

Trust in brands may be eroded as awareness of misinformation increases, academics conclude

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Academics from Cardiff and Stanford Universities reviewed current marketing research focused on the consequences of misinformation

spread. "[Between brand attacks and broader narratives: How direct and indirect misinformation erode consumer trust](#)" is published in *Current Opinion in Psychology*.

The team distinguishes between direct and indirect misinformation. Forms of direct brand-related misinformation include [fake news](#), where [false information](#) is intentionally distributed online and is designed to mimic the format of legitimate news sources, as well as [fake reviews](#)—where sellers are paid by companies to post favorable appraisals of products to the detriment of other companies.

The team concludes that when [consumers](#) are exposed to direct misinformation, this could exert influence over their decision-making, regardless of whether or not they believe it.

Even when exposed to indirect misinformation, when it is not related to brands, but linked to other issues or events, researchers say consumers may experience confusion, doubt, and a general sense of vulnerability to the external world which could affect their spending habits.

Dr. Giandomenico Di Domenico, a lecturer in marketing and strategy at Cardiff Business School, said, "The outcomes of recent political events have generated significant academic interest around the issue of misinformation spread, its drivers, and its consequences. The impact of this phenomenon extends beyond the [political arena](#) but our understanding of it on consumer behavior is in the early stages.

"We saw New Balance face considerable backlash on [social media](#) after misinformation circulated that the brand was closely aligned with far-right movements. 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.

"As consumers become increasingly aware of the pervasiveness and dynamics of misinformation, they may develop mistrust mindsets and mental models that will impact their behavior. A greater understanding of the consequences of misinformation spread from a marketing perspective is therefore essential."

More information: Giandomenico Di Domenico et al, Between brand attacks and broader narratives: How direct and indirect misinformation erode consumer trust, *Current Opinion in Psychology* (2023). [DOI: 10.1016/j.copsyc.2023.101716](https://doi.org/10.1016/j.copsyc.2023.101716)

Provided by Cardiff University

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