Between brand attacks and broader narratives: How direct and indirect misinformation erode consumer trust

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Abstract

Misinformation can take various forms, from political propaganda and health-related fake news to conspiracy theories. This review investigates the consequences of both direct and indirect misinformation for brands and consumers. We review the marketing literature focused on the consequences of misinformation spread and propose a framework that acknowledges the relationship between brands and consumers in a misinformation environment. We argue that the primary consequence of misinformation is the erosion of trust among the various actors in the marketplace. Additionally, we highlight that a comprehensive understanding of the consequences of misinformation should also consider the effects of indirect misinformation on the marketplace.

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Introduction

The outcomes of recent political events [1] have generated significant academic interest around the issue of misinformation spread, its drivers, and its consequences. However, the impact of this phenomenon extends beyond the political arena. For example, New Balance faced considerable backlash on social media after misinformation circulated that the brand was closely aligned with far-right movements [2]. Similarly, Eli Lilly’s stock price fell by 4.37% after a fake Twitter account impersonating the pharmaceutical brand falsely announced that insulin would be given away for free. These instances highlight the importance of better understanding the consequences of misinformation spread from a marketing perspective. Though issues related to misinformation, such as deception in marketing and advertising, have received longstanding attention in marketing scholarship [3], the investigation of the consequences of misinformation in marketing is still nascent. Only recently have some studies highlighted the necessity to contextualize the problem of misinformation within the marketing domain [2,4]. We believe it is important to define what misinformation means for marketplace actors (i.e., brands and consumers) and to propose an integrated framework that elucidates how different types of misinformation affect the marketplace.

We review the marketing literature on direct and indirect misinformation and their consequences for brands and consumers. We define ‘direct misinformation’ as misinformation that explicitly targets or discusses brands or products. In contrast, ‘indirect misinformation’ is defined as misinformation that, while not specifically targeting brands or products, pertains to broader social, scientific, or political topics. This review highlights the impact of both types of misinformation for brands and consumers, arguing that the major consequence relates to erosion of trust in different forms (Box 1).

The impacts of direct and indirect misinformation on brands and consumers

The impact of direct misinformation on brands

Brands can be affected by direct misinformation [16] targeting the brand itself or its products [7]. Direct misinformation mainly comes in two forms: fake news and fake reviews.

Fake news

Fake brand news is a specific form of disinformation (i.e., intentionally created false information) that mimics the format of legitimate news sources and spreads through digital environments [4]. When brands become the
subject of targeted fake news campaigns, the most immediate consequences often manifest as diminished brand trust. This erosion of trust is particularly significant when the deceptive news originates from media platforms or sources that consumers regard as trustworthy, thereby activating consumers’ persuasion knowledge [7]. The more consumers are involved in a product category, the more susceptible they become to fake news, and their loyalty toward a specific brand is more negatively affected [13]. In some cases, especially when the fake news targeting the brand is politically charged, consumers might even attack the brand and call for boycotts on social media [2].

When brands are targeted by fake news, they face challenges in terms of choosing different crisis management strategies to recover consumer trust. Research on how brands should respond to fake news has produced mixed results and appears to be largely context-dependent [18]. On one hand, aggressive responding strategies that attack the source of fake news appear to be effective in scenarios where consumers are highly involved in the issue [19]. On the other hand, consumers tend to favor defensive responding strategies, such as denying or attacking the accuser, when they perceive a high intent of fake news to explicitly harm the brand [20]. Irrespective of the communication strategy employed, using a narrative approach that appeals to authenticity and emotion enhances the effectiveness of brand storytelling in response to fake news [10].

**Fake reviews**
Fake customer reviews constitute another form of direct misinformation, impairing consumer evaluations of products and brand evaluations as well as reducing consumer trust in the platforms where these reviews are posted [21]. Brands can be victims and perpetrators of misinformation at the same time [16]. As victims, brands suffer as negative reviews can lower consumer attitudes towards them [22], depreciate the perceived value of their products, and consequently diminish purchase intentions [23]. Conversely, brands also act as perpetrators by participating in the burgeoning market for fake reviews. In this marketplace, online sellers incentivize consumers to purchase a product and write a favorable review, typically offering some form of compensation in return. Brands deploy these fake review campaigns to gain a competitive advantage [24], amplifying positive reviews while suppressing negative ones [36]. This strategy can lead to transient spikes in product ratings [25], potentially boosting sales. However, the act of authoring fake positive reviews in exchange for compensation triggers feelings of guilt among consumers, thereby eroding brand satisfaction [26].

**The impact of indirect misinformation on brands**
Brands are also impacted by misinformation in an indirect manner, without being the explicit targets of such false information. This indirect relationship is shaped by the dynamics of today’s traffic-driven digital advertising landscape [27]. On one hand, brand managers strive to have their ads on high-traffic websites. On the other hand, creators of fake news craft their stories to function as effective ‘clickbait.’ Through programmatic advertising, which automatically allocates ads to available digital spaces, well-reputed brands may inadvertently find themselves advertised on disreputable fake news sites. In these instances, brands can be indirectly contaminated by association. While the fake news itself does not directly impact brand trust [28], the low credibility of the fake news website where the brand’s advertisement appears can have a spillover effect, diminishing brand attitudes and behavioral intentions [17]. Furthermore, brands can inadvertently legitimize misinformation through popularity cues [29].

**The impact of direct misinformation on consumers**
The consequences of direct misinformation for consumers manifest at two distinct levels, each determined by the specific role that consumers play in their interactions with misinformation. Consumers can be
‘receivers’ when they encounter and are influenced by misinformation. Conversely, consumers can take the role of ‘actors’ when they produce, share, or serve as gatekeepers of misinformation.

**Consumers as receivers of misinformation**
When consumers represent the end point of direct misinformation, they ‘receive’ misinformation and incorporate it into their decision-making processes. Complementing the extensive social psychology literature that focuses on the drivers of individuals’ misinformation beliefs [30], consumer psychology literature has also delved into the cognitive biases that lead consumers vulnerable in the face of misinformation [31,32]. Regardless of whether consumers actually believe the misinformation to which they are exposed, this (mis)information exerts influence at various stages of the decision-making process or purchase funnel, including awareness, consideration, comparison, and purchase.

**Awareness**
Direct misinformation can influence the levels of consumers’ attention to a product or brand. For instance, fake product reviews can alter consumers’ perceptions and stimulate awareness of products. This occurs because the ranking algorithms of digital marketplaces utilize customer reviews and ratings as key determinants for product placement [25]. Consequently, the presence of fake reviews can distort the ranking systems, either elevating low-quality products to greater visibility or hindering the visibility of deserved ones [33].

**Consideration and comparison**
When consumers advance further along the purchase funnel, both brand misinformation and fake reviews continue to affect their consideration and attitudes. Specifically, fake reviews can reduce purchase intention for utilitarian (vs. hedonic) products and brands with lower consumer awareness [23]. Both positive and negative fake reviews can heighten consumer skepticism regarding review credibility and lead to decreased purchase intention [34,35], because consumers are able to detect the manipulative cues within fake reviews [36].

**Consumers as actors in the (mis)information ecosystem**
In today’s misinformation-polluted misinformation ecosystem, consumers may be motivated by either financial or psychological factors [4] to play an active role in creating and spreading direct misinformation. Consumers might be incentivized to create and post fake product reviews in exchange for monetary compensation from the reviewed brand [35]. Psychological motivations for generating fake reviews can include the need for self-esteem, retaliation for past negative experiences with the brand [37], or a self-appointed role as a ‘brand manager’ [38].

Consumers can also serve as channels to further spread brand-related misinformation, influencing other consumers in their network [39]. Misinformation sharing behavior on social media is linked to the concepts of legitimacy and trust. Expert and algorithmic cues confer legitimacy to misinformation, thereby encouraging cross-platform sharing [29]. Relatedly, misinformation gets legitimized within echo chambers through identity-based grievances, thereby inducing resistance to fact-checking efforts [40].

Trust in the source of information correlates with both belief in misinformation [31] and sharing on social media [41]. Though trust in media publishers does not affect truth discernment or sharing behavior [42], when misinformation comes from trusted peer sources, it is more likely to be propagated further [15]. Social ties represent an important driver of sharing behaviors and engagement on social media [43], so some scholars have called for leveraging tie strength and source credibility as interventions [4] to limit the conscious and unconscious sharing of misinformation.

Conversely, consumers can act as gatekeepers or detectors of direct misinformation [44]. While peer correction has proven effective [45], it remains rare on social media [46], often due to a culture of ‘online silence’ [47]. However, some consumers are motivated to confront misinformation. They may utilize their cognitive resources and product knowledge to identify fake reviews [48], considering different cues, such as review content as well as the characteristics of the reviewer, seller, and platform [49]. Contextual factors, such as the identity of the reviewer and the consistency of the review with the overall site rating, play a more important role than textual factors in the detection of fake reviews [50]. Moreover, the ability to detect misinformation in a consumer context is also contingent on individual factors and differences such as age [51], education level, and information literacy skills [52].

**The impact of indirect misinformation on consumers**
When not being exposed to misinformation specifically targeting brands but immersed in an information ecosystem polluted with misleading content, consumers may experience confusion, doubt, and a general sense of vulnerability to the external world [53].

Exposure to misinformation, or even merely the perception of such exposure [54], is linked to decreased trust in mainstream and traditional media brands [55]. The proliferation of misinformation has created threats to the trust in and reputation of social media platforms [52], which are often considered the primary channels for the spread of misinformation [56]. Continuous exposure to misinformation might change how
consumers navigate a world that seems increasingly untrustworthy and uncertain. In this misinformation-polluted environment, the impact of misinformation may be amplified, spilling over to affect multiple actors in the market [57]. Current research approaches on such unintended consequences on consumers have highlighted how exposure to misinformation can influence unconscious behaviors [58] or alter product and service evaluation [59]. This evidence suggests that exposure to indirect misinformation might prime mistrust mindsets, making consumers more reluctant to process positively the marketing stimuli coming from the broader environment [60] and possibly affecting brands' ability to establish trust relationships with consumers in the long run (Box 2).

**Box 2. Mindsets or simply mistrust?**

While the impact of direct misinformation on trust is quite well established (see Box 1), a nascent stream of research has been exploring the more hidden consequences of misinformation spreading for brands and consumers. Such investigations suggest that being exposed to indirect misinformation might activate mindsets that produce their effects in unrelated situations. Bastik [58] finds that misinformation can covertly impact consumer behavior, manipulating implicit attitudes and emotions. The author uses the Finger Tapping Test to capture implicit attitudes and physiological response change after exposure to misinformation. Findings confirm a change in the speed of tapping behavior for respondents exposed to misinformation. More closely related to marketing, Kwon and Barone [59] show initial evidence of the activation of a mistrust mindset. They find that when consumers are exposed to indirect misinformation, their mistrust in the source of misinformation spills over and activates a mistrust mindset that impairs subsequent brands and products' evaluations.

**Misinformation and trust in the marketplace**

Our framework (Figure 1) summarizes the findings of our review, acknowledging the effects of direct and indirect misinformation in terms of erosion of trust relationships between the actors in the marketplace. At the brand level, direct misinformation undermines brand trust through various formats, while indirect misinformation can both damage brands and be legitimized by them. At the consumer level, direct misinformation decreases trust and legitimacy perceptions, which in turn affects consumer behavior across various stages of the purchase funnel. Lastly, indirect misinformation undermines consumer trust in media and news organizations, affecting the decision-making process through mindset activation.

**Figure 1**

The interplay between the consequences of direct and indirect misinformation on brand and consumers.
The consequences of direct and indirect misinformation in the marketplace

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Conclusions
In a world where misinformation has become an integral part of daily life, understanding its consequences for brands and consumers requires considerations of how both direct and indirect misinformation influence trust. Trust is a multidimensional construct, and relationships founded on trust are cultivated over an extended period. Existing empirical approaches to studying the consequences of misinformation on brand trust often overlook both the multidimensional nature of trust and the need for a longitudinal perspective. We suggest adopting a more granular approach to studying the interplay between brand trust and misinformation, one that combines experimental research and longitudinal studies. As consumers become increasingly aware of the pervasiveness and dynamics of misinformation, they may develop mistrust mindsets and mental models that will impact their behaviors. In particular, the impact of indirect misinformation on consumers warrants further identification and conceptualization. Such misinformation could affect how consumers process brand- or product-related information, leading to changes in their purchasing behavior both online and offline. A deeper understanding of the scope and characteristics of these changes is essential for providing brands with normative guidance on safeguarding their brand equity in this misinformation era.

Declaration of competing interest
The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability
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This conceptual paper discusses how four fundamental bias of human belief system (i.e. truth bias, bias to extract meaning from information, bias to rely on the source of information to judge truth, and bias to rely on fluency to judge truth) should be better understood to find more efficient ways to fight misinformation.


The authors try to disentangle why people believe in misinformation. They do so through the lens of how people evaluate veracity and update their beliefs. The authors suggest that the same processes that support true belief can also encourage people to sometimes believe misleading or false information.


This paper represents one of the first empirical investigations of indirect consequences of misinformation. The authors show how consumers’ exposure to misinformation affects products and services evaluations. The authors also test the moderating role of political ideology.