

## Let customers lie? Research says maybe

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(PhysOrg.com) -- Honesty may be the best policy, but new research from the University of Sydney suggests that consumers feel more satisfied if they lie and get what they want than if they tell the truth.

The study, to be published in the <u>Journal of Consumer Research</u> by Dr Christina Anthony and Professor Elizabeth Cowley of the University of Sydney Business School, found that people who <u>lie</u> during a service encounter have more extreme reactions to the outcome than their honest peers.

The research raises interesting questions about the way marketers and businesses respond to dishonest customers and train their staff, particularly given the volume of lies people tell every day - previous research shows that people tell on average one to two lies a day, which equates to about 42,000 lies before the age of 60.

"Lying is hard work. When people lie, they're so preoccupied with telling the lie and not revealing the truth that they aren't able to monitor cues from the listener, which are important for updating expectations about the likely outcome of the conversation. This means that they are more surprised by the outcome and so have a stronger reaction to it," says Dr Anthony.

"So when you lie to get a refund or to file an insurance claim and get away with it, you will have a much more polarised reaction than if you had told the truth. People who lie are more satisfied than truth tellers if they get a favourable outcome and more dissatisfied if they get an



unfavourable outcome."

The researchers conducted a series of lab experiments in which participants either told the truth or lied during a conversation with a service provider in order to get a material reward. This included lying to a <u>salesperson</u> about better competitor offers to secure a more favourable deal and lying to obtain a refund that fell outside the terms of the refund policy.

In one experiment, participants were asked to answer some questions about a consumer product and told that some of them would receive the product as a prize if they met some pre-determined criteria. Half of the participants were then informed that they were eligible for the prize, even though their responses did not match the specified eligibility criteria - and they knew it. Participants therefore had a choice: to lie and get the prize, or to correct the error and miss out.

"We found that about 50 percent of participants in this situation chose to lie. They were more thrilled with the outcome when they got the prize and more disappointed when they missed out," says Dr Anthony.

The fact that customers who lie have more <u>extreme reactions</u> to service encounters also has important consequences for businesses and marketers, says Dr Anthony.

"Because a successful lie may boost satisfaction with a transaction, it may be wise in some instances to turn a blind eye if the company doesn't have too much to lose financially."

"If marketers are overly cautious of dishonest consumers, they also run the risk of wrongly accusing and alienating <u>people</u> who are telling the truth."



## Provided by University of Sydney

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