

Chapter 15

Advertising Deceit: Manipulation of Information, False Advertising, and Promotion

ABSTRACT

Deceptive advertising denotes a producer's usage of mystifying, deceiving, or blatantly untrue statements when endorsing a product. There are several illegal methods for attempting to deceive consumers. This can be done through concealed fees or the usage of surcharges. Deceptive advertising can also take place when "going out of business sales" charge consumers more for products that had already been marked down. Advertising law identifies the manipulation of standards as dishonesty under customer law. Undefined terminology is also considered a violation under consumer law. Marketing deceit is a practice that can equate to a crime. Thus, a marketer should not get involved in deceiving their potential customers for this manipulation would lead to various harms: it erodes one's self-confidence and hinders the development of responsible advertising. Big companies make big mistakes, this is to say that trust associated with big companies holds severe uncertainties. This chapter explores advertising deceit.

INTRODUCTION

Advertising is a kind of communication envisioned to convince an audience to either buy or take another action towards products, services, or ideas. The power of advertising in persuading the general public to buy or benefit from products and services is undeniable. In fact, concentrated ads that specifically cater to certain segments of the market have a powerful effect on the constituents of these segments as they play on their most particular needs, wants, and fears. In fact, advertising

has become so powerful that it is able to influence consumers into purchasing goods and services that they might not purchase otherwise. This is why false advertising (also known as deceptive advertising or deceitful advertising) is particularly dangerous. In very simple terms, false advertising is the act of using false or misleading statements. More precisely, the U.S' Lanham Act of 1946 unmistakably states that false advertising is "any advertising or promotion that misrepresents the nature, characteristics, qualities or geographic origin of goods, services or commercial activities."

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BACKGROUND

Advertising is a kind of communication envisioned to convince an audience to either buy or take another action towards products, services, or ideas. These messages are regularly paid for by sponsors and viewed via diverse media.

Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement. To be perceived, understood and memorized, advertising has generally a very little time. It should simultaneously collect the attention, retain it and transmit its message. In that matter, advertising could be classified in the category of techniques of mental manipulation. This technique aims via messages to reach the result.

Deceptive advertising denotes a producer's usage of mystifying, deceiving, or blatantly untrue statements when endorsing a product. The law of advertising will protect customers from deceptive advertising by enforcing specific legislation. Advertising law and consumer law both promote truth in labeling.

A company will charge extra fees beyond the advertised price for a certain product or service.

Companies going out of business may charge customers higher prices. According to consumer law, this is very unfair because it deceives the consumer and takes advantage of him.

Terms that are not defined properly may lead to false advertising because they may contain vague meanings that customers do not comprehend.

CURRENT RESEARCH

Deceptive advertising can take on many forms. An example of that is visual puffery. The Federal Trade Commission (FTC) defines visual puffery as "term frequently used to denote the exaggerations reasonably to be expected of a seller as to the degree of quality of his product, the truth or

falsity of which cannot be precisely determined," (Fetscherin and Toncar, 2009). A study authored by Marc Fetscherin and Mark Toncar and published in 2009 sought to investigate the presence and effects of puffery in advertisements about women's fragrances. The final results of the research showed that "... *visual* puffery does exist, and can generate expectations that in many cases exceed actual product evaluations" (Fetscherin and Toncar, 2009). Other studies have shown that the mental state of consumers has a severe effect on their susceptibility to false advertising. In fact, one study conducted by Kathryn and Michael LaTour reveals that consumers who are in a good mood are more likely to identify false advertisement. What's really surprising, however, is that these people are also more likely to develop positive feelings towards the brand that's being falsely advertised (LaTour and LaTour, 2009).

After having established that consumers' moods affect their susceptibility to false advertising, marketing and behavioral researchers began exploring the neural processes that take place when consumers are exposed to deceptive ads. Along those lines, Craig et al (2012) collected neuroimaging data of participants while they were exposed to three types of advertising: believable advertisements, moderately deceptive advertisements, and highly deceptive advertisements (Craig et al, 2012). The results showed that there is greater brain activity associated with viewing advertisements that were moderately deceptive than there was activity when the consumers were subjected to ads that were either believable or highly deceptive. These findings suggest that consumers are more attentive to ads that are moderately deceptive and are thus more inclined to believe them. (Craig et al, 2012).

While exploring the effects of deceitful advertising, Quiang Yan (2012) states that "false advertising not only undermines consumers' interests, it may also generate negative spill-over effects on

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