



FALSE PROMISES, BROKEN BONDS: HOW DECEPTIVE ADVERTISING AFFECTS BRAND LOYALTY

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Abstract

This study investigated how customers' brand loyalty is affected by misleading advertising in a number of product categories, such as electronics, personal care, and food and drink. 400 respondents completed structured questionnaires as part of a quantitative cross-sectional survey design. According to the findings, customers who thought advertising was deceptive expressed much less trust, emotional attachment, intention to make another purchase, and brand advocacy. Deceptive tactics accounted for a substantial amount of the variance in loyalty outcomes, and correlation and regression studies verified a strong negative association between deceptive advertising and brand loyalty. These results highlight the necessity for firms to implement moral and open marketing practices in order to preserve customer confidence and enduring allegiance.

Keywords: Deceptive advertising, Brand loyalty, Consumer trust, Repeat purchase, Brand advocacy, Ethical marketing, Consumer perception.

1. INTRODUCTION

Brands have tried to set themselves apart in a more competitive market by using imaginative and convincing advertising. However, some firms have turned to dishonest advertising tactics—intentionally or inadvertently misrepresenting the characteristics, benefits, or performance of their products—in an effort to attract consumers and increase their market share. Exaggerated claims, deceptive imagery, and concealed terms or conditions are all examples of deceptive advertising that can give consumers a mistaken sense of value. Even though these strategies could increase sales or visibility in the near term, they frequently have long-term effects on customer relationships and brand trust.

One of the most important markers of long-term company success is brand loyalty, which includes a customer's propensity to make repeat purchases, have an emotional connection to a brand, and promote it. This allegiance is based on trust, which can be hard to regain once it has been betrayed. Customers lose faith in a brand when they perceive that it has deceived or manipulated them, which results in decreased engagement, unfavorable word-of-mouth, and brand switching.

With an emphasis on comprehending how customer perceptions of dishonesty in advertising impact their trust, purchase intentions, and advocacy activities, this study sought to investigate the relationship between deceptive advertising and brand loyalty. The study aimed to provide light on the long-term effects of dishonest marketing tactics on brand-consumer dynamics by examining the responses of 400 customers from a range of demographic categories. For marketers, advertisers, and legislators dedicated to promoting ethical advertising and creating enduring customer relationships, the findings are an invaluable resource.

2. LITERATURE REVIEW

Neama and Al-Sammarraie (2024) examined how misleading marketing and advertising affected consumer loyalty and discovered that deceptive promotional material dramatically lowered consumer trust, which in turn caused a decline in loyalty across a range of industries. The long-term dangers that brands faced when they engaged in such



unethical tactics were highlighted by their research.

Becher, Feldman, and Furth-Matzkin (2022), In their study, Toxic Promises, they made the case that misleading advertising has ethical and legal ramifications that might harm a brand's reputation in addition to misleading consumers. They argued that in order to lessen the impact of dishonest business practices, consumer knowledge and governmental supervision were essential.

Gourkar (2023) carried out a PhD thesis examining the wider impacts of dishonest and immoral marketing on customer behavior. According to the study, customers who noticed unethical marketing practices were more likely to stop doing business with the company, go to rivals, and spread unfavorable rumors, all of which accelerated reputational harm.

Andersson and Lindgren (2022) examined how brand loyalty was affected by the idea of brand forgiveness in the wake of deceptive advertising. They came to the conclusion that while some customers were prepared to overlook a brand after it apologized or took corrective action, the likelihood of regaining a customer's loyalty was much reduced when deceit occurred repeatedly.

Upadhyaya (2023) investigated how perceptions of authenticity were influenced by contemporary marketing tactics, particularly on social media. According to the study, social media offered chances for sincere interaction, but it also functioned as a venue for inflated and occasionally misleading messaging, which damaged customer confidence when expectations weren't fulfilled.

RESEARCH METHODOLOGY

2.1. Research Design

To investigate the connection between misleading advertising and brand loyalty, a quantitative study approach was used. The study used a cross-sectional survey approach, gathering information all at once to examine the attitudes and actions of consumers.

2.2. Population and Sample

Customers who had recently bought branded goods from a variety of categories, including electronics, personal care, and food and drink, made up the population. In order to guarantee representation across various age groups, genders, and income levels, a stratified random selection technique was employed. Four hundred respondents from urban and suburban areas made up the final sample.

2.3. Data Collection Instruments

On the basis of validated scales from earlier research, a structured questionnaire was created. The survey was divided into four parts: demographic data, brand loyalty indicators (such as desire to make another purchase, emotional attachment, and brand advocacy), perception of misleading advertising (as assessed on a 5-point Likert scale), and brand trust. To make sure it was clear and reliable, a pilot group of thirty respondents pre-tested the questionnaire.

2.4. Data Collection Procedure

Over the course of two months, information was gathered via in-person interviews and online questionnaires. Prior to their involvement, respondents were told of the study's objectives and their informed consent was acquired.

2.5. Data Analysis

Statistical software (SPSS) was used to examine the data. The perception levels and demographic traits were summed together by descriptive statistics. To evaluate the effect of misleading advertising on several aspects of brand loyalty, inferential techniques such as regression and correlation analysis were used. A significant threshold of $p < 0.05$ was established.

3. RESULT AND DISCUSSION

In order to investigate the connection between brand loyalty and perceptions of misleading advertising, the study examined data gathered from 400 respondents. Patterns in customer responses were uncovered using descriptive and inferential statistics, with an emphasis on the effects of misleading advertising on trust, desire to make another purchase, emotional connection, and brand advocacy. The results shed light on how much brand loyalty was harmed by deceitful advertising.

Table 1: Demographic Profile of Respondents

| Demographic Variable | Category | Frequency | Percentage (%) |
|----------------------|---------------------|-----------|----------------|
| Gender | Male | 210 | 52.5 |
| | Female | 190 | 47.5 |
| Age Group | 18-25 | 120 | 30 |
| | 26-35 | 140 | 35 |
| | 36-45 | 90 | 22.5 |
| | 46 and above | 50 | 12.5 |
| Income Level | < \$30,000 | 100 | 25 |
| | \$30,000 - \$60,000 | 180 | 45 |
| | > \$60,000 | 120 | 30 |

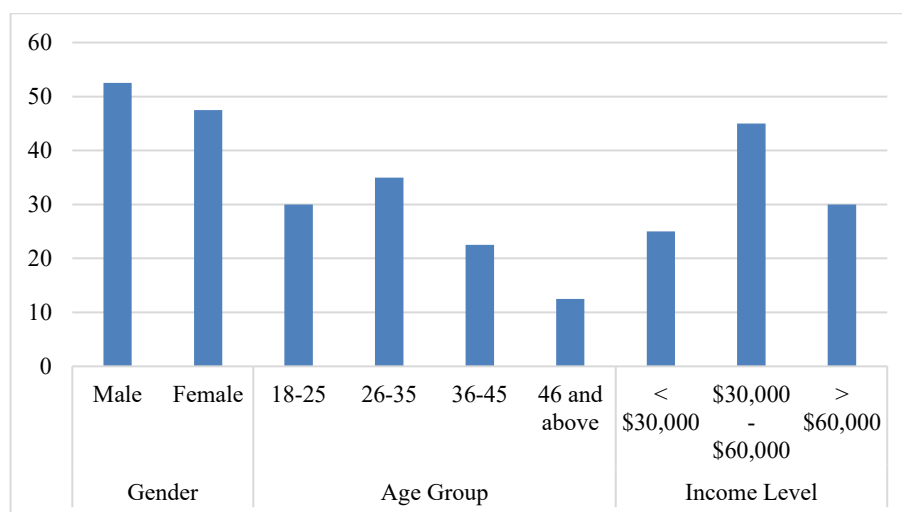


Figure 1: Demographic Profile

With 52.5% of respondents being men and 47.5% being women, the demographic data showed a diversified and

well-balanced sample, guaranteeing gender representation in the analysis. With 35% of participants being between the ages of 26 and 35 and 30% being between the ages of 18 and 25, the age distribution revealed that the majority of participants were young people. This suggests that there is a significant number of digitally active customers who are probably exposed to different types of advertising. To further account for generational differences in perception, 22.5% of respondents were between the ages of 36 and 45, and 12.5% were over the age of 46. A wide range of economic backgrounds was represented by the fact that 45% of respondents made between \$30,000 and \$60,000, 30% made over \$60,000, and 25% made less than \$30,000. The study's dependability was enhanced by this demographic mix, which captured a range of consumer experiences and reactions to misleading advertising.

Table 2: Perception of Deceptive Advertising

| Statement | Mean | Std. Deviation |
|---|------|----------------|
| I have noticed false claims in advertisements of brands I use | 3.85 | 1.02 |
| Advertisements often exaggerate product benefits | 4.10 | 0.89 |
| I feel misled by advertisements of some brands | 3.65 | 1.15 |
| Deceptive advertising reduces my trust in the brand | 4.25 | 0.75 |

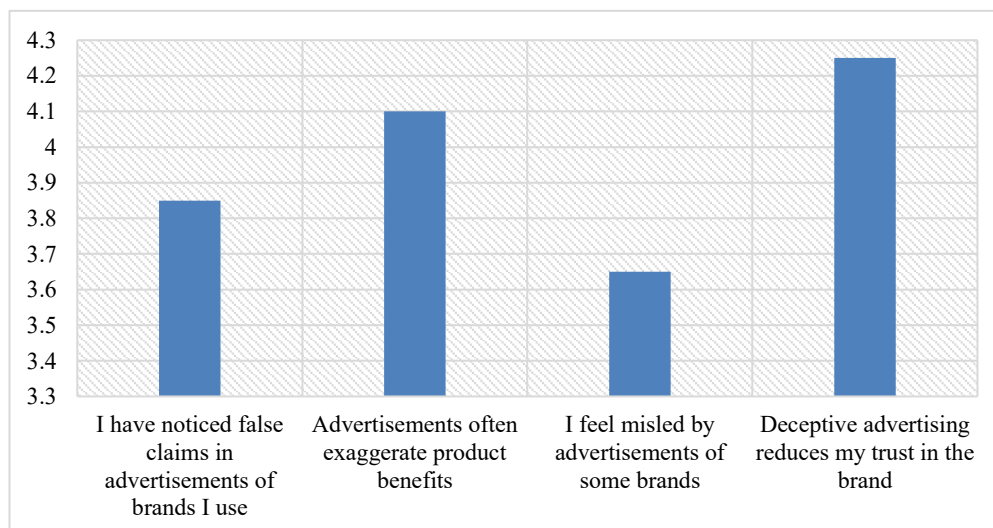


Figure 2: Perception of Deceptive Advertising

Consumer perceptions of misleading advertising were analyzed, and the results showed that consumers were highly aware of these tactics. With a low standard deviation of 0.75 and the highest mean score of 4.25, the statement "Deceptive advertising reduces my trust in the brand" showed that the majority of respondents strongly felt that such activities seriously damaged their trust. A high mean of 4.10 for the statement "Advertisements often exaggerate product benefits" also indicates that people are aware of exaggeration as a common advertising approach. "I have noticed false claims in advertisements of brands I use" received a mean score of 3.85, which further supported the fact that many participants had directly come across deceptive claims. The statement "I feel misled by advertisements of some brands" showed a moderate level of agreement with greater heterogeneity in individual experiences, with a somewhat lower mean of 3.65 and a higher standard deviation of 1.15. Overall, the results showed that misleading advertising was common and harmful, having a noticeable effect on customer perceptions and trust.

Impact of Deceptive Advertising on Brand Loyalty

The impact of perceived misleading advertising on the elements of brand loyalty—trust, desire to make another purchase, emotional connection, and brand advocacy—was evaluated using correlation and regression analysis.



Table 3: Correlation Analysis

| Variable | Trust | Repeat Purchase Intention | Emotional Attachment | Brand Advocacy |
|----------------------------------|--------|---------------------------|----------------------|----------------|
| Deceptive Advertising Perception | -0.62* | -0.57* | -0.54* | -0.59* |

All of the essential elements of brand loyalty were found to be significantly correlated negatively with the perception of misleading advertising, according to the correlation study. Dishonest advertising perception and trust showed the largest negative association ($r = -0.62$), suggesting that customers' trust in the brand significantly decreased as they came to view advertising as more dishonest. Negative associations with emotional connection ($r = -0.54$), repeat purchase intention ($r = -0.57$), and brand advocacy ($r = -0.59$) followed. According to these results, dishonest advertising not only erodes customer trust but also damages their emotional bond with the company, lowers their propensity to make more purchases, and deters them from telling others about it. All relationships were statistically significant ($p < 0.01$), as indicated by the asterisks, demonstrating the strong and persistent negative impact of misleading advertising on many aspects of brand loyalty.

Table 4: Regression Analysis

| Predictor | B | Std. Error | Beta | t-value | p-value |
|----------------------------------|-------|------------|-------|---------|---------|
| Deceptive Advertising Perception | -0.75 | 0.08 | -0.62 | -9.38 | < 0.001 |

Regression study showed that overall brand loyalty was significantly predicted by the impression of deceptive advertising. According to the unstandardized coefficient ($B = -0.75$), the brand loyalty score decreased by 0.75 units for every unit rise in the perception of misleading advertising. The strength of this inverse association was further supported by the standardized beta coefficient ($Beta = -0.62$), which indicated that misleading advertising significantly reduced customer loyalty. This link was statistically significant and unlikely to be the result of chance, as evidenced by the t-value of -9.38 and the extremely significant p-value (< 0.001). These findings support the notion that misleading advertising severely damaged consumer loyalty and trust, underscoring the vital role that honest and open marketing strategies play in preserving enduring brand connections.

Discussion

The results validated the theory that misleading advertising has a negative impact on brand loyalty. In line with earlier research indicating consumer skepticism towards exaggerated promises, the high mean scores in the perception part showed that many consumers were aware of dishonest activities. The strong negative associations demonstrated that customers' trust and emotional attachment to the brand declined as they experienced more misleading advertising. Their inclination to recommend and repurchase the brand also decreased, indicating a thorough breakdown in brand loyalty.

The findings of the regression emphasized the importance of ethical marketing and confirmed the high predictive power of misleading advertising perception on loyalty. False promises put brands at the risk of losing the trust of consumers, which might have long-term effects on their market position and profitability.

According to these findings, marketers should put authenticity and transparency first in order to win back customer trust. In order to safeguard consumers and preserve fair competition, regulatory agencies may also think about closely examining advertising claims.



4. CONCLUSION

The study found that customers' brand loyalty was significantly and negatively impacted by deceptive advertising. The results showed that customers' trust in a brand significantly decreased when they thought the ads were excessive or misleading. Their inclination to repurchase the brand, develop emotional bonds with it, or suggest it to others was further impacted by this breakdown of trust. The long-term harm that misleading advertising could do to consumer loyalty was highlighted by the statistical analysis's substantial negative correlations and predictive associations. As a result, the study emphasized how crucial ethical advertising techniques are to maintaining ties between brands and consumers. In a competitive market, marketers were counseled to emphasize truthfulness and openness in promotional materials in order to build trust and keep devoted clients.

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