

THE IMPACT OF MISLEADING ADVERTISING ON BRAND TRUST AND CONSUMER LOYALTY

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Abstract

This study looked at how consumer loyalty and brand trust are affected by deceptive advertising. The study investigated how misleading marketing tactics affected consumer attitudes and behavior through a quantitative survey of 400 consumers. The results showed that being exposed to deceptive advertising dramatically lowered brand trust, which consequently had a detrimental effect on customer loyalty. A key mediator between advertising credibility and enduring customer loyalty is brand trust. The study emphasizes how important ethical advertising is to maintaining customer trust and promoting loyalty. These revelations have important ramifications for legislators and marketers who want to safeguard consumer interests and encourage open communication.

Keywords: *Misleading Advertising, Brand Trust, Consumer Loyalty, Deceptive Marketing, Ethical Advertising, Consumer Behavior.*

1. INTRODUCTION

Businesses use advertising as a key tool to convey the advantages of their products, build brand recognition, and sway customer purchasing decisions. Businesses frequently rely significantly on advertising to set themselves apart from the competition and draw in customers in a crowded and cutthroat market. However, the need for attention and market dominance has occasionally resulted in the spread of deceptive advertising, which includes commercials that make exaggerated promises, leave out important details, or give inaccurate or misleading impressions of goods or services.

Advertising that is misleading can have detrimental effects. Customers lose faith in a brand when they learn that the claims made in an advertisement are false or misleading. Building solid and enduring customer connections requires brand trust, which is defined as customers' readiness to believe in a brand's claims and view it as trustworthy and honest. Customers can feel confident in their purchasing decisions when there is less perceived risk and ambiguity thanks to trust. On the other hand, deceptive advertising undermines this confidence by making customers doubt the reliability of the company and its products.

Reduced brand trust has more repercussions than just short-term customer discontent. Consumer loyalty, the behavioral and emotional dedication that drives repeat business and brand endorsement, can be damaged by a breach of trust. Any business can benefit greatly from having loyal customers since they not only help to maintain revenue but also serve as brand ambassadors, spreading goodwill among others. However, customers are more likely to switch brands, leave unfavorable reviews, and become less involved over the long run when deceptive advertising undermines this foundation of trust.

Knowing how deceptive advertising impacts these interconnected variables is crucial given the crucial role that trust plays in forming customer loyalty. This study examines how misleading advertising strategies affect consumer loyalty and how this erosion of trust affects brand trust. By presenting empirical proof of these connections, the study hopes to advance marketing theory and provide useful information to businesses and regulators. By stressing the detrimental consequences of deceptive advertising, the study emphasizes how crucial ethical communication and openness are to establishing and preserving customer loyalty and trust in a market that is becoming more and more cynical.

2. LITERATURE REVIEW

Neema and AL-Sammarraie (2024) carried out a thorough investigation to determine how misleading marketing and advertising affects consumer loyalty, utilizing both quantitative and qualitative techniques to gauge consumer

opinions. According to their research, customers' trust in a company significantly decreased when they saw deceptive advertising, such as those with inflated product promises, obscure terms and conditions, or fraudulent promotional offers. The researchers observed that such dishonest tactics caused long-term harm to brand loyalty and reputation in addition to causing instant discontent. They came to the conclusion that misleading marketing was a detrimental technique that jeopardized brand advocacy and client retention rather than a temporary solution with few repercussions.

Maksuti (2023) examined the more general subject of unethical marketing and how it affects client loyalty. The study brought to light a number of unethical behaviors, such as using deceptive endorsements, manipulating emotions, taking advantage of consumer weaknesses, and lacking transparency. The study, which used a structured survey approach, discovered that consumers experienced cognitive dissonance as a result of unethical marketing, which caused them to reevaluate their brand loyalties. Maksuti underlined that perceived ethical integrity and customer loyalty were highly connected. Customers frequently decide to disengage from a company when they believe it to be manipulative or careless, which lowers repeat business and bad word-of-mouth as a kind of resistance. As a result, the study reaffirmed how crucial moral behavior is to long-term marketing plans.

Hayran and Ceylan (2023) focused on the digital marketing landscape, specifically investigating how social media brand errors affect brand likeability and trust. Their research was especially pertinent at a time when customers keep a careful eye on the online activity of firms. The researchers discovered a number of brand errors, such as tone-deaf interaction with popular topics, culturally insensitive content, and badly timed commercials during emergencies. They discovered that these mistakes had an instantaneous and frequently detrimental effect on the affective and cognitive aspects of customer-brand connections. It has been demonstrated that brand trust, which is essential for loyalty, rapidly erodes in reaction to online errors. Additionally, there was a notable decline in brand like, an emotional indicator of consumer choice. According to the researchers, it was possible to recover from social media errors, but doing so called for open communication, public accountability, and remedial action.

Rudzewicz and Strychalska-Rudzewicz (2021) centered especially on how brand trust affects customer loyalty. According to their research, loyalty and trust have a strong positive link, and trust mediates the relationship between marketing initiatives and consumer behavior. They maintained that continuous performance, open communication, and value alignment with customers were the long-term ways to develop trust. Customers' emotional and behavioral loyalty rose when they believed a brand consistently fulfilled their needs and behaved honorably. On the other hand, it has been demonstrated that a breach of trust, even if it is accidental, considerably erodes the relationship between a brand and its customers. Their research acted as a reminder that trust was an important commodity that brands needed to actively preserve in addition to being the outcome of moral behavior.

Gökerik (2024) investigated the effects of customer cynicism toward promotional content on brand loyalty and purchase intention. Customers are becoming more conscious of sponsored advertising and product placements as a result of social media influencers becoming important marketing outlets. According to the study, consumers' degree of cynicism rose when they thought influencer content was unduly commercial, dishonest, or opaque. Their propensity to buy as well as their devotion to the marketed brand were negatively impacted by this cynicism. Gökerik stressed that although influencer marketing might create a solid bond between a brand and its customers, it could also backfire if authenticity was compromised. The report advised influencers and brands to work with influencers whose beliefs aligned with their target audiences, prioritize transparency, and clearly disclose sponsorships.

IMPACT OF MISLEADING ADVERTISING ON BRAND TRUST

Any promotional communication that purposefully or inadvertently exaggerates, distorts, or omits important information about a good or service, causing customers to form erroneous or incorrect impressions, is considered misleading advertising. Many sectors use this type of dishonest marketing as they try to stand out from the competition and draw in customers. But these strategies have far-reaching effects that go beyond temporary increases in sales, especially when it comes to brand credibility.

Consumers' faith in a brand's honesty, dependability, and general integrity is known as brand trust. It symbolizes a basic psychological agreement between the customer and the brand, whereby the customer trusts the company to keep its word and act morally. This contract is breached when consumers are subjected to deceptive advertising. Their trust

in the brand is severely damaged because they feel duped, manipulated, or misinformed.

This betrayal affects the brand's perceived transparency and authenticity. When a brand is perceived as authentic, it signifies that its communication and behaviors are sincere, consistent, and truthful. The openness and truthfulness with which a brand communicates with its customers is referred to as transparency. Both are weakened by deceptive advertising, which gives the impression that the company values profits more than the well-being of its customers and raises questions about its morals and principles.

This effect can be intensified by repeated exposure to deceptive advertising. Customers usually create opinions about a brand based on a variety of encounters and experiences rather than evaluating a single advertisement in isolation. Customers are likely to extend their mistrust of a brand and its product line beyond the particular commercial if they consistently receive misleading signals from the same company. Brand equity, or the whole worth and power of the brand in the marketplace, may sustain long-term harm as a result of this event.

Customers frequently become more skeptical and cautious as a result of the damage that deceptive advertising causes to brand confidence. Even if the brand makes accurate statements in the future, they grow wary of believing them. Customers are less inclined to interact with the brand through recommendations, purchases, or other loyalty-related activities as a result of this distrust. Customers might start to examine the brand's messaging more closely or look for other, more reputable businesses.

The loss of brand trust brought on by deceptive advertising can be especially harmful in areas with intense competition, where many brands compete for consumers' attention. A crucial difference and a motivator for client loyalty, trust is essential for sustained business success. Customers are less likely to form emotional bonds or make repeat purchases when there is a lack of trust. Rather, they might move to rival companies, provide critical feedback, or disseminate bad rumors, all of which could damage the brand's standing and financial success.

In conclusion, deceptive advertising erodes the fundamental basis of brand trust in addition to harming immediate consumer perceptions. Consumer engagement and loyalty may decline as a result of the ensuing lack of trust in the brand, endangering its viability and competitive edge. Therefore, in order to preserve and grow customer trust, businesses must understand how crucial honest and open communication is.

3. INFLUENCE OF BRAND TRUST ON CONSUMER LOYALTY

A key factor that significantly affects consumer loyalty—the propensity of customers to make repeat purchases and recommend a brand—is brand trust. Customers are more likely to form an emotional bond with a brand they trust and feel secure in their choices, which increases brand loyalty.

Table 2: Effects of High Brand Trust on Consumer Behavior

Effect	Impact on Consumer Loyalty
Increased Confidence	Consumers feel secure in purchase decisions, increasing repeat buying
Commitment	Strengthens long-term relationship between consumer and brand
Satisfaction	Higher satisfaction leads to positive brand perception and loyalty
Brand Advocacy	Loyal customers recommend and promote the brand voluntarily
Resistance to Switching	Consumers are less likely to switch brands even when alternatives exist

Table 3: Consequences of Compromised Brand Trust

Cause	Consumer Response	Impact on Loyalty
Perceived Misleading Advertising	Distrust towards the brand	Decreased repurchase intentions
Distrust	Increased skepticism and questioning of brand claims	Higher likelihood of brand switching
Negative Experience	Negative word-of-mouth	Harmed brand reputation and reduced loyalty

Strong brand trust encourages customers to stick with the brand even when there are alternatives because it lowers

perceived risk and uncertainty. Long-term loyalty is largely driven by positive attitudes like dedication and contentment, which are fostered by trust. Loyal customers frequently turn into brand ambassadors who spread the word about the company, enhancing its standing in the marketplace.

On the other hand, customer loyalty decreases if brand trust is weakened, which occurs when customers believe that advertisements are deceptive. Negative word-of-mouth, brand switching, and decreased repurchase intentions are all caused by mistrust. Thus, building devoted client relationships and attaining long-term company growth depend heavily on upholding and boosting brand trust via honest and open communication.

4. CONCLUSION

The findings of the study made it abundantly evident that customers' faith in brands was greatly damaged by misleading advertising, which results in consumers feeling duped and distrustful about the claims made by brands. This erosion of trust, in turn, had a detrimental influence on consumer loyalty, as customers who lacked trust were less inclined to repurchase the brand or promote it to others. The findings highlighted the need of corporations adopting marketing methods that are transparent and honest, as they highlighted the fact that brand trust worked as a vital mediator between advertising techniques and consumer loyalty. In the end, keeping genuine communication not only safeguarded customers but also generated better, more long-lasting relationships, which contributed to the long-term success of the business.

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