



Prospects and Challenges of Commerce

Kamal Raj Mohan • Divya C.

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CHAPTER

2

**Relationship Between Misleading
Advertisements and Consumer
Confidence in a Brand: A Study
with Reference to Cosmetic
Products**

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ABSTRACT

Advertisements are now very important for any business activity because it attracts customers to use the particular product or service. The advertisements that deceive or are likely to deceive anyone who sees it is termed as misleading advertisements. Misleading advertising may affect the consumer's preferences regarding what they intend to buy. But to some extent the costumers' are bothered about false advertisement and the like. The main objective of this study is to study the relation between misleading advertisements and consumer confidence in a brand. Primary data regarding the misleading advertisement and

consumer confidence in a brand has been collected from 160 customers of various cosmetics shops and beauty care shops in Palakkad districts which comprises of different genders and income groups. The data collected through a structured questionnaire. The study finds that there is no any relation between misleading advertisement and consumer confidence in a brand.

Keywords: Advertisement, Brand, Business, Misleading, Consumer

Introduction

Marketing is everywhere. People and organisations engaged in large number of activities either formally or informally that we could call marketing. Good marketing has become an increasingly inevitable ingredient for the success of business. And also marketing deeply affects our day to day lives. The advertising executive of today is a calculative, cunning, manipulator. He knows us better than we know ourselves as he has studied our minds in minute detail and knows how and what to say about a product which will make us buy that product. The power of influence made by an advertiser over the common man is enormous which affects the common man's psychology which in turn has an effect on his purchasing attitude. The choice of purchase depends on the psychological impact undergone by the common man due to the advertisements. Therefore, advertising and psychology are closely linked and advertising targets only on the psychology of individuals to sell their products.

Advertising is a very powerful psychological gun. Just as how a gun can be used to kill wild animals, the advertiser uses advertisements as a psychological gun towards the common man. This psychological gun can be used in both ways, to educate people in a proper way

to make them know about true values of products or the other way it may be used unethically to persuade people to buy unethical or inferior products. When one points a gun at people and takes their money it is illegal but when one points a psychological gun at people and takes their money it is known as advertising.

Media of all sorts plays a crucial role to bring the impact by playing the art of psycho sell. Media is utilized for transmitting or conveying the advertiser's ideas to the common man. On the other side, media is heavily dependent on advertising and advertisers. Without advertising, commercial media cannot exist. For example if print media is analyzed, out of their crores of revenue as annual turnover, 90 % of its revenue is generated from advertising.

The impact of advertisements on children is more than the adults. This is because; they lack the ability to distinguish between the good and bad due to their tender age. Therefore, they are easily lured by the eye catchy advertisements that are aired in audio-video forms. Every advertiser is permitted to exhibit disclaimers with respect to their advertisements but with limitations. The limitations for disclaimers must be followed by the advertisers. The ASCI has issued the guidelines for disclaimers supporting, limiting or explaining claims made in an advertisement, which states that Advertisements shall neither distort facts nor mislead the consumer by means of implications or omissions. Therefore it is important that material claims, which could have a tendency to mislead consumers or which consumers would have difficulty in understanding, made in an advertisement are appropriately qualified or disclaimed to ensure that reasonable consumers with average intelligence are not misled or deceived by means of implications or omissions. These guidelines are meant to help Advertisers, Agencies and Media to interpret the rules in the ASCI Code for self-regulation in Advertising

in so far as they relate to disclaimers used in Advertising.

An advertisement could be considered as misleading under multiple situations.

1. Hidden fees and charges when the consumers are often misled by the hidden charges made by the Service providers on the fees and surcharges that are not disclosed to the customer in the advertised price.
2. Misleading includes when there was Manipulation of measurement units and standards. Term Manipulation includes claims such as 'Natural', 'Fresh', 'Pure', 'Organic', 'Original', 'Traditional', 'Premium', 'Finest', 'Best', 'Authentic', 'Genuine', 'Real' etc. Even words like, 'Home made', 'Home Cooked', may give an erroneous impression to the consumer and should not be used to mislead them.
3. False colouring is one form of misleading the customers to make them believe that the food is fresher, riper or otherwise healthier. Same is mainly made by using chemicals which ruins the health of consumers.
4. Many companies give false guarantee without specifying the remedy if that guarantee fails.
5. Misleading advertisement also includes an advertisement which makes a false claim directly misrepresenting the facts. When a product announces that it costs less per ounce than its competitive product, but when you go to the store, the opposite is true, it amounts a false claim.
6. Advertisements offering gifts and discounts on the actual prize become misleading when the advertiser does it to deceive the customer by

manipulating the actual price or when he does not have the actual intention to provide as he advertised.

Review of Literature

Bhavani and Prakash (2009) have held that teenage girls are more influenced by advertising than boys particularly in the context of beauty care products. Teenage girls spend more money than their male counterparts on skin and makeup items. They have concluded that teenage girls become an easy target for more than real life images portrayed by advertisements, because of their strong concern regarding their looks and body weight.

Neeraj Kauslik and Deepak Gupta (2009) have studied the consumers' buying pattern of cosmetic products in South Haryana and they find that the age group of 15-20 years is beauty conscious. Persons in this category are the more frequent users of cosmetics. In particular, the high income group is found to be using cosmetics daily to look appealing.

Azad Priyant (2011) has concluded his study stating that the good brand should create a distinctive image in the hearts of the customers. It can be created by frequent interaction with customers through promotional media and superior quality products delivering on their promises.

Charwak B. (2016) examined the consumer loyalty towards Himalaya healthy skin products. The devices utilized for this study were chi-square test and cross organization investigation. The study presumed that the respondents use face wash of Himalaya every day. Respondents utilize the Himalaya healthy skin items since they are normal. The analyst recommended that compelling effort ought to be begun by the organization so that the respondents can know about the results of the organization.

Statement of the Problem

There are many advertisements in virtually all platforms that buyers can access. It would appear that presentation of false information has gradually been adopted as a serious marketing strategy by some organisations, and it's becoming a replacement normal. It is however, worth noting that such false information are never helpful to the purchasers who soon realise that they acted (by buying goods or services) on the thought of information that cannot be verified nor validated. There are variety of Laws and Regulations that prohibit false and misleading advertisements. These are enacted to safe guard the consumers from various sorts of exploitation. The major problem relates with the effective implementation of those Acts, as a result little or no action is taken. The regulatory agencies established under different laws have also formulated rules, regulations and advertisement codes to make sure that advertisers do not mislead consumers through their publicity material, including advertisements While all these laws, meant to curb false and misleading advertisements are enforced by different enforcement agencies/ regulators, the Consumer Protection Act is that the only law that provides the buyer , the proper to hunt redress against such advertisements, including compensation for any loss or injury caused as a result of such advertisements. Despite variety of laws to curb false and misleading advertisements and protect consumer interest, consumers still are victims of such advertisements due to (a) the poor enforcement of the laws and (b) lacunae or inadequacies in the existing laws. Through this study the researcher seeks to answer the following questions.

- (a) Is the consumers are the victims of misleading advertisements?

- (b) Is there any relation between misleading advertisements and consumer confidence in a brand?

Objectives of the Study

1. To study the relation between misleading advertisements and consumer confidence in a brand.

Hypotheses of the Study

The following two hypotheses were based on the research questions presented above.

1. H1: There is no relation between misleading advertisements and consumer confidence in a brand.
2. H2: There is no significant relationship between misleading advertisements based on education.

Methodology and Data

Both primary and secondary data has been used for the study. Primary data regarding the misleading advertisement and consumer confidence in a brand has been collected from 160 customers of various cosmetics shops and beauty care shops in Palakkad districts which comprises of different genders and income groups. The data collected through a structured questionnaire by using purposive sampling method. Secondary data has been collected from various reference books, web sites, journals, etc. The collected data has been analysed by using the following statistical tools:

- Descriptive Statistics
- Correlation
- Analysis of Variance

Results and Discussion

Table 1: Descriptive statistics of Demographic profile of respondents

	<i>N</i>	<i>Mini- mum</i>	<i>Maxi- mum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Gender of the respondents	160	1	2	1.50	.502
Age of the respondents	160	1	4	2.14	.743
Educational Qualification	160	1	4	2.57	.589
Occupation of the Respondents	160	1	5	2.94	1.196
Annual Income of the respondents	160	1	4	3.06	1.014
Valid N (list wise)	160				

Source: Primary Data

Table 1 shows the descriptive statistics of demographic profile of respondents.

Table 2: Descriptive Statistics of Respondents buying interval of cosmetic products

	<i>N</i>	<i>Mini- mum</i>	<i>Maxi- mum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Buying interval of cosmetic products	160	1	4	2.67	.767
Buying interval of cosmetic products	160	1	4	2.51	.502
Buying interval of cosmetic products	160	1	4	2.71	.454
Buying interval of cosmetic products	160	1	4	2.62	.487
Valid N (list wise)	160				

Source: Primary Data

Table 2 shows the descriptive Statistics of Respondents buying interval of cosmetic products. The

mean value lies below 3 that mean all the respondents are purchased cosmetics once in two months.

Table 3: Descriptive Statistics of Money spent on cosmetic products

	<i>N</i>	<i>Mini- mum</i>	<i>Maxi- mum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Money spent on buying cosmetic products	160	1	3	2.89	1.044
Money spent on buying cosmetic products	160	1	3	2.67	1.074
Money spent on buying cosmetic products	160	1	3	2.33	1.026
Money spent on buying cosmetic products	160	1	3	2.70	1.115
Valid N (list wise)	160				

Source: Primary Data

Table 3 shows the money spent on buying cosmetic products. The mean value lies below 3 that mean all the respondents are average spenders.

Table 4 : Correlation between misleading of Cosmetic products advertisements and customers confidence in a brand

		<i>cosmetic products ad mislead consumer</i>	<i>feel very confident about my brand</i>
Cosmetic products ad mislead consumer	Pearson Correlation Sig. (2-tailed) N	1 160	.001 .991 160
Feel very confident about my brand	Pearson Correlation Sig. (2-tailed) N	.001 .991 160	1 160

Source: Primary Data

The above table shows the Correlation between misleading of Cosmetic products advertisements and customer's confidence in a brand. The correlation value was not significant, that means the hypothesis accepted. There is no relation between misleading advertisement and consumer confidence in a brand.

Table 5: Misleading of cosmetic products advertisement based on education

	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Between Groups	.213	2	.107	.260	.772
Within Groups	64.530	157	.411		
Total	64.744	159			

Source: Primary Data

The above table shows the result of analysis of variance between misleading advertisements based on education. The F value is not significant, that means there is no significant relationship between misleading advertisements based on education.

Findings of the Study

1. There is no relation between misleading advertisement and consumer confidence in a brand.
2. The respondents are average spenders regarding the cosmetics.
3. The respondents are purchased cosmetics once in two months.
4. There is no significant relationship between misleading advertisements based on education.

Conclusion

When consumers become aware of misleading advertising, they become more sensitive to any form of

advertising, depending on their level of emotion. Consumers are not likely to abandon the brands to which they are loyal if they discover that businesses are not truthful or are misleading in their advertising. They stick on their brand. The respondents have a very strong feeling that their brands meet their expectations. Even if another brand is cheaper, they prefer using the same brand and they would say positive things about this brand to other people. This study concludes that the customers are aware about the misleading advertisement and they selected their brands after they think rationally. Once they selected a brand, it will not be changed. There is no any relation between misleading advertisement and consumer confidence in a brand.

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