

AN HONEST DISCUSSION ABOUT LIES: HOW COMPONENTS OF A SELLER'S LIES CAN IMPACT CUSTOMER RELATIONSHIP COMMITMENT

NOELLE BUTSKI, University of Arkansas Little Rock
ROBERT E. BOOSTROM, JR., University of Wisconsin-Whitewater
RAVON BONDS

People lie, and some research suggests that over 90% of people lie at least once a week (Serota et al., 2010). More specifically, sales and marketing professionals are seen as more likely liars (e.g., Grouse 2015), leading to ever-greater skepticism on the part of customers. Other than some recent work in marketing regarding marketplace deception (Boush et al., 2009; Serota 2019), little has been done to understand the impact of different kinds of lies on a buyer's relationship commitment. Applying Bok's (1999) theories related to lies, this paper investigates how deceit has been viewed in marketing and sales, provides a theoretical model for how the lies of a salesperson might impact a customer's relationship commitment, and presents a brief study on the impact that lies might have on buyer's relationship commitment. Results show that even though the truth is always better than a lie, different lies - independent of their direct impact on the buyer - can have varying amounts of impact on relationship commitment.

INTRODUCTION

People lie. Serota et al. (2010) estimated that approximately 92% of people lie at least once a week. Other studies have suggested that people lie two times a day on average (e.g., DePaulo et al., 1996) and up to 200 times per day (Meyer, 2010). We are aware of deception in the world, and concern is raised regularly about lies, both public and private. More specifically, the honesty of marketing and advertising messages is continually in question (e.g., Godin, 2005; Grouse, 2015), which leads to ever-greater skepticism on the part of the very customers that marketers wish to serve. Some managers believe that deception is a necessary talent of the sales function (Joseph, 2018). From a macromarketing perspective, this creates a need to understand how the marketing literature has dealt with ethical behavior (Nill & Schibrowsky, 2007). Additionally, it causes concerns about what marketing professors are teaching their students (Cummins et al., 2013) and what marketing managers are encouraging among their employees (Gunia & Levine, 2019). While textbooks for sales students encourage ethical behavior, such as "tell[ing] the truth about what the product will

do" (Futrell, 2011, p.7), and many organizations offer ethics training programs, there are still many unanswered questions when it comes to the topic of lying in sales. Given the long-standing concern about lies in marketing and sales, it seems natural that marketing scholars would be experts in understanding how lies work. What are the reasons to lie? What are the impacts of lies? Who lies, when do they lie, and why? Although a thorough understanding of lying seems to have an obvious place in informing a broader knowledge of the impact of lies on marketing and sales activities, little in the way of deception theory has been used to understand marketing and sales activity, or how deception impacts consumers.

There are compelling reasons to tell the truth. Foremost of the arguments for telling the truth is that it is the right thing to do. Telling the truth is considered the ethical first choice (Bok, 1999). However, within the world of academic writing on marketing and sales, such a position is normative. It prescribes behavior rather than describing what is already there (Hunt, 1976). In fact, Gunia and Levine (2019) noted that in situations where liars were identified, they were considered good prospects for sales-oriented jobs. Based on this, making the argument that telling the truth is the "right thing to do" may not be enough.

Another good reason to tell the truth is suggested by Daniel Pink (2012). In his book "To Sell Is Human," he addresses the deceptive character that is ascribed to salespeople. He reviews the work of one sales trainer in particular that offers a variety of ways to tell little lies in order to connect to a potential customer. Pink (2012) suggests that lying doesn't work like it used to because consumers have more access to information. Consumers don't need to deal with salespeople that they perceive to be liars. Though there is merit to this argument, one wonders if this is enough to stop some from lying, either. If a salesperson sees a small, temporary advantage in a lie, then the salesperson may go forward with the lie and assume that there is little risk.

Another reason to tell the truth might be a more complete understanding of the risks associated with a lie. The book "Lying: Moral Choice in Public and Private Life" (Bok, 1999), originally published in 1978, provides a rich exploration of the motivations and impacts of lies. One of the points argued by Bok is that the impact of a lie is generally less obvious to the liar than it would be to the person duped. Whereas the liar most certainly does not want to be discovered, the impact of that discovery is usually underestimated. While the lie may impact a harm in a specific case to the person who is duped, the greater impact to that relationship, the impact that lying may have on the liar and the impact to society as a whole, are often underestimated or dismissed (Bok 1999).

Bok's (1999) work, and that of other researchers considering deception from different angles (e.g., Levine 2020), has been found informative in multiple fields, yet has rarely been applied to a discussion of lies within the marketing and sales literature. We hold that our discipline is the poorer for it. This paper provides a literature review considering how deceit has been viewed in marketing and how Bok's concepts related to lies can add value by clarifying the components of lies. We then analyze data collected to demonstrate the impact that discovered lies might have on a buyer-seller relationship.

THEORETICAL FRAMEWORK

A variety of fields have cited Bok's (1999) seminal work. In organizational theory journals, lying and its causes have been confronted fairly directly (e.g., Grover, 2005; Jenkins & Delbridge, 2017). Studies looking at lies in organizations primarily investigate employee deception (Grover, 2005; Jehn & Scott, 2007; Jenkins & Delbridge, 2017), and this unblinking approach to lying recognizes lies as a part of the landscape, and therefore, something to be more clearly understood. Within the area of entrepreneurship, Rutherford et al. (2009) looked at deception related to how entrepreneurs deceive financiers. They stated that though a study of deception toward customers would probably be more valuable, there is more literature currently developed around the financiers. Negotiations research (Volkema et al., 2004) and supply chain management (Kaufmann et al., 2017) have begun to consider the impact of lies on the buyer-seller relationship to see how lies compare to the truth, but these studies have focused on lies told to self-serve, leaving gaps in our understanding of what might impact a relational dynamic. Recently, from a communications studies perspective, marketing in particular has been critiqued as an area in which deception is entrenched and, therefore, marketing deception deserves considerable analysis as different from everyday deception (Serota, 2019). All of this seems to lead to one idea: There is a special need for understanding the impact of lies within the field of marketing.

Deceit in Marketing

Marketing as a discipline has been very concerned with creating trust and its impact on relationship commitment. Morgan and Hunt's (1994) seminal work regarding relationship marketing and the importance of trust demonstrated all that supports a customer's relationship commitment. However, there lurks the impediment to trust: Opportunistic behavior. Based on Morgan and Hunt's model, opportunistic behavior and coercive power are the only things that reduce relationship commitment. Opportunistic behavior is seen as self-interest seeking behavior, which could include deceit. With this, Morgan and Hunt to

some degree imply the potential impact of discovered lies on the part of the customer.

Among the ethical concerns for marketers, honesty has been identified as a top issue (Chonko & Hunt, 1985; Chonko & Hunt, 2000). However, when discussing a retrospective of what has been done in marketing related to studying honesty, examples of work did not include consumer responses or the long-term impact to customer relationships (Chonko and Hunt, 2000). For example, one cited article by Bourne and Snead (1999) dealt with employee perceptions of honesty in the organization, but did not attempt to see how customers responded to acts of dishonesty.

From a legislative sense, society has taken precautions against lying in marketing communication, and marketers are aware to some degree of the damage that can be done. Maio (2017) mentions that lies are more stringently legislated against in marketing than in fields like politics, and that marketers are aware of the potential damage to the brand that comes from lying. However, there is little research to truly provide understanding of the impact of lies in marketing communication relative to consumer long-term perceptions.

Boush et al. (2009) make a significant step toward understanding deception in the marketplace and differentiating it from deception in everyday life. Describing it as a topic important to societal welfare that is in need of more study, they see marketplace deception as both pervasive and problematic, and show how deception is a key issue for consumers due to the potential negative societal impacts. They point to the heavy focus that legal issues of marketplace deception have received and lament the paucity of research on the social psychological issues.

Building on Boush et al.'s (2009) work, Serota (2019) offers a solid step forward for understanding deceptive marketing beyond a legal perspective. He recognizes that most of the focus has been on legal definitions of deceit and that psychological and communications studies' perspectives are lacking. Central to his thesis is that marketing is not measured in the same way as normal interpersonal

communication relative to deceit, and therefore, marketing communication should be seen as a unique environment. He suggests the Deceptive Marketing Outcome (DMO) model as a way to see the two-by-two relationship of the marketing message (truthful or deceitful) and its perception by the consumer (being judged as truthful or deceitful).

Key to Serota's (2019) work is the recognition of the consumer's perceptions as the final arbiter of what is truthful and what is not. In other words, when the message is truthful and is also judged truthful, then the consumer has accurately assessed the marketer's communication. Additionally, when the message is deceitful and judged as deceitful, the consumer has accurately judged the marketer's communication. In situations where either the marketer is deceitful or the consumer judges the marketer so, negative effects could include harm to the consumer or increased distrust on the part of the consumer.

Revisiting Bok's Perspective

Bok's (1999) work begins by considering how lying has been studied in moral philosophy and considers when it might be appropriate to lie. To investigate the topic, she provides a definition for what a lie is, and explores why a person would lie. In grounding the discussion, she separates truth (or an objective and perfect truth, centered on epistemological considerations) and truthfulness (or the ethically based desire to provide accurate information). With the psychological construct of a pure truth that can never be fully realized, she states that people can use this unattainable truth as a reason to justify the telling of known falsehoods because the truth is not a goal that can be reached anyway. However, as the receiver of information, we know that attempts at truthfulness are more likely to give us the information we want. Just because truth is not attainable does not mean that there are not quality differences in the information that we might receive.

This understanding of deliberate false communication becomes central to her definition of a lie, which she states is "any intentionally deceptive message which is *stated*" (Bok, 1999 p.13). Lies are thus a subset

of deception. More importantly, Bok recognizes key issues related to the perception of the lie by the liar and the dupe, and she considers how the risks of the lie are assessed. She mentions that liars compare the risk of the lie to the duped against the value that might be received by the liar for lying. This tends to ignore the impact of the lie on the liar and the negative effects on the dupe related to their general trust in others. It is this understanding of the motivations of those lied to, and the potential impacts of lies, that provide our richest opportunities in extending research for marketing and sales.

In this utilitarian view, the risks considered by the liar are balanced against the liar's objectives. The liar lies to gain something. Bok suggests that "If lies and truthful statements appear to achieve the same result or appear to be as desirable to the person contemplating lying the lies should be ruled out" (Bok, 1999: p. 31). In other words, in a situation where the truth gets the individual the desired result, the truth is what the individual will provide. When the truth won't provide the result, lies are considered and potentially employed if the goal outweighs the assessed risks of lying.

Generally, lying is justified on the part of the liar when the perceived risks are outweighed by the potential gains. There are two perspectives Bok suggests for liars. The first is one in which the liar sees himself as using the power bestowed by lying in a world where others are held to a standard of truthfulness. This gives an advantage to the one who lies. The other is the perspective of one who lies because he believes that others lie. As such, lying can be seen as a kind of survival strategy in a world where deception is inevitable. Given that the exact phrase "buyers are liars" returned 12,200 results in a 2019 Google search, it would seem likely that some salespeople might justify lying by saying that they are merely doing what the customer does already.

What Marketing Might Gain from Bok

Lying, as outlined by Bok, has been referenced in the works of a variety of fields. She details that there is a cost to lying and a benefit to veracity; there is an imbalance in the value of truth over lies. Despite this, Bok recognizes that lies are told and that a world with no lying

might lead to hurt feelings and dangerous results in specific situations. Because lies are a part of everyday life, her work is often used to understand how lies fit in with activities and provide a baseline for what lies are. For example, in Bara's (2010) book on communication, Bok's work is directly referenced to define what a lie is during a discussion of deceit in general. Additionally, McGlone & Knapp (2019) credit her work with helping to bring wider attention to the field of deception research. Kalbfleisch and Docan-Morgan (2019) refer to Bok's work as a "classic" (p. 31) when they offer readers basic ideas about how to define deception and lying, as do Englehardt and Pritchard (2019) when discussing how deception impacts trust.

Though Bok's work is occasionally referenced in marketing, it is rarely applied in a way that suggests that any great value is recognized in using it as a framework for understanding who lies or why. For example, although Chonko's (1995) book on ethical decision making in marketing references Bok, it does so in passing and does not directly mention specific items of the text. Additionally, the reference to Bok is presented outside of the discussion on deception, although Bok describes lying as a subset of deceit. When Anthony and Crowley (2017) discuss deception on the part of consumers, Bok is merely suggested as a source for understanding how lying has been classified as unethical.

Bok's work is recognized as a key framework for understanding how lies work and when they are implemented. As we have described, her ideas have informed several other disciplines. Additionally, we have seen that marketing and sales are often seen as a field in which lying is a problem. Thus, we believe that there are some key application opportunities for Bok's work and that a deeper understanding of the mechanics of lies can improve multiple elements of marketing communication and the sales process, especially during the coding and decoding process of buyer-seller communications. When a salesperson "encodes" a message, they are turning their thoughts into a form of communication, such as a sales presentation, email, or phone call (Simon et al., 2018). The buyer then receives this information and interprets, or "decodes" it

(Simon et al., 2018). Deception that is perceived by the buyer, whether it is real or not, has the potential to alter the way the buyer interprets information from the seller from that point on.

Defining How Deception Might Impact Buyer Relationship Commitment

As we work toward a conceptual model that applies Bok’s (1999) work to a scenario in sales, we would see general roles filled by specific characters. The deceiver, as proposed in this study, would be the salesperson. Although any actor in the relationship might apply deception, this research will focus solely on the salesperson as a source for potential deception, so as to measure the outcome on the part of the buyer. The other role that comes from Bok’s (1999) work is the dupe. As the dupe is the one being manipulated through false information, that role is played in our model by the buyer. Any lie discovered by the dupe can

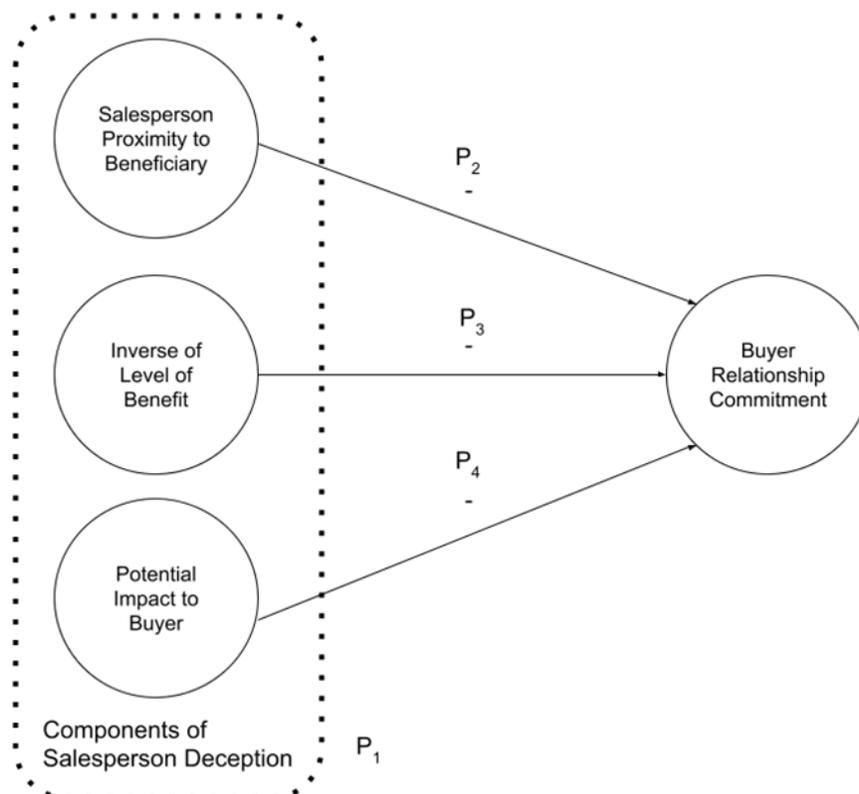
diminish relationship commitment, regardless of its impact or the reason for it.

Buyers rely on salespeople to provide honest information about the products the salesperson represents, including honoring any implicit or explicit warranties. However, lies about the product - a form of marketplace lies - are not the only kind of deception that might impact the relationship. The buyer-seller relationship, as it depends on interpersonal communication, introduces the opportunity for everyday lies. In a situation as simple as a cancelled meeting, if the salesperson provides a reason that then proves to be false, this might be seen by the buyer as a form of opportunistic behavior and thus erode relationship commitment to some degree. Therefore, we propose that:

- P₁:** A discovered lie will have a negative impact on a customer’s relationship commitment.

The deceiver has one or more reasons, seen as motivations or justifications, for the deception.

**FIGURE 1:
The Impact of the Components of Salesperson Deception**



Reardeon et al. (2019) note that the research thus far has provided a multitude of potential deception motivators. Key to the role of the deceiver is that the deceiver takes the actions he does in order to reach a goal that the deceiver believes cannot be achieved through telling the truth. The deceiver keeps his "eyes on the prize," so to speak, and this focus on the benefit makes it less likely that the deceiver understands the risks to the relationship that are introduced through the act of deception.

One element of the motivation is the beneficiary of the lie. The lie may be to benefit the deceiver, or the lie may be meant to benefit another party, such as the salesperson's company or a friend. Bok (1999) speaks to the idea that some lies are told with the excuse that they serve a moral purpose. This, undoubtedly, could be true. When Jewish families were hiding from Nazis in attics all over Europe during World War II, the most moral thing to do when the Gestapo knocked on the door would be to lie to them and say you were hiding no one. However, it is rare that a well-told lie has such a moral pedigree in a sales context. Lies told in an effort to benefit someone else may not be seen as excusable by a third party, and less likely so by the dupe. However, lies told to benefit the salesperson seem to pose a more direct problem regarding the relationship. Situations where the salesperson does not receive a direct benefit from the lie might thus be seen as less impactful on trust between buyer and seller because the salesperson could be seen by the buyer as someone who helps others. Therefore, we propose that:

P₂: The closer the salesperson is to being the beneficiary, the more harm the discovered lie will have on relationship commitment.

Another potential variable providing a negative impact on the relationship between the seller and buyer might come from the perceived benefit or importance of the real reason for the lie. In a situation where the salesperson is gaining something large from the deception, and there is little to no cost to the buyer, the buyer might understand the temptation of the salesperson to lie. Likewise, if the salesperson is helping someone else in a very difficult situation, the buyer might see this as more justifiable than doing a small favor for someone

else at the expense of something like a meeting with the buyer. However, if the salesperson is gaining little and risking the buyer's relationship commitment, then it might suggest that the relationship has a low value, too. Therefore, we propose that:

P₃: The less significant the benefit sought through the lie, the more harm the discovered lie will have on relationship commitment.

Finally, the deceiver is attempting to gain something from the dupe. This impact to the duped buyer, the loss that is incurred, would likely play a part in reducing the overall relationship commitment of the buyer. As Bok (1999) states, the deceiver usually does not do a good job of assessing the risk that is posed to the relationship, should the lie be discovered. Therefore, we propose that:

P₄: The greater the impact to the buyer of the lie, the more harm the discovered lie will have on relationship commitment.

The Proposed Model and Hypothesis Testing

The conceptual model in Figure 1 is based on the description in the preceding section. To summarize the propositions: The existence of the lie, if discovered, will have an impact on a customer's relationship commitment, regardless of the components of the lie (P₁). However, all lies will not be seen as equal by the buyer. Lies that provide benefit more directly to the seller (P₂), lies that provide less gain for the beneficiary of the lie (P₃), or lies that impact the buyer more will cause more damage to the relationship commitment (P₄). For the purposes of this study, Propositions 1 through 3 are tested as research Hypotheses 1 through 3 as detailed below. Proposition 4 was not tested as part of this project to limit the complexity of the study, and this is further explored as a limitation in the Discussion section of the paper.

METHODOLOGY

A survey was conducted with participants recruited from business school students attending a Midwestern university. Business school students were targeted because they have a foundational knowledge of business

practices and ethics and were a convenience sample. A total of 152 participants (52.6% Male, 2% Freshman, 2.6% Sophomore, 38.8% Junior, 56.6% Senior, Mean Age = 21.22, SD = 1.70) completed all questions.

Survey

The data were collected through a survey presenting multiple, randomized scenarios to each respondent in Qualtrics. By doing so, this allowed for the collection of comparisons from each subject. Our theoretical model sees lies as impacting relationship commitment. As a proxy for relationship commitment, we asked participants to evaluate their interest in doing business with various sales representatives and provided scenarios in which different sales representatives lied. Participants were asked to imagine themselves as a buyer for a business who purchases multiple product lines. They were told they have all needed authority to make the purchasing decision and often buy the same product category from multiple suppliers. From here they were told:

You had scheduled meetings with different salespeople from competing businesses that

were to take place between 1:00 PM - 4:00 PM. All of the salespeople canceled their meetings the morning of the meeting. All of them told you the reason for cancellation was due to car trouble. You rescheduled all of the meetings for the following week. All of the salespeople met with you the next week and made equally good presentations and offers. You are ready to make a purchase. Right before you issue the purchase order a trusted source provides you with the below information. This information is confirmed to be true by a third, and equally trusted, source.

Participants were provided with a variety of options of possible scenarios. One scenario was that the salesperson told the truth, three were considered to be self-serving reasons for lying, and three were considered to be reasons for lying in service of another. This was to test differences between the salesperson as beneficiary and another party as beneficiary. Additionally, the benefits received varied between scenarios. The impact to the buyer and the need to reschedule the meeting remained constant across all scenarios.

**TABLE 1:
Deception Types with Beneficiary and Benefit Rankings**

Deception	Variable	Beneficiary Salesperson Proximity (Self=Salesperson)	Benefit (1 = not important, 2 = important, 3 = vitally important)
The salesperson lied because their relative needed help getting to the emergency room	OTHER3	Other	3
The salesperson lied because their relative wanted help moving	OTHER2	Other	2
The salesperson lied because a friend wanted to meet for lunch	OTHER1	Other	1
The salesperson lied because a larger client wanted to meet with them at the same time	SELF3	Self	3
The salesperson lied because they won a last minute luxury vacation and had to leave that day	SELF2	Self	2
The salesperson lied because they wanted to sleep in that day	SELF1	Self	1
The salesperson told the truth about having car trouble	TRUTH	Told the Truth	Told the Truth

The order of the options was randomized for each participant. For each scenario, the participant was asked the likelihood that they would continue with the purchase transaction using a 5-point Likert scale ranging from 1 (Extremely Unlikely) to 5 (Extremely Likely).

Next, participants were given an attention check question. This was followed by a similar scenario as stated above, but instead of making a decision for a current transaction, they were told:

You had scheduled meetings with different salespeople. All of the salespeople canceled their meetings the morning of the meeting. All of the salespeople told you the reason for cancellation was due to car trouble. You met with each salesperson the following week and placed an order with all of them. Since that time, you have been given information about the actual reason the salesperson canceled as listed below.

Based on this information the participant was asked to rank order the salespeople they would prefer to do business with from 1 - 7 with 1 being the person they most desired to do business with in the future and 7 being the person they least desired to do business with in the future. This was followed by basic demographic questions.

In these scenarios, the assessment of the buyer’s trust in the relationship was measured by evaluating the buyer’s interest in pursuing

business, both now and in the future, in light of the knowledge that the salesperson may have lied.

RESULTS

In order to reflect the fully proposed model, each hypothesis was tested first in sequential order with the ratings for continuation of a current transaction. Means were compared and tested for statistically significant differences to identify support for the theoretical model. As a second set of tests of the same hypotheses, a sequential analysis was done for the hypotheses by analyzing the rank-ordered preferences for whom the subject would wish to do business in the future.

To begin, a comparison of means was conducted to see if there was support for H₁. This was meant as an initial test to assure that there was directionality in the results and further statistical significance could be determined in the following step. As can be seen in Table 2, the mean for salespeople who told the truth (repeated in column 1 of Table 2) is higher compared to the means of salespeople who were deceptive (*OTHER1*, *OTHER2*, *OTHER3*, *SELF1*, *SELF2*, and *SELF3*). Additionally, in reviewing all scenarios against the scale midpoint of three, respondents implied a negative likelihood they would continue transactions with representatives that lied for any reason other than to care for someone else. This indicates that there is support for H₁.

TABLE 2:
Truth Versus All Deception Types

Mean for Truth	Compared To	Mean for Comparison	Mean Difference	Std. Error	Sig.*	95% Confidence Interval for Difference*	
						Lower Bound	Upper Bound
4.316	OTHER3	3.803	.513	.097	<.01	.212	.814
4.316	OTHER2	2.625	1.691	.115	<.01	1.335	2.047
4.316	OTHER1	1.895	2.421	.133	<.01	2.011	2.832
4.316	SELF3	2.196	2.020	.150	<.01	1.556	2.484
4.316	SELF2	2.329	1.987	.115	<.01	1.630	2.344
4.316	SELF1	1.684	2.632	.143	<.01	2.189	3.074

*Bonferroni adjustment applied

To test for the statistical significance of the differences between the means, a repeated measures ANOVA was used. The sphericity assumption was violated, as determined with a Mauchly’s Test $\chi^2(20) = 251.96, p < .001$, so a Greenhouse-Geisser correction was used to determine statistically significant differences between the means (Greenhouse-Geisser $F(3.35, 506.42) = 145.86, p < 0.01$). Post hoc tests using the Bonferroni correction revealed that the likelihood of completing a transaction is statistically significantly reduced in cases of deception ($p < .01$), regardless of the reason. Therefore, we can conclude that there is support for H_1 , which means that engaging in any lying negatively affects the relationship between the salesperson and the buyer.

To test for H_2 , we further analyzed the pairwise marginal means comparisons from post hoc

tests of the means described above. To compare across beneficiary types, we compared the greatest level of benefit to self versus the greatest level of benefit to other, the mid level of benefit to self versus the mid level of benefit to other, and the lowest level of benefit to self versus the lowest level of benefit to other. (See Table 3 - Comparison of Beneficiary Types.) In this analysis, we see that although all three comparisons show a directional difference, with higher means for benefiting another versus benefiting self, the only means that are statistically significantly different are at the high level of benefit. This suggests partial support for H_2 and that if the beneficiary of the lie is the salesperson, it is more likely to inhibit relationship commitment than if someone else is the beneficiary.

To test for H_3 , we continued our approach from the previous analysis and compared levels of

TABLE 3:
Comparison of Beneficiary Types

					95% Confidence Interval for Difference*	
Self Benefit Levels	Other Benefit Levels	Mean Difference	Std. Error	Sig.*	Lower Bound	Upper Bound
Self - High	Other - High	-1.507	0.144	<.01	-1.951	-1.062
Self - Mid	Other - Mid	-0.296	0.105	0.116	-0.621	0.029
Self - Low	Other - Low	-0.211	0.071	0.078	-0.431	0.01

*Bonferroni adjustment applied

TABLE 4:
Comparison of Benefit Amounts

					95% Confidence Interval for Difference*		
Beneficiary	Benefit Levels Compared		Mean Difference	Std. Error	Sig.*	Lower Bound	Upper Bound
Other	High Benefit	Mid Benefit	1.178	0.1	<.01	0.868	1.487
	Mid Benefit	Low Benefit	.730	0.099	<.01	0.425	1.036
	High Benefit	Low Benefit	1.908	0.134	<.01	1.492	2.323
Self	High Benefit	Mid Benefit	-0.033	0.12	1	-0.405	0.339
	Mid Benefit	Low Benefit	.645	0.116	<.01	0.287	1.002
	High Benefit	Low Benefit	.612	0.079	<.01	0.369	0.855

*Bonferroni adjustment applied

benefit within beneficiary type. Within both beneficiary types, self and other, we compared high benefit to mid-level benefit, mid-level benefit to low benefit, and high benefit to low benefit. (See Table 4 - Comparison of Benefit Amounts.) For self (salesperson) as the beneficiary, the comparison of high and mid-level benefit amounts did not show statistical significance or the expected directionality. This may be due to the respondent’s perception of value for a particular benefit. However, all other comparisons fit with H₃, providing strong (but not complete) support that the greater the benefit, the less impact the deception had on the subject’s willingness to complete the transaction.

Our next analyses were done on the ranked data. As described in the method section, subjects were given a similar scenario with the various different cases of either telling the truth or lies that provided varying expected levels of benefit and had either the salesperson or another person as the beneficiary. With the ranked data, subjects put sales representatives in the order of who they would most like to work with in the future. Ranked data was transposed for analysis, so that higher numbers showed greater preference on the part of respondents.

Our first test was again to compare the data with H₁. As was seen previously, the truth condition dominated all others. Using a Friedman test, we found statistically significant support that there was a difference in the rankings of the various cases (χ^2 (6, N=152) 635.87, $p < .05$). A corresponding Kendall’s coefficient of concordance test showed a high level of agreement between subjects when ranking the different salespeople regarding future business (Kendall’s $W = .70$), indicating

a substantial effect size related to the overall agreement of respondents.

Next, we did a pairwise comparison between the top two ranked selections. Based again on the use of a Friedman test and a corresponding Kendall’s coefficient of concordance (χ^2 (1, N=152) 44.24, $p < .05$, Kendall’s $W = .29$), telling the truth was ranked statistically significantly higher than lying to provide an important benefit to someone else. For this and all other pairwise comparisons with the ranking data, probabilities were only considered significant if they were less than a Bonferroni-adjusted cut-off of .007, and this threshold was met in this test. This provided support for H₁.

Continuing to use the rank-order data to test H₂, we compared the two beneficiaries at each of the three levels of benefit using Friedman tests. As can be seen in Table 5, we found statistically significant relationships, such that at each level of benefit, lying to benefit someone else was seen as less likely to impact future business than lies that were meant to benefit the salesperson. (See Table 5 - Comparison of Beneficiaries for Likely Future Business.) This offers complete support for H₂.

Finally, a similar approach was used for analyzing H₃ as was used for analyzing H₂ above. Within each beneficiary type, we compared rankings of the different amounts of benefit. For cases where another person was the beneficiary, the relationships were as expected, and the scenario with salesperson lying to gain the largest benefit for another was seen as a more likely partner for future business as compared to both other benefit levels, and the mid-level benefit scenario was preferable to the lowest benefit. (See Table 6.) Essentially, the results mirrored what was found for the

TABLE 5:
Comparison of Beneficiaries for Likely Future Business

	Mean Rank		N	Friedman Test			Kendall's W
	Self	Other		Chi-Square	df	Sig.	
High	1.04	1.96	152	128.95	1	<.001	0.85
Medium	1.28	1.72	152	28.66	1	<.001	0.19
Low	1.17	1.83	152	65.79	1	<.001	0.43

TABLE 6:
Comparison Between Benefit Levels for Future Business

			Mean Rank		Friedman Test				
	First	Second	First	Second	N	Chi-Square	df	Sig.	Kendall's W
Other	High Benefit	Mid Benefit	1.98	1.02	152	140.23	1	<.001	0.92
	Mid Benefit	Low Benefit	1.89	1.11	152	94.74	1	<.001	0.62
	High Benefit	Low Benefit	1.97	1.03	152	132.66	1	<.001	0.87
Self	High Benefit	Mid Benefit	1.46	1.54	152	0.95	1	0.33	0.01
	Mid Benefit	Low Benefit	1.85	1.15	152	73.92	1	<.001	0.49
	High Benefit	Low Benefit	1.74	1.26	152	34.11	1	<.001	0.22

likelihood to continue the current transaction. Statistical significance was seen for all comparisons, except for the high and mid benefit levels for the self. With five of the six comparisons showing statistical significance, this provides strong partial support for H₃.

To summarize the hypotheses testing, H₁ was fully supported by both the current business rating and the future business ranking questions. H₂ was partially supported by the current business ratings, but was completely statistically significantly supported by the future business rankings. Finally, H₃ was supported by most measures in both the current and future business situations.

DISCUSSION

We see from these results that lying, if discovered, comes at a cost. Compared to all other situations, the truth was the best course of action. This demonstrates that discovered lies, even when they do not impact product performance, can have a negative effect on buyer-seller relationships. Additionally, we see that different beneficiaries of lies do have different results on the trust in the relationship, but even lies to help others are statistically significantly different from the relationship commitment that comes from not lying at all. Furthermore, though receiving a large benefit from the lie makes the lie a bit more understandable on the part of the buyer, it does not completely excuse it. The truth, repeatedly, wins.

Another key result of this research is that the impact to the relationship is not related to the direct loss incurred from the lie. In all cases, the loss was the same: the buyer lost time in getting the business settled. Despite the equivalent amount of loss, we found statistically significant differences in the responses of subjects when comparing scenarios. This supports the idea that different reasons for the lie will impact the buyer-seller relationship differently.

There are also practical implications for sales trainers and sales educators, as well. This study not only highlights the consequences of deception behavior, it also highlights the importance of having a strong personal work ethic. Outside salespeople are often working alone and unsupervised. In many cases this means that sales managers are unaware of the seemingly everyday decisions made by their sales team. Therefore, it is important that an emphasis is placed on being honest and keeping commitments early in a salesperson's career.

The primary limitation of this study is that student data were used. That having been said, we feel confident that business student perceptions are a good indicator of how actual buyers are likely to feel in situations similar to those outlined here. Levine (2014) argues forcefully that deception research using student samples to assess deception detection are as good as samples pulled from any other population. Though subjects were not asked to detect lies, they were asked to respond to lies. As lies are part of daily life, we all find

ourselves in situations where we discover we have been on the receiving end of a lie. The judgments of these students are likely to be similar to what we would find in other environments.

An additional limitation is related to the focus of the data collection versus the theoretical model. Our interest as researchers led us to aim for understanding the impact lies might have on the relationship, regardless of the impact of the lie in a quantifiable sense to the buyer. As we designed our study, we developed what we thought was a good method for testing this idea, but we did not test P4 from the theoretical model because we did not see a good way to test it simultaneously with the other scenarios. This leads to two issues. First, this paper has a relatively unique structure because it offers a theoretical model with four propositions, but only tests three hypotheses. We recognize this is unorthodox, but we saw this as the best possible way to present the ideas at this point. Second, though testing it with the other scenarios may have been problematic, a test of P4 on its own was quite possible. We recommend that other researchers should consider the test of P4, as well as looking at other ways to test the full model simultaneously.

Another limitation of this study is the clear establishment of levels of benefit. As was seen from the results, the levels of benefit were clear within cases when another person was the beneficiary, but respondents did not seem to distinguish statistically significant differences between the high and mid-level benefits when the beneficiary of the lie was the salesperson. Future research in this area should include subjects assessing measures of benefit to understand how value is perceived by the respondent.

Additionally, we acknowledge that the scenario of multiple salespeople cancelling meetings on the same day is an event that is unlikely to occur in the real world. While there is no evidence in the data to suggest that this impacted the final results, future studies that focus on a single cancellation would be a good complement to this study. Also, by using student participants, rather than actual buyers and sellers, it is possible that some of the

nuances that come with experience in the working environment may have been lost. This would be a good area for future study.

This study is a good first step toward understanding the impact of lies in the buyer-seller relationship, but the door has barely been opened and much more work should be done to understand all that is involved. First, the lies presented here were more like lies in everyday life versus marketplace lies (Boush et al., 2009; Serota, 2019). How might marketplace lies impact the buyer-seller relationship? Are they more likely to be expected, and therefore, less likely to damage relationship commitment?

The buyer-seller relationship is distinct both from other kinds of relationships and from the parameters of marketplace deception. Other relationships of people exist within and between firms, but these other relationships do not generally include the kind of scrutiny and stigma of the buyer-seller relationship. Future research might investigate if the buyer-seller relationship is more susceptible to everyday lies than other possible relationships in a business setting.

Another possible avenue of further research would be to investigate how lying is perceived in different organizations. Does company culture indirectly or directly promote lying? If so, can we measure differences in success between firms due to this? Other antecedents that could be considered include personal ethics, situational factors, personal religiosity, and potential rewards for lying.

Lies are not the sole purview of the seller. Undoubtedly, many salespeople feel free to lie because they expect buyers to lie to them. Future research should look at the likelihood and impact of lies from the buyer's side of the equation. With an understanding of how lies on the part of customers can also impact the marketer, we hope that a better toolkit might be developed for creating and maintaining strong buyer-seller relationships. Perhaps if marketers can make it easier for customer truthfulness, then that truthfulness can lead to improved trust and increased opportunities to meet the needs of the customer. It would also be interesting to compare the findings of a business-to-business study with that of a similar business-to-consumer study. Traditionally, consumer

dishonesty has been forgiven more readily than dishonesty in a company; perhaps the same can be said for buyers?

Another possible area of research would be to better understand what buyer characteristics might play a role in the acceptance of lies under certain circumstances. We believe that research looking at the acceptance of lying might benefit from including an analysis of how the buyer scores on the dark triad set of traits (e.g., Jones and Paulhus, 2014), which are designed to evaluate counterproductive work behaviors related to self-control issues and a lack of empathy. In other words, would those who score high in traits that suggest they are manipulative and self-serving see lies as more excusable? Perhaps the opposite would occur: those who see themselves as the ones who should do the manipulating might have less patience with others who treat them that way. Additionally, an analysis of how the seller scored on the dark triad set of traits could also be a possible route for further research in regards to the buyer-seller relationships. Would a seller that scores high in these traits consider the buyer-seller relationship when deciding to be deceitful? Do the negative effects of an exposed lie pose the same risk to individuals that score higher in these traits? Finally, when looking at these traits, it would be interesting to see if lying salespeople attract lying buyers and vice versa.

In order to objectively consider the disciplines of marketing and sales, we must recognize the threats to the trade. Lying happens in the real world, and our understanding of it must inform how we teach, train, and work. Simply saying it is not ethical to lie will not be enough. It hasn't been thus far. We see this initial foray into the study of the consumer's response to lies as merely a beginning. With further research, we can foresee a time when a critical look at how lies may arise, and thus strategies and tactics for reducing lying, could become a common element of marketing and sales literature.

REFERENCES

- Anthony, C. I., & Cowley, E. (2017). The lies consumers tell: The opportunities and challenges of studying consumer deception. *Routledge*. <https://doi.org/10.4324/9781315526935>
- Bara, B.G. (2010). Cognitive pragmatics: The mental processes of communication. *The MIT Press*.
- Bok, S. (1999). Lying: Moral choice in public and private life. *Random House*.
- Boush, D. M., Friestad, M., & Wright, P. (2009). Deception in the marketplace: The psychology of deceptive persuasion and consumer self-protection. *Routledge*.
- Chonko, L.B. (1995). Ethical decision making in marketing. *Sage Publications*.
- Chonko, L. B., & Hunt, S. D. (1985). Ethics and marketing management: An empirical examination. *Journal of Business Research*, 13(4), 339-359.
- Chonko, L. B., & Hunt, S. D. (2000). Ethics and marketing management: A retrospective and prospective commentary. *Journal of Business Research*, 50(3), 235-244.
- Cummins, S., Peltier, J. W., Erffmeyer, R., & Whalen, J. (2013). A critical review of the literature for sales educators. *Journal of Marketing Education*, 35(1), 68-78.
- DePaulo, B. M., & Bell, K. L. (1996). Truth and investment: Lies are told to those who care. *Journal of Personality and Social Psychology*, 71(4), 703-716.
- Dwyer, P., Dunham, R. S., Cohn, L., McNamee, M., Barrett, A., & Weintraub, A. (2002). Too many rotten apples. *Bloomberg BusinessWeek (Online)*. <https://www.bloomberg.com/news/articles/2002-07-14/too-many-rotten-apples>
- Englehardt, E. E., & Pritchard, M. S. (2019). Moral dimensions of deceptive communication. In T. Docan-Morgan (Ed.), *The Palgrave handbook of deceptive communication* (pp. 91-106). Palgrave Macmillan.
- Ferrandi, S. (2015, December 30). Marketing to Generation Z: Transparency and the bigger picture. *San Diego AMA*. <https://sdama.org/knowledge/marketing-to-generation-z-transparency-and-the-bigger-picture/>
- Futrell, Charles M. (2011). Fundamentals of selling (12th edition). *McGraw-Hill*.
- Godin, S. (2005). All marketers are liars: The power of telling authentic stories in a low-trust world. *Penguin*.
- Grouse, L. (2015). Lies, damned lies, and marketing: An editor's lament. *Journal of Thoracic Disease*, 7(4), E69-77.

- Grover, S. L. (2005). The difficulties of telling the truth at work. *Managing Organizational Deviance, Sage, Londres*, 157-172.
- Gunia, B. C., & Levine, E. E. (2019). Deception as competence: The effect of occupational stereotypes on the perception and proliferation of deception. *Organizational Behavior and Human Decision Processes*, 152, 122-137.
- Hastak, M., & Mazis, M. B. (2011). Deception by implication: A typology of truthful but misleading advertising and labeling claims. *Journal of Public Policy & Marketing*, 30(2), 157-167.
- Hunt, S. D. (1976). The nature and scope of marketing. *Journal of Marketing*, 40(July), 17-28.
- Jenkins, S., & Delbridge, R. (2017). Trusted to deceive: A case study of 'strategic deception' and the normalization of lying at work. *Organization Studies*, 38(1), 53-76.
- Jones, D. N., & Paulhus, D. L. (2014). Introducing the Short Dark Triad (SD3): A brief measure of dark personality traits. *Assessment*, 21(1), 28-41.
- Joseph, R. L. (2018). *Sales people don't lie*. SAGE Publications.
- Kaufmann, L., Rottenburger, J., Carter, C., & Schlereth, C. (2018). Bluffs, lies, and consequences: A reconceptualization of bluffing in buyer-supplier negotiations. *The Journal of Supply Chain Management*, 54(2), 49-70. <https://doi.org/10.1111/jscm.12155>
- Kalbfleisch, P. J., & Docan-Morgan, T. (2019). Defining truthfulness, deception, and related concepts. In T. Docan-Morgan (ed.), *The Palgrave handbook of deceptive communication* (pp. 29-39). Palgrave Macmillan.
- Laczniak, G. R., & Murphy, P. E. (2019). The role of normative marketing ethics. *Journal of Business Research*, 95, 401-407. <https://doi.org/10.1016/j.jbusres.2018.07.036>
- Levine, T. R. (2019). *Duped: Truth-default theory and the social science of lying and deception*. The University of Alabama Press.
- Maio, E. (2017, January 30). The marketing of lies. *The Marketing Journal*. <http://www.marketingjournal.org/the-marketing-of-lies-elsie-maio/>
- McGlone, M. S., & Knapp, M. L. (2019). Historical perspectives on the study of lying and deception. In T. Docan-Morgan (Ed.), *The Palgrave handbook of deceptive communication* (pp. 3-28). Palgrave Macmillan.
- Meyer, P. (2010). Liespotting: Proven techniques to detect deception. *St. Martin's Press*.
- Nil, A., & Schibrowsky, J. A. (2007). Research on marketing ethics: A systematic review of the literature. *Journal of Macromarketing*, 27(3), 256-273. <https://doi.org/10.1177/0276146707304733>
- Pink, D. H. (2012). *To sell is human: The surprising truth about moving others*. Riverhead Books.
- Reardon, R., Folwell, A. L., Keehr, J., & Kauer, T. (2019). Effects of deception on the deceiver: An interdisciplinary view. In T. Docan-Morgan (Ed.), *The Palgrave handbook of deceptive communication* (pp. 107-125). Palgrave Macmillan.
- Rutherford, M., Buller, P., & Stebbins, J. (2009). Ethical considerations of the legitimacy lie. *Entrepreneurship Theory and Practice*, 33(4), 949-964. <https://doi.org/10.1111/j.1540-6520.2009.00310.x>
- Serota, K. B., Levine, T. R., & Boster, F. J. (2010). The prevalence of lying in America: Three studies of self-reported lies. *Human Communication Research* 36(1), 2-25.
- Serota, K. B. (2019). Deceptive marketing outcomes: A model for marketing communications. In T. Docan-Morgan (Ed.), *The Palgrave handbook of deceptive communication* (pp. 813-837). Palgrave Macmillan.
- Simon, D., Grimes, M., & Roch, S. (2018, April 03). *Communication for business professionals*. <https://ecampusontario.pressbooks.pub/commbusprofcnd>
- The phrase 'let the cat out of the bag.' - meaning and origin.* (n.d.). The Phrase Finder. <https://www.phrases.org.uk/meanings/let-the-cat-out-of-the-bag.html>
- TRACOM Group. (2018, November, 4). *Social style model - TRACOM Group*. <https://www.tracomcorp.com/social-style-training/model/>
- Volkema, R., Hofmeister-Toth, A., & Fleck, D. (2004). Ethicality in negotiation: An analysis of attitudes, intentions, and outcomes. *International Negotiation*, 9(2), 315-339. <https://doi.org/10.1163/1571806042403009>
- Weitz, B. A., Sujan, H. & Sujan, M. (1986). Knowledge, motivation and adaptive behavior: A framework for improving selling

effectiveness. *Journal of Marketing*, 50
(October), 174 - 191.
Willingham, R. (1987). Integrity selling.
Random House.