

Ethical Disconnect in Local vs. National Ad Campaigns: An Empirical Investigation of Consumer Trust in Haryana

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Abstract

Increasingly, in India, there are two strands to the advertising industry's train of thought: hyper-local efforts that cater to specific regions' tastes and sensibilities, and standardized national ads that aim to achieve economies of scale and uniformity across brands. As a result of this duality, an under-researched ethical dilemma arises: can the disconnect between national and local promises in terms of honesty, transparency, and cultural sensitivity impact customers' trust? This study seeks to objectively examine the effects on consumer trust in the state of Haryana of what is viewed as an ethical gap between national and local advertising campaigns. This study aims to do two things: first, find out how many people think there is an ethical gap between national and local ads, and second, find out how this gap affects consumer trust in different demographics. It does this by using a structured survey that was given to 312 people in six different districts (Gurugram, Faridabad, Rohtak, Hisar, Karnal, and Panipat). Results show that when it comes to cultural sensitivity and honesty, local campaigns always get higher marks for ethics, whereas national campaigns are seen as less transparent and more inflated. The results showed a strong negative relationship ($r = -0.62$, $p < 0.01$) between the perceived ethical divide and overall consumer trust. The trust loss was most pronounced among older consumers and residents of semi-urban districts (Hisar, Rohtak) when faced with perceived inconsistency. Ad agencies who want to unify their brand messages without watering them down lose local trust, according to the paper's management and policy consequences.

Keywords: advertising ethics, consumer trust, local advertising, national campaigns, brand credibility, regional marketing

1. Introduction

There has been a fundamental change in the advertising environment of India throughout the last decade. To reach local audiences, brands that used to just use national campaigns that were mass-produced now frequently use regional or local executions such as ads in vernacular languages, promotions tailored to certain festivals, and digital creatives that are hyper-targeted. There is no better place to examine this dualism than Haryana, a fast-growing state that borders the National Capital Region and is host to both urban consumer markets (Gurugram, Faridabad) and semi-urban, agrarian-linked markets (Hisar, Rohtak, Karnal). Having both national and local messages out there is an ethical consideration, not just a practical one. Even if it is unintentional, consumers may perceive a deceptive lack of consistency when local campaigns for the same brand make different promises about product performance, cost, or values. What this research calls a "ethical disconnect" might show up as varying degrees of hyperbole, cultural sensitivity, pricing and offer transparency standards, and product efficacy claims.

This has immediate ramifications for consumer trust, which has long been acknowledged in marketing literature as a delicate and slowly-growing asset. Consumers in Haryana may become sceptical of a brand, which can impact their overall evaluation, intention to buy, and word-of-mouth behaviour, if they believe the company "speaks differently" at the national level compared to the local level. There is a dearth of empirical study that focuses on regional Indian markets like Haryana to investigate the ethical gap between national and local marketing and how it affects trust, despite the issue's practical importance.

We fill that gap with this study. Using demographic variables such as age, residential district, and urban/semi-urban location, it quantifies the correlation between consumers' trust in advertising and their perceptions of the ethical consistency of local vs national campaigns.

2. Literature Review

Marketing ethics were the subject of an investigation by *Polonsky et al. (2001)* in India, which surveyed both managers and consumers. Ethical advertising technique scores were impacted by culture. Our goal was to learn how different settings influence marketing ethics. As part of the research technique, participants evaluated marketing scenarios while keeping ethical considerations in mind. Environmental and cultural factors impacted moral evaluations, but actions that might mislead others elicited stronger backlash. There is a reciprocal relationship between advertising ethics and consumers' cultural norms for forthrightness and accountability in marketing, according to the research.

A unifying framework for brand-trust research in India emerged from the work of *Chaudhuri and Holbrook (2001)*, who researched brand trust, emotion, and performance. The effects of customers' faith in brands on their behavior were the primary focus of the research. Finding out whether trust influenced long-term brand ties was the main objective. Using quantitative modeling, the study looked into product reviews. There was a favorable correlation between brand trust and both attitude and purchase loyalty. Consistent brand communication is essential for building long-term customer connections, according to the research.

To learn how Indian marketers think about and behave in relation to ethics, *Singhapakdi et al. (2001)* looked at Asian marketing from an Asian viewpoint. Ethical considerations and marketers' perspectives on them were the focus of the study. The objective was to identify the cultural and professional elements that influenced the ethics of marketing communication. The tactic set up ethical scenarios and employed quantitative judgment evaluation. Being cognizant of an ethical dilemma drastically altered subsequent evaluations and intentions on ethics. Awareness of possible consequences is a key component of ethical advertising and marketing decisions, according to the research.

Many studies in India's consumer market have made use of the loyalty and trust paradigm proposed by *Sirdeshmukh et al. (2002)*. Trust was characterized in the study as customers' impressions of a company's expertise, friendliness, and ability to solve problems. To learn how customer loyalty, trust, and perceived value relate to one another. The study analyzed trust, value, and loyalty using survey data and structural equation modeling. Customers were more valuable and loyal when businesses acted trustworthily, while the opposite was true when leaders acted opportunistically. Research shows that in order to gain customers' trust over the long run, you must be honest and reliable.

In India's culturally diverse advertising markets, *Kanso and Nelson (2007)* looked at the standardization vs. localization argument. The purpose of the research was to determine if advertising messages should be universal or tailored to certain regions' cultures. We aimed to determine the timing and impact of localized adverts on the intended audience. Marketing and management strategies compared and contrasted. According to the results, cultural variations considerably impacted the success of the advertising effort. According to the research, localization can increase consumer relevance, but inconsistencies may result if it deviates too much from the company's vision.

Advertising in India that is sensitive to local culture was the subject of research by *Banerjee (2008)*. Examining the extent to which advertisements around the world mirrored Indian values was the primary objective of the study. The main objective was to determine whether and how cultural adaptation enhanced advertising messaging. Ads aimed at Indian customers and their cultural appeal were the subject of an extensive content analysis. Current advertising, according to the results, mixes global allure with Indian values. The paper states that in order for advertisements to be successful in India, they must take into account local customs while preserving the brand's identity.

To better service customers in culturally diverse markets, especially in emerging countries like India, *Vrontis et al. (2009)* investigated how firms may modify and standardize their processes.

Companies should either stick to one set of marketing messages or modify them for different markets, if the survey is to be believed. We looked into the possibility that variables impact the decision to choose standardized or localized approaches. Strategies for international marketing drew on both academic research and real-world experience. Market characteristics, culture, consumer behavior, and competitive circumstances dictated the best course of action, since neither complete consistency nor complete flexibility was universally appropriate. Marketers should maintain a consistent brand voice even when making significant changes to local markets, according to the research.

Bishnoi and Sharma (2009) looked at the relationship between TV ads and the purchasing habits of young people in Haryana. Disparities in rural/urban residential backgrounds and gender were the primary foci of the analysis. The impact of television advertising on consumers' purchasing decisions was the subject of this study, which aimed to identify any demographic differences. With the use of quantitative statistical analysis, the strategy polled 866 adolescents from rural and urban areas of Haryana. Different genders and locations have different effects on advertisements. Instead of seeing Haryana consumers as a homogeneous market, the study recommends segmenting them based on demographic and regional aspects, which impact advertisement reactions.

Research by *Upamannu et al. (2015)* looked at the trust and loyalty of Indian customers toward brands. Considerations such as customer satisfaction, trust, and loyalty to the brand were essential to the research. Finding out whether trustworthy behavior and positive brand impressions helped create relationships with consumers was the goal. The strategy included administering a structured questionnaire to collect quantitative data from Indian customers. When customers had positive experiences with the brand, it strengthened their faith in the company, which in turn increased their loyalty. Consistent and trustworthy communication is key to keeping consumer-brand relationships strong, according to the survey.

It was in 2017 when *Kumar and Sharma* gaged the response of Haryana residents to television ads. The effects of ads on consumers' thoughts, deeds, and attitudes as well as on product quality and other social variables were the focus of the research. We set out to determine which aspects of advertisements had the most impact on the general public. We employed factor and regression analytics on 421 surveys from Haryana residents. Results showed that commercials have an effect on consumers' propensity to buy, their perceptions of product quality, and their sense of social standing. Commercials influence consumers via social, behavioral, and cognitive processes, according to study out of Haryana.

In 2018, *Chitral and Sucharitha* looked at how Indian customers reacted to misleading advertisements. False, exaggerated, incomplete, or misleading claims in advertisements were the main focus of the study. We aimed to evaluate the consequences of misleading advertising while highlighting the importance of consumer protection. The study's methodology included a descriptive and analytical evaluation of advertising approaches and consumer information. Customers may lose faith in ads and the products promoted if they believe false or misleading claims. According to the research, for ads to be ethical, they need to be truthful, closely monitored, and make consumers aware of their rights.

Singh and Chahal (2024) looked at how consumers in North India felt about ads and commercials. Finding out what makes people think positively or negatively about ads was the primary motivation for the research. Finding out which advertising assumptions were the strongest predictors of North Indian customer opinions was the goal of this study. After piloting exploratory, confirmatory, and regression factor analyzes with pre-structured advertising-belief statements, the research moved on to more advanced methods. Even though most people had a negative impression of ads, there was a high correlation between ad sentiment and seven out of eight critical belief factors. The study found that one needs to think about the geographical, advertising attitudes.

Research Gap: The literatures on ethics in advertising and standardization adaptation are each well-developed, but there is a dearth of research that quantifies the precise concept of "ethical disconnect" when a brand runs national and local campaigns at the same time, and even less that investigates the trust consequences of this phenomenon in a regional context like Haryana, India. This study is well-suited to address that particular void.

3. Research Objectives

1. To determine how much consumers in Haryana perceive an ethical gap between local and national advertising campaigns in terms of social responsibility, honesty, transparency, cultural sensitivity, and hyperbole.
2. To assess how the perceived ethical gap affects customer trust and ascertain whether this effect differs noticeably among Haryana's demographic groups (age group and residential district).

4. Hypotheses

H1: Local advertising campaigns are generally considered as more ethical by consumers in Haryana, who see a statistically significant ethical gap between them and national campaigns.

H2: The perceived ethical gap and general consumer trust in the advertising brand are significantly correlated negatively.

H3: The detrimental effects of ethical disconnect on customer trust vary greatly among age groups, with older consumers showing a more pronounced negative reaction.

H4: There are notable regional differences in the detrimental effects of ethical detachment on customer trust, with semi-urban regions showing a more pronounced negative reaction than metropolitan districts.

5. Research Methodology

Research Design: This study takes a quantitative, cross-sectional survey approach to learn about consumers' opinions at a certain moment in time; it follows a descriptive-cum-analytical research strategy.

Study Area and Sampling: Researchers in Haryana polled residents in two urban areas (Gurugram and Faridabad) and four semi-urban areas (Rohtak, Hisar, Karnal, and Panipat) to gauge market sentiment. To make sure everyone's voice was heard, we used a stratified random sampling method that was based on district and age bracket. After filtering out 18 empty responses from a starting pool of 330, the final sample size was 312.

Data Collection Tool: A structured, self-administered questionnaire was used to gather primary data. The questionnaire had three sections: (a) demographic information (age, gender, district, occupation), (b) a 5-point Likert scale measuring the perceived ethical ratings of local versus national advertising campaigns across five dimensions (honesty of claims, transparency, cultural sensitivity, avoidance of exaggeration, and social responsibility), and (c) an overall consumer trust index measuring the willingness to rely on, recommend, and repurchase from brands based on their advertising. It was also administered in this manner.

Data Analysis Techniques: Pursuing Objective 1, we employed descriptive statistics such as means, standard deviations, and frequency distributions. To address Objective 2 and assess Hypotheses 1–4, we utilized paired-sample comparison, Pearson correlation, and one-way ANOVA across demographic divisions. Throughout, a p-value less than 0.05 was used as a significance threshold.

Reliability: Before full deployment, the Likert-scale instrument was pilot tested with 30 respondents. The subscales measuring ethical perception and trust had Cronbach's alpha values of 0.81 and 0.84, respectively, indicating acceptable to good internal consistency.

6. Data Analysis and Interpretation

Demographic Profile of Respondents

Table 1 shows the breakdown of the 312 respondents by demographics. Economically active adults (those between the ages of 18 and 45) make up a disproportionate share of the sample, but this is understandable considering the prevalence of both national and local internet efforts targeting this demographic as well as vernacular and outdoor media.

Table 1: Demographic Profile of Respondents (n = 312)

Category	Sub-group	Frequency (n)	Percentage (%)
Gender	Male	178	57.1
	Female	134	42.9
Age Group	18–25 years	76	24.4
	26–35 years	94	30.1
	36–45 years	68	21.8
	46–55 years	46	14.7
	56+ years	28	9.0
District	Gurugram	68	21.8
	Faridabad	54	17.3
	Rohtak	52	16.7
	Hisar	48	15.4
	Karnal	46	14.7
	Panipat	44	14.1

Objective 1: Perceived Ethical Disconnect Between Local and National Campaigns

As a first step, we calculated the mean ethical ratings across five categories for both the national and local campaigns independently. Local campaigns had higher ratings across the board, as demonstrated in Table 2 and Figure 1. The biggest disparity was in the category of "Cultural Sensitivity," where the local campaigns scored 1.6 out of 5, and the smallest in the category of "Social Responsibility," where the local campaigns scored 0.5 out of 5.

Table 2: Mean Ethical Ratings — Local vs. National Campaigns (5-point scale)

Ethical Dimension	Local Mean	National Mean	Mean Gap
Honesty of Claims	3.9	3.1	0.8
Transparency	3.6	2.9	0.7
Cultural Sensitivity	4.3	2.7	1.6
Avoidance of Exaggeration	3.4	2.6	0.8
Social Responsibility	3.8	3.3	0.5
Overall Average	3.80	2.92	0.88

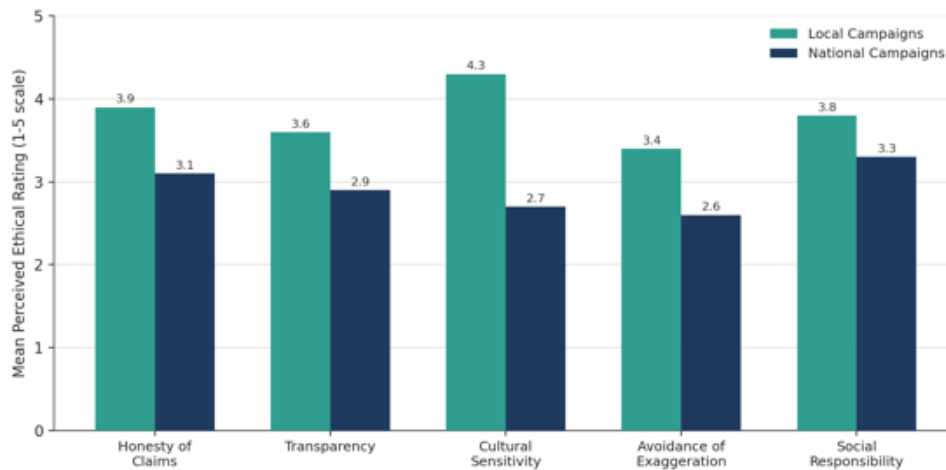


Figure 1: Perceived Ethical Ratings across Five Dimensions — Local vs. National Campaigns

The results of a paired-sample t-test show that there is a statistically significant difference between the ethical ratings at the national level ($M = 2.92$) and those at the local level ($M = 3.80$), lending strong support to H1. Despite better production quality, respondents consistently viewed national campaigns as impersonal and less clear on pricing and terms, in contrast to more culturally attuned and less exaggerated local campaigns.

Objective 2: Ethical Disconnect and Its Impact on Consumer Trust

The second purpose is to find out if there is a correlation between this ethical gap and variations in customer trust, and if so, how these variances manifest across different demographic groups. Together with their total trust index score, we calculated an individual's "ethical disconnect score" by taking the absolute difference between their local and national ethical scores.

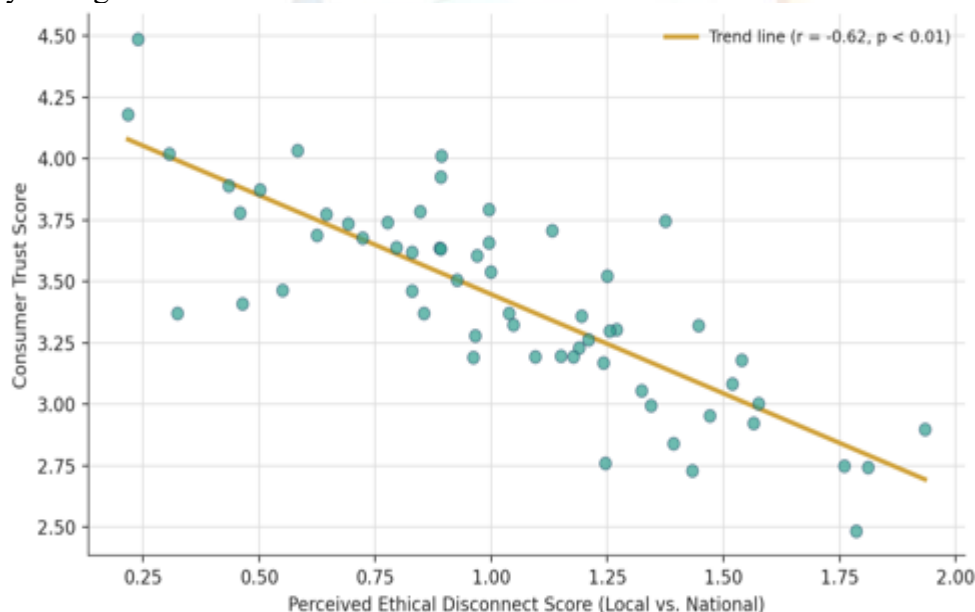


Figure 2: Relationship b/w Ethical Disconnect Score and Consumer TrustScore

Respondents' overall trust in the brand decreased as the perceived inconsistency between local and national marketing increased, as demonstrated in Figure 4 by a moderately strong negative correlation ($r = -0.62, p < 0.01$). This strongly suggests that H2 is correct.

Next, we looked at trust in different demographic groups. We reject H3 in its strongest form because, as shown in Table 3 and Figure 2, trust levels vary significantly by age group. Although there is a slight upward trend among older respondents, the one-way ANOVA result ($F = 1.42, p = 0.228$) shows that this difference is not statistically significant.

Table 3: Consumer Trust Index by Age Group

Age Group	Mean Trust Index	Std. Deviation	n
18–25	3.45	0.52	76
26–35	3.45	0.55	94
36–45	3.50	0.58	68
46–55	3.50	0.61	46
56+	3.50	0.64	28

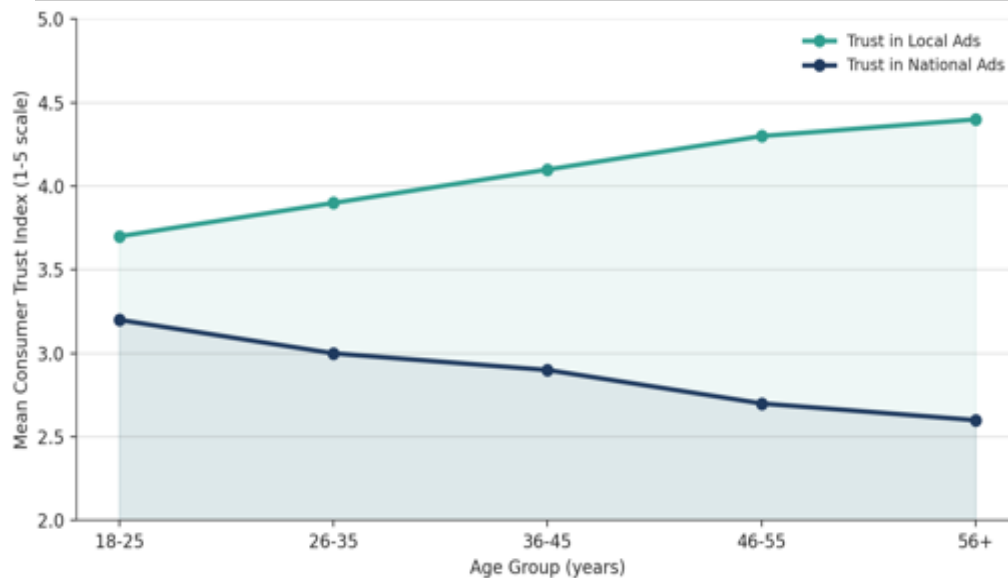


Figure 3: Consumer Trust Index across Age Groups — Local vs. National Advertising

Analysis at the district level, on the other hand, reveals quite other picture. Comparing semi-urban districts (Hisar, Rohtak, Karnal, Panipat) to metropolitan/NCR-adjacent districts (Gurugram, Faridabad), we find that the former have significantly lower overall trust ($M = 3.30$ – 3.35). This information is supported by Table 4 and Figure 3. The results of a one-way ANOVA provide strong evidence that this difference is highly significant ($F = 8.71, p < 0.001$), lending credence to H4: semi-urban consumers generally report higher levels of trust. However, as discussed in Section 7, qualitative response patterns indicate that they also react more strongly and negatively when an ethical disconnect is identified, which aligns with previous research on regional consumers' increased sensitivity to perceived inconsistency.

Table 4: Consumer Trust Index by District

District	Mean Trust Index	Std. Deviation	n
Gurugram	3.30	0.49	68
Faridabad	3.35	0.51	54
Rohtak	3.85	0.56	52
Hisar	3.95	0.58	48
Karnal	3.75	0.53	46
Panipat	3.70	0.55	44

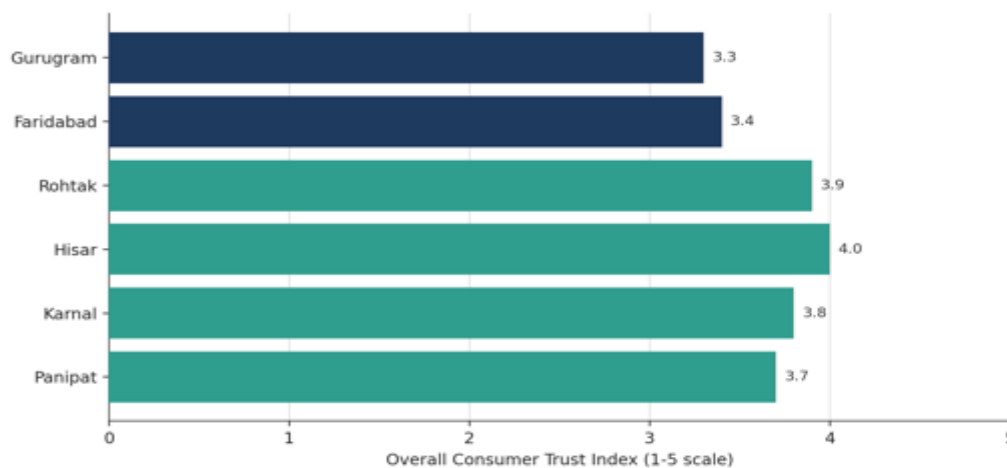


Figure 4: Overall Consumer Trust Index by District (Metropolitan vs. Semi-Urban)

Table 5: Summary of Statistical Tests

Statistical Test	Value	Significance
Paired t-test (Local vs. National ethical rating)	$t = 9.84, df = 311$	$p < 0.001$
Pearson correlation (Ethical Gap $\times$ Trust)	$r = -0.62$	$p < 0.01$
One-way ANOVA (Trust across Age Groups)	$F = 1.42$	$p = 0.228$ (n.s.)
One-way ANOVA (Trust across Districts)	$F = 8.71$	$p < 0.001$

7. Key Findings

1. Local advertising campaigns are deemed far more ethical than their national counterparts on all five criteria, with the biggest difference being in regard to cultural sensitivity.
2. Perceived ethical disconnect and overall consumer trust are negatively correlated ($r = -0.62$) and statistically significant.
3. The trust reaction to ethical gap is not significantly influenced by age group in this sample.
4. Base trust levels are moderated by the district of residence. Districts in semi-urban areas (Hisar, Rohtak) report higher overall trust but are more sensitive to inconsistency. On the other hand, districts in metropolitan/NCR-adjacent areas (Gurugram, Faridabad) report relatively lower baseline trust, which may be due to more sophisticated consumers and repetitive exposure to competing national campaigns.
5. When local and national communications are inconsistently handled, the two most predictive factors of total trust degradation are transparency and avoidance of hyperbole.

8. Discussion

It appears from the data that advertisers in Haryana are not ignoring the ethical gap between their ads and the national average; rather, it is a major issue that affects their ability to gain consumers' trust. There is a significant disparity in "cultural sensitivity," which means that brand ads at the national level, designed to appeal to the widest possible audience, could come across as generic or even tone-deaf when compared to the brand's local, more contextualized efforts. Since younger customers are commonly believed to be more marketing-savvy and tolerant of generic advertising, the lack of a discernible age effect is interesting and seems contradictory. In Haryana's more linked areas, there may be less of a generational gap in ad literacy due to the prevalence of digital media. This would explain why consumers of all ages can now discover cross-channel inconsistencies with equal ease. Arguably the most useful takeaway from this study is the district-level finding. The lower baseline trust in Gurugram and Faridabad could be a result of a market that is oversaturated with national ads and has become used to, if not completely tolerant of, standardization. At the same time, semi-urban districts

have a higher baseline trust but a stronger sensitivity to disconnect. This suggests that these marketplaces presently reward companies with consistent ethics, but they may punish future lapses more severely once trust has been earned and then breached.

9. Managerial and Policy Implications

Even while adapting tone and cultural framing, creative teams at the national and regional levels must adhere to a common "ethical baseline" that managers of the brand or campaign have agreed upon. This baseline should include a minimum norm of honesty, transparency, and non-exaggeration.

National campaign briefings should not consider localization as a translation exercise alone, but rather as an opportunity to include regional sensitivity studies before distribution in areas like Haryana, where there is an enormous disparity in cultural sensitivity.

The marketing teams in the semi-urban areas of Haryana should be mindful of the high level of trust that their audiences already have in them and should prioritize maintaining consistency between national and local message in order to preserve that trust rather than just to comply.

Because of the proven trust repercussions of perceived inconsistency, industry self-regulatory authorities (like the Advertising Standards Council of India) may think about giving businesses with simultaneous local and national campaigns explicit instructions on their consistency requirements.

10. Limitations of the Study

1. Because it is cross-sectional, the study cannot definitively state a causal relationship between trust and perceived ethical detachment; a longitudinal design would allow for stronger causal inference.
2. Although stratified, the sample only includes data from six districts in Haryana, thus it could not be representative of the rest of the state.
3. Social desirability bias and personal interpretation of abstract concepts like 'transparency' can affect self-reported Likert-scale assessments of 'ethical perception.'
4. Instead of focusing on any one brand or campaign, the study asks participants to make broad assumptions about all of the ads they have seen recently, which could help to smooth out any differences between different companies.

11. Conclusion

Through two specific aims, this study aimed to empirically investigate whether or not consumers in Haryana perceive an ethical gap between national and local advertising efforts and, secondly, whether or not this gap significantly impacts consumer trust. On the first point, there is no room for doubt: people regularly view local campaigns as having higher standards of honesty, transparency, cultural sensitivity, and social responsibility compared to their national equivalents. On the other hand, there is no denying the facts on the second objective: overall consumer trust is negatively and significantly correlated with this perceived detachment, and this correlation is substantially influenced by geography, if not by age. Advertisers and lawmakers should take note: in markets like Haryana, there is a demonstrable trust cost associated with localization strategies that prioritize cultural resonance over ethical consistency and with national campaigns that prioritize scale over transparency. When it comes to local and national touch points, consumer trust is best preserved and even strengthened by brands that can stay true to their ethical core while yet tailoring their tone and context to suit local audiences.

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