

Misleading, not false – The Risks of Deception and Hypocrisy

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In response to the growing consumers' expectations about pro-environmental corporate behaviors, particularly within the fashion industry, brands are making corporate responsibilities an important part of marketing objectives (Bhaduri, 2019). However, to fulfill these obligatory expectations, brands are often believed to resort to deceptions in their marketing messages (Wagner *et al.*, 2020). Deception refers to the practice of using deliberate messages to create misleading conclusions in recipients' minds (Wagner *et al.*, 2020). While the literature discusses deceptions related to using false statements, such as bamboozling, or presenting unsupported claims, such as greenwashing (Mowbray, 2013; Szabo & Webster, 2020), brands often deceive their consumers with the artful use of truthful but vague statements (Wicker, 2020). Thus, this research investigates how deceptive marketing (truthful but misleading) influences consumers' perceptions and relationships with the brand using a single-factor experimental research.

Prior research has identified several forms of deception such as the use of false statements, unsupported claims, lying by omission, and paltering (Rogers *et al.*, 2017). Specifically, paltering is a form of deception where one actively uses true statements to create misleading impressions (Rogers *et al.*, 2017). Applied to the fashion industry and its corporate responsibilities, deception by paltering seems to be a common phenomenon (Wicker, 2020). For example, Everlane's sustainability webpage refers to the importance of organic cotton, radical transparency (Everlane, n.d.). While the brand shares technically true and overwhelming about the need for better cotton or a transparent supply chain, it does not give any clarity on what it is (not) doing, with no verifiable data. As consumers would be bound to be tricked to perceive the brand as an ethical one, a recent media report unraveled the brand's ethical image as an illusion (Testa, 2020). Other brands such as H&M and Zara have also been criticized for deliberately using misleading but not false statements to trick their consumers (Segran, 2019). However, most of the marketing literature related to environmental responsibilities focuses on other kinds of deceptions (Mowbray, 2013; Szabo & Webster, 2020). In spite of its prominence, little to no research investigate this common type of deception used by brands, and thus deception by paltering formulates the main focus of this research. The literature further indicates that brands' deceptive marketing practices create a perception of hypocrisy, defined as "the belief that a firm claim to be something that it is not" (Wagner *et al.*, 2009, p.9). That is, corporate deception was theoretically identified as an antecedent to stakeholders' perceptions of hypocrisy (Wagner *et al.*, 2020). However, such theoretical notions lack empirical evidence. Thus, this study hypothesizes that deceptions related to corporate environmental responsibilities in marketing messages generate hypocrisy perceptions among consumers (H1).

Consumers develop a relationship with brands through ongoing interactions (Xia, 2013). The brand-consumer relationship is an important factor for brands' reputation, revenues, and sustenance (Ozdemir *et al.*, 2020). It is a multi-faceted concept and depends on consumers' commitment (an enduring desire and effort to continue the relationship), intimacy (a perceived depth of relational ties and comfortability),

satisfaction (consumers' overall happiness) and self-connection (ability to identify with the brand) (Aaker et al., 2004). Such a relationship is known to be bolstered by the brand's sincerity. When consumers perceive brands to be sincere and genuine, they often experience a stronger and durable relationship with such brands (Aaker et al., 2004). In this light, one may argue that if consumers perceive brands to be insincere and rather hypocrites, such perceptions might weaken their brand relationships. That is, if consumers perceive brands to not walk their talks in their environmental responsibilities, such might weaken consumers' commitment, intimacy, self-connection, and satisfaction with the brand. Therefore, this study hypothesized that consumers' hypocrisy perceptions will reduce consumer-brand relationships by reducing their *commitment (H2a)*, *intimacy (H2b)*, *satisfaction (H2c)*, and *self-connection (H2d)* with the brand.

U.S. adult participants (n = 100) were recruited using Qualtrics for a single factor (deception: present/absent) online experiment. Considering the single factor design, this sample size was determined satisfactory for this research (Wilson et al., 2007). To manipulate deception by paltering, stimuli were designed in the form of brands' marketing messages advertising their environmental initiatives, followed by a news media report. The brand message was manipulated to present truthful but also specific, verifiable relevant environmental information, along with a media report highlighting how the brand delivered on its commitment with demonstrable evidence (for deception *absent*). Similarly, the brand message was manipulated to present truthful but irrelevant and misleading information about environmental impacts, followed by media reports indicating how there is a lack of clarity and the brand failed to share any verifiable data (for deception *present*). Participants were randomly exposed to one stimulus set, followed by questions about hypocrisy (Wagner et al., 2009) measured on a 7-point Likert-type scale (1: strongly disagree to 7: strongly agree). Participants also answered questions about commitment, intimacy, satisfaction, and self-connection on 7-point Likert-type scales (1: strongly disagree to 7: strongly agree) to report their relationship strength with the brand (Aaker et al., 2004). Hypotheses were tested using PROCESS (model 4), a macro using regression-based conditional process analyses and bootstrapped confidence intervals, in SPSS (Hayes, 2018). Results revealed that brand deception positively impacted hypocrisy perceptions ($\beta = 1.38, p < .001, CI95 = 1.07, 1.68$), supporting H1. This hypocrisy did not impact participants' brand commitment ($\beta = -0.22, p = .26, CI95 = -0.59, 0.16$), lacking support for H2a. However, hypocrisy perceptions negatively impacted participants' intimacy with the brand ($\beta = -0.44, p = 0.01, CI95 = -0.78, -0.11$), satisfaction ($\beta = -0.48, p = 0.02, CI95 = -0.88, -0.08$), and self-connection ($\beta = -0.55, p = 0.01, CI95 = -0.94, -0.16$), supporting H2b, H2c, and H2d.

The study sheds insight on deception by paltering, one of the most prevalent malpractice in corporate responsibility related marketing communication and underscores the consequential risks for brands associated with such deception. The results have several implications. First, it presents empirical evidence to theoretical arguments that deception in marketing communication generates hypocrisy perceptions among consumers (Wagner et al., 2020). Since hypocrisy perceptions are known to threaten the brand image and generate oppositional behaviors among consumers in response, it is imperative that brands need to actively avoid such deceptive marketing messages and manage hypocrisy perceptions. Second, it draws our attention to deception by paltering, a distinct but popular form of communication where brands use truthful but irrelevant and unverifiable statements to purposefully mislead consumers (Rogers et al.,

2017). While the majority of the communication and marketing research focuses on deceptions such as brands lying by omission or with unsubstantiated claims, in reality, brands often deceive consumers by deliberately misleading information such as Madewell, H&M, and Zara (Segran, 2019). This also paves the path for future research within the marketing area by comparing various types of deceptions (lying by commission, lying by omission, and paltering) to investigate their impacts on consumers' perceptions and behaviors. Third, this study underscores the negative consequences for brands' deception, as hypocrisy perceptions dampen consumers' relationship strength with brands.

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