An Empirical Study on Misleading Advertisements and Their Impact on Consumer Buying Behaviour in Gurgaon District of Haryana

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ABSTRACT

Organizations all around the world spend huge amount of money every year to advertise their products. Advertising is very important for a product because it a way of creating awareness about the product to its customers. But potentially misleading, unethical and deceptive advertisements are reaching the marketplace these days. Misleading or unethical advertisements are the advertisements which show false claims, depict deceptive practices and provide false information to manipulate the consumers to buy the unnecessary products. Existing research has shown that consumers are highly vulnerable to misleading advertisement. This research paper aims to study the possible relationship between advertising claims and behavioral response of consumers in Gurgaon district of Haryana. Data was collected through field research (questionnaires) among 100 respondents who had their own different levels and fields like employees, students, and common people from the district. The findings show that misleading advertisements that make tall claims do not make an impact on the buying behavior of the consumers. There are certain wise consumers who go by the fact, but there is a huge group of consumers that falls for the claims presented in the advertisement.

Keywords: Advertising, Consumer Behaviour, Unethical Advertisement

1. INTRODUCTION

“Good advertising not only tells the literal truth but also avoids possible deception through subtle implication or omission.” (Freer, 1949)

Sound marketing is critical to the success of any organization – large or small, for-profit or non-profit, domestic or global (Kotler & Armstrong). Advertisement is a tool of promotion available to the marketers to persuade a specific group of people to take some new action. In this effort, advertisements are filled with false and tall claims that are too difficult to believe.

Deodorant ads try to depict that only if you use a particular deodorant that people of opposite sex will be attracted towards you. Fairness cream ads try to depict that only fair is beautiful. Some soft drink ads would convey that your mind becomes exceptionally alert once you consume it. Some even suggest that children will not grow properly if they don’t mix a particular flavoring substance with their milk.

The advertisements featuring celebrities are even more to be blamed. They never use or consume a particular product but appear in ads featuring those products that promise consumers the same skin as of the celebrity. But innocent consumers fail to understand that the effects that they see on screen are because of use of makeup and of high quality cameras.

An empirical research was conducted to test & evaluate the hypotheses related to effects of misleading advertisements. Use of statistical tools like questionnaires was made to quantify & qualify the responses. The questionnaire contained both open-ended as well as close-ended questions. The responses were coded for purpose of quantitative analysis A chi-square test was applied to form a logical conclusion.
The research will help marketers to understand the relationship between claims made in advertisements and consumer buying behavior.

2. LITERATURE REVIEW

Consumer buying behavior has always been given importance and space in the literature study of impact of advertising regarding its effectiveness (Ajzen, 2002). Most of the times consumers’ buying behavior is influenced by liking or disliking of consumer towards the advertisement of the product advertised (Smith et al., 2002). Likewise, Allen, et al., (1992) argue that it is actually the emotional reaction which is developed after the advertising, for the product advertised, that influences the consumer behavior. In the words of Gorn, 1982, the consumer behavior towards a product is totally dependent upon advertising, without any assessment of the quality of the product. Furthermore, controversies over the impact of advertising on the consumers’ buying trends and habits have always been present (George, 1989).

Sometimes the advertisers over exaggerate about the product’s benefits in such a tactful manner that consumer goes psychologically under the pressure of advertising persuasiveness and intentionally decides to buy the advertised product (Smith et al., 2006). In the point of view of some people, most of the consumers avoid the advertisement, because they consider the advertisement, just annoying and misleading (Bishop, 1997).

Advertisements have been attacked on psychological, sociological, aesthetic and political grounds. Some critics even criticize and consider advertising very harmful to the collective behaviors of the society (Barbara, J. P 1997). But defenders of advertising always give a strong argument in its favor that basic aim of advertising is to sell the products, rather its effects on cultural values of the society (Gold, 1987).

3. RESEARCH METHODOLOGY

Research Questions

Two hypotheses were tested in the research. The first hypothesis was to test if there exists a relationship between misleading ads and consumer buying behavior. Second hypothesis was to test any relationship between age of a consumer and susceptibility to misleading ads.

Research Design

The type of study for this paper is descriptive. Under the descriptive study technique statistical method has been used. In such studies as much evidence as possible is given for reflecting the cause and effect relationships from the data collected through the survey technique.

A stratified random sampling was done with a sample size of 100 respondents from the age 16 to 60 which included both males and females at various locations in Gurgaon. We used a questionnaire for our data collection which consisted of both open and closed ended questions. The period of the study was from 1st September 2016 to 30th September 2016. Simple mathematical calculations and chi-square test were used for the purpose of data analysis and interpretation.

Limitations of the study

One of the major limitations faced was with regard to participation on part of respondents. We cannot judge whether they gave us a completely true reply.

RESULTS AND DISCUSSION

From the responses received and by conducting a chi-square test on the first hypothesis, it was observed that there is a strong relationship between misleading ads and consumer buying behavior. This means that the misleading ads have a strong impact on the consumers and are a major determinant for the purchase decision. The consumers accept the information being provided in the advertisement as true and the buyer suffers dissonance if the product does not function as advertised.
From the responses received and by conducting a chi-square test on the second hypothesis, it can be inferred that misleading ads affect consumers’ mind differently based on the age. The younger age group was more susceptible to the misleading ads and this was the same age group that indulge in impulsive purchases.

CONCLUSIONS AND RECOMMENDATIONS

False or deceptive advertising leads to legal pitfalls in most of the countries. Advertisers must not make false claims, such as suggesting that a product cures something when it does not. They must avoid ads that have the capacity to deceive even though no one actually may be deceived. However, advertisers still find ways to deceive consumers in ways that are legal, or technically illegal but unenforceable. A classic example is that of a ‘paan masala’ ad that shows a successful, confident, well-dressed businessman stepping down from a luxury car and revealing consumption of that paan-masala as the secret of his success. In reality, chewing such substances is a purely wasteful habit, with no beneficial or nutritional value. It is highly addictive and a cause of cancer. But most of the marketers have just one aim in mind – capture as much as market share as possible. They do not mind using unethical practices. For them, it seems, reaching the end is more important than the means.

This research clearly shows that misleading advertisements that make tall claims do not make huge impact on the buying behavior of the consumers. There are certain wise consumers who go by the fact, but there is a huge group of consumers that falls for the claims presented in the advertisement. But, as they say, with age comes wisdom. Our second hypothesis shows that the aged group of consumers is able to identify the misleading claims in the advertisements and is not easily influenced. The younger generation is easily led in to believing the claims. Therefore, most of the products in these advertisements tend to target the youth.

There are laws against the misleading advertisements, but marketers will always find a way out. Therefore, it is time for the governing agencies to enforce stronger laws to reprimand anyone involved in a proven misleading advertisement. There is also a call for watchdog agencies to scientifically study and analyze advertisements to validate their claims. Customers must be encouraged to come forth with products that did not deliver as promised and the results should be made known in public. Marketers should also realize that false information does not always stay hidden. Beyond simply avoiding legal pitfalls, companies can use advertising to encourage and promote socially responsible programs and actions. They should thrive for ethical practices in advertisements and the same agencies should be awarded for being the beacon in providing true and accurate information to the consumers.

So, next time you pick a packet of diet snack that claims zero cholesterol or a sugar free that claims zero calories; think twice before falling for it. The seller has least concern for your health. He just wants to ensure that his products are sold and the money keeps rolling in.

REFERENCES