

Fake COVID-19 news makes you want to treat yourself on the cheap

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People exposed to fake news during the already uncertain COVID-19 era are simultaneously compelled to treat themselves and to try to save money, according to new research from CU Boulder and the University

of New Hampshire.

The findings are published in an upcoming edition of the Journal of the Association for Consumer Research.

Participants exposed to [fake news](#) said they felt more uncertainty about their lives. The researchers found this effect was compounded by the pandemic. It even occurred when researchers reminded participants that fake news exists.

The researchers then asked participants a series of questions about making hypothetical choices between premium or cost-effective food and grocery products.

"The finding that surprised us is that this uncertainty can cause people to feel a joint desire to save their money for a murky future and also to spend a little bit to make themselves feel better about the state of the world right now," said Nick Light, a marketing Ph.D. candidate at CU Boulder's Leeds School of Business and co-author on the paper.

Essentially, people who have splurged for little treats over the course of the pandemic should take solace that they are not alone, according to the researchers.

"COVID-19 did not occur in a vacuum. The pandemic came in on the heels of this other societal issue of misinformation that the world is still figuring out," said Justin Pomerance, an assistant professor of marketing at the University of New Hampshire and study co-author.

Fake news' sway over consumers' spending habits under COVID-19 did not depend on [political party](#) and occurred whenever participants felt they had been exposed to misinformation, whether or not it was actually misinformation.

"Regardless of what we feel about it, or if we can identify it, the presence of fake news changes the information environment," said Lawrence Williams, co-author and associate professor of marketing at the Leeds School of Business. "It's having an effect on the world and the way that all of us are exposed to information."

The uncertainty fake news created did play out somewhat differently for people of different income levels. While higher-income earners wanted to balance out treat purchases with value buys, people making less money leaned towards purchasing one or the other.

Higher-income earners may weather the COVID-19 economic downturn with fewer issues, but Williams said there could be a way for lower-income earners to avoid feeling pressure to spend money on non-essentials.

"They could limit time on social media or engaging with other possible sources of misinformation," Williams said.

While the research yields insights into how fake news is impacting people's psyches during the pandemic, the work actually began in 2019.

"We started this research looking at marketing questions around products implicated in fake news stories," Williams said. "We saw a clear need to pivot in March as global response to the pandemic became influenced by misinformation."

The paper still holds long-lasting lessons for the business community, according to the researchers.

"Companies can do well during uncertain times by convincing consumers that what they offer is more of a treat," said Light. "They could also argue their product is a more responsible purchase compared

to some other purchase the customer might be considering."

Beyond selling products, the researchers advised companies to pay extra attention to the relationships they have with customers.

"Use your platform to be more authentic. Be especially honest and a champion for the truth," said Williams.

He said that approach could help people reduce customers' feelings of uncertainty, or even anxiety and depression.

Companies can take a major step by simply making themselves aware of the misinformation problem and the uncertainty it creates, the researchers said.

Policymakers should also take note of the group's findings on fake news' impact on uncertainty, Pomerance said.

"Taking action to limit fake [news](#) could tamp down the uncertainty that leads to overspending or antisocial behaviors like hoarding," said Pomerance.

More information: Justin Pomerance et al. In these uncertain times: Fake news amplifies the desires to save and spend in response to COVID-19, *Journal of the Association for Consumer Research* (2020). [DOI: 10.1086/711836](https://doi.org/10.1086/711836)

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