

Understanding the Egyptian consumers' perception of deception in advertising: "Developing Research Propositions"

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Abstract

Advertising may enhance market performance by providing useful information to consumers and enabling the firm to promote for its products and compete better with its rivals. However, advertising may negatively affect many aspects of the organization when it is employed to transmit deceptive messages. When this happens, the effectiveness of advertising is undermined, and in extreme cases a market failure might occur. This research aims to studying what constitutes deception from consumers' perspective. Mixed data collection methods will be used; an initial exploratory phase was conducted to reach propositions that will be tested in the later quantitative phase. Exploratory phase identified some factors the consumers think are affecting their perception of deception; which are consumer advertising scepticism, experience with the product being advertised, the perceived reliability and usefulness of the information conveyed in advertising, the firm reputation and finally their perceived trustworthiness of the advertising regulation agency. This research is believed to assist advertisers when making decisions related to communication with consumers. It is also an attempt to help policy makers to get insights into the reforms required to guarantee better consumers protection. Ultimately all this would result in more protection for the consumers' rights in the market place.

Keywords: *Deception in advertising, consumers' perception, Telecom sector, Egypt*

Track: *Ethics and Marketing*

I. Introduction

There are strong reasons for thinking that deceptive advertising is morally objectionable (Carson, Wokutch & Cox, 1985). As deceptive ads harm consumers by causing them to have false beliefs about the products being advertised, thus leading some consumers to make different purchasing decisions than they would have made otherwise. Furthermore, lying (and by extension, deception) lowers the general level of truth and transparency that is essential to the proper functioning of the society and its economic system. On the other hand, advertising that provides truthful detailed product information enhances market performance through the free flow of information, it is believed that unwanted products will cease to exist in the marketplace, and prices will stabilize (Davis, 1994; Azcuenaga, 1995; Attas, 1999).

Drumwright and Murphy (2004) pointed out that advertising practitioners face ethical issues that are common to all professionals, but they also encounter issues related specifically to advertising because advertising greatly impact consumer lives by providing essential information to assist in the evaluation of goods and services in the purchase decision making process (Davis, 1994). Much of the controversy over advertising stems from the ways many companies use it as a selling tool and from its impact on society's material wants, values and lifestyles. Ethical charges against advertising include selling dreams, influencing advertising recipients into confusing dreams with reality, persuading desires for things that are bad for the community and manipulating consumers into wanting things they don't really need. "Deception in the context of marketing practices is unethical and unfair to the deceived" (Aditya, 2001, p.745). The moral question of what is right or appropriate poses many dilemmas for marketers; advertisers and their agencies are often required to make many difficult ethical choices, whatever choices advertisers make, there are always third parties (e.g.; Consumers, public interest groups, consumer protection agencies, competitors, media commentators) to criticize advertiser's actions and choices. Serota (2011) claimed that there is an implicit assumption that the advertising regulatory agencies need to regulate marketing communications because consumers cannot judge the veracity of marketing messages for themselves. However, while the regulatory and monitoring functions provide some measure of protection and assurance, the first line of defence would ideally be the consumer's own perceptions and interpretations. Therefore, this paper aims to better understand deception in advertising i.e. to get into consumer's minds and reach a contextual understanding of what constitutes deception in advertising from consumer's view point and to identify the main factors influencing the perception of deceptive advertising and the relative importance of each factor.

II. Literature Review

Towards conceptualizing deceptive advertising

Business ethics is mainly about moral criticism of business, and this would include criticism of marketing as well, because of its most out-going and aggressive nature, with all its specific tools and tricks and its specific acceptable and unacceptable choices and consequences (Brinkmann, 2002). Schlegelmilch and Oberseder (2010) proposed that the area of the ethical issues related to advertising and promotion has a more specialized appeal among other marketing ethics topics because of its high number of publications but a comparatively low number of citations. Drumwright and Murphy (2009) pointed out that it would be a mistake to assume that advertising ethics has received coverage corresponding with its importance. While advertising ethics has been recognized as a mainstream topic (Hyman, Tansley, and Clark 1994), little attention has been paid hitherto to empirically investigate many areas in this field (Drumwright and Murphy, 2009), these areas were identified by Hyman et al. (1994) who listed 33 items (i.e. the use of deception in advertising, advertising to children, tobacco advertising, alcoholic beverage advertisements and negative political advertising) deceptive advertising came on the top priority in Hyman et al. (1994) list.

Defining deceptive advertising has been a primary concern for scholars and regulators (Gardner, 1975; Carson, Wokutch, and Cox, 1985; Greer and Thompson, 1985; Gao, 2008). Differences in the various definitions reflect disagreements on what constitutes deception; should intent to deceive be present, and should proof of actual deception be required? (Gao, 2008). Deception is generally defined as false or misleading claims in advertising (Hyman, 1990). Russo, Metcalf, and Stephens (1981) suggested that an advertisement is deceptive if it creates, increases or exploits a false belief about product/service performance. Roman (2010) argued that deception comes in a wide array of forms other than the outright lies, different features of such forms are the amount and sufficiency of information, degree of truthfulness, clarity, relevance, and intent. Despite differences in the conceptualization of deception in advertising, some common features can be identified: deception can be observed after exposure to an advertisement, it creates false beliefs and interpretations about the product or service and unlike deception in the context of human communication, the element of intentionality is not necessary for the realization of deception in advertising.

Deception in advertising: A multidisciplinary perspective

Much of the research in the area of advertising deception has been conducted from legal perspective in order to inform and structure the regulatory processes that are intended to protect competitors and consumers from unfair advertising. Many American researchers studied comprehensively the legal parameters of deception, incorporating the Federal Trade Commission practices to support claims made in advertising. As a result, marketing scholars have tended to define deception in ways that reflect a more legalistic view. The contemporary focus of marketing deception research has been the effect of the deceptive message on the receiver. Three factors account for this approach as Serota (2011) clarified. First, marketing scholars are most concerned with whether or not marketing communications are effective, second because deception by some can distort perceptions of the roles and practices of all marketers and finally the evolution of legal and regulatory perspectives.

Research in traditional settings showed that deceptive company policies impact consumers' attitudes and behaviours in the market place (e.g., Ingram, Skinner and Taylor, 2005; Jehn and Scott, 2008; Ramsey, Marshall, Johnston and Deeter-Schmelz, 2007). Pollay (1986) was one of the first researchers to propose that exposure to deceptive advertising "turn us into a community of cynics, who doubt advertisers, the media, and authority in all its forms" (p. 29). Behavioural studies have found that deception engender distrust (Darke and Ritchie 2007) and leads to avoidance of the perpetrator (Wang, Galinsky, and Murnighan 2009). Shanahan and Hopkins (2007) found that deceptive ads may be treated as a manipulation, and the audience could be expected to have a negative emotional response toward the ads. Darke and Ritchie (2007) showed that advertising deception make consumers broadly defensive toward future advertising and produces effects that are long lasting and damaging for the advertisers who are directly responsible for making such deceptive claims.

Perceived Deception and Trustworthiness

It is argued that perceived deception is highly related to trustworthiness. Perceived deception is generally defined as the extent to which a consumer believes that the advertising he was exposed to tends to mislead him. Trustworthiness is the belief of one party (i.e. consumer) that the other party (i.e. advertiser) is worth of trust in a particular situation (advertisements) (Morrow et al, 2004). The conceptualization of both constructs is similar but perceived deception views trustworthiness from the other side. Thus the research models for trustworthiness and trust are reviewed (see Appendix 1) trying to reach a better understanding of the perceived advertising deception that the literature showed little concern towards this area.

III. Research Methods and Exploratory Phase

Consumers who are the population of this study can be divided into many categories, thus quota sampling method is employed. In-depth interviews were conducted with youth consumers as they are the target for most advertisements. Ten students, from different universities, who differ in gender, having different educational and cultural background, were interviewed. A series of open ended questions (see Appendix 2) were used in order to explore their perception of advertising and whether they perceive advertising as deceptive or truthful. By analyzing data collected from interviews (see Appendix 3), it is clear among those consumers that advertisements in Egypt in general are to some extent deceptive. Deceptive-from their point of view- means that the ad is not giving honest, complete, clear and useful information about the product and that it creates an unreal picture of the product. They all agreed that such deceptive ads are unethical and unacceptable although they may continue to buy the product because of the need. The common products that include more deceptive ads are food products, weight loss drugs and telecom services. By consensus, the government is not doing its role in protecting consumers against such deceptive advertising. When it comes to the factors they think are affecting their perception of deception; four groups of factors emerged: factors related to the consumer (consumer scepticism and product experience) factors related to the ad (reliability and usefulness of the ad.), factors related to the company (firm reputation) and finally factors related to perceived trustworthiness of the advertising regulation agency. This exploratory evidence will be followed by a quantitative phase which is planned to be carried out in order to be able to test the developed propositions, a self administered survey is to be conducted that would help to examine the developed propositions on a large sample.

IV. Research Propositions

A proposed conceptual framework is developed through the literature review and the exploratory phase (see Appendix 4), and six research propositions are developed;

R1: Consumers who are highly sceptical to advertising are more likely to perceive ads as deceptive.

R2: Consumers who have lower experience with the product being advertised are more likely to perceive ads as deceptive.

R3: Consumers with lower perceived reliability of the information conveyed in the ad are more likely to perceive ads as deceptive.

R4: Consumers with lower perceived usefulness of the information conveyed in the ad are more likely to perceive ads as deceptive.

R5: Consumers with lower perceived firm reputation are more likely to perceive ads as deceptive.

R6: Consumers with lower perceived system trustworthiness (perceived trustworthy of advertising regulation agency) are more likely to perceive ads as deceptive.

V. Research Setting

Egypt is new to the culture of consumer protection, The Egyptian consumer protection agency (CPA) has been established for the implementation of the consumer protection law, together with its executive regulations that were enacted by law 67 of the year 2006. One of the consumer rights as per this is the right to obtain correct information and data of the products that are offered to consumer. This study will focus on telecom services in the next quantitative phase. The exploratory phase provided evidence that this sector contain deceptive advertising. This telecom sector is very fertile due to its large number of accessible users. The number of mobile lines in usage for the three companies (Mobinil, Vodafone and Etisalat) reached 92.04 million within second quarter of 2012 with an increase of 23.41 % from April 2011. Telecommunication services in Egypt are governed by the National Telecom Regulatory Authority (NTRA) which has the power and authority to monitor and measure the quality of service provided by the three mobile operators in Egypt.

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Appendix 1: Trust and Trustworthiness Models

Trust Model	Variables	Parallel term in advertising context
Dimensions of Trust (Johnson and Grayson, 2000)	Generalized trust: means trust without making a conscious decision to trust only because we have no reason to doubt, collective attribute existing among members of society, dictated by general shared norms of behaviour.	General attitude towards advertising
	System trust: based on the written rules and the effectiveness of the regulatory institutions in enforcing these rules	Perceived trustworthiness in the advertising regulation agency
	Process based trust: refers to the trust that is developed through repeated interactions in a certain relationship.	Product experience (previously viewed ads, usage of the product)
	Personality based trust: the general tendency to trust/distrust is determined by personality traits	Consumer advertising scepticism
Perceived Trustworthiness Model (Mayer, Davis and Schoorman, 1995)	Ability: the skills, competencies and characteristics that make a party able to have influence within a certain domain	Perceived Usefulness
	Integrity: the person believes that the trustee adheres to a set to principles that is acceptable to him/her	Perceived Reliability
	Benevolence: the extent to which the trustee is believed will do well aside from a selfish profit motive	Perceived motivation of the advertiser
	Trust propensity: the general willingness to trust others and people differ in their inherent propensity to trust	Consumer advertising scepticism
Advertising Trust Model (Soh, Reid and King, 2009).	Perceived Usefulness: the extent to which the information is valuable and useful	
	Perceived Reliability: extend to which an advertiser is honest and consistent in what he does from a customer perspective	
	Affect : Consumer likability of the advertising	
	Willingness to rely on advertising: the consumer intention to rely on advertising when making purchase decision	

Appendix 2: Interview guide for consumers

1. What do you think about advertising in general?
2. How frequently do you watch advertising?
3. Have you recently met ads you have judged to be deceptive/misleading? Please give me some examples.
4. What forms of deception are there in these ads? Are they always easy to identify?
5. When do you consider an advertisement to be a deceptive one?
6. Describe a deception free advertisement
7. For what type of products advertising seems to be more deceptive /misleading?
8. Do you consider such deceptive messages as unethical or is it an acceptable tricky tool by advertising practitioners?
9. What are your reactions to these deceptions?
10. Do you think it is possible to accept deception in advertising? To what extent can the use of deception be considered as tolerable?
11. Do you think that the Egyptian government is doing its role in protecting consumers against misleading advertising?
12. From your perspective, what are the factors that affect your perception of deception in advertising?

Appendix 3: Examples of consumer responses in the interview

An environment of mistrust

“Many ads are deceptive and are only done to mislead us to buy” (Hisham, 21, engineering student)

“Advertisers want to take advantage over consumers” (Hossam, 19, commercial studies student)

“We all know we are being deceived” (Hossam, 19, business student)

“We already know that they are not saying the truth” (Dina, 18, economics & political science student)

“They show a high quality product in the ad and the actual product is not” (Hisham, 21, engineering student)

Some consumers lose trust in ads as a result from all the deceptive ads we are seeing and even if a specific ad is honest they saw to themselves there must be something wrong or something tricky behind this” (Salma, 22, marketing student)

What constitutes deception?

“Some ads attract consumers by the shape of the product and not give us information about it” (Mohamed, 21, engineering student)

“When competitors attack each other, there ads are misleading because each of them is not offering something different” (Dina, 18, economics and political science student)

“Mobinil , Vodafone and Etisalat, each company show that it is the market leader in something (Network coverage, low cost) but they are all the same” (Mohamed, 21, engineering student)

“For telecom services, hidden charges are very familiar” (Mohamed, 21, engineering student)
An ad should first state the facts in an honest way. Second is to state the product advantages and also disadvantages” (Salma, 22, marketing student)

“If I know the product well, no one can deceive me about it” (Mona, 22, arts student)

“Some products’ ads are already trusted because you trust the company advertising for it” (Mohamed, 21, engineering student)

Detected

“Some ads you feel like how silly are those advertisers; anyone would not believe it” (Mona, 22, Arts student)

“We are not silly to that extend to believe this” (Mohamed, 21, engineering student)

“I will believe the ad if the advertiser is just honest; we as consumers have brains to choose and decide!” (Dina, 18, economics and political science student)

Unethical and Unacceptable

“Advertising practitioners are clever to know how to deceive consumers but ethically this is not acceptable” (Mohamed, 21, engineering student)

“Deception is very unethical, it’s not tricky smart tools from advertisers because if any company wants to gain consumer loyalty it should be straight forward” (Salma, 22, marketing student)

“We as consumers have the right to get safe products and to get honest information from ads” (Salma, 22, marketing student)

“If the government was doing its role in this area, many ads will be prevented from being broadcasted” (Mona, 22, arts student)

Appendix 4: Proposed Conceptual Framework

