Abstract

Apart from the large global spending on ads, researchers are still investigating its effectiveness in affecting the targeted audience. One of the main reasons is the deception perceived in these ads, which lead to reduce its intended effect. Limited researches had investigated this issue on conceptual or empirical ways especially in less developed countries, where the whole issues of consumers’ rights and ethics are under question. This study adds to the literature on how consumers’ perception of deception in advertising is affected by demographic characteristics. An initial exploratory phase was conducted to understand how consumers’ view deception, which industries include deceptive advertising and to develop research propositions. Followed by, quantitative phase applied on the Telecom industry to test the developed hypotheses. Results revealed that Egyptian females are more sensitive to deception than males. Also, in general, as consumers’ age and the education level increase, their perception of advertising deception increases. Moreover, those who are monolingual are more sensitive to deception than bilingual consumers. Concerning the moderating effect; only gender and age have a moderating effect on the relationship between each of perceived reliability & usefulness and consumer scepticism with perceived DIA. While all other hypothesized moderating effects were unproved.
Theoretical Background

Deception in advertising (DIA) is currently a very serious issue although it has been the main ethical concern since the 1950’s (Kotler, 2004). At the beginning deceptive advertising research received an intensive attention from regulatory agencies (i.e. Federal Trade Committee in USA) to define the term and determine the standards according to which an ad claim is considered deceptive (Darke, Ashworth, and Ritchie 2008). As a result most research in this area was conducted from legal perspective which impacted the academic marketing researches. Marketing scholars then redefined the term according to marketing needs. Researchers have taken great pains to define misleading, deception, deceptive, and puffery, as well as the conditions under which deception occurs (e.g., Armstrong and Russ, 1975; Ford et al., 1975; Jacoby and Small, 1975; Gardner, 1975; Preston, 1977; Olson and Dover, 1978; Armstrong et al., 1979; Russo et al., 1981; Shimp and Preston, 1981; Shimp, 1983). Hyman (1990) reviewed many definitions made by researchers, lawyers and regulators and suggested the need for a common definition for DIA. Hyman (1990) definition is that an advertisement is deceptive if it contains a believable claim which encourages a discrepancy between what purchasers or purchase influencers believe to be claimed and what is fact and encourages the consumer to build upon previously held wrong beliefs, so that their viewing of the advertisement interacts with these prior beliefs to produce incorrect beliefs. Later on, an intensive research, starting the 2000’s, was followed including both practitioners and consumers. Adita (2001) explored the psychology of deception in marketing. Shaver (2003) and Drumwright and Murphy (2004) focused in their studies on advertising practitioners and how they view ethics. Darke and Ritchie (2007) studied the consequences of advertising deception. Shabir and Thwaites (2007) study aim was to investigate the use of humour as a masking device for deceptive advertising claims. Shanahan and Hopkins (2007) explored the different emotional responses of consumers to deceptive advertising. LaTour and Michael (2009) examined the impact of mood on consumers’ implicit and explicit responses to false advertising. Prendergast, Liu and Poon (2009) identified for which types of products and services Hong Kung consumers find the advertising to lack credibility and in which media this effect is most serious. Preston (2010) detailed the dilemmas involving the interaction of advertising regulations & ethics. Serota (2011) introduced a different approach and studied how to determine the ability of the consumer to know whether or not she or he has been deceived by marketing messages. This research made it questionable how consumers with different abilities could perceive deception differently. And this opened the field for the need to understand how consumers’ perception of deception could differ according to demographic differences among them.

It is believed that advertising is carefully crafted to be attention getting and that the aim of advertising ultimately is to persuade people to buy the advertised product. In some cases especially when the product is faced with severe competition the producer’s goal might be to create the most persuasive promotional message in order to achieve perceived preference for these differentiating characteristics and this gives a room for deception to occur (Parasuraman, 1997; Woodruff, 1997). Also, when the cost to achieve a desired competitive advantage exceeds the cost at which the producer can meet normative or personal ethical standards (Murphy, 2002) or when intended goals are not met, there is an increased incentive for deception and unethical behaviours in general (Schweitzer, Ordóñez, & Douma, 2004).

It is well documented that consumers cannot be categorised based on one type of belief or behaviour as their belief, behaviour and their context interact. Consumers' personality, needs and life experiences shape their advertising beliefs and attitudes; so consumer's ad related beliefs is influenced by the psychological factor perception. Consumer perception is
explained by Van der Walt (1991, p. 296) statement “Merely seeing or hearing, however, cannot be referred to as perception. Perception is seeing or hearing it in terms of a person’s frame of reference”. Hence, perception is related to personal learning, experiences and contextual factors. This research proposes that consumers’ perception of DIA might differ according to consumers’ demographic characteristics (mainly gender, age and education). This could be explained that perception results from other more basic abilities and personality traits and from marketplace experiences, which may be influenced by those demographic characteristics. This paper mainely examines the effect of demographic differences on consumers’ perception of DIA.

**Hypotheses Development**

Although gender is a very common form of segmentation used by marketers (Tifferet & Herstein, 2012), comparatively little research about gender differences has been done from a consumer behaviour perspective and much research has been published in the psychology literature. Research has found related advertising beliefs to differ by gender, with women easier to persuade (Obermiller and Spangenberg, 1998). The best explanation may be the social role theory, which argues that women are more likely to be involved to play social roles related to agreeableness and support for others, whereas men are encouraged to be dominant and assertive (Eagly & Steffen, 1984). A point of interest here is whether the consumer's gender might alter his or her sensitivity to DIA. In particular, it is wondered if female consumers might be more sensitive than males to be deceived by advertising. This is derived from gender differences in both the magnitude and the nature of elaboration that might occur during processing of an ad.

**H1: Females are more sensitive to deception in advertising than males.**

The primary source of influence on perception of DIA is the accumulated consumer experiences. If we assume that, on average, consumers are encountering about the same amount of advertising claims per unit of time, then increasing age should reflect more instances when advertising failed to match product performance. Thus, we should expect a generally positive relation between age and perception of DIA. Boush, Friestad, and Rose (1994) found some evidence for increasing consumers’ advertising scepticism with age among adolescents. However, the elderly may represent an exception because as age increases, analytical abilities may begin to decrease and resistance to advertising decreases.

**H2: As consumer’s age increase, consumer’s perception of deception increase.**

In general, perception is affected by consumers’ frame of reference (Van der Walt, 1991) which includes the cognitive component that is shaped from person’s experiences and knowledge. Education has an important role in building person’s knowledge and cognitive abilities. It is wondered if consumer’s with different education levels differ in their perception of deception in advertising. **H3: As consumer’s education level increase, consumer’s perception of deception increase.**

Reviewing the literature came up with some factors that are affecting the consumers’ perception of DIA which are perceived reliability and usefulness of the information conveyed in the ad, consumers’ product experience, perceived trustworthiness in the regulatory agency (i.e. Consumer Protection Agency in Egypt), and consumer scepticism (adapted from Mayer, Davis and Schoorman, 1995; Johnson and Grayson, 2000; Soh, Reid and King, 2009). This was also supported by the results of the qualitative phase. The moderating effect of the demographic characteristics between those independent variables and the perception of DIA were investigated. (Moderating hypotheses are presented in the appendix).
Context
This study was conducted in the Egyptian market setting which is new to the consumer rights culture, applying on the telecom sector. First, because it is believed that telecom companies are engaged in a lot of marketing communications that are used to promote sales by granting various offers to consumers, thereby persuading them to make a purchase (i.e. subscription) decision and such persuasion gives a room for deception (which was proved within the exploratory phase). Second, telecom service is important for both males and females which give the opportunity to test the difference among their perception of deception regardless their consumption behaviour. Third, telecom advertising is targeting consumers with different ages, education level, social standards and income level as in Egypt owning a mobile is very common and became a matter of a must nowadays. This makes it easier to access the sample units and also to achieve the research objectives concerning the effect of demographics on the perceived deception in advertising.

Research Methodology
This research is of a mixed nature where the researcher deployed both qualitative and quantitative research methods. The first phase is where preliminary exploratory interviews were conducted with consumers to gain further insight about their view of the subject area, to determine which industries involve deception in its advertising and to develop research hypotheses. A judgemental sample technique was followed in the selection of the 10 interviewees. Afterwards, the second phase involved the quantitative approach where data were collected and analyzed for the sake of hypothesis testing and using statistical tests. A quota sample was followed to make sure that each of the three operating companies in Egypt are fairly represented according to their number of subscribers, data in this phase was collected through a questionnaire in both Arabic and English languages.

Findings and Results
The results of the T-test of the effect of gender on the perception of DIA showed that females are more sensitive to deception than males where the mean score for females (3) is larger than that for males(2.4). The Anova test for the effect of age on the perception of deception showed that consumers less than 18 years are the most sensitive to DIA with mean score 3.4, followed by consumers from 18 to 35 years with mean score 2.8. Consumers with age 35 to over 50 are more likely to perceive advertising as deceptive (2). The Anova results of the effect of education on the perception of DIA showed that consumers less than high school are the sensitive to DIA with mean score 3.4. Followed by consumers holding postgraduate degrees with mean score 3.01. There was no significant difference between consumers in high schools and with university degree consumers who are more likely to perceive advertising as deceptive mean score (2.5). In general, as age and education increase, consumers’ experiences and knowledge increase, this is reflected on person’s frame of reference and in turn on his perception of deception. Also, the effect of consumer’s monthly payment for the service on perception of DIA was tested. The Anova proved that consumers’ monthly payment has no effect on their perception of DIA. A final T-test was conducted to test the difference between consumers who responded in Arabic versus English languages showed that those who responded in Arabic (2.8) are more sensitive for deception in advertising than those responded in English (2.6), this could be a result of expected difference in education level social environment and cultural context.
Partial correlation tests were carried out to test the moderating effect; only gender and age were proved to have a moderating effect on the relationship between each of perceived reliability & usefulness and consumer scepticism with perceived DIA. While all other hypothesized moderating effects were unproved.
### Appendix: Hypothesis Testing Results

<table>
<thead>
<tr>
<th>Alternative Hypotheses</th>
<th>Test Result</th>
<th>Sig. level</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Females are more sensitive to deception in advertising than males.</td>
<td>Approved</td>
<td>.000</td>
</tr>
<tr>
<td>H2: As consumer’s age increase, consumer’s perception of deception increase.</td>
<td>Approved</td>
<td>.000</td>
</tr>
<tr>
<td>H3: As consumer’s education level increase, consumer’s perception of deception increase</td>
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<td>.000</td>
</tr>
<tr>
<td>H4: Gender moderates the relationship between perceived reliability &amp; usefulness (H4.1), product experience (H4.2), perceived trustworthiness in CPA (H4.3), consumer scepticism (H4.4) and perceived deception in advertising.</td>
<td>H4.1 Approved</td>
<td>.000</td>
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<tr>
<td></td>
<td>H4.2 Rejected</td>
<td>.004</td>
</tr>
<tr>
<td></td>
<td>H4.4 Rejected</td>
<td>.003</td>
</tr>
<tr>
<td></td>
<td>H4.5 Approved</td>
<td>.000</td>
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<tr>
<td>H5: Age moderates the relationship between perceived reliability &amp; usefulness (H5.1), product experience (H5.2), perceived trustworthiness in CPA (H5.3), consumer scepticism (H5.4) and perceived deception in advertising.</td>
<td>H5.1 Approved</td>
<td>.000</td>
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<tr>
<td></td>
<td>H5.2 Rejected</td>
<td>.033</td>
</tr>
<tr>
<td></td>
<td>H5.3 Rejected</td>
<td>.015</td>
</tr>
<tr>
<td></td>
<td>H5.4 Approved</td>
<td>.000</td>
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<tr>
<td>H6: Education moderates the relationship between perceived reliability &amp; usefulness (H6.1), product experience (H6.2), perceived trustworthiness in CPA (H6.3), consumer scepticism (H6.4) and perceived deception in advertising.</td>
<td>H6.1 Rejected</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>H6.2 Rejected</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>H6.3 Rejected</td>
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</tr>
<tr>
<td></td>
<td>H6.4 Rejected</td>
<td>.000</td>
</tr>
<tr>
<td>H7: Income moderates the relationship between perceived reliability &amp; usefulness (H7.1), product experience (H7.2), perceived trustworthiness in CPA (H7.3), consumer scepticism (H7.4) and perceived deception in advertising.</td>
<td>H7.1 Rejected</td>
<td>.000</td>
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<td></td>
<td>H7.2 Rejected</td>
<td>.015</td>
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<td></td>
<td>H7.3 Rejected</td>
<td>.032</td>
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<td></td>
<td>H7.4 Rejected</td>
<td>.000</td>
</tr>
<tr>
<td>H8: Monthly Payment moderates the relationship between perceived reliability &amp; usefulness (H8.1), product experience (H8.2), perceived trustworthiness in CPA (H8.3), consumer scepticism (H8.4) and perceived deception in advertising.</td>
<td>H10.1 Rejected</td>
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<tr>
<td></td>
<td>H10.2 Rejected</td>
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<td></td>
<td>H10.4 Rejected</td>
<td>.001</td>
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<td></td>
<td>H10.5 Rejected</td>
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References


