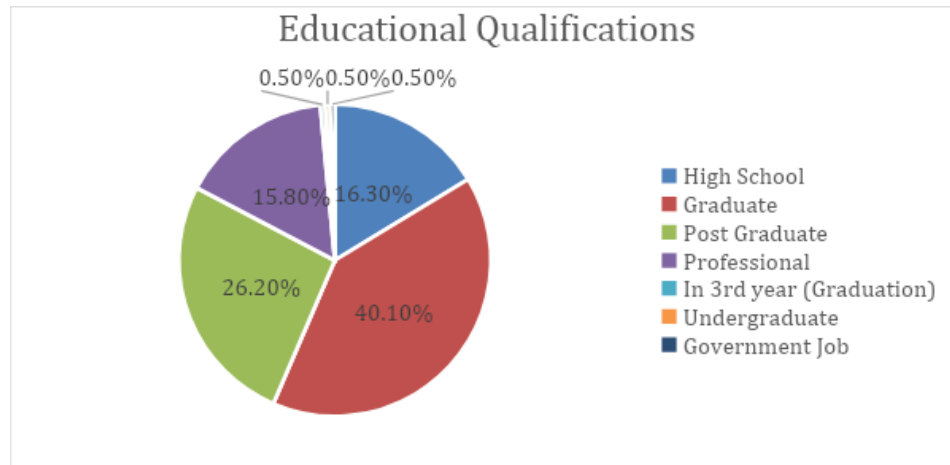
<b>Demographic Factor</b>	<b>Factor Grouping</b>	<b>No. Of Respondents</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	87	43.1

	Female	115	56.9
	Prefer not to say	-	-
	Others	-	-
<b>Age Group(in years)</b>	18-24	96	47.5
	25-35	31	15.3
	36-50	33	16.3
	51-60	35	17.3
	Above 60	7	3.6
<b>Educational Qualification</b>	High school	33	16.3
	Graduate	81	40.1
	Post Graduate	53	26.2
	Professional	32	15.8
	Others	3	1.6
<b>Monthly Family Income(in Rs)</b>	Less than Rs.50,000	31	15.3
	Rs.50,000 - Rs.1,00,000	44	21.8

	Rs.1,00,000 - Rs.2,00,000	54	26.7
	Rs.2,00,000 and above	73	36.1

Below are the pie charts of the said responses.





The sample profile shows that there are 202 respondents among which 43.1% are males and 56.9% are female. While the majority of the age group lies between 18-24 age (that is 47.5%), the least lies above 60 years of age that is only 3.6%. However, between the age 25-35 lies 15.3% of the respondents, for 36-50(16.3%) and for 51-60 age group (17.3%). Speaking of the educational qualifications there are 16.3% of the highschoolers, 40.1% of the graduates, 26.2% of the post-graduates, 15.8% of the professionals and 1.6% of the other category. Majority of the sample is earning above Rs. 2,00,000 and above, while the least 15.3% earns below Rs. 50,000.

### **Reliability Testing**

Reliability testing is a systematic evaluation process used to determine the stability, consistency, and dependability of a product or system under specific conditions over a specified period. It ensures that the research instrument (e.g., questionnaire) consistently measures what it intends to measure. It helps to assess whether the responses obtained from participants are stable and dependable over time and across different conditions.

“*In the current study*”, Cronbach's alpha has been employed as a means of assessing the reliability of the research instrument. By utilizing Cronbach's alpha, the study aims to measure the internal consistency and dependability of the items within the questionnaire or survey used to collect data. This ensures that the results obtained from the participants are stable and consistent, enhancing the overall quality and validity of the research findings.

Cronbach's alpha, named after Lee Cronbach, is a statistical measure used to assess the internal consistency or reliability of a set of items in a scale or questionnaire. A higher alpha value indicates greater internal consistency, meaning that the items in the scale are more reliable in measuring the construct they are intended to assess. Lee Cronbach, in his paper “Coefficient Alpha and the Internal Structure of Tests (1951)” highlighted that generally, a Cronbach's alpha of 0.70 or above is considered acceptable, although specific fields may have different conventions.

A summary of the variables highlighted in the current research paper along with their reliability testing values is provided in the following table.

<b>Variables</b>			<b>Number of Statements</b>	<b>Cronbach Alpha's value</b>
Dependent	1	Consumer Behavior (CB)	7	0.46
Independent	2	Deceptive Advertisements (DA)	8	0.74
	3	Word of Mouth (WOM)	5	0.72
	4	Consumer Attitude (CA)	4	0.49
	5	Brand Loyalty (BL)	8	0.78
	6	Celebrity Endorsements (CE)	5	0.68

	7	Healthy Skepticism (HS)	9	0.82
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- The dependent variable of this study, which is *consumer behavior*, comprised 7 statements. These statements encompassed various aspects such as false claims, discounts, purchase decisions, and product recommendations. However, due to the diverse nature of the statements, the resulting Cronbach's alpha value was found to be 0.46, indicating relatively lower internal consistency among the items in the questionnaire.
- Transitioning to independent variables, one of which being *deceptive advertisements*, this variable consisted of 8 statements. Notably, the Cronbach's alpha value obtained for this variable was 0.74, indicating a favorable score of internal consistency. This suggests that the 8 statements used to measure deceptive advertisements in the study are reliably interconnected, ensuring the validity and robustness of this variable in the research.
- Progressing to another independent variable, *word of mouth*, this variable comprised a relatively smaller number of statements, specifically 5. Despite the reduced number of statements, the Cronbach's alpha value measured for this variable was 0.72, signifying a respectable level of internal consistency.
- The subsequent independent variable is *consumer attitude*, which yielded a Cronbach's alpha value of 0.49. Although this value is relatively low, it is considered acceptable due to the limited number of statements associated with this variable, which is only 4.
- The next independent variable in the line is *Brand loyalty*, which gives a value of Cronbach alpha 0.78 depicting the reliability of the statements in the section used as a variable to judge respondents stimulus towards it
- Continuing on part of brand loyalty this variable is related to above mentioned is *Celebrity endorsements*. It has a value of 0.68 which we can consider reliable as it is close to the optimum value of 0.7 to 0.9 consisting of 5 statements we can take rely on this value for internal consistency
- The last variable in the paper is *Healthy skepticism* which shows a value of 0.82 falling under the bracket of optimum value of reliability of a variable making it reliable for the paper and ensuring good connection between statements and is considered highly consistent for the analysis

## **ANOVA**

ANOVA, or Analysis of Variance, is a statistical method used to analyze the differences between group means in a dataset. It's often used to compare the means of three or more groups to determine if there are statistically significant differences among them. ANOVA was developed by the statistician Ronald Fisher.

ANOVA assesses the variation within groups and between groups. The basic idea is to compare the variation between group means (due to differences between groups) with the variation within each group (due to individual variability and measurement error). If the variation between group means is significantly larger than the variation within groups, it suggests that there are meaningful differences between the groups being compared.

The present paper also carried out an ANOVA test, yielding the following findings.

S.No.	Demographic Factor	Factor Grouping	Mean	F- Value	P- Value
1.	Gender	Male	5.37	5.612	0.286
		Female	5.21		
		Prefer not to say	5.41		
		Others	5.02		
2.	Age Group (in years)	18-24	4.89	8.172	0.000
		25-35	5.22		
		36-50	5.29		
		51- 60	5.07		
		Above 60	5.23		
3.	Educational Qualification	High school	5.27	10.187	0.000
		Graduate	5.09		



		Post Graduate	5.25		
		Professional	4.95		
		Others	4.65		
4.	Monthly Family Income (in Rs.)	Less than Rs. 50,000	5.09	3.07	0.475
		Rs. 50,000- Rs. 1,00,000	5.27		
		Rs. 1,00,000- Rs. 2,00,000	5.15		
		Rs. 2,00,000 and above	5.25		

*Significance level  $p \leq 0.05$*

*Gender:* The results indicate that there are no significant differences at  $p < 0.05$  level in respect of mean scores for consumer behavior. Hence, the hypothesis  $H_1$  is rejected at  $p < 0.05$  level.

*Age Group:* The results are significant since  $p = 0.000$ . Therefore, the hypothesis,  $H_2$  is accepted.

*Educational Qualifications:* The results are statistically significant with a p-value of 0.000, leading to the acceptance of hypothesis  $H_3$ .

*Monthly Family Income:* The results lack statistical significance as the p-value exceeds 0.05, leading to the rejection of the hypothesis  $H_4$ .

**Descriptive Statistics**

Variables	Particulars			
	Mean	Median	Standard deviation	p value

<b>Consumer Behavior</b>	5	5	1	0.000
<b>Deceptive Advertisements</b>	5	5	1	0.000
<b>Word of Mouth</b>	5	5	1	0.000
<b>Consumer Attitude</b>	6	6	1	0.000
<b>Brand Loyalty</b>	5	6	1	0.000
<b>Celebrity Endorsements</b>	5	5	1	0.000
<b>Healthy Skepticism</b>	6	6	1	0.000

*Note-  $p$  value  $\leq 0.05$*

The above table encapsulates the descriptive statistical analysis aimed at assessing the impact of deceptive advertisement on consumer behavior. The descriptive statistical method is used to summarize and describe the main characteristics of the dataset in an organized and simplified manner through the use of central tendencies (like mean and median) and use of measures of variability that is standard deviation. It serves as an array for meaningful and analytical interpretations for the attainment of desired results. Mean is the commonly used measure which help in calculation of arithmetic average, while median is the middle value in the sorted list of

numbers. The standard deviation is used to calculate variation in the data. If the standard deviation is large, it indicates a high variance in the observed data while the low standard deviation indicates that the data is not spread out. On the other hand, p value is a statistical tool used to validate the significance of the hypothesis in the observed data. If the p value is less than 0.05 the results are considered significant. While null hypothesis is true if the p value is more than 0.05 limit. From the follow up of the table the highest mean and median value stands at 6 and the lowest at 5. While the standard deviation of all the variables is 1. The p value is at 0.000 for all the variables.

## **Correlation**

Correlation is a statistical measure that expresses the extent to which two variables are linearly related i.e., they change together at a constant rate. The correlation coefficient helps in measuring the extent of the relationship between two variables in one figure.

A positive correlation means that the variables move in the same direction. Put another way, it means that as one variable increase so does the other, and conversely, when one variable decrease so does the other. A negative correlation means that the variables move in opposite directions.

Correlation is significant because it helps in finding the degree of linear relation between the two variables in a single figure. It makes understanding economic behavior easier and identifies significant critical variables.

When two variables are correlated, the value of one variable can be estimated using the value of the other. This is performed with the regression coefficients.

The method of correlation used in the paper is Pearson's Correlation. Karl Pearson's coefficient of correlation is defined as a linear correlation coefficient that falls in the value range of -1 to +1. A value of -1 signifies a strong negative correlation while +1 indicates a strong positive correlation.

The following assumptions are used by the method:

1. Level of measurement
2. Related pairs
3. Absence of outliers
4. Linearity

<b>Consumer Behavior (CB) towards</b>	<b>Correlation (Estimated Values)</b>	<b>p-value</b>
Deceptive Advertising (DA)	0.37	<b>0.000</b>
Word of Mouth (WOM)	0.37	<b>0.001</b>
Consumer Attitude (CA)	0.39	<b>0.000</b>
Brand Loyalty (BL)	0.42	<b>0.000</b>
Celebrity Endorsements (CE)	0.27	<b>0.000</b>
Healthy Skepticism (HS)	0.33	<b>0.002</b>

Table presents the calculated correlation estimates between the dependent variable CB with independent variables DA, WOM, CA, BL, CE, and HS.

There is a positive correlation between the variables such as CB and DA (Estimate =0.37), CB and WOM (Estimate = 0.37), CB and CA (Estimate = 0.39), CB and BL (Estimate = 0.42), CB and CE (Estimate = 0.27) and CB and HS (Estimate = 0.33).

However, there is no negative correlation between any variable.

### **Regression Analysis**

All the independent variables as shown above hold a significant relationship with consumer purchase behavior. To find out the effect of these factors, viz., deceptive advertisements, word of mouth, consumer attitude, brand loyalty, celebrity endorsements and healthy skepticism on behavioral tendencies in the context of deceptive marketing, the results of regression-based analysis are shown below in the ensuing section.

However, this method may involve the problem of multiple regression (especially when the variables happen to be highly correlated). Hence, collinearity may be diagnosed through VIF (Variance Influence Factor) and Tolerance simultaneously in each of the multiple regression equations. If the variables are not correlated, then their respective VIFs will be equal to 1, if VIFs are around or greater than 5, there is collinearity associated with those variables and if VIFs are greater than 10, then variables are said to be highly collinear (Kutner, Nachtsheim, & Neter, 2004). Therefore, a VIF value of less than 5 is considered acceptable.

FACTORS	Consumer Behavior						
	R	R <sup>2</sup>	f value	P-value	β	Tolerance	VIF
	0.632	0.399	21.618	0.000	.222	.900	1.111
Deceptive Advertisements				0.003	.036	.829	1.206
Word of Mouth				0.017	.227	.912	1.097
Consumer Attitude				0.066	-.050	.885	1.129
Brand Loyalty				0.000	.003	.742	1.347
Celebrity Endorsements				0.657	.194	.568	1.234
Healthy Skepticism				0.253	.228	.741	1.350

- ✓ The P-value is given 0.003 by deceptive advertisements, which is less than 0.05, so we conclude that our hypothesis H<sub>5</sub> is accepted and we can say that deceptive advertisements have a significant impact on consumer purchase behavior.

- ✓ Similarly, the P-value is given 0.017 by word of mouth, which is also less than 0.05, so we conclude by saying that our hypothesis  $H_6$  is also accepted and word of mouth also significantly impacts consumer purchase behavior.
- ✓ The subsequent independent variable, consumer attitude yields a P-value of 0.066, which is greater than 0.05, so our hypothesis  $H_7$  stands rejected and we can conclude by saying that consumer attitude towards deceptive marketing practices does not impact consumer purchase behavior significantly.
- ✓ The next independent variable in the thread, brand loyalty gives out a P-value of 0.000 which is less than 0.05, hence our hypothesis  $H_8$  is accepted and brand loyalty impacts consumer purchase behavior up to a great extent.
- ✓ Moving on to the next independent variable, celebrity endorsements. It has a P-value of 0.657, which is greater than 0.05, hence our hypothesis  $H_9$  stands rejected, not signifying the impact of celebrity endorsements on consumer purchase behavior.
- ✓ The last independent variable in the series is healthy skepticism, which gives a P-value of 0.253, which is greater than 0.05, hence our hypothesis  $H_{10}$  also stands rejected showing no significant influence of healthy skepticism on consumer purchase behavior.

### Summary Output

Regression Statistics	
Multiple R	0.632
R Square	0.399
Adjusted R Square	0.381
Standard Error	0.514
Observations	202

### ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	6	34.219	5.703	21.618	0.000
Residual	195	51.445	0.264		
Total	201	85.665			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	1.760	0.320	5.508	0.000	1.130	2.390	1.130	2.390
DA	0.159	0.054	2.967	0.003	0.053	0.264	0.053	0.264
WOM	0.114	0.047	2.418	0.017	0.021	0.208	0.021	0.208
CA	0.112	0.060	1.849	0.066	-0.007	0.231	-0.007	0.231
BL	0.198	0.054	3.692	0.000	0.092	0.304	0.092	0.304
CE	-0.017	0.038	-0.445	0.657	-0.092	0.058	-0.092	0.058
HS	0.068	0.059	1.146	0.253	-0.049	0.185	-0.049	0.185

## Implications

The study discovered specific consequences centered on the numerous independent variables for customer behavior.

Demographics affects diverse consumers and potential consumers in various ways depending on the categories they belong to. Because they are subsets of demographic parameters, age, gender, income, and education split the population into divisions that are influenced differently by deceptive marketing. As a result, while misleading advertising are shown to be detrimental to the business in the long run, it must be remembered that these marketing strategies target different sectors of the market differently and must be adapted to fit them.

Another aspect of consumer behavior focuses on how a customer's attitude changes before and after using a product, and how the disparity between advertising and actual experience might make them bitter. As a result, it is critical to remember that the commercials are designed as close to the actual performance of the product as possible. It helps to retain and acquire new



business by converting trial clients into permanent users.

Furthermore, the research discusses the consequences of word of mouth, which is heavily influenced by deceptive advertising. In this case, it is critical that the advertisements be supported by a variety of trustworthy and reputable information sources, which can reduce unfavorable comments from users and provide them with a correct path to double-check the validity of the used product. It is critical that the emotional connection felt by the consumer for the firm does not suffer as a result of marketing strategies. Brand loyalty is another thing to be considered. Misleading advertisement is adversely impactful to it and thus should be absolutely avoided to maintain such loyalty.

Celebrity endorsements are known to backfire if the celebrity's image and the endorsed product do not match. As a result, it is recommended that acceptable celebrities be picked to advertise items in order to maintain consumers' attention and belief. Furthermore, using positively popular and pleasant names benefits the goods.

Additionally, consumers have a healthy skepticism that permits them to evaluate things and question marketing practices that they may find questionable. As a result, it is always preferable if consumers are not provided incentive to move between items. This can be accomplished by preserving product quality and keeping it consistent with the representation in marketing.

Moreover, the ANOVA results can be used to see other implications.

Companies are not required to tailor their commercials to appeal to a specific gender because consumer behavior toward deceptive advertising is not gender-dependent. The pattern is comparable across income categories.

The marketing strategies do, however, demonstrate distinct influences on various age groups. Compared to their adult counterparts, children seem to be more affected by marketing and advertising strategies. Therefore, it is wise to create these strategies with the younger audience in mind.

Additionally, it is comparable to the many market segments produced by variations in educational backgrounds. As a result, customer behavior differs in response to this type of marketing depending on how the variously educated consumer responds to the abovementioned approaches.

In conclusion, where on one hand it is clear that deceptive marketing leads to negative impact on the consumers, it is also promoted that the practices adopted by the companies are ethically and factually backed so as to welcome and retain markets.

### **Future Scope of the study**

While the present study provides valuable insights and sheds light on the dynamics of consumer purchase behavior when confronted with deceptive marketing tactics, there are still several areas that want further investigation allowing for a more comprehensive assessment of the study.

These may be as follows:

1. Due to practical constraints, the study employed a relatively small sample size, whereas future research could aim for a larger and more diverse sample to enhance the study's findings.
2. The study utilized online surveys for convenience, but surveys with interviews or other methods could be incorporated for future investigations,
3. The study also limited itself to a select set of variables. Subsequent research could explore additional variables, such as consumer trust, ad-recall, paternalism and many more in mediating the effects of deceptive marketing and to capture the full complexity of consumer purchase behavior.
4. The scope of the study was limited to tapping into consumer purchase behavior. However, in the future, exploring consumer post-purchase behavior could also prove to be essential to understand the actual impact of deceptive advertising on the buying behavior of the consumers.

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