

CONSUMERISM AND DECEPTIVE ADVERTISEMENT CLAIM : AN EXPERIMENTAL INVESTIGATION

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Consumers recall or use different to evaluate a brand. This study intends to find out if false claims are recalled more often than true claims in an advertisement. The present study attempts to achieve this objective by using a modified version of an analgesic print advertisement in an experimental design. Result of the study reveal that when both true and false claims are present in the same advertisement, then true claims are recalled more often than false claims. However, the order in which true and false claims are recalled is found to be insignificant.

Keywords: Consumer Behavior, Deceptive Advertisement, Entertainment, Information

1. INTRODUCTION

The use of deception in advertising is widespread. Deceptive advertising has been frequently used by firms (Burke et al 1988), but a bigger questions is whether is in the firm's best interest to deceive the public through false, misleading ads. Presence of deception and its effect on the behavior of consumers has been the area of interest among advertisers and marketers. There have been case of deceptive advertising within the industry and thus this subject has been of great concern for consumers and policy makers.

The subject of deception and corrections has been discussed in various research paper, but research on understanding the effect of such claims on consumer behavior has appeared in journals only recently. Few studies have made an attempt towards defining and measuring deception. Policy professional have taken a lead in classifying certain advertng as "false" or "deceptive" or "misleading".

2. REVIEW OF LITERATURE

Consumers are faced with a very large numbers of advertisements every day in different media. This makes the job of the policy makers very difficult to judge the misleading nature of all such messages. The task can be made simpler if such questions are reserved only for critical case; the majority of the work should concern itself not with the questions whether an advertisement does mislead, but whether it has the capacity to mislead (Preston, 1977). When consumers believe and advertisement to be true when is actually false, consumers may be "harmed" (Attas, 1999). Individuals prefer their beliefs to be true, and if consumer is misled by advertisement, then the consumer may be

tempted to buy the advertised products (Attas, 1999). More consumers are likely to buy the advertised product as a result of the ad claim because they believe it to be true. Aaker (1974) was the first to formulate that advertisement can also mislead the consumer. According to him, deception is said to exit when' the output of the perceptual process (a) differs from the reality of the situation and (b) affects the buying behavior to the detriment of the consumer".

The American Marketing Association (AMA) defines deceptive advertising as advertising intended to mislead consumers (1) by falsely making claims, (2) by failure to make full disclosure, or (3) by a combination of both. The AMA as well the FTC includes an omission of particular information to be deceptive, since excluding material information can lead a consumer to reach false or inaccurate beliefs about a product or service. Determining whether an ad is misleading continues to prove difficult and controversial (Russo, Metcalf and Stephens, 1981) all state that for an advertisement to be deceptive it must assert or imply something's that is "objectively false" (e.g. Shim and Preston, 1981).

(Russo, Metcalf and Stephens, 1981). Russo, Metcalf and Stephens have documented that falsity is referred to the claim-fact discrepancy. A deceptive advertisement is defined as one that creates a false or incorrect belief about the product (Armstrong and Russ, 1975, Gardner, 1975; Jacoby, Jacob and small 1972). As has been pointed out by Gardner (1975), some claims made in the advertisements can be labeled as being deceptive.

In a study by Burke, DeSarbo, Olivers and Robertson (1988) a computer-based measurement method was constructed in order to evaluate the misleading effects of advertisement claims. Deceptive advertisement was reviewed by comparing consumer response to the questionable claims again response to the presentation of no attribute information and true information. The authors found that expanded

claims and inconspicuous claims lead to significantly higher levels of false beliefs (e.g., lack of side effects, low price, and speed of relief) than did the true or no information claims. The findings are consistent with a body research, showing that consumers constantly misconstrue some types of advertisement claims and that the implication drawn from questionable claims are treated as factual (Preston, 1967). In addition, false beliefs often persist even following the presentation of corrective information (Anderson, 1983). Also certain advertisements make claims that seem to be exaggerated on the face. It therefore is not in-genuine to understand that the possibility of such claims being called deceptive is very slim.

Russo (1976) and his coworkers (Russo, Metcalf, and Stephens 1981) emphasized that holding a false belief after being exposed to the and does not imply that the advertisements caused the belief. Therefore they suggested comparing the result of the consumers exposed to the advertisement where the potentially misleading claim is omitted or corrected. Roe, Levy and Derby (1999) noted several potential biases including a positive bias in which consumers provide better product ratings based on the claim; a "halo effect", whereby consumers rate the products higher, based on attributes not stated in the claim; and a magic bullet' effect, whereby consumers attribute inappropriate health benefits to the product.

Craig, Scot and Netemeyer (2000) suggest that false claims which do affect the consumers, can lead to government intervention due to the possibility that the consumers can be negatively impacted. Davis (1994) reviewed the relative influence of four factors on the decision making process of advertisement experts in regard to advertisement content and policy. A survey of 206 advertising experts in regard to advertisement content and policy. A survey of 206 advertisements professional assessed the relative influence of four factors (ethics, legal considerations business considerations, and anticipated approval of management/ peers) on decision-making about advertisement content and policy. Davis 1994 found that the legal consideration factors (i.e. laws and regulations), not ethics, was the most influential factor for most of the advertisement managers. Dillon (1973) stresses that the cost of deceiving the public through advertisements is not financially beneficial for businesses. The author adds that companies who want to retain their customers should not display deceptive advertisements. Dillon (1973) explains that if the company is primarily focused on one-time sales, then only In this manner will deceptive value for business.

The fact that people believe a certain claim they infer from an advertisements does not necessarily mean they have been misled (Armstrong and Russ, 1975; Grunet and Dedler, 1985) This is to say that if the consumer identifies the claim as false, it means that the he does not believe it to be true

and thus is not deceived by it. A false claim does not harm consumers until it is believed and a true claim can cause great harm if it generates a false belief (Russo, Metcalf, and Stephens 1981).

A more recent study by Estrada (2006) on the impact of deceptive advertising within the entertainment industry examined whether companies generate greater sales from deceptive advertisements as opposed to not deceiving the public. A ratio analysis focusing on assets monument, liquidity, debt management and profitability was conducted as a measurement tool. Additionally, Stock prices and sales trends were also examined. The result from the companies do benefit from corporate deception. In other words, benefits derived from deceptive advertising may outweigh the costs imposed on a corporation Ladley [2005] too found that deceptive advertising may bring a greater market share to the business & assist in increasing sales. Corporation across numerous industries have found marketing as a resource towers increased profit potential and have grown "hunger" for higher profits, thus motivating increased used of unscrupulous marketing tactics (Ladley, 2005).

(Mehta and Purvis, 2006). Mehta and Purvis (2006) point out that any true measure of advertising effectiveness must show validity in predicting future in market performance and all major copy testers have their empirical support demonstrating the validity of their measures.

While they often place emphasis on different measures of advertising effectiveness, however, that recall has value in evaluating advertising effectiveness is nearly universally accepted (e.g. Dubow. 1994). (Alba and Hutchison, 1987) One of the effects that has been found to consistently exist in many such researches is that encoding factors, such as self-generated and externally generated retrieval cues, interact to affect recall (Keller, 1987). Particularly, good performance depends on the similarity of information at input and cues at output (Craig, 1984; Tulving, 1979). Keller (1987) Point out that due to a lag between consumer's exposures to advertising effectiveness may depend critically upon consumers' memo performance depends on the similarity of information at input and cues at output (Craig, 1984; Tulving, 1979). Keller (1987) Point out that due to a lag between consumer's exposures to advertising effectiveness may depend critically upon consumers' memory at the point – of purchase.

Gardner (1983) in a study to examine the effects of attribute's prominence in an advertisement, pointed out that advertisement – induces recall may or may not translate in to product use during a subsequent brand evaluation and concluded that people who see advertisements encouraging recall of specific brand attributes will increase the used of that information for brand evaluation. (Anderson and Huber

1963; Dreben, Fiske, and Hastie, 1979) increased, emphasis on that a brand's advertising can affect both the brand attributes recalled and those used for further evaluations which implies that availability and used in attitude formation are not equivalent.

Costley and Bruks (1992) investigated in judging brand preference consumer's memory and used of information and the content of subsequently encountered information affect recall and the content of subsequently encountered information affect recall and information use in shaping brand preference. The central findings of their study revealed that enhanced recall ability may or may not improve the likelihood that enhanced reliability of information when they compare brands. This means that the assessed information may not be used for a judgment or choice if it is helpful than other assessable information. In their study, presentation modality affected recall ability but not usage of the preference task.

3. PURPOSE

The purpose of this research is to find out if false claims are recalled more often than claims in an advertisement. Consumers recall of use different criteria to evaluate a brand. Are the false claims in the ad remembered first when asked to recall claims made about the brand in the ad? Is there a relation between brand recall and false claims? We intend to study the effects of deceptive advertisements on the claims recalled about the advertised brands.

The impact of claims recall and there effect on the consumer decision making has been an under researched area. The purpose of this research Study is not to engage in a philosophical discussion on the inherent rightness or wrongness of advertisements, but instead to investigate an important issue of claim information in purchase judgments.

4. RESEARCH HYPOTHESES

Based on prior discussion, the present study assesses the effects of "true claims" and "False Claims" on consumer's beliefs/behavior and preferences. The first proposed hypotheses stemming from the question area advertisers, in particular, may make use of false claims in an advertisement, primarily to attract the attention of the consumers towards the product. Ambler and burne (1999) in their research tested a model of cognitive, affective and memory effects of advertising drawn from the neuroscience and marketing literature and proved the hypothesis that ads with higher affective content would have higher recognition and recall. It therefore follows that false claims will not only be recalled more often than true claims, but will also be recall of the claims made in the advertisement. Therefore:

H I a: False claims in an advertisement are recalled more often than true claims.

H I b: if both true and false claims are present in an advertisement then, in the order of recall, false claims are recalled before true claims.

An experiment was conducted to test hypothesis 1a and 1b – that a false claims in an advertisement is recalled more often than true claims, if both are present in the same advertisement.

5. METHODOLOGY

The participants in the experiment were 50 male and female second year students at a large university, pursuing a two – year Masters Course in Business Management who responded to solicitations for volunteers. Student do represent a segment of relevant consumers (61 percent currently using an analgesic or had used it in the past), and there may not be much difference between student consumers and non-student consumers. The average age of the group was 25.7 years.

6. PRODUCT CLASS

Advertisement of an oral antiseptic was selected for use in the study. The product class of antiseptic was deliberately chosen because in the case of products such as analgesics (antiseptics), where a large numbers of competing brands have similar or identical chemical compositions, advertisers often rely on exaggerated and ambiguous advertising claims to differentiate brands in the mind of the consumers (Jacoby et. Al. 1984).

7. DECEPTIVE ADVERTISEMENT

A modified version of the deceptive brands ad was chosen. The reel ad was modified into a print version keeping the claims made in the print ad similar to the claims made in the reel ad. Although the name of the brand was changed. The recall of claims made about the brand and its evaluation may be mediated by a subject's prior knowledge and use of the product. In order to control such effects, the ad was modified by changing the name of the brand.

8. INVESTIGATION PROCEDURE

In order to avoid manipulation by the respondents, all subjects were told that the study was concerned with measuring the effectiveness of advertisement in print media. The exposed subject was told the experimenter had obtained the advertisement from a magazine and that these wished to obtain their reactions to the advertisement. It was emphasized verbally that the experimenter was not involved with the particulars products, and wished only to obtain there frank and honest evaluations.

The investigation began with the subjects being informed that the experiment was part of study designed to

measure ad effectiveness in this stage, the subjects were provided with a print advertisement of an oral antiseptic. The participants were given enough time to look at the ad and study it. No attempt was made to prevent interaction among the respondents over the exposure period. After exposure, the print ad was returned and the participant were asked to write down all the claims made in the ad that they remembered in the order in which they remembered them. Thus ordered recall was used to indicate the position in which recall occurred.

9. RESULT

Table I: show the distribution of 300 attempts at recall of claims in the advertisement containing both true and false claims. The first three claims, namely –prevents curse and reduces cold are false claims while the other three claims – general hygiene, doesn't kill viruses, and acts as an antiseptic are true claims.

Table 1
Distribution of Attempts at Recall of the True and False Claims

	Prevents	Cures	Reduces	Genera Hygiene	Doesn't Kill Viruses	Antiseptic	Total
Recalled	15	42	03	43	21	28	152
Not Recalled	35	08	47	07	29	22	148
Total	50	50	50	50	50	50	300

Source :Alba, J.W. and Ajay Mishra, J.W. (1987) ' Dimensions of consumers expertise', Journal of Consumer Research, 13 (March), 411-453

All three true claims were clubbed together to generate one category of true claims and the three false claims were clubbed to generate the other category, that of, false claims (Table 2). Chi-square analysis of the result of claims recalled shows that three is a significant difference at 5% level between the recall of true claims as opposed to false claims in the advertisement.

Result reveals that true claims are recalled more than false claims. Test of statistics show that Hypothesis 1a-that false claims in ad are recalled more often than true claims is rejected.

Table 2
Recall of Claims (Clubbed)

	False claims	True claims	Total
Recalled	60	92	152
Not recalled	90	58	148
Total	150	150	300

Source : Anderson, C.A. (1983) ' Abstract and concrete data in the perseverance of social theories.

Although the result of Chi-square analysis suggest the three is a significant difference between the recall of true and false claims, however, to find out which type of claims is recalled more test of significance for out which type of claim recalled more, test of significance for attributes was used. The expected frequency of recall of a true and false claim would be $152/2=76$ each.

$$S.E. = \sqrt{\frac{1}{2} * \frac{1}{2} * 152} = \sqrt{38} = 6.16$$

Difference between observed and expected recall of true claims = $92 - 76/6.16 = 2.6$.

The result shows that there is a significant difference between recall of true and false claims and thus we cannot assume that both true and false claims are recalled equally.

10. ORDERED RECALL

Hypothesis 1-b is concerned with the order in which true and false claims are recalled. This was assessed by asking the subjects to list the claims that they recalled after watching the advertisement, in the order in which they recalled it. Ordered recall was used to indicate the position of recall for true and false claims. We hypothesize that if both true and false claims are present in an advertisement, then in the order of recall, false claims are recalled before true claims.

The advertisement contains six claims three false and three true. The result for the three false claims were combined to generate one category of false claims and likewise the three true claims were clubbed together to form one category of true claims. Table 3 shows the result of true and false claims in the order of their recall. False claims were recalled a total sixty times. Out of the sixty attempts at recall, false claims were recalled thirty eight times in the first position. On the other hand, total recall for true claims was ninety two times, out of which it was recalled in the first four if it was recalled second, three if it was recalled third, two if it was recalled fourth and one if recalled fifth, which yielded a range of zero to five for each attribute (Costly and Bricks, 1992). Also each claim was coded '1' if it was recalled and '0' if it was not recalled. This variable represents recall probability. Table 4 show the result of the weighted recalls.

Table 3
Ordered Recall

Order of Recall	False Claims	True Claims
1	38	12
2	16	33
3	5	34
4	01	12
5	00	01

Source: Batra, R and Ray, M.L. (1986)' Affective response mediating acceptance of advertising'.

Table 4
Weighted Ordered Recall

Order of Recall	False Claims	True Claims
1	190	60
2	64	132
3	15	102
4	02	24
5	00	01

Source: Batra, R and Ray, M.L. (1986)' Affective response mediating acceptance of advertising'.

We hypothesized better recall for false claims than true claims in the advertisement containing both types of claims. "Better" translates to (1) higher frequency of recall and (2) earlier recall. To investigate whether true claims or false claims are recalled first when asked to list the claims in the order of recall, analysis of variance was run, $F(1,8) = 0.05$, $p = 0.83$.

11. CONCLUSION

The findings of the present research reveal that advertisements do not necessarily prove to be more successful in affecting recall of false claims. The relevance of the paper lies in the attempt to reveal the serious nature of deception and in sensitizing advertisers towards raising the moral recognition level in advertising and towards alerting them to check the overtones of unethical advertising.

The finding of the research is a clear indication to the advertisers that the use of deception in advertisements does not lead to a greater recall of false claims. The result of the study will help the advertisements to reflect on the need to avoid the use of deception in Advertising.

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