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## Lying by telling the truth – the risks of deception by paltering and hypocrisy in corporate social responsibilities context

Saheli Goswami

*University of Rhode Island, [sgoswami@uri.edu](mailto:sgoswami@uri.edu)*

Geetika Jaiswal

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Saheli Goswami<sup>1\*</sup> and Geetika Jaiswal<sup>2</sup>

\*Correspondence: [sgoswami@uri.edu](mailto:sgoswami@uri.edu); Tel.: +01-401-874-9294

<sup>1</sup>Department of Textiles, Fashion Merchandising and Design, College of Business, University of Rhode Island, 55 Lower College Road, Kingston, RI 02881, USA  
<https://orcid.org/0000-0002-3927-9358>

<sup>2</sup> Dept. of Family and Consumer Sciences, College of Agriculture and Environmental Sciences  
North Carolina A&T State University, 208C Benbow Hall, Greensboro, NC 27411, USA  
Email: [gjaiswal@ncat.edu](mailto:gjaiswal@ncat.edu); Tel.: +01-336-285-3644

# ***Lying by telling the truth – The Risks of Deception by Paltering and Hypocrisy in Corporate Social Responsibilities context***

This research investigated how fashion corporations' paltering-based deceptive marketing, specifically related to corporate social responsibility (CSR), might influence consumers. Specifically, it investigated if it evokes hypocrisy perceptions to influence consumers' purchase decisions and how the mediating roles of consumer-corporation-relationship and consumer-based corporate-reputation can explain such influences. Using a two-factor online experiment (paltering x message replications), data were collected from 252 US consumers. Hayes' (2018) PROCESS results indicated that CSR-paltering positively evoked hypocrisy and, in turn, dampened consumer-corporation-relationship and corporate-reputation. Such hypocrisy significantly reduced purchase-intentions, but only when mediated through consumer-corporation-relationship. No significant negative relationships between deception and purchase-intentions were observed when

mediated by hypocrisy alone or combined with corporate-reputation. Additionally, paltering directly influenced relational and reputational evaluations. The novelty of this research lies in its focus on paltering-based deception, prevalent within the fashion industry, and how technically true yet misleading CSR marketing influences consumers. This study also responds to the urgent scholarly calls for investigating deception's role in consumers' hypocrisy and adds how this new type of deception is also an attributing factor. Further, it provides corporations insight into how CSR paltering, despite its technically true information, can damage consumers' relational and reputational attachments and their behavioral intentions if discovered.

**Keywords:** Deception, Paltering, Hypocrisy, Corporate social responsibilities, Purchase Intentions

## **1. Introduction**

Research on corporate social responsibility (CSR) has drawn attention within the fashion marketing discipline (Mok *et al.*, 2022). Due to consumers' rising awareness, businesses have increasingly invested in CSR. However, corporations are sometimes critiqued for using CSR marketing only as a smokescreen to deceive consumers (Wagner *et al.*, 2020). Therefore, knowledge about different types of CSR deception and their impacts on consumers is important.

Burgoon *et al.* (1994) classified deception into three groups: falsification, providing false information; concealment, referenced as omitting/hiding information; and equivocation, referenced as distorting information. Within the CSR marketing contexts, similar deceptions exist as false statements, omission, and greenwashing. (Serota, 2019). False statements refer to corporations actively using blatant lies to

communicate their fake CSR compliance (Thummes, 2018). Greenwashing involves similar active lying to suggest environmental friendliness (Benedetto, 2017), but unlike blatant lies, this relies on half-lies, such as using green imageries or dubious claims of non-existing alliances with green companies. Similarly, bluewashing also deceives stakeholders by using half-lies to communicate their compliance with CSR's social aspects (Sailer *et al.*, 2022). Finally, omission refers to corporations not disclosing relevant CSR information (Thummes, 2018). Unlike false statements, greenwashing, or bluewashing, omission is more of a passive deception. Corporations do not actively lie and rather drop out important CSR details to let stakeholders assume corporations' CSR compliance. These CSR deceptions compromise consumers' perceptions of the corporations and dampen their financial legitimacy as consumers refrain from pursuing transactional relations with them and start spreading negative views (Ahmed *et al.*, 2019). But what if corporations deceive by telling the truth?

Paltering is a new kind of deception that uses truthful yet misleading statements and non-disclosures to create confusion (Rogers *et al.*, 2017). Unlike deceiving with false statements or greenwashing's half-lies, paltering involves truthful statements to imply consumers' desired image and build a mistaken impression (Benedetto, 2017; Hogenboom, 2017). And, unlike passive omission, paltering involves the active use of truthful statements in the related broad context. However, paltering draws inspiration from all the above types. Similar to false statements or greenwashing, paltering needs an *active* effort to deceive stakeholders and resorts to using information related to the broad context of focus. Like omission, paltering resorts to non-disclosure of verifiable information.

Thus, paltering is a new unique type of deception that builds on the strengths of other deception strategies and furthers it with truthful statements (Rogers *et al.*, 2017). Paltering is so prevalent that we do not even notice it (Hogenboom, 2017).

Recently, paltering has been increasingly observed in fashion CSR marketing. For instance, in 2019, H&M marketed its 'Conscious Collection' by artfully highlighting generic facts regarding natural materials without disclosing its use of synthetic raw materials in reality (Meher, 2021). H&M actively shared truthful facts in their marketing but on topics related to broad CSR contexts and omitted specific details to distract consumers actively. Similarly, as Zara marketed its CSR goals, it used distracting, overwhelming generic information about the need to use 'more' responsible approaches and omitted its specific CSR strategies (Segran, 2019). Zara was not directly lying; rather, it used random, true, but generic CSR information with non-disclosure as a smokescreen to imply being socially responsible. Despite paltering's popularity in fashion CSR marketing, it has received scant attention. Currently, there is no literature regarding CSR paltering, representing the first research gap addressed by this study.

Prior marketing research suggests that when consumers detect deception, specifically involving more direct lying, hypocrisy perceptions are formed (Zhigang *et al.*, 2020). In fact, Wagner *et al.* (2020) proposed lying-based deception as one of the important attributing factors of consumers' hypocrisy. In this light, it is important to consider how this new type of paltering-based deception can influence hypocrisy perceptions. How would consumers perceive corporations when they find being deceived yet not being lied to? Unlike other types of deceptions, paltering with its true statements is difficult to detect

(Hogenboom, 2017). So, it might not evoke hypocrisy in consumers, similar to lying-based deception. However, the same reliance on true statements and non-disclosure of information, if detected, can make consumers question corporations' sincerity. Considering the detrimental impacts of consumers' hypocrisy in their behavioral responses, it is important to investigate all attributing factors of such perceptions (Wagner *et al.*, 2020). Thus, the role of paltering in eliciting corporate hypocrisy perceptions requires attention and presents the second research gap addressed by this study.

Finally, to discuss the impacts of paltering, some consider paltering a less harmful deception since it relies on true information, while others find it concerning since it offers the palterer an easy safety net to escape criticism, detection, and legal action (Schauer & Zeckhauser, 2007). Nevertheless, paltering could be as detrimental as lying (Hogenboom, 2017). Specifically applied to CSR marketing, negative impacts of paltering on consumers can be expected. Corporations' use of truthful statements to actively deceive stakeholders while simultaneously escaping legal repercussions can make consumers harshly critique corporations, compromising their psychological and behavioral responses. However, being perceived as less harmful to other types of deceptions, consumers might not judge or respond to paltering as strongly as others. Thus, limited research on paltering-based CSR marketing makes it difficult to explain if and how it would influence consumers. Given its prevalence in the fashion industry, CSR paltering and its impacts need immediate attention and form the third research gap addressed by this study.

Thus, this study investigated how CSR paltering in fashion marketing might evoke hypocrisy and how such perceptions

influence consumer behaviors. Drawing from the CSR literature, it specifically tapped into different psychological and behavioral reactions represented by purchase intentions, consumer-corporation relationships, and consumer-based corporate reputation. With hypocrisy, consumers experience reduced business interest in such corporations (Jiang & Zhao, 2016). Hence, consumers' purchase intentions, influencing businesses' financial sustenance, were deemed necessary to understand paltering's effects. Similarly, consumers' relational and reputational attachments to corporations are important factors explaining their behaviors (Balakrishnan & Foroudi, 2019; Yadav *et al.*, 2018); accordingly, these were accounted for in this research. Thus, this study built on existing literature to analyze whether and how this novel type of CSR deception might affect consumers.

Extant marketing studies on CSR paltering are limited, making this research novel and significant. Theoretically, it contributes to the CSR marketing literature. It is among the first to investigate paltering as a unique but prevalent form of deception in the fashion industry. It is also novel in providing empirical evidence for paltering as a source of consumers' hypocrisy. By responding to the scholarly call into the role of deception in consumers' hypocrisy (Wagner *et al.*, 2020) and specifically focusing on paltering, this study contributes to the CH literature. The findings on how these influence consumers' relational and reputational attachments, along with their purchase intentions, underline the importance of relevant, verifiable, and matter-of-fact type information in CSR marketing. The study makes practical recommendations for fashion marketing experts amidst the current popularity of CSR among stakeholders.

## **2. Literature Review**

### **2.1. Corporate Social Responsibility (CSR) in the Fashion Industry**

CSR is corporations' obligations and society's expectations and encompasses legal, economic, ethical, and discretionary aspects (Carroll, 2016). The legal and economic aspects are related to corporations being relevant to society and within the legal requirements. The ethical and discretionary aspects refer to moral behaviors towards the community and environment (*idem*). So, these are corporate behaviors addressing social or environmental concerns that go beyond their economic interests to build stakeholder relationships. The emphasis on CSR in the fashion industry is now stronger than ever. Given the dominance of fast fashion, the industry finds itself amidst child labor, a lack of diversity, unfair working conditions, and as one of the major industrial polluters, lacking environmental stewardship (Bhaduri & Copeland, 2021). Accordingly, fashion businesses are increasingly strategizing various CSR initiatives, including supporting worker rights, fair wages, diversity, promoting empowerment, donating to charities, using responsibly sourced materials, reducing waste and landfills, recycling, and reducing carbon footprint, to name a few (Li & Leonas, 2021). As consumers are seen to support fashion businesses invested in different CSR initiatives, CSR has gained prominence in corporate marketing. However, recent studies indicate that sometimes fashion corporations use CSR communication as a window dressing to alter their reputation (Bhaduri *et al.*, 2021; Islam & Rahman, 2016). The prevalence of deceptive CSR marketing within the fashion industry has been noted by scholars (Woodside & Fine, 2019) and forms the premise of this research.

### ***Deception, by Paltering, in CSR***

Deception refers to misrepresenting reality to obtain some advantage and prevails in several forms, such as falsification, concealment, and equivocation (Burgoon *et al.*, 1994). Table 1 summarizes these different forms of deception and their significant research from the literature. Within CSR, fashion corporations have been reported to deceive through greenwashing, bluewashing, false statements, and omissions (Serota, 2019). While research on these deception strategies is germane, paltering, a more recent and prevalent form of deception, has received scant attention. Paltering involves fudging, twisting, and selective reporting (Schauer & Zeckhauser, 2007). Compared to deception by omission, paltering involves similar non-disclosure but with an active reporting of technically true yet misleading information (Rogers *et al.*, 2017). Compared to greenwashing or bluewashing, in paltering, corporations do not make dubious claims or half-lies but go for the artful inclusion of generic truthful statements (Powell *et al.*, 2020). Unlike false statements, paltering does not use blatant lies. So, although paltering hides a corporation's real CSR, its active use of technically true CSR information, along with non-disclosure of relevant details, creates an artificially inflated and exaggerated impression of CSR. As more fashion corporations seem to switch to paltering in their CSR marketing, this research used the theoretical framework of decoupling to explain why fashion corporations use paltering, despite the challenges associated with deceptions in general (Serota, 2019).

Table 1. Summary of the types of deception

<b>Type of Deception</b> Burgoon et al., (1994)	<b>Deception Strategies/Forms</b>	<b>Description of Strategies/Forms</b>
Falsification	Pricing Fraud, Lying	<i>Pricing Fraud</i> , a kind of information deception where brands/sellers manipulate (lowers) original price to make the discount look larger during sales promotion, resulting in positive evaluation of the product and induce higher purchase intention (Fu, <i>et al.</i> , 2019). Pricing fraud exists in different forms in online auctions such as misrepresentation, fee stacking, and price shilling (Kwanho, Choi & Park, 2013) <i>Lying</i> , described as complete falsehood like fake news (Thummes, 2017)
Concealment	Non-disclosure/Omission	<i>Non-Disclosure</i> , where deceivers (brands) intentionally withhold or omit information to create false impression (Thummes, 2017)
Equivocation	Greenwashing, Bluewashing, Half-Truths, Less-than-lying, Spins, Paltering, Exaggeration, Distortion	<i>Greenwashing</i> , refers to the practice of making misleading claims using half-lies about the environmental benefits of a brand or product (Kaner, 2021) <i>Bluewashing</i> , is defined as any misleading appeals using unsubstantiated claims about the social efforts or impact of a brand, product, or process (Sailer, Wilfing & Straus, 2022) <i>Spins</i> : defined as a form of distortion where the positive aspects of something are highlighted and exaggerated (Coombs & Holladay, 2014) <i>Paltering</i> : where truthful but misleading statements are made to create confusion and is widely employed in negotiations, marketing, espionage, and ordinary communications where speakers hold ulterior motives (Schauer & Zeckhauser, 2007; Powell, Bian & Markman, 2020)

## 2.1. Theory of Decoupling

According to this theory, corporations use different coping strategies to respond to external pressures "...to maintain standardized, legitimating, formal structures while their activities vary in response to practical considerations" (Meyer & Rowan, 1977, p. 357). Corporations attend to market

needs by superficially adopting external demands. A disconnect between corporations' realistic implementation and symbolic adoption of practices to satisfy stakeholders' demands forms the core of this theory (MacLean *et al.*, 2015). However, if decoupling gets detected by consumers, where corporations deliberately create a smokescreen to deceive consumers, such



jeopardizes corporations' legitimacy and taints consumers' perceptions (Conrad & Holtbrugge, 2021). Applied to this study, paltering is envisioned as a decoupling strategy that fashion corporations might use to fulfill stakeholders' CSR demands. Fashion corporations often find it difficult to keep up with consumers' increasing CSR expectations (Bhaduri *et al.*, 2021), particularly when they want CSR without paying the price for it (Moore, 2019). Furthermore, investors are demanding fashion corporations commit to CSR without compromising financial gains (Lieber, 2020). All such external pressures can be expected to provoke fashion corporations into paltering while continuing business as usual. However, like other decoupling strategies, paltering, if detected, could make consumers develop negative perceptions.

### ***Deception by Paltering and Corporate Hypocrisy (CH)***

CH refers to stakeholders' perceptions that corporations are promoting CSR to pretend to be ethical while engaging in activities inconsistent with that portrayed image (Goswami & Bhaduri, 2021). It is evoked if corporations' actions are believed to contradict their marketed CSR propaganda (Wagner *et al.*, 2020). According to Wagner *et al.* (2020), corporations' use of deceptive marketing can evoke CH. If corporations are found lying to their consumers to create a more ethical impression, such deception triggers CH (*idem*). However, these studies are predominantly theoretical and lack empirical investigation. Furthermore, they focus on lie-based deceptions, such as false statements, omissions, or greenwashing, to investigate their role in consumers' CH (Zhigang *et al.*, 2020). Currently, there are no studies investigating the role of paltering-based deception in evoking CH. Since paltering stands significantly different from

other deception types and is more difficult to detect, one might expect it to be too safe to evoke CH. However, given its use of true statements, consumers could be less forgiving. If detected, consumers might see the use of true statements as highly unethical on the corporations' end, question their morality, and perceive CH. In today's digital world, as media reports are increasingly disclosing corporate misdemeanors, the detection of paltering can make consumers see through the corporations' legitimacy (Segran, 2019). In this light, we argue:

H1: *Paltering in CSR marketing messages, if detected, will generate CH.*

To investigate paltering's consequences, its evoked CH and resulting consumer responses must be studied. CH compromises consumers' attitudes, word-of-mouth, and purchase intentions (Zhigang *et al.*, 2020). However, how would CH impact when it is evoked by paltering? Thus, one of CH's frequently studied behavioral responses, purchase intentions, was considered.

### ***Purchase Intentions***

Purchase intentions are individuals' conscious plans to buy a product from a corporation and are closely connected to the success of a business (Lii & Lee, 2012). When consumers perceive CH as related to CSR, intentions to avoid purchasing from such corporations are observed (Jiang & Zhao, 2016; Zhigang *et al.*, 2020). However, these studies have predominantly considered CH resulting from a word-action inconsistency and not resulting from deception. They investigated purchase intentions resulting from CH when corporations are not walking their talks. In this light, how consumers' purchase intentions would vary when CH is evoked of deception, specifically by paltering, remains unknown. Since paltering involves artfully

reporting generic CSR facts without disclosing corporations' real actions, it presents a unique scenario. Consumers can consider true statements as cues for highly intentional misdemeanors, be less forgiving, and accordingly lower their purchase intentions in response to CH. Therefore:

*H2: CH formed of paltering will negatively impact purchase intentions.*

As corporations learn how paltering evoked CH can impact purchase intentions, they must also understand its underlying mechanism. Accordingly, this study used the social identity theory to identify the underlying factors that might explain their purchase intentions predicted by CH.

### ***Social Identity Theory***

According to this theory, people derive their identity from their groups (Tajfel *et al.*, 1979). Group membership gives one a sense of belonging and becomes a source of pride and self-esteem (*idem*). In marketing literature, this theory has been extensively used to explain how consumers use corporate messages as cues to satisfy their self-definitional needs (Baskentli *et al.*, 2019). Consumers evaluate organizational identities using marketing messages and accordingly derive their identities. If corporations are perceived to manifest positive traits, consumers want to be related to such organizations, as it enhances their reputation, and they intend to behave positively (Wang, 2017). Conversely, if corporations are evaluated to embody undesirable traits, consumers do not want to be related to those corporations to protect their own reputation, not derive their identities from them, and intend to behave negatively (Baskentli *et al.*, 2019). Thus, consumers' desired relational and reputational attachments to corporations drive their behavior. Applied to this

research, this theory suggests that when consumers discover paltering in CSR messages, similar non-attachments and negative behaviors can be expected. But if consumers perceive sincerity in CSR marketing, a heightened interest in maintaining relational and reputational attachments with such a corporation can be expected. Thus, we create a nuanced understanding of how consumers' purchase intentions, resulting from CH evoked of paltering, can be explained by the relational and reputational aspects of this theory, represented by the consumer-corporation relationship and consumer-based corporate reputation.

### **Consumer-Corporation Relationship (C-C relation)**

It refers to an affiliation that consumers develop with corporations and the extent to which consumers feel that they are in sync with the corporation (Keller, 2001). C-C relation enhances consumers' purchase intentions and loyalty to corporations (Kircova *et al.*, 2015). The strength of this relationship affects corporations' revenues and sustenance (Ma *et al.*, 2021) and represents consumers' commitment, intimacy, satisfaction, etc. (Aaker *et al.*, 2004). The C-C relation is reinforced by CSR commitments (Ma *et al.*, 2021). When consumers perceive CSR to be sincere, they believe it is a corporation with integrity. They are motivated to nurture a sense of identification and a stronger relationship with such corporations (*idem*). In this light, one may argue that consumers' CH, evoked by paltering, might disrupt their intentions to be related to such corporations. Since such an association can undermine consumers' image and threaten their self-esteem, CH might motivate consumers to weaken their relationships. Therefore:

H3: *CH formed of paltering-deception will negatively impact the C-C relation.*

Furthermore, consumers' relations with corporations support positive behavioral outcomes, such as strong purchase intentions and willingness to repurchase (Kircova *et al.*, 2015). So, it is logical to expect a poor relational strength hinged on inclinations not to be identified with an unethical corporation, impeding such behavioral intentions. That is, if corporations are detected using paltering, the evoked CH can disrupt consumers' social identification with weak C-C relations to eventually culminate in poor purchase intentions. Thus:

H4: *C-C relation will mediate CH's impacts on consumers' purchase intentions.*

### **Consumer-based Corporate Reputation (C-C reputation)**

It is described as consumers' evaluation of a corporation based on its actions, philanthropy, communications, and past interactions (Yadav *et al.*, 2018). C-C reputation is one of the most valuable intangible resources, as it builds competitive advantage and contributes to value creation (Walsh *et al.*, 2009). It represents consumers' evaluations of the corporation's interests in fulfilling consumer needs and being a good employer (Yadav *et al.*, 2018). Given its importance, analyzing the impact of CH evoked by paltering on C-C reputation warrant attention. Now, C-C reputation relies on the alignment of identities between consumers and corporations (Yadav *et al.*, 2018). If consumers assess corporations' intentions as authentic, they will want to identify with such corporations to bolster their social image, leading to a favorable reputational evaluation in consumers' minds (*idem*). Conversely, if consumers realize

corporations are paltering the CSR messages, their assessment of CH will discourage them from identifying with such corporations, leading to a poor C-C reputation in consumers' minds. Thus:

H5: *CH formed of paltering-deception will negatively impact C-C reputation.*

Furthermore, C-C reputation plays an important role in consumers' purchase decisions (Nguyen & Leblanc, 2001). Corporations are inspired to take advantage of genuine CSR to strengthen this reputational image and influence positive behavioral intentions (Balakrishnan & Foroudi, 2019). In this light, it is logical to expect a poor C-C reputation, formed of the foundations of not wanting to be identified with a deceptive and accordingly hypocritical corporation, to negatively influence consumers' intentions to purchase from such a corporation. If paltering is discovered, the evoked CH can disrupt consumers' identification with a poor C-C reputation to undermine consumers' purchase intentions. Therefore, this study built on existing literature to analyze whether and how this novel CSR deception might affect consumers. Thus:

H6: *C-C reputation will mediate CH's impacts on consumers' purchase intentions.*

## **3. Research Method**

### ***Research Design and Stimuli Development***

A 2 (paltering: present/absent) X 2 (message replications: version 1/version 2) between-subject online experiment was used. To manipulate paltering, stimuli were designed as a fashion clothing corporation's CSR marketing message, followed by a news media reporting the presence/absence of paltering in that message. Since paltering is difficult to detect until outed, stimuli pairs were deemed appropriate. For the paltering

*present*, the corporate message included technically true but generic CSR information and shed no insight into the corporation's real actions (e.g., "Textile recycling can keep clothing waste out of the landfill and offset the carbon footprint"). A subsequent media report indicated the corporation's active use of "misleading and irrelevant information to misdirect its consumers" and its failure to disclose "transparent data." For the paltering *absent*, the corporate message articulated truthful CSR along with disclosing relevant and verifiable details (e.g., "85% less water and energy... Since 2016, we have recycled 1,03,454 products"). And the media report highlighted how the corporation used "verifiable evidence and relevant information to inform its consumers" and disclosed "transparent data."

The stimuli were designed to present two contexts (social and environmental CSR) since CSR contexts matter in participants' message evaluations (Bhaduri *et al.*, 2021). Additionally, Thorson *et al.* (2012) suggest that if a study involves only one message manipulation for a treatment condition, conclusion(s) about the effect of manipulation need to be restricted to that message. Thus, the stimuli were manipulated to show two stimuli contexts. Note that the focus of the study was to understand consumers' responses to CSR paltering and not to investigate differences between these contexts. Accordingly, context manipulation was restricted to the research design, only to check for any confounding effects, and not proposed as a part of the study focus. For social contexts, stimuli referenced employee safety, worker rights, equal pay, empowering employees, etc. For environmental contexts, stimuli referenced responsibly sourced fibers, reducing waste, recycling, and reducing carbon footprint. These examples were inspired by the

common CSR practices within the fashion industry (Li & Leonas, 2021).

### **3.2. Measures**

CH was measured using six items adapted from Wagner *et al.* (2009; Cronbach  $\alpha$  .94). C-C relation was measured using 18 items (Aaker *et al.*, 2004; Cronbach  $\alpha$  .87), C-C reputation was measured with 15 items (Walsh *et al.*, 2009; Cronbach  $\alpha$  .88), and purchase intentions were measured using three items (Lii & Lee, 2012; Cronbach  $\alpha$  .94).

### **3.3. Sample Selection and Procedure**

US-based adult clothing consumers ( $n = 252$ ) were randomly recruited using Qualtrics in 2021. A medium effect size justified the adequate sample size (0.24; Cohen, 1988). Participants' purchase of clothing in the past year was used as a screening criterion to ensure that those reporting purchase intentions indeed had the authority and history of clothing purchase, thus, improving the study's generalizability. Gender and generational quotas were also placed to reduce any confounding effects. Previous research indicates women and Gen Z as more serious and biased toward CSR practices (Bhaduri & Copeland, 2021; Hunt, 2020). Thus, quota sampling was deemed necessary to analyze the relationships solely due to paltering. Participants were randomly exposed to one stimuli-set, followed by survey questions. An anonymous online survey format was used to control for any social desirability (Goswami & Bhaduri, 2021).

## **4. Results**

Data were analyzed using SPSS (version 27). An independent sample t-test indicated no significant effect of message replications on CH ( $t = 1.413, p = .158$ ). Likewise, the entire data with the two stimuli versions (social and environmental) were analyzed

together. Hypotheses were tested using PROCESS (model 81; Hayes, 2018). Respondents were mostly Caucasian (77.8%), about 38.1 % were working full-time, about 56.8% had a college degree, and about 20% had an annual household income of US\$ 50,000 to 74,999.

### Factor Analyses and Scale Reliabilities

A factor analysis (PCA) with oblique rotation (eigenvalue >1) was conducted to check for validity. Three problematic CH items (e.g., 'AB&D does exactly what it says') cross-loaded (loadings: .63 to .44) with C-C relation items and were accordingly deleted. An iterative PCA revealed four factors and no cross-loading. Factors with loadings greater than the .4 threshold (Islam & Rahman, 2016) indicated adequate validity. The average variance extracts (AVEs) of all variables (0.74-0.96) were above 0.5, indicating convergent validity (Fornell & Larcker, 1981). Discriminant validity was fulfilled with AVEs higher than the inter-construct correlations (*idem*). Finally, Cronbach  $\alpha$  values of the scales were above .7, signifying acceptable reliabilities (Islam & Rahman, 2016). Table 2 presents a summary of validity and reliability analyses.

Table 2. Summary of Reliability and Validity analyses.

	Factor Loadings	Sq-root of AVE	Inter-construct correlations	Cronbach $\alpha$
CH	.94 to .98	0.95	.32-.57**	.94
C-C relation	.61 to .93	0.86	.45-.77**	.98
C-C reputation	.51 to .82	0.86	.57-.77**	.98

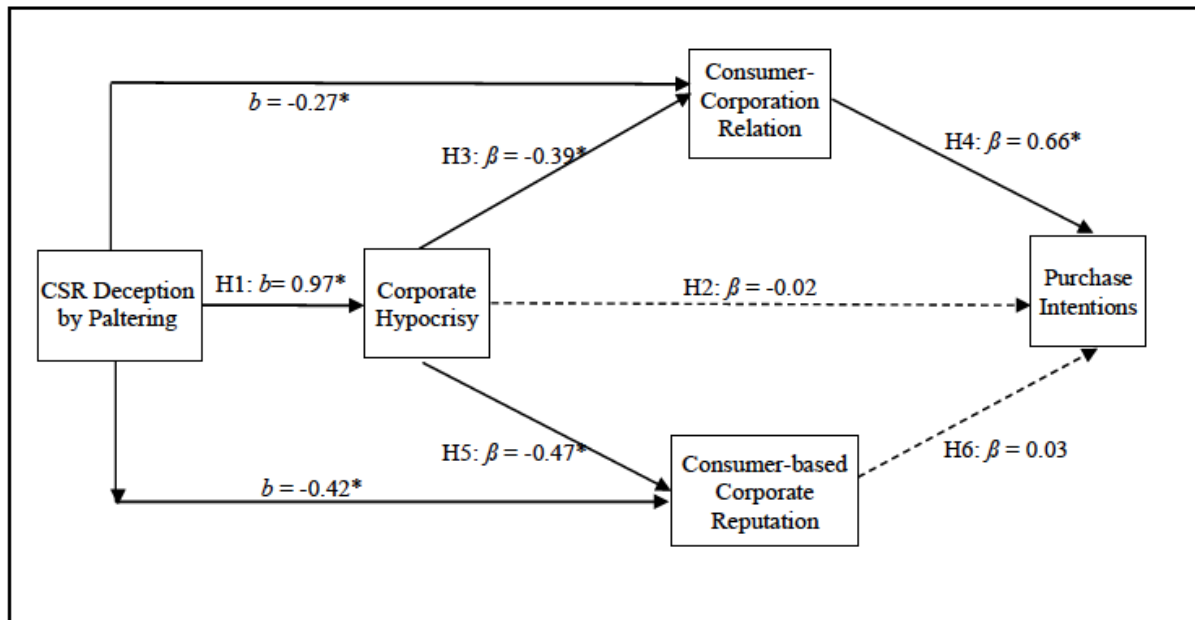
Purchase Intentions	.96 to .99	0.98	.31-.68**	.97
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### Hypotheses Tests

PROCESS results revealed that the presence of paltering positively evoked CH (partially standardized coefficient  $b = 0.97$ ,  $p < .001$ ,  $CI_{95} = 1.26, 1.73$ ), supporting *H1*. CH did not significantly impact participants' purchase intentions ( $\beta = -0.02$ ,  $p = .59$ ,  $CI_{95} = -.12, .07$ ), failing to support *H2*. CH negatively impacted the C-C relation ( $\beta = -0.39$ ,  $p < .001$ ,  $CI_{95} = -.44, -.28$ ) and C-C reputation ( $\beta = -0.47$ ,  $p < .001$ ,  $CI_{95} = -.50, -.35$ ), supporting *H3* and *H5* respectively. Although not hypothesized, paltering directly and negatively impacted C-C relation ( $b = -0.27$ ,  $p = .003$ ,  $CI_{95} = -.64, -.14$ ) and C-C reputation ( $b = -0.42$ ,  $p < .001$ ,  $CI_{95} = -.81, -.36$ ). Next, the C-C relation significantly and positively impacted purchase intentions ( $\beta = 0.66$ ,  $p < 0.001$ ,  $CI_{95} = .63, .95$ ), supporting *H4*. In this light, the mediated effect of paltering on purchase intentions (through CH and C-C relation) was significant (partial standardized effect =  $-0.25$ ,  $p < .001$ ,  $CI_{95} = -.35, -.17$ ), while the direct effect of paltering on purchase intentions was not (effect =  $-.16$ ,  $p = .24$ ,  $CI_{95} = -.42, .10$ ). Further, C-C reputation did not significantly impact purchase intentions ( $\beta = 0.03$ ,  $p = 0.70$ ,  $CI_{95} = -.15, .21$ ), failing to support *H6*. Therefore, the mediated effect of paltering on purchase intentions through CH and C-C reputation (partially standardized effect =  $-0.01$ ,  $CI_{95} = -.10, .06$ ) was not significant. CH and C-C relation completely mediated the relationship between paltering and purchase intentions for participants.

[Figure 1 near here]

Figure 1. Conceptual model showing hypotheses and results



Note: N= 252.  $\beta$  represents standardized coefficients; \* represents  $p < .001$ ; --- represents  $p > .001$ . Since deception (IV) is a dichotomous variable and a completely standardized coefficient will not be meaningful for such a variable, partially standardized regression coefficients are reported.

## 5. Discussions and Implications

The results indicated that if corporations' use of truthful but misleading CSR information along with non-disclosure of verifiable data is outed, participants perceive higher CH (vs. when corporations use truthful, verifiable, relevant CSR). The finding corroborates and adds to the deception literature (Serota, 2019) by showing that consumers experience higher CH if they find CSR marketing to include generic truthful statements that in no way shed insights into businesses' reality. CH formed of paltering did not affect consumers' purchase intentions. While participants perceived higher CH, their purchase intentions were not undermined. Such a non-significant effect stands contrary to prior literature (Jiang & Zhao, 2016) but can be potentially explained by the presence of other mediated and significant relationships (discussed later) in the model. Consumers' CH

significantly impacted C-C relations and reputation. When participants perceived higher CH, their relational intentions and corporate outlook were dampened (vs. lower CH). While these findings align with existing research (Arli *et al.*, 2019), in this study, CH was attributed to deception, specifically to paltering, a factor not considered in prior studies.

The C-C relation significantly mediated CH's impact on participants' purchase intentions. Weaker the relationship with corporations perceived as hypocrites, the lower the intentions to purchase fashion products from them (and vice-versa). This finding aligns with prior literature indicating that consumers' brand relationships influence their purchase intentions (Kircova *et al.*, 2015). However, the path of mediated relationship, where the presence of paltering evoked higher CH to undermine their C-C relation and ultimately reduce purchase intentions, stands contrary to prior

speculations about this type of deception being less harmful (Schauer & Zeckhauser, 2007). This study showed that paltering in fashion CSR marketing could disrupt consumers' psychological and behavioral responses. Also, the C-C reputation did not mediate CH's impact on purchase intentions. When corporations' paltering evoked higher CH, only participants' reputation assessments were compromised but not their resulting purchase intentions. While contrary to prior literature (Balakrishnan & Faroudi, 2019), this finding might be explained by another mediator in the model. The C-C relation might have dominated purchase intention predictions, so reputational outlook could not play an active role. Moreover, paltering directly impacted C-C relations and reputation. Although consistent with prior literature (Serota, 2019), this study expected a complete mediation through CH. The findings suggest that irrespective of their CH, consumers were likelier to tone down their relational and reputational evaluation if they discovered businesses paltering their CSR messages to mislead them.

### ***Theoretical Implications***

This study is the first to focus on paltering in CSR fashion marketing. By acknowledging this unique type of deception as a concern, we make an important theoretical contribution to the fashion marketing literature centering on CSR. Second, this research turned a new page in the CH literature. Prior marketing research primarily attributed consumers' CH to corporations' word-action inconsistencies (Bhaduri *et al.*, 2021), leaving other sources unidentified. Although Wagner *et al.* (2020) speculated deceptive CSR as a source of CH, they focused on lying-based deception. Thus, with its empirical evidence, this study makes a novel contribution to the ongoing CH literature, adding paltering-based

deception to the list of CH's attributable factors. Third, by posing paltering as decoupling, we partially explain why some fashion businesses use it in CSR marketing and thus extend the decoupling literature. Paltering allows corporations to cope with consumers' CSR expectations, and its true statements help corporations take the focus off their CSR non-disclosures and deceive consumers – all staying within the legal sanctions. Fourth, this research unpacks how paltering influences fashion consumers and enriches the deception literature. It provides nuanced insights into consumers' responses, showing that CSR paltering evokes consumers' CH and undermines their relationship, reputational evaluation, and purchase intentions. Finally, this study identifies C-C relation and C-C reputation as two new important concerns resulting from CH and raises new arenas of investigation within the CH literature. While prior CH studies mostly report consumers' boycotts and negative word of mouth (Zhigang *et al.*, 2020), we show consumers' reputational evaluations, and relational intentions as hefty consequences of CH evoked from CSR paltering.

### ***Practical Implications***

Fashion marketers must understand consumers' reactions to CSR paltering. Consumers not only judge corporations as hypocrites but also lose relational interests and develop a poor outlook. Such is particularly relevant as consumers have become more conscious of CSR and are willing to penalize unethical corporations (Bhaduri *et al.*, 2021). Therefore, fashion corporations must market only relevant, verifiable CSR, disclose their details, and not distort information in any way to overpromise CSR. Second, consumers' higher CH, evoked by paltering, led to poor C-C relations, which reduced their purchase intentions. Thus, marketers not only need to

avoid paltering but also control consumers' CH and simultaneously strengthen relational attachments. Third, consumers' CH compromised C-C reputation. Thus, to control corporations' negative reputations among consumers, fashion marketers must be mindful of their CSR messages. Simply marketing generic truthful CSR without disclosing specifics threatens corporations' legitimacy and should be avoided. Fourth, the C-C relation significantly mediated the effect of CH on purchase intentions, while the C-C reputation did not. Thus, although the C-C reputation is a matter of importance, corporations should prioritize the C-C relation resulting from CH evoked by their paltering marketing when it comes to boosting purchase intentions.

## 6. Limitations and Scope for Future Research

The study was limited by its specific focus on one type of deception. Although paltering needed this scholarly focus, future studies can compare different forms of deception. Second, the study considered only the fashion industry, and future research can extend it to other sectors. Third, the research used only US consumers, and future cross-cultural studies can be helpful. Fourth, given the experimental design's controlled-setting and use of fictitious brands to control for schema, the generalizability of the results could be limited. Future research can replicate the study with real brand names since consumers often are exposed to familiar brands. Finally, future research is recommended to investigate the role of demographic factors in the studied relationships.

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