

# Exploring The Impact of Misleading Advertising on Consumer Trust and Brand Image: A Case Study of Fast Food Industry in India

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## ABSTRACT

The Indian fast-food sector, currently valued at ₹258.2 billion, is faced with rapid expansion at an annual growth rate of over 7.3%, accompanied by a rapidly evolving consumer environment in terms of shifting lifestyles, urbanisation, and heightened competition, both national and international. Contrary to the current developments, ethical marketing issues such as misrepresentation of food items, concealed prices, exaggerated nutritional claims, and inconsistencies between advertised and real portion sizes impact customer trust and brand image. This study examines the impact of deceptive advertising on consumer perceptions, trust, and purchase behaviour within the Indian fast-food industry. Further, connections among advertising authenticity, price transparency, and product claims and their resulting impact on customer trust and brand loyalty are analyzed, along with how inconsistencies between promotional material and real products influence consumer choices and brand involvement. Using a structural equation modeling approach, possible correlations or linkages within the system are examined based on data collected through a questionnaire survey following the nuances of purposive sampling. A structured questionnaire built on a 5-point Likert scale was sent to selected 500 respondents who consider social media advertisements to select their food options, and 203 usable responses were received. Based on the cleaned and coded data of responses, the study examined the mediating effect of consumer perceptions on advertising authenticity, trust, brand image, and purchase intentions and the moderating effect of demographics, namely, age, income, and especially the misleading advertisements, on consumption patterns. The results reveal that misleading advertisements have a significant detrimental impact on consumer trust, especially among young and affluent populations, who are more susceptible to social media and other digital/social networking platforms. Further, it is observed that the deceptive statements in advertisements exhibit a strong negative effect on consumer loyalty and brand image.

**Keywords:** Indian Fast-Food Industry, Advertising Ethics, Consumer Trust.

