



How Truthiness, Fake News and Post-Fact Endanger Brands and What to Do About It

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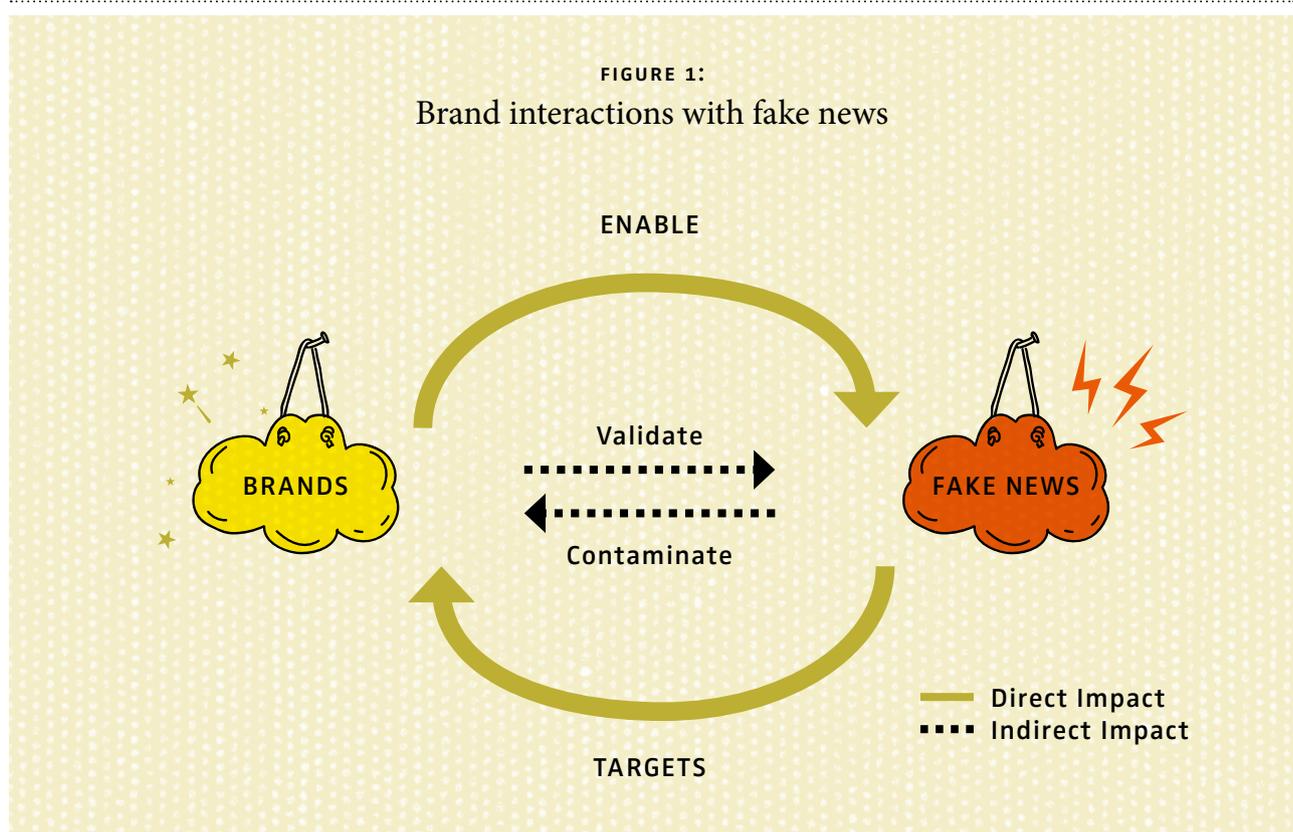
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The Age of Truthiness and Post-Fact /// “Are alternative facts, facts?” In the post-fact world, the validity of something is based on how it feels (truthiness). The “post-fact” world is, simply, what you wish it to be, regardless of objective, verifiable statements. Marketing and post-fact merge on mainstream and social media and can often be tied to one another. This not only spells trouble for brands, it places them at risk. One such area of trouble for brands is fake news. Fake news is nothing new. However, in the recent past, the scale of the problem has grown exponentially. Incongruously, the information age has simultaneously given us the misinformation age. When individuals select both the stories they read and the people they interact with, opinions and views are reinforced in an echo chamber driven by positive feedback loops. The truth more and more becomes my truth. Thus, the social media Internet’s truth is rather popularity and truth is my truth. These two tendencies both crave and fuel the spread of fake news.

Brands and fake news /// Brands can interact both directly and indirectly with fake news. In some instances, brands are the victims of fake news and other times, the purveyors (see Figure 1). Directly, brands can either finance fake news or be the targets of it. Indirectly, they can be linked via image transfer where either fake news contaminates brands, or brands validate fake news.

Brands as victims of fake news /// As targets, brands can be fake news casualties. Pepsi stock fell around 4 % just prior to the 2016 US presidential election when a fake news



story about Pepsi’s CEO, Indra Nooyi, telling Trump supporters to “take their business elsewhere” went viral. Brands can appear associated with spurious stories, and this can tarnish or contaminate them, while lending validity to the content. Consumers reading of an apparent affair between Yoko Ono and Hillary Clinton might have been reassured of the story’s validity because Fiat-Chrysler’s Ram Trucks brand prominently sponsored the page. Brands also risk consumer backlash if consumers interpret that brands support suspect or misleading news. For instance, this was the case when Kellogg Co. was forced to pull its sponsorship of the “alternative fact” site Breitbart.

Brands as purveyors of fake news /// Alternatively, brands can propagate fake news. Searching for greater reach, brands tend to associate themselves with the most popular stories – whether these are true or fake. Ironically, brands may be the primary force behind the fake news explosion: Fake news attracts eyeballs, and eyeballs attract advertisers.

Brands can also fund fake news sites. They fund them directly by simply targeting popular sites, because web traffic attracts advertisers. Also, they target sites based on the information search profiles of likely customers, centered on the type of content to which potential customers are attracted. In addition, they may fund them indirectly by tracking customers as they surf from site to site.

Managing brands in a post-rational world /// By being purveyors of truthiness (see Box 1), brands place themselves at risk. However, the abundance of fake news and post-fact in our post-rational era are even more powerful forces imperiling brands. We propose two kinds of solutions for both sources of risk: First, technical actions that can be undertaken to address false news and, second, systemic steps that can be undertaken to rethink the management of brands in order to inoculate against various forms of “fakery” and to reestablish stakeholder trust.

Technical actions to prevent brand damage /// Technical solutions involve addressing each of the four types of relationships that brands have with fake news that are summarized in Figure 1: enabling, validation, contamination and targeting. Obviously, enabling (through funding), validation and contamination are interrelated and are underpinned by two issues. First, how to minimize the placement of brand adverts adjacent to fake news stories and second, when such pairings do occur, how to minimize the damage. The minimization of pairing of brand advertisements and fake news involves changing the ways in which marketers target consumers. Ideally, algorithmically selected sites

should be screened by trained observers, just as Wikipedia screens dubious content. In the longer term, humans can be augmented by deep learning AI programs that have been trained by humans to spot fake news stories. Alternatively, or in addition, consumers themselves can be recruited to identify fake news and flag spurious content and the associated web sites.

When brand advertisements do appear next to fake news stories, remedies are twofold. First, consumers can be educated about fake news and the algorithmic targeting used by advertisers, similar to the current efforts to educate

{Box 1}

MARKETERS' COMPLICITY WITH A POST-FACT CULTURE

Are marketers part of the problem or simply victims of it? A cursory review of the origins of modern marketing reveals that it developed, in part, when supply of low-cost, mass-produced products began to outstrip demand. Advertisers were charged with persuading people to buy more goods and services. Advertising products for their functionality – soaps that clean – shifted to advertising brands as “reality creators,” be this a feeling, a lifestyle or even a world. Soaps “save the world,” and beverages bring “happiness and peace.” Marketers have become some of the main cultural purveyors of truthiness and post-fact.

Another common marketing practice has been what is now called Betteridge’s Law: It states that when a headline asks a question, it can mostly be answered with “no.” Formulated by the British journalist Ian Betteridge, it proposes, that news outlets use headline questions for stories that do not possess sufficient facts to support the “nut graph.” The same principle can be observed in advertising with questions like: “Have you driven a Ford lately?” “Did someone say McDonalds?” “Pardon me, do you have any Grey Poupon?” Most of the “probability-of-a-no answer” questions proffered above are posed by famous brand slogans. By using such headlines, these brands try to make an impression that they cannot actually back up. This practice shows how brands have always been purveyors of truthiness and post-fact.



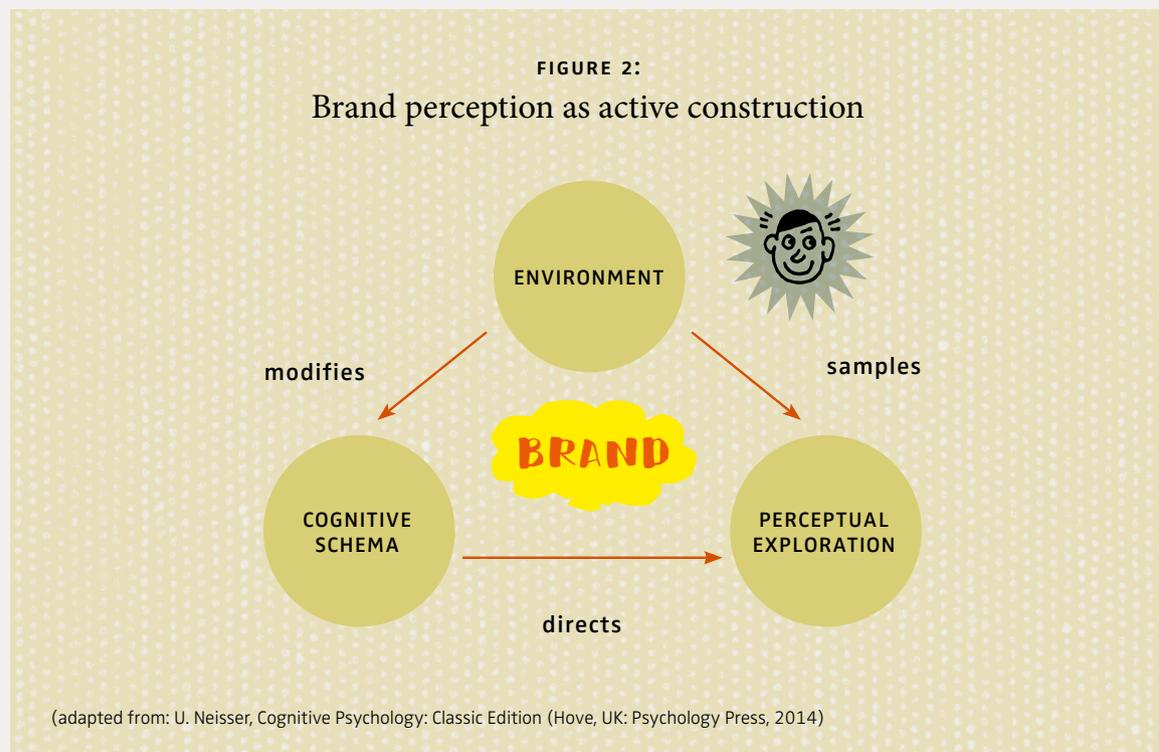
{ Box 2 }



BRANDS AS PERCEPTUAL PROCESS: A NEW BRAND CONCEPT FOR A POST-FACTUAL WORLD

The American Marketing Association defines a brand as a name, term, design, symbol or other feature that distinguishes an organization or product from its rivals in the eyes of the customer. We suggest instead that a brand is a continually updated cognitive schema that invites the customer to experience an offering in a particular way. It is constantly modified by the customer's experience of the branded offering. Therefore, brands evolve as a co-production of the company and the customer which form process partnerships.

The psychologist Ulric Neisser described a perceptual cycle, which suggests how the perception of an object, for instance, a brand, evolves. While traditional theories present perception as a passive act Neisser describes perception as more an act of construction. Stimuli from the outside world are filtered and then either noticed, ignored or processed further. The environment is actively scanned and sampled for specific information and modifies the original "driving" schema (see Figure 2).



Brands can therefore be thought of as cognitive schema that select, drive and frame explorations of offerings. BMW's "the ultimate driving machine" focuses consumers' perceptions on the driving experience. A customer drives a BMW and "tests" the schema against the reality of the product experience. United Airlines' recent forcible removal of a passenger from a flight confirms many customers' experience of the airline: Its branding as "fly the friendly skies" fails the reality test.

consumers about phishing scams. Second, consumer brand advocates can be enlisted and enabled to alert managers when a brand advert has been coupled with inappropriate content.

Systemic approaches to reduce fake-news risk /// Systemic solutions involve a rethinking of brands and branding. It means taking a good, long, hard look in the mirror and frankly acknowledging that business has been complicit in creating the post-rational culture we now inhabit (see Box 1). Too often, brands have become ends in themselves, uncoupled from the reality of the offerings they adorn. Toyota didn't become one of the biggest and most respected car companies by appealing to magical thinking. It got there by making reliable cars. Tesla did not come from nothing to be the largest maker of electric cars in a mere four years by appealing to ecological thinking. It got there by making electric cars outperform gas-powered cars – although its ecological appeal obviously helped.

Brands are not ends in themselves; they are the result of outstanding offerings. Certainly, they can act as interpretive frames, but they don't unilaterally create reality, as many seem to believe. One way forward is to look at brands not as objects but as processes – specifically, perceptual processes (see Box 2) – and manage them accordingly.

Recommendations for managing brands in a post-factual world /// Our solution to the problem of minimizing the brand risks posed by truthiness and post-fact is that managers not view brands as “objects” but as “processes,” as outlined in Box 2. Managers following this reasoning should consider the following recommendations.

- > **Design all brand interactions carefully** /// Brands frame the way customers interact with offerings by highlighting certain features while diminishing others. Managers must think carefully about what their brands suggest, promise and elicit.
- > **Consider the context of the interaction** /// Perceptual exploration is an active process. A customer's experience of the offering is directed by the schema they have of the offering. Simply, no experience is independent of its context. Apple understands that how and where customers interact with their products is critical. Apple stores not only look and feel different, mirroring the branding of “think different,” they invite customers to interact with their products in a relaxed environment, with help and advice available at a moment's notice.
- > **Apply reality-tests to your brand claims** /// Any brand experience must match the brand schema. If a company's offering fails its own brand reality test, the consequences are negative. BP's branding of ‘Beyond Petroleum’ was meant to conjure images of a traditional oil company exploring multiple other energy alternatives. The reality was that BP was only expending a pittance of R&D funding on alternative energy sources. The Deepwater Horizon event exacerbated public brand disillusionment by suggesting that “Beyond Petroleum” meant denigrating the environment in a cavalier manner.
- > **Expect consumers to participate in the creation of brand meaning** /// Finally, managers need to remember that the perceptual cycle belongs to the consumer and not the brand manager. The company may own the brand trademark, but not the consumer's brand schema.

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FURTHER READING

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