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Believe It or Not! Antecedents and Consequences of False News in Marketing

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Abstract

Using a mixed-methods approach, this research investigates the motivations and consequences of sharing marketing related false news. The qualitative analysis reveals that people share messages to help others and help the (fake) victim to take revenge on brands. The empirical analysis shows that strong brands suffer more than weak brands.

"Kurkure, one of the leading snack brands from Pepsico contains plastic. If you don't believe it, burn and see the plastic melting yourself."

The above message was widely circulated on Facebook and WhatsApp in India. The effect of this messages was so strong that PepsiCo has to issue an official clarification and now they are suing various online platforms due to severe loss in brand image and reputation (Nilesh, 2018). In today's online world, there are many instances of similar false or misleading message (also known as false news) spanning various fields such as politics, finance, religion, history, and marketing (Vosoughi, Roy, and Aral 2018). In India, the phenomenon of sharing and forwarding false news or messages is having many negative repercussions and Government is taking measures and has directed Facebook to control the wide dispersion.

Recent research has mostly focused on the fake news phenomenon in the context of politics based on extensive interest and coverage of elections in USA. However, in our research, we focus on marketing related false news/information which spread on popular social media. The research has two main objectives: (a) why people share such messages, and (b) what are the consequences of sharing messages on people as well as brands.

Methodology

A mixed-methods approach was used in the current research. First, qualitative data were collected using interview method (Study 1) to identity the antecedents and consequences of spreading false news. In next step, an empirical analysis was designed to test the identified proposed research via experiments. Till date, one experiment (Study 2) is completed and remaining are in the planning stage.

Study 1: qualitative research -interviews

To explore the behavior of sharing false news, structured interviews were conducted with 25 respondents (age range 17-73 years). First, relatively younger were interviewed because they are generally more active users of social media and smartphone apps. An interesting theme emerged where participants told that the elder people are more into forwarding such messages (e.g., in WhatsApp family groups). Hence, to explore further why people share false messages, elder respondents were included in the sample. The participants were active users of Facebook and WhatsApp which are the most used social media apps in India. The interviews were conducted in Hindi/English language as per the convenience of the participants. Each interview lasted 15-30 minutes. The data were analyzed and few common themes emerged which are converted to the research model (Figure 1).

Study 2: quantitative research -experiment

An experiment was conducted to integrate and test the findings from study 1. The objective of experiment was to test the relationships among factors such as valence of false news, brand, sharing intentions and attitude toward the brand.

A total of 110 respondents (Mean age = 24.3 years, 37 females) participated in the study. A 2 (valence) X 2 (brand) between-subjects design was used with two levels of valence (positive vs. negative) and brand (strong vs. weak). Two different Facebook posts were created for manipulation of valence with positive or negative interaction with consumers at a pizza restaurant. For brand, Pizza Hut was used as a strong brand and a hypothetical brand (PizzaHome) as used as a weak brand. Participants were asked to read the post and share their

responses. The variables (e.g., attitude toward product, sharing intentions, credibility etc.) were based on previous research and measured on a seven-point Likert scale.

To test manipulation checks, participants in positive condition rated the content significantly more positive (M= 5.62, SD = 1.16) than participants in negative condition (M = 1.93, SD = 1.55; $F(1, 108) = 192.92$, $p < .001$). The main analysis was done using two-way ANCOVA with covariates perceived credibility and participant's behavior of sharing similar messages.

Results revealed a significant main effect of valence on sharing intentions ($F = 4.94$, $p < .05$. The sharing intentions were higher when message was negative (M = 4.63) vs. positive (M = 3.94) condition. The brand too had a significant main effect ($F = 8.82$, $p < .05$), where participants were more likely to share the message involving a strong brand (M = 4.73) as compared to a weak brand (M = 3.84).
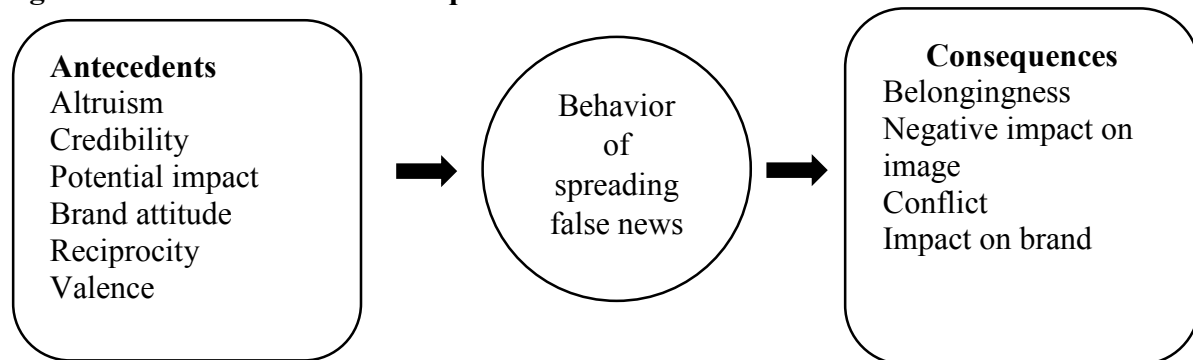
The attitude toward brand was higher for strong brand (M = 4.49) vs weak brand (M = 3.96; $F = 4.11$, $p < 0.05$). Participants reported higher attitude in positive valence (M = 4.97) vs. negative valence (M = 3.48; $F = 30.3$, $p < 0.001$). Similar results were obtained for the significant main effect of valence on purchase intentions ($F = 10.5$, $p < .05$) and word-of-mouth recommendations ($F = 12.34$, $p < .001$). The results suggested the significant main effect of brand on purchase intentions ($F = 9.51$, $p < .05$) and word-of-mouth recommendations ($F = 8.46$, $p < .05$)

Discussion

The results suggest that strong brands need to be cautious of negative false news that is shared online. People have a different perception about famous brand and they may punish the brand for violating their trust. So, marketers must monitor and listen the online conversations and must take preventive measures to curb any false news about their brands (Nilesh 2018).

Various messaging and social media apps are the first source of information for consumers. Lack of control and viral propagation are some of the unique characteristics of these mediums, which is creating many challenges for marketers. In next phase of this research, we are planning to investigate few more factors which may affect the sharing behavior such as product/service, perceived effect (local vs. national level). Furthermore, what others think about people who regularly engage in sharing false news is another work in progress.

Figure 1: Antecedent and Consequences

Antecedents
Altruism
Credibility
Potential impact
Brand attitude
Reciprocity
Valence

Behavior of spreading false news

Consequences
Belongingness
Negative impact on image
Conflict
Impact on brand

References

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