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The Defensive Consumer:  
Advertising Deception, Defensive Processing, and Distrust

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The authors show that deceptive advertising engenders distrust, which negatively impacts response to subsequent advertising from both the same source and second-party sources. This negative bias operates through a process of defensive stereotyping, wherein the initial deception induces negative beliefs about advertising and marketing in general, thereby undermining the credibility of further advertising. Implications are discussed.

Consider the following examples: An advertisement for a photo finishing service displays a well-known brand of film paper, but when the photos are ordered they are actually printed on an inferior brand. A consumer reads an ad for a discount offer on computer printers, but on visiting the store finds the ad failed to mention that the printers were refurbished. A car dealership ad claims that a particular vehicle is “well equipped, lots of options,” but consumers who consult automotive magazines discover that it is actually a base model with only standard features. These are all examples of consumer complaints made to the industry regulatory agency *Advertising Standards* ([www.adstandards.com](http://www.adstandards.com)). Our research investigates the impact that such forms of advertising deception have on consumer responses to subsequent advertising claims.

We propose that advertising deception leads consumers to become defensive in the sense that they become broadly distrustful of further advertising claims. A series of studies shows that advertising deception produces a negative bias in attitudes towards subsequent ads. This bias not only applied to the original source of deception, but generalized from one advertiser to the next, across different geographical regions, different kinds of products, and different types of claims. These generalized effects occurred because advertising deception activated negative stereotypes about advertising and marketing in general. The main implication of our work is that deceptive advertising can seriously undermine the general effectiveness of advertising communication by making consumers defensive, and should therefore be of concern to all advertisers. Even advertisers who had superior products proved to be vulnerable to these effects. Strategies for reducing the occurrence of misleading advertising and dealing with defensive consumers are offered.

### *BACKGROUND*

Past research on misleading advertising has focused largely on identifying the specific types of claims that lead consumers to make erroneous judgments (e.g., Burke, Milberg, and Moe 1997; Johar 1995; Shimp and Preston 1981; Snyder 1989). For instance, incomplete comparisons (see Shimp 1978) suggest that a product is of high quality without providing a clear

referent of comparison (e.g., “Acme brand is faster acting”), thereby rendering the claim essentially meaningless (faster acting than what?). Another common form of deception involves the use of implied superiority claims (Snyder 1989), which suggest that the target brand is better than competitors without stating this claim directly (e.g., no toothpaste fights cavities better). However, such claims do not preclude the possibility that all brands perform equally well, or even that no brands are particularly effective.

While consumers often fall prey to the subtle inferences implied by such advertising claims, complaints received each year by agencies such as *Advertising Standards* and the *Better Business Bureau* attest to the fact that many of those who are initially misled by advertising eventually recognize that they were duped. Indeed, reports of deceptive advertising appear to be increasing: Between 1997 and 2001, *Advertising Standards* recorded a twofold increase in the number of complaints it received. Such complaints, as illustrated by the examples above, tend to focus on the failure of products to live up to the expectations created by the ads. Such complaints are consistent with a form of misleading advertising known as *claim-fact discrepancies* (Gardner 1975). Consumers need not know exactly how they were misled by an advertising claim; they merely need to perceive a discrepancy between the impression generated by the ad and the performance of the product in order to know they have been fooled. The present investigation adds to the existing literature on deceptive advertising by focusing on the impact that advertising deception, in the form of claim-fact discrepancies, has on responses to further advertising claims, as well as its role in generating negative stereotypes and distrust towards advertising and marketing as a whole.

Pollay (1986) was one of the first to propose that exposure to deceptive advertising can prompt consumers to adopt a broad negative posture towards further attempts at persuasion. He suggested that all forms of communication rely on a basic norm of honesty, and that breaking this norm can prompt individuals to make the generalization that no one should be trusted. According to Pollay, false advertising claims “turn us into a community of cynics, (who)

doubt advertisers, the media, and authority in all its forms” (p. 29). This view is consistent with traditional definitions of distrust, including that of Rotter (1967), who proposed that an individual tends to become distrustful when others fail to live up to the words, statements or promises they make (also see Kramer 1999). Rotter further distinguished between *specific* trust/distrust, which is based on past interactions with the same source, and more *generalized* trust/distrust, which emerges from an individual’s cumulative experience with similar sources. According to this view, consumers are assumed to be fairly rational in their use of information pertaining to the trustworthiness of an advertising source, in that they should rely on generalized perceptions of trust/distrust only in the absence of more specific evidence.

Others view distrust as a powerful force that is capable of producing persistent biases in judgment (Kramer 1998). For instance, distrust may lead consumers to make a “sinister attribution error,” characterized by an over-attribution of hostile intentions to advertisers (Main 2004). It has also been shown to engender perceptions of conspiracy in which consumers overestimate the coordination of influence attempts made by different advertisers. Kramer (1998) has argued that such forms of distrust are often reinforced by a confirmation bias, which undermines information that is objectively diagnostic of the truth and leads to judgments that verify initial distrust. In general, this view characterizes distrustful individuals as irrational, in the sense that they overgeneralize distrust to situations where it is not warranted.

A number of indicators suggest that consumers are becoming increasingly distrustful of business practices in general, and of advertising in particular. For instance, the proportion of people who say they distrust major corporations has more than doubled in the past 30 years (Nye, Zelikow, and King 1997). More recently, an opinion poll by Ipsos-Reid (2003) revealed that a mere 17% of respondents trusted the advertising industry. Only the much-maligned tobacco industry was less trusted. Other research has shown that a majority of consumers hold negative beliefs toward advertising and that distrust is a central feature of these beliefs. For instance, a study by Pollay and Mittal (1993) identified 39% of households as “critical cynics”

(view advertising as largely false and corruptive), 7% as “deceptiveness wary” (acknowledge some benefits to advertising without actually trusting it), and 16% as “degeneracy wary” (regard advertising as deceptive and harmful to important social values). Only 38% of respondents in the survey were characterized as “content consumers” who viewed advertising as both truthful and informative. Overall, it appears that consumers often distrust advertising, and that deceptive advertising may play an important role in generating such distrust.

### *THEORETICAL DEVELOPMENT*

#### *Dual Process Framework*

We used a dual process framework (Chaiken and Trope 1999) to test the prediction that deceptive advertising produces a negative bias in evaluative responses towards subsequent advertising messages by engendering distrust. In particular, we adopted the terminology of the heuristic-systematic model (Chaiken, Giner-Sorolla, and Chen 1996; Chen and Chaiken 1999), which proposes that persuasion can occur through both *heuristic* and *systematic* processing. The heuristic process involves the use of heuristic cues for the purposes of making simple inferences (e.g., one should agree with a trustworthy source). Systematic processing involves more effortful elaboration of persuasive arguments, and typically produces evaluations that reflect the strength of these arguments (Petty and Cacioppo 1986). Importantly, this model suggests the same variable (e.g., trust/distrust) can play multiple roles in persuasion. Traditionally, dual process models have assumed that information processing is driven by accuracy goals; that is, a desire to be impartial, open-minded, and logical. However, more recent versions recognize that evaluations can also serve defense goals (Chaiken, Giner-Sorolla, and Chen 1996), wherein evaluations are used to protect one’s self-image or material interests (Darke and Chaiken 2005). Defense goals are most likely to be evoked when persuasive messages are personally threatening, and tend to bias information processing in a direction that reduces such threats.

Evidence has shown that defense goals can lead to either biased heuristic or biased systematic processing, depending on the level of threat involved. *Defense-biased systematic processing* typically arises when the threat from a persuasive message is high, leading to active counterarguing, and elaborative thoughts and evaluations that are biased in a self-protective direction (Liberman and Chaiken 1992). In contrast, when the threat is indirect or less immediate, defense goals tend to be served by *defense-biased heuristic processing*, where simple cues are selectively used to neutralize threatening information (Giner-Sorolla and Chaiken 1997). For instance, an individual might avoid the implications of a threatening message by evoking a negative stereotype about the message source in order to undermine their credibility (Sinclair and Kunda 1999). This is known as *defensive stereotyping*, and tends to occur automatically in response to personal threats (Spencer et al. 1998).

In dual processing terms, we suggest that advertising deception makes consumers feel that they have been fooled, which motivates them to protect themselves against subsequent deception. Consequently, we expected that consumers who had recently been deceived by an advertiser would react to further ads from the *same source* by engaging in *defensive systematic processing*. A new ad from the same deceptive source presents a clear and immediate threat of being fooled again, and should lead individuals to engage in active counterarguing of the second ad, thereby producing a negative bias in evaluations and elaborative thoughts.

More importantly, we were also interested in examining the notion that deception by one advertiser could lead consumers to become more distrustful of ads from other sources (Pollay 1986). In this case, we expected negative attitudes to be the result of *defensive heuristic processing*, since receiving a message from a second, unrelated advertising source should constitute a less direct threat to consumers. More specifically, we expected the process to be one of *defensive stereotyping*, whereby the initial deception would evoke negative stereotypes about advertising or marketing in general. Once activated, these negative stereotypes should produce a negative bias in subsequent attitudes by undermining trust in the second advertiser.

Different kinds of elements can constitute the content of negative stereotypes towards advertising or marketing, including beliefs, feelings, attitudes, and exemplars (Fiske and Taylor 1984). We were most interested in the aspects of such stereotypes that were related to distrust towards second-party advertisers. Two different measures were used to assess stereotype activation in the studies reported here: the advertising skepticism scale and an implicit measure of stereotype activation. Consistent with the notion of defensive stereotyping, ad skepticism is defined as “a general tendency toward disbelief of advertising claims” (Obermiller and Spangenberg 1998, p. 160). As such, it is part of a broader set of marketplace beliefs that includes schemer schemas (Friestad and Wright 1994) and negative feelings and attitudes toward advertising and marketing in general. Skepticism towards advertising is also related to skepticism in other marketing contexts (e.g., sales), but distinct from skepticism in non-marketing contexts. While reliable trait differences exist in ad skepticism, evidence has shown that such beliefs can also be influenced on a temporary basis by recent marketplace experiences (Obermiller and Spangenberg 2000). Our second measure of stereotype activation was an implicit measure (see Bargh, Lombardi, and Higgins 1988) that assessed the extent to which negative beliefs about the truthfulness of marketers were primed by advertising deception (Exp 3). In both cases, the idea was that ad deception would activate negative marketing stereotypes, undermining trust in other advertisers, and insulating the consumer against further persuasion attempts by advertisers.

#### *Dual Process Research on Trust/Distrust*

Existing research within the dual process framework suggests that trust/distrust can play multiple roles in persuasion. Early studies found that trust acts as a simple agreement cue in heuristic processing, with greater agreement when the individual has information that a specific source can be trusted (e.g., Petty, Cacioppo, and Schumann 1983). More recent work has shown that distrust increases the level of objective systematic processing (Priester and Petty 1995). Learning that a persuasive source had an ulterior motive led people to differentiate more

between strong and weak arguments, such that attitudes became more positive for strong arguments and more negative for weak arguments. This pattern is indicative of objective systematic processing (Petty and Cacioppo 1986). Ulterior motives are also known to increase the accuracy of attributional thoughts concerning the credibility of the message source (Campbell and Kirmani 2000; Fein, Hilton, and Miller 1990). Notably, however, all these studies manipulated specific trust (as defined by Rotter 1967), in that information pertaining directly to the message source formed the basis for determining the trustworthiness of that same source. Overall, then, existing evidence indicates that source-specific trust acts as a simple heuristic cue, and that source-specific distrust increases the level of objective systematic processing.

Our investigation builds on this research by showing that distrust arising from exposure to deceptive advertising has distinctly different effects from those identified in previous studies. In particular, ad deception should evoke defense goals, resulting in a negative bias in judgment towards additional advertising messages. When confronted with subsequent advertising from the same deceptive source, we would expect consumers to exhibit negatively biased systematic processing, rather than simply showing an increase in objective systematic processing. Our research also goes beyond specific sources of trust/distrust to examine the generalized effects of distrust on second-party sources. We expected that generalized distrust would bias the heuristic processing of second-party messages in accordance with the defensive stereotyping mechanism, by evoking negative stereotypes towards marketing. This process is distinct from the simple heuristic processing related to specific source cues observed in previous research.

To test these ideas, we conducted a series of experiments that manipulated the deceptiveness of an initial ad and examined whether this would have negative effects on evaluations and information processing of a second ad that included weak and/or strong supportive arguments. Our theoretical framework inspired the following predictions:

H1: Ad deception should lead to more negative evaluations of products offered in subsequent ads, even if the ad comes from a different advertiser (Pollay 1986).

H2: The effects of ad deception should be mediated by active counterarguing when the second ad comes from the same advertiser, but not when the second ad comes from a different advertiser, due to differences in the level of threat.

We also made two alternative predictions for the effects of ad deception on strong and weak arguments:

H3a: The *accuracy view* suggests that ad deception should lead to *greater differentiation* between strong and weak arguments from the same source.

H3b: The *defensive-bias view* suggests that *both* strong and weak arguments will be vulnerable to the negative effects of prior deception.

Note that both the accuracy and defense views predict that deception will lead to more negative attitudes for weak arguments. Responses to strong arguments are more diagnostic: If ad deception prompts an increase in objective, accuracy-motivated processing, the result should be more positive evaluations in response to strong arguments. On the other hand, if ad deception produces defensive processing, responses should be more negative even in the face of strong arguments. Additional predictions are made in the context of each experiment.

### *EXPERIMENT 1*

Exp 1 examined whether exposure to deceptive advertising would cause consumers to become defensive towards a second ad from either the same advertiser or from a second-party advertiser. A manipulation of argument quality was also included to determine whether any systematic processing observed was biased or objective in nature. In addition, a trait measure of skepticism toward advertising was included so that the effects of these pre-existing beliefs could be compared to those of the deception manipulation.

#### *Method*

*Subjects and Design.* One hundred and seventy-two undergraduate students were randomly assigned to conditions in the 2 (*Advertiser*: same, different) × 2 (*Deception*: yes, no) ×

2 (*Argument-strength*: strong, weak) experimental design. The main dependent measures were attitudes and cognitive responses.

*Procedure.* Subjects completed the study in pairs (separated by dividers). The procedure included two phases. In the first phase, which served to deliver the deception manipulation, all subjects rated an initial ad for a dishwasher. In the second phase, subjects were given an in-store pamphlet for an answering machine called the XT-100. This pamphlet was used to manipulate the strength of the supportive arguments for the target product. The second advertising source was also varied so that the ad came from either the same or a different source from that of the initial dishwasher ad. After reading the pamphlet, subjects completed a questionnaire containing the dependent measures.

*Phase 1.* Participants read an initial ad for a dishwasher called the Tilgo 2400, which contained a number of misleading claims designed to elicit favorable evaluations: Thinking about top quality dishwashers? Think Tilgo; Unbeatable performance for less; More features than other leading national brands; New Ultraspray™ cleaning power sets Tilgo above the rest; No other dishwasher gives you more value than Tilgo. Subjects then rated the Tilgo 2400 relative to competitors, and assessed its quality, durability, and value. A pilot test indicated that ratings of this product were generally positive: For each measure, over 90% of respondents rated the Tilgo 2400 as average or better, and no one chose the lowest rating.

The experimenter then administered the *deception manipulation*. This was done under the guise of an informal debriefing for the first part of the study. Participants were given information that *Consumer Reports* magazine, an impartial tester of consumer products, had evaluated the Tilgo 2400 and determined that it was one of the worst dishwashers on the market. The experimenter also noted that the ad seemed to suggest the product was substantially better than was actually the case. Participants in the *control condition* (no deception) received no feedback about the Tilgo 2400. This manipulation was designed to be consistent with the fact-claim discrepancy definition of misleading advertising.

*Phase 2.* In the second phase of the experiment, subjects were asked to read an additional pamphlet (approximately 470 words in length), which provided information about the XT-100 answering machine and contained a manipulation of *argument strength* (based on Chaiken and Maheswaran 1994). Specifically, the pamphlet compared the XT-100 with two competing brands on six product attributes and asserted that the XT-100 was superior to both brands. A pretest was used to select important and unimportant attributes. In the *strong argument* version, the XT-100 was superior on four important attributes (digital recording, call display, advanced message retrieval, personal memo) and inferior on two unimportant attributes (number of colors, number of lines). In the *weak argument* version, the XT-100 was inferior on two important attributes (digital recording, call display) and superior on four unimportant attributes (number of colors, number of lines, number of sizes, specialty bolts). Subjects were given as much time as they wanted to read the pamphlet, after which the pamphlets were collected. The ad claims used for weak and strong messages included only objective, search-attribute claims, which consumers are more likely to trust (Ford, Smith, and Swasy 1990).

This study also manipulated whether the initial dishwasher ad and the subsequent pamphlet for the XT-100 were attributed to the *same advertiser* or to a *different advertiser*. This was accomplished by varying the name of the retailer in the initial dishwasher ad: attributed to “Bestway Appliances and Electronics” in the same advertiser condition, and to “Kingston Appliances” in the different advertiser condition. It was important to clearly distinguish the source of the dishwasher ad from the source of XT-100 pamphlet for subjects in the different advertiser condition, so these individuals were led to believe that their evaluation of the XT-100 was part of a separate study: Following the deception manipulation, each pair of subjects was told that only one person was needed for the second phase of the study, and that the other would complete a different study in a different room with a different experimenter. A coin toss was used to ostensibly assign subjects to these two roles. In reality, all subjects read the pamphlet for the XT-100, and completed the same final questionnaire. There was no evidence

of suspicion regarding the connection between the two studies in either the debriefing session or in open-ended suspicion probes included in the questionnaire.

*Dependent Measures.* Respondents rated (1 to 9) their overall *attitude toward the XT-100* on the following items: bad-good, useless-useful, negative-positive, unfavorable-favorable and not appealing-appealing. These were averaged to form an index ( $\alpha = .97$ ). Next, subjects were given 3 minutes to describe any thoughts they had while looking at the XT-100 pamphlet. These were classified as positive, negative or neutral by a trained coder who was blind to experimental condition. A *valenced thought index* was calculated by subtracting the number of negative thoughts from the number of positive thoughts, and dividing this by the total number of thoughts. As a check for argument strength, subjects rated (from 1=few; 9=many) both the number of positive and negative features offered by the XT-100 ( $r = -.50$ ). To gauge the deceptiveness of the initial ad, subjects rated the degree to which (1=not at all; 9=extremely) they considered the dishwasher ad to be *truthful*, *honest*, *misleading* and *deceptive* ( $\alpha=.80$ ). Subjects also rated whether they felt *fooled* and *tricked* by the initial ad ( $r = .88$ ). In addition, subjects had completed the advertising skepticism scale approximately one month prior to the study (SKEP; Obermiller and Spangenberg 1998). This consists of 9 items (e.g., "We can depend on getting the truth in most advertising") rated on 5 point scales, which were averaged to produce trait SKEP scores ( $\alpha=.84$ ). Higher scores indicate greater skepticism towards advertising.

### *Results and Discussion*

*ANCOVAs.* A 2 (advertiser)  $\times$  2 (deception)  $\times$  2 (argument strength) ANCOVA with the SKEP scale as the covariate was computed for all dependent measures. Initial analyses indicated that the SKEP scale did not interact with the manipulated variables. All means have been adjusted for the covariate.

Two separate ANCOVAs revealed significant main effects of the deception manipulation on perceived deceptiveness of the initial ad ( $F(1,163)=138.02, p <.001$ ) and the extent to which subjects felt fooled ( $F(1,163)=118.36, p <.001$ ). No other effects were significant ( $ps >.15$ ). Relative to controls, individuals in the deception condition saw the initial ad as more deceptive ( $M_s = 6.80$  vs.  $4.50$ ) and felt more fooled ( $M_s = 6.57$  vs.  $3.72$ ). The product features measure revealed only a main effect of argument strength ( $F(1,163)=129.38, p <.001$ ), indicating that strong arguments included better features than weak arguments ( $M_s = 3.75$  vs.  $-1.12$ ).

The ANCOVA for attitudes toward the XT-100 found significant main effects of deception ( $F(1,163)=15.59, p <.001$ ), argument strength ( $F(1,163)=91.48, p <.001$ ), and advertising source ( $F(1,163)=5.50, p <.05$ ), along with an unexpected three-way interaction ( $F(1,163)=4.66, p <.05$ ). The SKEP covariate was also significant ( $r = -.21, F(1,163)=11.86, p <.001$ ). Analysis showed that attitudes were more positive for strong versus weak arguments ( $M_s = 6.88$  vs.  $4.86$ ), indicating that subjects recognized the inherent merits of the ad claims. Despite this, prior deception had a negative influence on attitudes ( $M_s = 5.45$  vs.  $6.28$  for controls). This was true for most argument  $\times$  advertiser combinations; however the three-way interaction indicated that deception had no effect on attitudes towards weak arguments from a different advertiser ( $M = 5.03$  vs.  $4.97$ ). These findings partially support H1. Also, despite the three-way interaction, there was reasonable support for the defensive-bias hypothesis (H3b) over the accuracy hypothesis (H3a), since deception led to more negative attitudes in most conditions, including all instances where subjects were faced with strong arguments.

The valenced thought index revealed main effects of argument strength ( $F(1,163)=76.01, p <.001$ ) and advertiser ( $F(1,163)=11.39, p <.001$ ), along with deception  $\times$  advertiser and deception  $\times$  argument-strength interactions ( $F_s(1,163)=5.59$  and  $4.22, ps <.05$ ). The SKEP covariate was also significant ( $r = -.14, F(1,163)=6.85, p <.01$ ). As predicted by H2, the deception  $\times$  advertiser interaction showed that deception had a negative influence on message related thoughts for the same advertiser ( $M_s = -.38$  for control vs.  $-.63$  for deception,  $p <.01$ ),

but not for a different advertiser ( $M_s = -.31$  for control vs.  $-.24$  for deception,  $p > .30$ ). This suggests that deception led to biased *systematic* processing only when the message came from the same deceptive source. The deception  $\times$  argument strength interaction further indicates that deception had a negative effect on thoughts generated by strong arguments ( $M_s = -.02$  vs.  $-.21$ ,  $p < .05$ ), but not weak arguments ( $M_s = -.71$  vs.  $-.66$ ,  $p > .50$ ).

*Mediation.* The deception  $\times$  advertiser interaction for valenced thoughts indicated that the effects of deception on elaboration depended on whether the second advertising source was the same advertiser as before, or different. Separate path analyses were computed for each advertiser condition to directly examine whether cognitive responses mediated the effects of deception on attitudes. Consistent with H2, the DECEPTION—THOUGHTS—ATTITUDE path was significant for the same advertiser ( $\beta_s = -.22$  and  $.53$ ,  $ps < .05$ ), indicating that deception biased attitudes through active counterarguing. Conversely, when the second ad was attributed to a different advertiser, the direct DECEPTION—ATTITUDE path was significant ( $\beta = -.19$ ,  $p < .05$ ), but not the mediated DECEPTION—THOUGHTS—ATTITUDE path ( $\beta_s = .05$  and  $.62$ ,  $ps > .60$  and  $< .001$ ). The absence of cognitive mediation in this latter case indicates that prior deception by a different advertiser biased attitudes through heuristic processing alone (also consistent with H2).

A final path analysis was computed to examine the cognitive mediation underlying the effects of the SKEP scale on attitudes. This showed evidence of both biased systematic processing (TRAIT-SKEP—THOUGHTS—ATTITUDE path;  $\beta_s = -.14$  and  $.57$ ,  $ps < .06$ ) and biased heuristic processing (TRAIT-SKEP—ATTITUDE path;  $\beta = -.13$ ,  $p < .05$ ). These results are comparable to the defensive processing induced by the deception manipulation.

*Summary.* Results from this study largely supported the prediction that the deceptive ad would have a negative impact on both the same advertiser and the second-party advertiser (H1). Path analyses suggested that active counterarguing was involved in the direct effects of deception (same advertiser), but not in the generalized effects of deception (different advertiser); consistent with the notion that consumers would engage in defensive heuristic

processing when the threat was less direct (H2). Finally, there was evidence that prior deception induced biased information processing (H3b) in the sense that deception had negative effects on attitudes even when the second ad contained strong arguments. It is important to note that these findings cannot be explained by any increase in objective processing induced by ad deception, since this should have produced greater differentiation between strong and weak arguments (i.e., there was no support for H3a). There was however evidence that some amount of objective processing occurred, in the sense that consumers generally appreciated the differences between strong and weak arguments on measures of valenced thoughts and attitudes. The fact that strong arguments proved vulnerable to the negative effects of deception, despite the fact that consumers were aware of the superior benefits, suggests the defensive bias had a relatively powerful effect on information processing and attitudes. Finally, trait differences in ad skepticism produced effects that were similar to those of prior deception. This provided some initial evidence that deceptive claims may activate negative stereotypes about advertisers. Additional evidence of this phenomenon is provided in the experiments that follow.

While the majority of findings supported H1, the fact that there were no negative effects of ad deception for weak arguments from a different advertiser was inconsistent with this notion. It seems possible that the lack of a deception effect here was due to the fact that the threat of being deceived was extremely low, and thus did not evoke defensive processing. However, we failed to replicate this finding in a subsequent study (i.e., deception had a significant negative effect on attitudes when the second ad contained weak arguments from a different advertiser) so caution is warranted in interpreting this finding.

## *EXPERIMENT 2*

Exp 1 showed that deception involving attitudes toward one set of *product attribute claims* can negatively impact attitudes formed in response to a subsequent set of product attribute claims. Exp 2 examined whether ad deception by one advertiser would generalize to other kinds

of advertising claims and evaluations (H1). In this case, the target ad focused on a price promotion, and deal value served as the evaluative measure. The pricing information in the ad was also varied to provide either a plausible reference price, an exaggerated reference price, or no reference price at all (Urbany, Bearden, and Weilbaker 1988). Plausibility of the reference price was analogous to the manipulation of argument strength in Exp 1, so prior deception was expected to undermine perceptions of value regardless of whether the reference price was seen as plausible (consistent with H3). The second ad was always attributed to a different advertiser so that we could further verify that the negative effects of ad deception generalized to second-party sources (H1).

We also wanted to further specify the heuristic mechanism by which ad deception generalizes from one source to another. While the previous study showed these effects were not cognitively mediated (H2), this does not provide a direct test of the defensive stereotyping mechanism predicted to be involved. According to this mechanism, ad deception activates negative stereotypes about advertising or marketing in general, which then undermines trust in second-party advertisers, thereby making the ad less persuasive. This specific mechanism was tested in Exp 2 by including a state measure of ad skepticism (as opposed to the trait measure used in Exp 1) to assess stereotype activation, as well as a measure of trust towards the second advertiser. In addition, it seemed possible that ad deception might induce a negative emotional state in subjects (see Johar 1996), which could further contribute to negative judgments of the second-party ad. A measure of subjects' affective state was included to examine this possibility. This led to the following additional predictions:

H4: The *defensive-stereotyping view* suggests that negative stereotypes and trust in the second advertiser should mediate the effects of prior deception on evaluations.

H5: The *negative-affect view* suggests that negative emotions should mediate the effects of prior deception on evaluations.

### *Method*

*Subjects and Design.* One hundred and sixteen subjects were recruited at a university located on the west coast. Participants were randomly assigned to a 3 (*Reference-price*: none, plausible, exaggerated) × 2 (*Deception*: yes, no) between-subjects experimental design. The second ad always came from a different advertiser. Perceptions of deal value served as the dependent measure. State skepticism, trust in the second advertiser, and affect were potential mediators.

*Procedure.* The deception manipulation was identical to Exp 1. Immediately following this manipulation, subjects rated (1 to 9) their affective state in terms of the extent to which they currently felt: good, bad, happy, sad, angry, calm, irritated, and satisfied. These ratings were averaged into an *affect index* ( $\alpha = .87$ ). Afterwards, subjects were taken to a different room to complete a “second study” with a different experimenter. In this phase, subjects examined an ad for a 25-inch RCA color television set. This included a picture of the television, as well as pricing information that varied according to the reference price manipulation. In the *no-reference-price condition*, only the selling price of \$349 was provided. For subjects in the *plausible-reference-price condition*, the \$349 selling price was framed by an initial price claim of \$449; for those in the *implausible-reference-price condition* it was framed by an initial price claim of \$999. Price levels were based on pretest data that found mean estimates for low, average, and high prices to be \$291, \$415, and \$595. The name of the advertiser for the second ad was not revealed, other than to say it was from a major electronics dealer in a well-known city on the east coast.

After examining the television ad, subjects completed a questionnaire that included a thought-listing procedure (e.g., “It seems like a good deal” and “The regular price is hard to believe”) and a series of ratings (from –3 to +3). The main dependent measure was *deal value* (adapted from Urbany, Bearden, and Weilbaker 1988). Subjects indicated their level of agreement with each of the following statements: (a) “The advertised television is an excellent buy for the money”, (b) “At the sale price, the television is not a very good value for the money”,

and (c) “The advertised offer represents an extremely fair price”. These responses were averaged ( $\alpha = .74$ ). Subjects also rated whether the second advertiser was trustworthy/untrustworthy, reliable/unreliable, and credible/not-credible ( $\alpha = .94$ ), and completed the state SKEP scale ( $\alpha = .80$ ). As a check on the reference price manipulation, participants indicated their perception of the advertiser’s regular price for the television set. Finally, checks of the deception manipulation (described in Exp 1) were completed.

### *Results and Discussion*

*ANOVAs.* A 3 (reference-price)  $\times$  2 (deception) between-subjects analysis of variance was computed for each dependent measure. The manipulation checks again showed that subjects in the deception condition perceived the initial ad to be deceptive and felt more fooled relative to controls ( $F(1,110) = 57.90$  and  $22.32$ ,  $ps < .001$ ). Furthermore, estimates of the advertiser’s normal selling price showed a significant effect of the reference price manipulation ( $F(2,109) = 143.98$ ,  $p < .001$ ,  $Ms = \$361.45$ ,  $\$433.18$ , and  $\$857.18$ ).

The ANOVA for deal value ratings revealed only a significant main effect for deception ( $F(1,110) = 5.44$ ,  $p < .05$ ). None of the other effects were significant ( $ps > .40$ ). Consistent with H1, subjects who were previously deceived by the product attribute ad considered the price offer less valuable than those who were not deceived ( $Ms = .08$  vs.  $.58$ ).

The ANOVA for valenced thoughts showed no significant effects of deception ( $F(1,110) = 1.78$ ,  $p > .15$ ). This implied that the effect of advertising deception on deal value was not mediated by cognitive responses, consistent with our previous finding that the effects of deception on second party ads occurred through a heuristic process (H2).

Consistent with H4, the ANOVAs for measures of trust in the second advertiser and state skepticism showed only a main effect of the deception manipulation ( $F(1, 110) = 7.47$  and  $4.49$ ,  $ps < .05$ ). No other effects were significant ( $Fs < 1$ ). Relative to controls, individuals who were previously deceived were less inclined to trust the second advertiser ( $Ms = -.27$  vs.  $.02$ ) and had a higher level of state skepticism ( $Ms = 3.49$  vs.  $3.28$ ).

In contrast, the deception manipulation did not have a significant influence on subjects' overall affective state ( $F(1,107) = 1.48, p > .20$ ), or on positive and negative affect ratings when examined separately. These findings suggest that affective reactions cannot account for the effects of deception on deal value (H5 was disconfirmed).

*Mediation.* A path analysis (see Figure 1) was computed to further examine the defensive stereotyping hypothesis (H4). This revealed that the predicted DECEPTION—STATE-SKEP—TRUST-ADVERTISER2—DEAL-VALUE path was significant. The DECEPTION—TRUST-ADVERTISER2—DEAL-VALUE path was also significant. The direct DECEPTION—ATTITUDE path was no longer significant once the other paths had been taken into account.

*Summary.* Overall, the findings of this study were consistent with the notion that deceptive ads can produce a negative bias that generalizes to other types of ads (consistent with H1). In this case, the effects of deception were shown to generalize from an ad that made false *product claims* to perceptions of deal value for an ad that made *price claims*. In addition, these negative effects applied to ads with both plausible and exaggerated reference prices, conceptually replicating the results concerning argument strength in Exp 1 (consistent with H3). This bias again occurred through heuristic processing, in that it was not mediated by elaboration (H2). There was also direct evidence that these heuristic effects were due to defensive stereotyping (H4), where initial deception evoked general skepticism towards advertising as a whole, thereby undermining the trustworthiness of the second-party advertiser. Conversely, there was no evidence that advertising deception induced negative affect (H5 was not supported).

### EXPERIMENT 3

Exp 3 featured a number of changes aimed at further examining the extent to which the negative effects of ad deception would generalize to other ads (H1). In particular, a separation of approximately 24 hours was incorporated between ad deception and exposure to the second ad. This time delay is consistent with past studies that have examined the duration of advertising effects (e.g., Bushman and Bonoacci 2002; Morrin and Ratneshwar 2003), as well

as with findings suggesting stereotypes can remain active in memory for approximately one day after priming (e.g., Srull and Wyer 1980; Dasgupta and Greenwald 2001). A 24-hour period is also practically significant in that consumers encounter some 500 commercial messages daily (Arens 2006).

Exp 3 also used a different main dependent measure. While Exps 1 and 2 focused on global measures of evaluation (i.e., product attitudes and deal value), it was also important to know whether the negative effects of ad deception would operate at the level of individual product beliefs. Consequently, this study examined specific beliefs relating to the product claims made in the target ad.

Exp 3 again included a manipulation of whether the second ad came from the same advertiser or a different advertiser (as in Exp 1). This allowed us to retest H2 but, more importantly, enabled us to examine the effect of the time delay on mean differences between the advertiser conditions. Although Exp 1 showed there were no mean differences in attitudes relating to products from the same versus a different advertiser, such differences were expected to emerge over time due to the memory triggers available in each case (Balota and Paul 1996). Specifically, exposure to a *different* advertiser should prime negative stereotypes relating to advertising or marketing in general, while exposure to the *same* advertiser should trigger not only these negative stereotypes, but also more specific memories relating to the previous deception by the same source. This led to the following prediction:

H6: Advertising deception should lead to more negative beliefs about the product when the second ad comes from the same versus a different advertiser following a 24 hour delay.

Finally, Exp 3 included an implicit measure of stereotype activation to retest H4, rather than the explicit ratings of ad skepticism used in the previous studies. This implicit measure was essentially a free association for advertising and marketing related words (based on Bargh, Lombardi, and Higgins 1988). A number of non-marketing items were also included to examine

whether the negative stereotype activation produced by ad deception was specific to marketing contexts, or whether it generalized to other sources of information as well. We predicted that:

H7: Ad deception should induce negative stereotypes towards advertising and marketing, but not towards non-marketing sources of information.

### *Method*

Ninety-five undergraduate students were randomly assigned to conditions in a 2 (*Advertiser: same, different*) × 2 (*Deception: yes, no*) between-subjects experimental design. The dependent measure was product beliefs. Cognitive responses and an implicit measure of stereotype activation served as mediator variables. The procedure was similar to Exp 1, with a few changes. First, the interval between the deception manipulation and the second phase of the study was extended to 24 hours. Second, the target ad described a brand-name portable stereo (the Aiwa PSR 4080) sold by a (fictional) retailer located on the opposite side of the country. The ad included a picture of the product, the price (\$127), and described six attributes: a read/writeable CD player, ability to play MP3 files, enhanced bass, advanced remote control, flexible programming, and longer battery life. Pre-testing confirmed that these were considered to be strong features.

After the deception manipulation, subjects completed the implicit stereotype activation measure. Each person was presented with a series of marketing-related primes (television ads, discount offers, used car salesmen, and brands) and asked to list the first three words that came to mind after reading each prime. These responses were coded for words relating to distrust or deception (e.g., sleazy, fake, too good to be true) by a coder blind to experimental condition, and then summed to create an *implicit marketing stereotype activation measure*. In order to assess whether deceptive advertising activated negative beliefs in an even broader context, two additional non-marketing primes were also included: Consumer Reports Magazine, and Ebay. Responses to these primes were also coded and summed to form a *non-marketing stereotype activation measure*. Approximately one day after the initial ad, subjects read the

second target ad, and indicated the extent to which they believed the product possessed the six product attributes (1 = disagree completely; 9 = agree completely). Scores were averaged to form an overall *product belief index* ( $\alpha = .91$ ). Finally, subjects completed the thought listings and manipulation checks described in Exp 1, and the ratings of trust in the second advertiser described in Exp 2.

### *Results and Discussion*

*ANOVAs.* All dependent variables were analyzed using a 2 (advertiser) x 2 (deception) between-subjects ANOVA. Separate ANOVAs revealed main effects of deception for both the ratings of deceptiveness of the initial ad ( $F(1,91)=240.64, p<.001$ ) and feelings of being fooled ( $F(1,91)=47.43, p<.001$ ). This again verified that deception versus control subjects viewed the initial ad to be more deceptive ( $M_s = 8.03$  vs.  $4.54$ ) and felt more fooled ( $M_s = 6.82$  vs.  $3.92$ ).

The ANOVA for the belief measure found significant effects of deception and advertiser ( $F_s(1,91)=38.81$  and  $13.56, p_s <.001$ ), along with an advertiser x deception interaction ( $F(1,91)=9.31, p <.01$ ). Consistent with H6, prior deception had a more negative impact on beliefs when the second ad was attributed to the same deceptive advertiser ( $M_s = 3.94$  vs.  $6.28$ ), versus a different advertiser ( $M_s = 5.64$  vs.  $6.44$ ). However, the effects of deception were significant in both cases ( $p_s <.001$  and  $.05$ , respectively), supporting H1.

The ANOVA for valenced thoughts revealed a deception main effect ( $F(1,91)=4.88, p <.05$ ;  $M_s = -.44$  vs.  $-.22$  for deception vs. control). In addition, the ANOVA for trust in the second advertiser showed significant effects of deception, advertiser, and the deception x advertiser interaction ( $F_s(1,90) = 42.58, 18.16, \text{ and } 11.70, p_s <.001$ ). Ad deception undermined trust in the same advertiser ( $M_s = 2.80$  vs.  $5.67$ ) more than in a different advertiser ( $M_s = 5.01$  vs.  $5.91$ ), although the effect of deception was significant in both cases ( $p_s <.001$  and  $.05$ , respectively).

Consistent with expectations, there was a main effect of deception on the implicit stereotype activation measure ( $F(1, 91)=8.55, p<.01$ ) which showed that previously deceived

subjects were more likely to respond with words related to distrust in response to marketing primes ( $M_s = 1.76$  vs.  $.93$ ). However, there were no significant effects for the ANOVA computed for responses to the non-marketing primes ( $F < 1$ ,  $M_s = .16$  vs.  $.09$ ). These findings are consistent with H7, and suggest that ad deception evokes negative stereotypes towards advertising and marketing, but not toward non-marketing sources of information.

*Mediation.* Separate path analyses were computed for each advertiser condition in order to retest H2. For the same advertiser, the mediated DECEPTION—VALT—BELIEF path was significant ( $\beta_s = -.37$  and  $.33$ ,  $p_s < .01$ ), whereas only the direct DECEPTION—BELIEF path was reliable for the different advertiser condition ( $\beta = -.30$ ,  $p < .05$ ). Further supporting H2, these findings suggest that deception led to more negative beliefs by inducing active counterarguing for the same advertiser, but through more heuristic processing (i.e., no cognitive mediation) when the advertiser was different.

Additional path analyses were computed to test the more specific idea that deceptive advertising would prompt less favorable product perceptions for the second ad through a process of defensive stereotyping, as predicted by H4. This prediction was supported by a significant DECEPTION—IMPLICIT-STEREOTYPE—TRUST-ADVERTISER2—BELIEF path in each advertiser condition (see Figure 2).

*Summary.* Overall, the results of Exp 3 provide good evidence that deceptive advertising produces persistent negative consequences for subsequent advertising (H1). As predicted (H6), the delayed effects of ad deception were shown to be somewhat stronger for the same advertiser than for a different advertiser. Cognitive responses again indicated that ad deception acted through active counterarguing when the advertising source was the same, but heuristic processing when the ad was from a different source (supporting H2). Also, ad deception had a negative impact on product perceptions despite the fact that the second ad always contained strong arguments; again supporting the biased processing view (H3b) over the objective processing view (H3a). There was also further evidence suggesting a defensive stereotyping

mechanism was at work (supporting H4), in this case using an implicit measure of negative stereotype activation. Ad deception induced implicit stereotypes about marketers, which undermined trust in the second advertising source and brought about more negative product perceptions. Further, while ad deception evoked negative beliefs about the untrustworthiness of advertising and marketing, it did not activate such beliefs towards non-marketing sources (supporting H7), suggesting some specificity of the negative stereotypes induced.

#### *EXPERIMENT 4*

A final experiment examined the specific proposition that the generalized effects of prior deception on second-party ads are truly defensive in nature. Evidence has shown that defensive processing is more likely to be observed when ego-involvement is high (Chaiken, Giner-Sorolla, and Chen 1996). Specifically, a negative defensive bias in attitudes is more likely when consumers are direct targets of ad deception (high ego-involvement), as opposed to instances where they merely learn that others have been deceived, or where misleading advertising is reported in the news media (both instances of low ego-involvement). It was therefore predicted that:

H8: Deceptive advertising should have a negative effect on the evaluations of second-party ads primarily when ego-involvement is high rather than low.

#### *Method*

Seventy-five students participated in one of two large experimental sessions as part of a large, multi-study survey. Four conditions were included: control, deception-article, indirect-deception and direct-deception. Subjects in the first session were randomly assigned to either the control or deception-article condition, while subjects in the second session were randomly assigned to either the direct or indirect deception condition. The main dependent measure was attitude toward a product from a different advertiser.

Individuals assigned to the *deception-article condition* read a news story, attributed to a national magazine, that reported a recent increase in advertising deception and provided (actual)

examples of false ad claims from well-known companies that were identified as deceptive by the *Better Business Bureau (BBB)*. In the *control condition*, subjects instead read a news story about the marketing of beer, which made no reference to deceptive advertising. Participants then rated (1 to 7) the extent to which the article made them: concerned, suspicious, and distrustful. These responses were averaged ( $\alpha=.83$ ), and analyses showed that the deception article increased ratings of distrust relative to controls ( $M_s = 4.78$  vs.  $2.80$ ,  $t(35) = 5.10$ ,  $p < .001$ ).

Individuals assigned to the *direct-deception condition* read the dishwasher ad and made the same initial ratings described in Exp 1. Those in the *indirect-deception condition* examined a different initial ad for a bicycle and responded to similar questions. Afterward, under the guise of a debriefing for the first part of the study, the experimenter told all subjects in the session (i.e., those in both the direct and indirect deception conditions) that some of them had evaluated a dishwasher ad while others had evaluated a different ad for a bicycle. The experimenter went on to say that the dishwasher ad was actually a well-known example of deceptive advertising, and that although the ad made the dishwasher sound like a reasonably good product, the *BBB* had determined it to be one of the worst on the market. This meant that subjects who had initially read the dishwasher ad experienced *direct* deception, whereas those who received the bicycle ad learned of the deceptive dishwasher ad *indirectly*. Finally, all subjects were given a final package containing the target ad, which was identical to the portable stereo ad used in Exp 3. Subjects indicated their attitudes toward the product using the ratings described in Exp 1.

### *Results and Discussion*

A one-way ANOVA on product attitudes revealed a marginally significant condition effect ( $F(3,71) = 2.18$ ,  $p < .10$ ). A comparison of means showed that direct deception led to more negative attitudes compared to the other conditions ( $M_s = 4.99$  vs.  $5.86$ ,  $6.25$ , and  $5.56$  for control, news-article, and indirect conditions;  $F(1,71) = 4.62$ ,  $p < .05$ ). Overall, as predicted by H8, evaluations were more negative when ego-involvement was high (i.e., in the direct

deception condition), suggesting that the generalized effects of ad deception are truly self-defensive in nature.

### *GENERAL DISCUSSION*

Evidence from the four experiments provided consistent support for the hypotheses, particularly the notion that deceptive advertising evokes a general negative posture towards further advertising (H1). This was true not only for ads from the same deceptive source, but also for second-party ads that had no connection to the original transgressor. Importantly, these effects were relatively long-lasting in that they influenced consumers as much as a day after the deceptive incident. They were also broad in their impact, generalizing across different product categories (from a deceptive dishwasher ad to ads for an answering machine, a television, and a portable stereo), types of ad claims (from product-based claims to price-based claims), and geographical regions (from a local ad to an ad from the other side of the country). Ad deception effects were also observed for several important dependent variables: specific beliefs, product attitudes and perceptions of deal value. Finally, these effects were powerful, in the sense that exposure to deceptive advertising undermined evaluations even in the face of strong product benefits, for plausible discounts, and towards ads for name brand products.

Negative reactions to ad deception occurred through two distinct processes. As predicted by the defensive bias hypothesis, consumers engaged in biased systematic processing (i.e., active counterarguing) when presented with additional ads from the same source that had previously deceived them. This processing was biased in the sense that deception produced more negative thoughts and attitudes in the face of strong supportive arguments (H3b); whereas the accuracy view would predict more positive responses to such strong arguments (H3a). In contrast, the effects of ad deception on second party ads were not mediated by cognitive elaboration, presumably because the threat of being fooled again was lower (H2). Further investigation confirmed that the heuristic mechanism responsible for the latter effect was defensive stereotyping (H4), wherein advertising deception activated negative stereotypes

about advertising and marketing in general, which undermined trust in the second advertiser, and ultimately reduced the persuasive impact of the second ad. However, there was no evidence that affective reactions mediated the impact of advertising deception (H5).

We suggest that the difference between the biasing effects of distrust shown here, and the increase in objective processing found by previous studies, is partially due to the personal nature of the distrust that was generated by advertising deception. Advertising deception not only communicates the source is dishonest, but does so by making consumers feel fooled. This evokes self-protective goals, which bias information processing in order to minimize the possibility of being fooled again. Direct evidence for the defensive nature of the reactions to ad deception was provided in Exp 4, where the negative bias in attitudes was induced only when consumers were personally deceived by the initial ad. This negative bias did not occur when subjects merely observed others being deceived, or when they read a new article warning about advertising deception. Past studies showing that distrust is primarily associated with objective processing have generally manipulated this variable in a less personal way, by telling subjects the source may not be trustworthy, or by suggesting the source has an ulterior motive. Such manipulations seem merely to raise uncertainty as to whether the source can be trusted, which might explain why accuracy goals rather than defense goals are evoked. However, it should be noted that both distrust arising from advertising deception, and the distrust associated with other cues such as ulterior motives, have ecological validity; and both are likely to influence the extent to which advertising is persuasive, albeit in very different ways.

Our findings also suggest some limits to the negative effects of advertising deception, negative stereotyping and generalized distrust. First, as mentioned, consumers must be personally fooled by the ad. Advertising deception is only likely to lead to defensive processing when ego-involvement is high (H8). In addition, the implicit stereotype measure in Exp 3 showed that the negative beliefs generated by ad deception are limited to marketing contexts (H7). Distrustful thoughts were not primed for non-marketing sources such as Consumer

Reports or Ebay. Third, Exp 1 suggested that defensive reactions were not evoked by weak arguments that came from a different advertiser because the threat of persuasion was particularly low in that case. However, this explanation is speculative. Finally, the time period that follows the deception can also limit its impact on persuasion. Exp 3 suggested this was especially true for the impact that defensive stereotyping had on second-party advertisers.

A number of other factors could also limit the current findings. For instance, all of the ads came from retailers rather than manufacturers, and these retailers were always unfamiliar to subjects. Also, although there was some variance in the products described in the ads, these were all durable goods and electronics. It is conceivable that the effects of generalized distrust would fail to hold across a broader range of advertising sources or products. However, we have conducted additional studies which demonstrate that distrust can also generalize to ads from manufacturers (Ritchie 2004), to ads from well-known and otherwise highly trusted advertisers (Darke 2004), and across very different product categories (e.g., from a deceptive luggage ad to an ad for a courier service; Ritchie 2004).

Other factors might actually lead ad deception to have even stronger effects than we observed. For instance, the ad deception in the current studies did not involve any material costs. Since these costs are known to increase defense motivation (Darke and Chaiken 2005), ad deception should have even stronger effects when tangible costs are involved. In addition, subjects were exposed to only a single incidence of deceptive advertising. However, repeated exposure might be expected to further increase the negative effects of ad deception, perhaps by increasing the *chronic salience* of negative marketing stereotypes (Bargh, Lombardi, and Higgins 1988), or by increasing trait skepticism (Obermiller and Spangenberg 2000).

There is a potential concern that experimental demand could have played a role in causing ad deception to generalize to second-party ads. However, there are a number of arguments against this interpretation of the findings. First, we disguised the connection between the two ads by implying they were part of two different experiments. This seemed plausible, given that it

is relatively common for individuals in our subject pool to complete multiple studies in the same experimental session. In addition, the suspicion probes showed no indication that subjects perceived any connection between the two studies. Moreover, the time delay included in Exp 3 further reduced the possibility of a connection being made between the two ads. Finally, any experimental demand would seem to apply equally to the direct and indirect deception conditions in Exp 4, yet the negative effects of ad deception were observed only when ad deception was experienced directly, as predicted by the defense hypothesis.

### *Implications*

As has been noted by Obermiller and Spangenberg (1998), consumer skepticism tends to undermine the benefits of the free market by essentially making advertising less efficient. The current studies showed that deceptive advertising is an important factor in activating such beliefs about advertising. Ad deception tends to bias consumers against the implications of advertising from second party sources by evoking negative stereotypes, thereby reducing the persuasive impact of future ads. The generalized effects of distrust on advertising observed in our studies suggest that deceptive advertisements have the potential to be quite damaging to advertising in general and, by extension, to businesses that rely heavily on advertising to sell their products. Accordingly, firms should be concerned about the deceptive advertising practices of their peers, including not only immediate competitors but also advertisers in other product categories and other geographic markets. Our findings lay bare any assumption that firms can immunize themselves against the effects of consumer distrust by eliminating deceptive claims from their own ads, or by simply selling good products with clear, superior benefits. The negative impact of defensive stereotyping that was induced by deceptive advertising was shown to generalize to even these contexts. Consequently, our research makes a strong case for the importance of avoiding deceptive advertising claims, not merely out of concern for fairness to consumers, but also as a means of preserving the effectiveness of marketing communication as a whole.

The distrust generated by ad deception also led to some level of inaccuracy in consumer judgment, in that distrustful consumers did not fully appreciate the objective benefits suggested by strong arguments (relative to controls). Overall, while some effects of distrust are reasonable in that they allow individuals to recognize real threats and exercise greater diligence (see also Campbell and Kirmani 2000; Priester and Petty 1995), the generalized distrust induced by deceptive advertising seems less adaptive in that it produced a rigid bias in judgment that led consumers to ignore relevant information about product quality. Our results suggest that consumers' defensive response to deceptive advertising may actually be counterproductive, in that it has the potential to compromise their own welfare. While a defensive posture obviously reduces the risk of being fooled, indiscriminate distrust also limits consumers' abilities to benefit from genuinely attractive offers. Our research therefore sounds a note of caution to consumers against adopting an overly defensive posture toward marketers. Decision making is more likely to be improved by suspicion that causes consumers to think more carefully about ads in an objective fashion. Individuals must somehow balance accuracy concerns pertaining to the advertising they see, with the more defensive concern of being tricked or fooled.

In light of the substantial costs of deceptive advertising identified in our research, obvious questions arise as to how best to limit its occurrence. Regulation is one solution that has been attempted both by government and by groups such as *Advertising Standards* and the *BBB*. Our findings underline the importance of such organizations in maintaining the general credibility of advertising, and hence its effectiveness. However, external regulation can present its own set of problems (Andrews and Maronick 1995; Gardner 1975; Richards and Preston 1992). For instance, it is difficult for regulators to provide marketers with clear rules that apply to all conceivable situations. A better solution may be for advertisers themselves to avoid making misleading claims that could generate consumer skepticism by using an *expectations screening procedure* (Gardner 1975). This involves carefully pretesting the expectations created by a new

ad, and comparing these expectations to actual performance norms to ensure that performance meets or exceeds those expectations.

Our research also suggests that marketers should strive to develop concrete strategies for dealing with distrustful consumers in the marketplace, and we offer some guidance for doing so: In spite of the defensive bias exhibited by subjects exposed to deceptive ads, these individuals continued to differentiate between products with strong versus weak benefits. This implies that superior products, whose benefits are clearly explained to consumers, still confer a relative advantage even in the face of defensive consumers. Marketers should also seek out alternative means of communicating with consumers who are skeptical of advertising or more generally hold negative stereotypes about marketing, such as viral marketing that is aimed at increasing positive word-of-mouth among consumers themselves.

Perhaps the most critical lesson to be drawn from the evidence presented here is the need to further persuade advertisers of the importance of resisting pressures they might feel to exaggerate their claims. Recent work (Drumwright and Murphy 2004) suggests that, although some advertisers are highly aware of ethical concerns, many are either unaware or intentionally dismissive of even relatively obvious ethical issues. Managers seemed particularly unconvinced of the broader, cumulative effects that advertising can have on consumers (e.g., Pollay 1986). Moreover, even those who were aware of such concerns were often unwilling to raise ethical issues with their clients and coworkers because they believed it was not the responsibility of the advertiser to raise such concerns, or because they felt clients were pressuring them to make sensational or exaggerated claims. Our findings make it clear that marketers have a powerful self-interest in upholding truth in advertising. Advertising deception not only undermines the credibility of advertising as a whole by making consumers broadly defensive towards future advertising, it produces effects that are especially long-lasting and damaging for the advertisers who were directly responsible for making the deceptive claims in the first place.

FIGURE 1  
PATH ANALYSIS FOR EFFECTS OF DECEPTION  
ON DEAL VALUE (EXP 2)

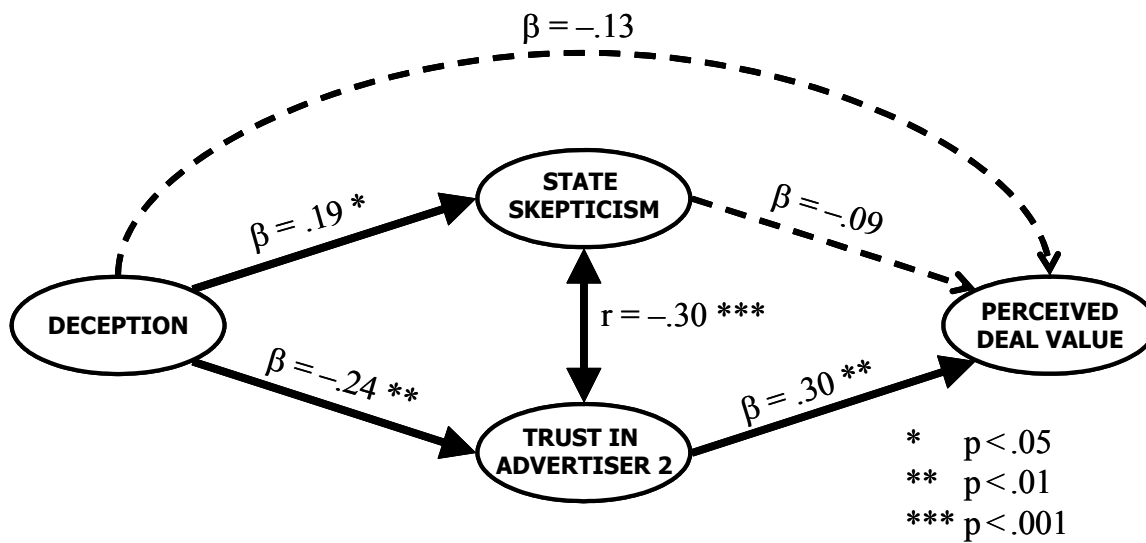
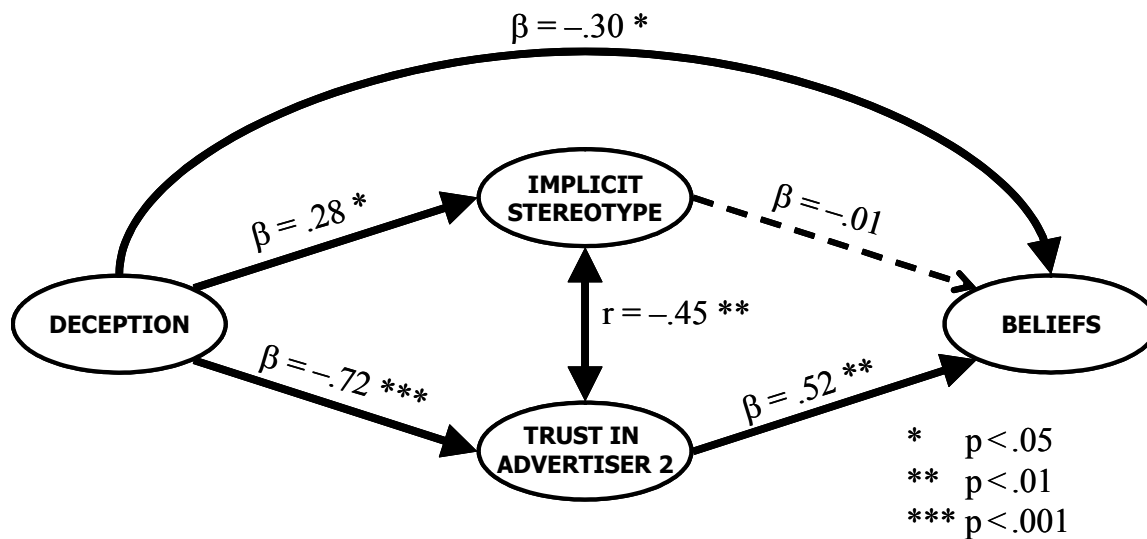
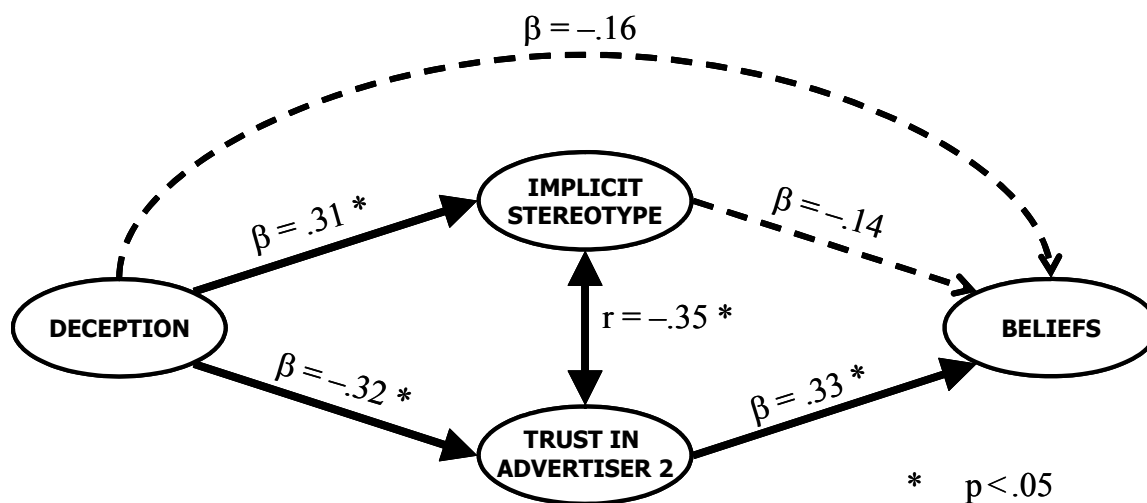


FIGURE 2  
 PATH ANALYSIS FOR EFFECTS OF DECEPTION  
 ON PRODUCT BELIEFS 24 HRS LATER (EXP 3)

A) Same Advertiser



B) Different Advertiser



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