



Special Issue - Innovative Commerce: Bridging Business and Computer Applications (ICBBCA-2026)

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A STUDY ON THE IMPACT OF MISLEADING ADVERTISING ON CUSTOMER TRUST IN MADURAI CITY

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Abstract

In today's competitive marketing environment, advertising plays a vital role in influencing consumer attitudes and purchase decisions. However, misleading advertising practices such as exaggerated claims, hidden information, and false promises have become increasingly common, leading to erosion of customer trust. This study examines the impact of misleading advertising on customer trust and buying behaviour. The research focuses on consumer perception, credibility of advertisements, and post-purchase satisfaction. Primary data were collected through a structured questionnaire from 70 respondents. The findings reveal that misleading advertisements negatively affect customer trust, brand credibility, and long-term customer relationships. The study

concludes that ethical and transparent advertising practices are essential for sustaining customer trust and brand loyalty.

Keywords: Misleading advertising, Customer trust, Consumer perception, Ethical marketing, Brand credibility.

Introduction

Advertising serves as a powerful communication tool that connects businesses with consumers by conveying information about products and services. In modern markets, organizations rely heavily on advertising to differentiate their brands and influence consumer decision-making. However, in the pursuit of higher sales and competitive advantage, some companies engage in misleading advertising by



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exaggerating product benefits, concealing important information, or presenting false claims.

Misleading advertisements create unrealistic expectations among consumers. When actual product performance fails to match advertised claims, consumers experience dissatisfaction and loss of trust. With the rapid growth of digital media and online advertising platforms, misleading advertisements can spread quickly and reach a large audience. Therefore, understanding how misleading advertising impacts customer trust has become increasingly important for businesses aiming to build sustainable and ethical marketing practices.

Statement of the Problem

Advertising is intended to inform and persuade consumers, but misleading advertisements often distort reality and create false expectations. Consumers who rely on such advertisements may feel deceived when products or services fail to meet advertised claims. This results in dissatisfaction, reduced trust, and negative perceptions toward brands. Misleading advertising not only affects individual purchase decisions but also weakens overall confidence in marketing communication. Hence, there is a need to study the impact of misleading advertising on customer trust, perception, and buying behavior.

Objectives of the Study

- To study consumer awareness of misleading advertising.
- To analyse the impact of misleading advertising on customer trust.
- To examine customer perception toward exaggerated advertising claims.
- To study the influence of misleading advertising on purchase decisions.
- To suggest measures for promoting ethical advertising practices.

Methodology

The study adopts a descriptive research design.

Tools Used for Analysis:

Percentage Analysis

Date Analysis

Table 1: Advertisement in Daily Life

Option	Frequency	Percentage
Rarely	20	23
Occasionally	14	15
Frequently	42	47
Very Frequently	14	15
Total	90	100

Interpretation

The table delineates respondents' reported frequency of encountering advertisements in their daily lives. The

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majority (47%) indicate encountering advertisements frequently, while a notable proportion (15%) report encountering them very frequently. Additionally, 23% of respondents claim to rarely encounter advertisements, and another 15% state encountering them occasionally. This distribution provides insights into the prevalence of advertising exposure among the surveyed population, highlighting the frequency with which individuals interact with advertisements in their daily routines.

Interpretation

The table depicts respondents' reported influence of advertisements on their purchasing decisions. The majority (44%) indicate that advertisements sometimes influence their purchasing decisions, while 38% affirm that advertisements do influence their purchasing decisions. A smaller proportion (18%) assert that advertisements do not influence their purchasing decisions. This distribution provides insights into the varying degrees of influence advertisements exert on consumers' buying behaviour, highlighting the nuanced relationship between advertising exposure and purchasing decisions within the surveyed population.

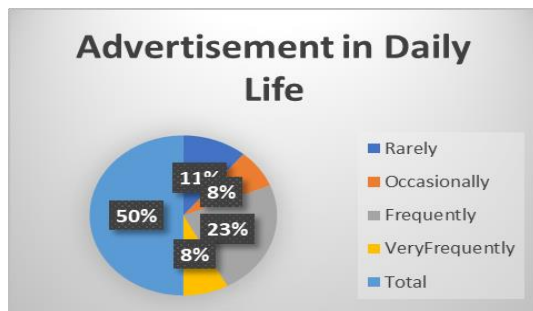


Fig 1: Advertisement in Daily Life

Table 2: Advertisement Influence in Purchasing Decisions

Option	Frequency	Percentage
Yes	34	38
No	16	18
Sometimes	40	44
Total	90	100

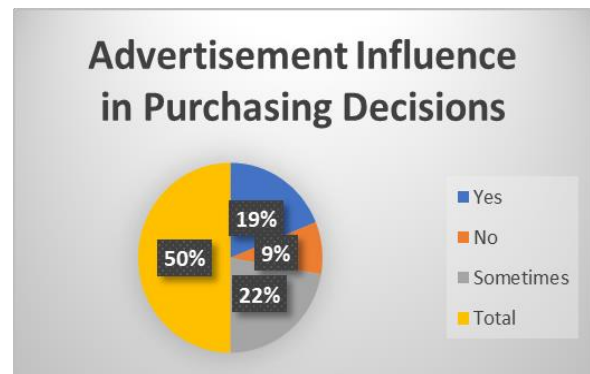


Fig 2: Advertisement Influence in Purchasing Decisions



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Findings

- A majority of respondents are frequently exposed to advertisements in their daily life, indicating a high level of advertising penetration in modern markets.
- Advertisements have a noticeable influence on purchasing decisions, with most consumers stating that ads sometimes or often affect their buying behaviour.
- More than half of the respondents have encountered misleading advertisements, reflecting the prevalence of exaggerated or deceptive claims in marketing communication.
- Misleading advertisements significantly reduce customer trust, not only toward the specific brand involved but also toward other advertisements in general.
- Consumers who experience misleading advertising tend to develop negative perceptions about brand credibility and reliability.

Conclusion

Advertising plays a crucial role in shaping consumer perception and influencing purchasing decisions. However, the study clearly reveals that misleading advertising has a negative impact on customer trust, brand credibility, and consumer satisfaction. When advertisements create false expectations through exaggerated claims or concealed information, consumers feel deceived, leading

to dissatisfaction and erosion of trust. The results of the study emphasize that customer trust is a fragile yet essential component of long-term business success. Misleading advertising may generate short-term sales, but it ultimately harms brand image and weakens customer relationships. Therefore, businesses must adopt ethical and transparent advertising practices to maintain consumer confidence and foster brand loyalty.

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