

Deceptive Advertising Practices and Customer Loyalty A Case of Mobile Phones in Karachi, Pakistan

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Abstract

In this era everyone is affected by advertisements, overpromising and deception also occur in ads. In this research we estimate the relationship of customer response and deceptive advertising. The main purpose of this research is to examine how many deceptive ads affect customer loyalty behavior and attitude, deceptive ads means false ads, which some of the advertisers do in their ads but never accept it. By doing deception they thought they penetrate the market, this deception nowadays occurring in the mobile phone advertisements. This study examines how much deception occurring nowadays in mob ads, it will be answered by questioning people who are using mobile phone and are up to date with media. Thus, this learning suggests that advertising companies should not focus with false advertising. Advertising should be emphasizing on the level of competitive facilities to generate progressive customer attitude and behavior towards the advertised product or service.

1. INTRODUCTION

Deceptive advertising is the use of wrong, misleading and false advertising of a product which may negatively affect consumer's moral, deception can be checked when a consumer personally consume or experience the product. Advertising should be emphasizing on the level of competitive facilities to generate progressive customer attitude and behavior towards the advertised product or service. The main purpose of this research is to examine how many deceptive ads affect customer loyalty behavior and attitude. The reason for choosing this topic is to check how deception effects on people in daily life, does the belief remain same or changes after the bad experience? Deception in mobile phones and its effects on consumers also discusses in the research. Furthermore, it is apparent that the marketers, who do not mislead their customers, always enjoy market shares more than those who overstate. Thus, this learning suggests that advertising companies should not focus with false advertising.

1.1 PROBLEM STATEMENT:

The problem statement of the study is to check, deception effects on people in daily life, the belief remain same or changes after the bad experience and the customers who are loyal to the product starts bad word of mouth due to deception or not.

This research paper helps people to differentiate what is deceptive ads and non-deceptive ads of mobile phones and how to discriminate it.

1.2 OBJECTIVE OF THE STUDY:

- To find out how deception in ads effect consumer's loyalty?
- To examine how overpromising in mobile ads effect consumers trust?
- To emphasize how reaction of consumers by one advertisement with deception and another without deception?
- To understand the relationship of customer response and deceptive advertising.
- How deceptive mobile phone ad affects customer loyalty, behavior and attitude?
- How false mobile phone advertisement is use as wrong, misleading and false advertising?
- How overpromising of mobile phone ads affect in our daily life?
- To know the deception in mobile phones ads and its effect on consumer.

1.3 SIGNIFICANCE OF THE STUDY:

This study is primary and new in research and can be helpful in clearing that how many determinants involve in deception in ads like: celebrity endorsement while he or she not personally using the product, showing extra features, high price, showing extra quality and battery power, children are affecting towards these overpromising mobile ads and compelled to buy.

1.4 LIMITATION OF THE STUDY:

This research is collected with the given span of time and at a particular area Karachi, Pakistan the research

papers related to mobile fraudulent and deception was less in internet due to which this study will be broadcasted as a unique one.

2. LITERATURE REVIEW:

(khan & rajput., 2014), article discusses the connection between identifying usefulness, entertainment, deceptive advertising and customer behavior. This study was examined in Pakistan. Wiley online library and EBSCO host and Emerald scholarly are chosen for the research, exploratory study has been done for this research. With the help of this research, reader will easily know recognized usefulness, enjoyment, attractiveness and appeal in ads which influence customer behavior positively or negatively with the effect of double-dealing over coming in the ad. Deceptive advertising is a critical matter, many advertisers do not accept that they have over promising with the product. This study proposes false claims and over promising should not be done in advertising companies. Competitive services should be done in advertising to attain positive customer attitude and behavior towards the commercialized product or service.

According to (Anderson & Simester, 2014) 5% of product reviews submitted by customers on a private retailer's website have no records that they have ever purchased the product. These reviews without purchase are, more likely to be negative than other reviews. This study is on why customers eager to write reviews and whether these reviews affect other customers thinking. However, some central point has turned to the study of wrong reviews (Mayzlin, Dover, Chevalier 2013 and Luca and Zervas 2013,). The study is resultant by chi-square method. Unconfirmed reviews transactions are collected by 12,474 individual customers. Low rating effect is measured among the 11,944 customers who give only one or two reviews without accurate transactions. Many questions were raise during research that why do customers give their reviews even if they do not purchase the item, researchers answered that they argued customers are prompt by self-enhancement and it motivates customers to generate word of mouth. Wojnicki and Godes (2008).

(Kuhro, Bhutto, & Sarki, 2015) Say that brands have not seized all segments of customers, but there are some people who have motivations to escape from brand. The study determines mediating role of ad doubtfulness between product knowledge, brand escapism motivation and self-image congruency. A study is conducted in Pakistan of 267 mobile users, who use iconic or less iconic mobile phone brands. Pakistani consumers are motivated in switching from brands. Pakistan is a developing country, brand consciousness does not occur in them and thus they do not pay attention to advertising issues like developed countries. This kind of study can bring new results in a developed as well as in developing country, where time will be taken by consumers on brand selection and study more relevant information of products and they will try to relate brands with their personality and consistency.

(Chaouachi & Rached, 2012), suggested to compute perceived deception in advertising based on the guidance of Gerbing and Anderson (1988) and Churchill (1979). The research is about the study of perceived deception in advertising. Deception is one of the important ethical issue come across in advertising. Indeed a sense of dishonesty takes place in consumer beliefs and may get a big loss in their financial resources as well as on health. The study examined in state Tunisia, Africa. A qualitative study and literature review allow us to generate the research. The studies examine on the bases of Tunisian consumers, to identify a structure of two dimensions reliability and validity. Semi-structured interviews were conducted face to face with 42 Tunisians with diversified population. This research has merits of having a better understanding of deception in advertisements. The scale which is used in this research can be useful for marketers. It can be utilize as a scale of the degree of fraud actually predict by customers, it also help managers to make necessary corrections.

As stated by (Saeed, Lodhi, & Komal., 2013), there is a very affective connection that occurs between a deceptive advertising, moral philosophies and ethical behavior of people. The sample size was 150 students of COMSATS Institute of Sahiwal division of Pakistan to determine the result of deceptive advertisement on consumer psyche. Pearson correlation and regression studies were utilized to explore the impact of false advertisements on stakeholder's interest and concern. misleading ads attack the consumer loyalty and ethical behavior, because the people when buy products in real do not resultant as shown in ads, so their moral towards the product becomes low.

(Miluwi, 2011) tested if incorrect or false claims are remembered more often than correct or true claims in an advertisement. The candidates in the experiment were 50 male and 50 female. The study was examined in Barkatullah university Bhopal, India. The study was tested by chi-square method. By the test they find that use of deception in advertisement does not lead to a greater recall of false claim and it was concluded the use of deception can be avoided by following this research.

(Kamlot, Botelho, & Oliveira., 2014), examine the reaction of Brazilian consumers by one advertisement with deception and another without deception. The purpose of the study is to recognize how the Brazilian customers response to companies that circulate advertisings with fake details. The study was examined in the city of Rio de Janeiro, Brazil. The sample was of 359 people which include of 51% women and 49% men. Statistics were calculated (using the SPSS v18 software). By the test it is observed that Brazilian people are

more attracted towards deceptive advertisements than non-deceptive advertisements.

(Fouzia, Raza, & Izhar, 2011), measures the relationship and impact of deceptive beauty advertising on buying behavior. The study was examined at university of Punjab. The sample size of students was 147 in which 47 is male and 95 is female. Descriptive statistics, correlation and liner regression techniques were used with the help of SPSS 16. The authors emphasize on the buying behavior of students and the beauty product ads. As a result of this research they realize that the relation between buying behavior of university students towards beauty products increases as deception in advertisements of beauty product increases and which shows that deceptive beauty products advertisements put a significant and positive behavior.

(Imam, Zadeh, & Dubey, 2011) Determines the studies of marketing strategies which emphasize on the activities that dairy industry needs to take the influence, perceived from the dairy farming system to the world. The purpose of the study is to find lackness in quality of dairy product to compete with global market and also the low yield per animal. The study was conducted at India. Their research methodology is qualitative and based on survey and observations. This study concluded that to grow the Indian dairy industry performance should be made to decrease cost of production, increase production of animals, superior health services and reproduction facility and the management can decrease the cost of milk production.

In this research article the author (Siham, 2013) propose to flourish the concept of ethics in marketing and also focus on unethical marketing practices which relates to advertising and price. The study examined in college of business administration, Saudia Arabia. The sample size is 400 students and is responding of questionnaire. The empirical study is used in this research. The study concluded that unethical practice may occur due to difficulties in managing deceptive pricing, advertisements and product claims.

(Hsieh, Hsu, & Fang, 2010), examine that advertisement with different type of humor influence by relationship between deceptive claims and the effect of the advertisement. The study conducted in Taiwan. The sample size is 194 participants of different universities in Taiwan. The authors use t-test and post-hoc t to survey whether certain type of entertaining ads can cause a better effect. The study concluded that the entertaining ads built a conceal effect that decrease the bad effect of false claims, but also causes deception in the advertisement to materialize economically.

(Raza, Ahad, Shafqat, Shafqat, Aurangzaib, & Rizwan, 2014), intends to survey the relation of past experience, brand image, low price and brand attachment in the area of counterfeit mobile phones in Pakistan. The study was examined in Islamia University of Bahawalpur, Pakistan. A sample of 153 students was taken, using linear regression Spss . Past experience and low price influences on attitude of people towards counterfeit mobile phones. We tested the effect of past experience and low pricing on the consumers and their attitude and behavior towards non-deceptive counterfeit mobile phones.

(Sabir, Ahmad, & Razzaq, 2013), expresses that counterfeiting nowadays become a very serious issue in destroying a real industry. Due to increasing demand of replica products counterfeit market is enlarged. This study is started to check out the influence of factors i.e. perceived quality and economic factor, collaboration concerning counterfeit mobile phones. The study was examined in Sahiwal, Pakistan. Likert scale was used to collect data, sample size was 226. It can be concluded that Pakistani people are interested in buying low quality phones, it happens mostly in youngsters with low pocket money. Consumers also troubles from a false activity of sale of counterfeit products rather than original ones. Companies should develop some methods and codes to identify the difference between original products and replicas.

(Chithra & Kothai, 2014) Explores at analyzing the attitude of consumers of various age groups about watching television advertisement and so an attempt has been made to know about it, whether they believe in ads or not. The study is examined in Pollachitalluk, India with sample size of 200 people was chosen. Further research has been made to view the consumer's negative or positive behavior towards advertisement. This study analyzed that consumers attitude towards ads is positive and they help them what they need, updates the product availability, but on the other hand, some consumers having negative thought regarding ads, they thought ads are exaggerating the product features design, which in real life does not match due to which customers started disbelieving on the particular product.

(hazir & khan, 2014) Evaluate in their research paper that advertisements in Pakistan copying western culture of several products especially mobile products objectify women and idealize particular images of svelte, thin and soft female bodies as feminine capital, which is highly prohibited in our Islam, but due to these ads customer demanding the products which is increasing sales in the market, marketers are compelled to make more ads targeted female and their beauty, people do not focusing deception and blindly trusted due to celebrity endorsement. This study is examined in Islamabad. The study concludes that due to highlighting female in ads make other female a sense of complexity in their real life and can face difficulty in the economy related to their marriage, so marketers should target other areas for selling their products, and also add features in real which is shown in advertisements.

3. METHODOLOGY:

The quantitative method was used in this study, and the survey will be done by the general public like students of Jinnah University, relatives and friends who are using the mobile phones and asking their good and bad experiences, whether the advertisers who promises in ads giving 100% in real life. Yes or no.

3.1 DATA COLLECTION:

The data will be collected by the people who used or using mobile phones in the city of Karachi. Close-ended questionnaire will be given to them to evaluate their experiences. Questionnaire will be based on primary and quantitative data.

3.2 SAMPLE SIZE:

The sample size was 200 using male and female who are using mobile phones via Facebook, whatsapp and emails as well as manually also provided to people who do not use internet. As a result total 180 responses achieved from, working male and female, housewives university students and teenagers.

3.3 TECHNIQUE:

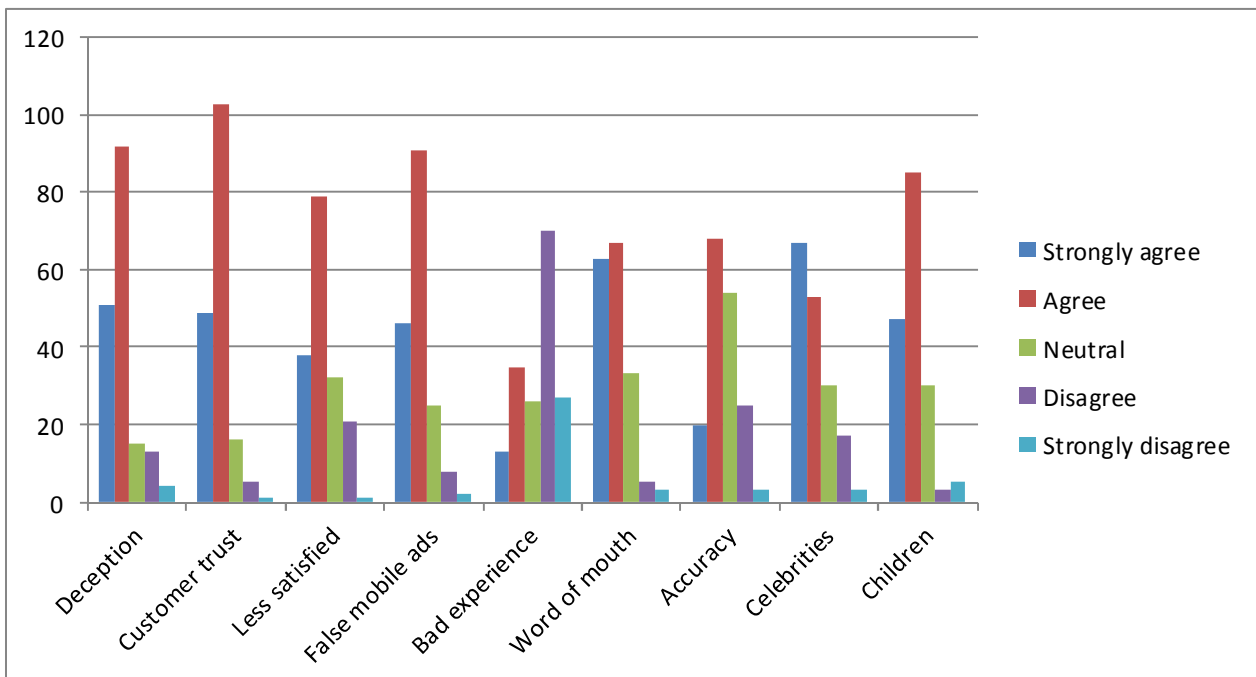
SPSS and excel is used for this research to validate the good or bad experiences of users, this sheet can be useful to demonstrate and will give authentic result of how much population is satisfied with the product advertisement and on the other hand dissatisfied with the product advertisement, the research will be resulted from the graph diagram from working via excel.

4. DATA ANALYSIS:

Data was analyzed by a graph chart.

4.1 GRAPH DIAGRAM:

1. Deception:



- (Deception in ads affect customer loyalty)

Responses:

In the first column, 51 respondents highlighted to be strongly agreed with the statements, 92 respondents were agreed, 15 respondents were moderate, 30 respondents were totally disagreed and 4 respondents were highly disagreed, that means majority people were agreed with the statements, thus it is proved deception affect customer's loyalty.

2. Customer trust:

- (Over promising in mobile ads affect customer trust).

Responses:

In the second column, 49 respondents were strongly agreed, 103 were agreed, neither agree nor disagree were 16, disagree were 15 and only 1 was of strongly disagree with the above statement, hence it is proved by majority that over promising affect customer trust.

3. Less satisfied:

- (Over promising in mobile phone ads make customers less satisfied)

Responses:

In the third column, 38 respondents were strongly agreed, 79 were somehow agreed, neither agree nor disagree were 32, disagree were 21 only 1 was of strongly disagree with the above statement, hence it is proved by majority that over promising in mobile ads make customer less satisfied.

4. False mobile ads:

- (False mobile ads are used as misleading customers).

Responses:

In the fourth column, 46 respondents highlighted to be strongly agreed with the statements, 92 respondents were agreed, 25 respondents were moderate, 8 respondents were totally disagreed and 2 respondents were highly disagreed, that means majority people were agreed with the statements, thus it is proved that false mobile ads is used as misleading customers.

5. Bad experience:

- (Customer's belief remains same after the bad experiences of mobile ads).

Responses:

In the fifth column, 13 respondents were strongly agreed, 35 were agreed, neither agree nor disagree were 26, disagree were 70 and only 27 was of strongly disagree with the above statement, by the study result shows that majority people were saying that the customer belief changes after the bad experiences of mobile phone ads.

6. Word of mouth:

- (Customer's starts bad word of mouth with other people after experiencing the mobile phones due to deception occurs in it, whether they are loyal in past).

Responses:

In the sixth column 63 respondents were highly agreed, 67 were agreed, neutral were 33, disagree responses were 5 and 3 were strongly disagreed, in this statement highly agreed and agreed are approximately equal, and thus customers do bad word of mouth with other people after experiencing the mobile phones due to deception occurs in it, whether they are loyal in past.

7. Accuracy:

- (Advertisements show accuracy in real between mobile phones and customer's needs).

Responses:

In the seventh column 20 respondents were highly agreed, 67 were agreed, neutral were 54, disagree responses were 25 and 3 were strongly disagreed, in this statement people think that ads show accuracy between mobile phones and customer needs, but 54 people were confused.

8. Celebrities:

- (Celebrities personally do not use the mobile phone which they advertise in ads).

Responses:

In the eighth column 67 respondents were highly agreed, 53 were agreed, neutral were 30, disagree responses were 17 and 3 were strongly disagreed, in this statement people strongly belief that customers do not use those mobile phone which they show in their ads.

9. Children:

- (Deceptive mobile ads affect children buying behavior).

Responses

In the ninth column 47 respondents were highly agreed, 85 were agreed, neutral were 30, disagree responses were 3 and 5 were strongly disagreed, in this statement majority people highly agreed that deceptive ads affecting children buying behavior.

5. Conclusion

The study suggests that the deceptive advertising practices occur in mobile phone advertisements which affect customer's loyalty. People nowadays are very much effective by media, and they are eager to know which mobile is presenting in what price, how many features it carries, by which people can get good information, advertisers make effective ads to cater their audiences, and somehow they won their hearts by showing extra features, famous celebrities, good battery timing in android phones.

After the survey taken from 180 people, the study examine that mostly people are not happy with the advertisements they thought deception occurs in ads, their trust started shaking towards phones before buying, it occurs because they have experienced the phone in real, and get a difference between ads of phone and reality of phones, due to which their beliefs changes, and started bad word of mouth with the people whether they are loyal

in past.

Deceptive advertising of mobile ads can lead advertisers in loss, they need to show what they give in real, if customers will be dissatisfied they have to bear a great loss, by which the company becomes risky, advertisers thought they can get a good market share if they do overpromising but they are not thinking it can be a great loss as well, because customers are the king, if they are not happy they will also do a word o mouth with others, so the sellers can never enjoy a good market share.

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