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Disinformation and organisational communication: A study of the impact of fake news

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Abstract
Introduction: Disinformation is a current phenomenon. Fake news stories have the potential to go viral and this poses new risks for the reputation of organisations. This study seeks to identify the types of organisations (public institutions, political parties and companies) that have been affected the most by fake news in Spain and to identify the most frequently spread false rumours. Methods: The study adopts a descriptive approach based on the content analysis of the fake news collected, over a 3-month period, by Maldito Bulo, an independent journalistic platform focused on the control of disinformation and public discourse through fact-checking and data journalism techniques. Results and conclusions: The results confirm that more than half of the sample of fake news target organisations and seek to affect mainly the reputation of public institutions, followed by companies and political parties. 31% of the fake news related to organisations referred to individuals associated to them.

Keywords: Disinformation; fake news; junk news; organisational communication; corporate communication.

Contents: 1. Introduction. 1.1. Disinformation in institutional and political communication. 1.2. Disinformation in corporate communication. 2. Objectives and methods. 3 Results. 4. Discussion and conclusions. 5. References.

Translation by Cruz Alberto Martínez-Arcos
(PhD, University of London)
1. Introduction

In 2017, the term “fake news” was named Word of the Year by the British Collins Dictionary, which described it as “false, often sensational information, disseminated under the guise news reporting”. This definition, devoid of intentionality, is quite limited compared to the one offered by the European Commission, which prefers to talk about disinformation and defines it as “an ecosystem of production, propagation and consumption of false, inaccurate or misleading information designed to cause public harm or for profit” (2017, p.10). Placing the origin of the term fake news is a complex task. Althuir and Haiden (2018) point out that although the spread of lies has been a growing challenge since the invention of the printing press in 1439, the term is relatively new in the English language. Its origin dates back to the late 19th century in America, when this kind of printed lies were described simply as “false”. The recent popularity of the term fake news began in 2010, after David Roberts used it in one of its blog entries, although the largest expansion of the term occurred after it was used by President Donald Trump, in 2016.

Insisting on intentionality, Wardle and Derakhshan (2018) classify fake news in three categories: 1) Dis-information: false information deliberately created to harm a person, social group, organisation or country; 2) Mis-information: information that is false, but has not been created with the intention of causing harm; and 3) Mal-information: information that is based on reality, used to inflict harm on a person, organisation or country.

With this same approach, Pizarroso notes that “the use of lying as a persuasion technique has a name: disinformation. Propaganda is not always disinformation while disinformation is always propaganda” (2008; p. 6).

Social networks are the new tools to spread false rumours, as they offer high dissemination and credibility. According to Vosoughi, Roy and Aral (2018), fake news stories are 70% more likely to be retweeted and spread further, faster and deeper and more widely than true stories in all categories of information. Although users haven begun to prioritise messaging apps like WhatsApp (Newman et al., 2017), these networks are also a vehicle for the spread of disinformation. This organic dissemination of content is accompanied by the use of bots that automate the disinformation process and multiply the dissemination (Shao, Ciampaglia, Varol, Flammini and Menczer, 2017). On the other hand, and in relation to the type of content that is disseminated, it has been observed that the spread of fake news was more pronounced for political news than for news about terrorism, natural disasters, science, urban legends and financial information (Vosoughi, et al. 2018). In the 2016 U.S. presidential election, it was publicly questioned whether fake news interference had contributed to Trump being elected president (Allcott and Gentzkow, 2017).

The phenomenon has grown exponentially, as well as citizen concern about its possible effects. According to the Eurobarometer, 83% of interviewed Europeans identified disinformation as a “danger to democracy”. Meanwhile, in Spain, 53% said they found fake news every day or almost every day, and 25% found them at least once a week. The study also found out that Spain is the country with the lowest number of respondents who feel capable of identifying this type of disinformation (Kantar TNS, 2018).
The perception of the intentionality of this type of information is another piece of interest. According to the study “Influence of fake news on public opinion”, carried out by Estudio de Comunicación y Servimedia (2018), 88% of respondents, including journalists, politicians, scholars and entrepreneurs, believes that fake news are spread “to damage the image and reputation of individuals and organisations”, and according to 75.8%, the motivation would be a benefit for a person or a group. In relation to the impact of fake news, the study also points out that the greatest damage is reputational, both for organisations (85.5%) and individuals (66.2%). However, it is noteworthy that business managers constitute the group that perceives the least level of reputational risk to companies. It is also noted, as an opportunity for organisations, that official websites (55.9%) is the medium least likely to spread fake news.

1.1. Disinformation in institutional and political communication

In the field of institutional and political communication, fake news stories are used in orchestrated campaigns that rely on technology and artificial intelligence. Computational propaganda refers to the “set of practices carried out by computer software to persuade about the goodness of ideas, people or initiatives” (Redondo; 2016).

Their articulation has become widespread in recent years and governments have developed specialised teams of professionals that generate or counteract such campaigns. Known as cyber troops, their work focuses on: 1) the generation of comments on social networks, positive ones to reinforce positions and negative ones to damage the competition or divert attention on an issue; 2) the tagging/mentioning of relevant persons involved in the conversation; 3) the sponsoring of accounts, websites and applications that contribute to the dissemination of messages; 4) the use of false accounts and computational propaganda (astroturfing) in the spirit of manipulating the conversation on social networks; 5) the creation of content that supports the digital strategy (Bradshaw and Howard, 2017).

The dissemination of this harmful content is reinforced by the use of bots and troll farms, managed by agencies that perform covert black propaganda. Such actions have been associated with governments, such as the Russian, which has been accused of orchestrating campaigns to interfere in the presidential elections in the USA and France, and even in the Catalan crisis (Calero, 2018). Such interference tends to be framed in the context of “hybrid warfare”, which combines regular and irregular media outlets. Colom (2018) argues that one of the its secondary features is “the effective exploitation of online propaganda and information to disseminate messages, generate narratives that support its purposes and erode the public opinions of its opponents” (2018, p.8).

In the political sphere, disinformation has been mainly used in campaigns to smear political adversaries. In the campaign for the US presidential election of 2016, the fake news stories that favoured Trump were shared 30 million times, four times more the number of actions in favour of Hillary Clinton. The work of Allcott and Gentzkow (2017) showed that the average adult in the United States watched and remembered 1.14 fake news stories during the elections, with greater exposure to pro-Trump articles than pro-Clinton articles. They also suggest that the persuasive power of disinformation is greater than that of other tools such as election spots.
The use of orchestrated campaigns has also been identified in other democratic processes, such as the presidential elections in France (2017), the 2018 elections in Italy and Mexico, the Brexit referendum (2016) and Colombian peace plebiscite (2016) (Parra and Oliveira, 2018).

Recently, in Brazil’s 2018 presidential election, disinformation helped position Bolsonaro as the winner (Riberiro, 2018). With 55% of popular support, his election was related to a disinformation campaign orchestrated through WhatsApp, which is used by 44% of Brazilians to learn about politics (Datafolha, 2018). The fake news stories that were spread to discredit his political adversary included a supposed gay kit for school children; the creation of a bill to legalise paedophilia and the victimisation of Bolsonaro’s supporters, supposedly attacked their political affiliations (Barragán, 2018).

Concern about the damage caused by this type of disinformation is reflected in the development of institutional proposals, such as the EU-backed expert group that seeks to generate common lines in the fight against fake news; the development in 2015 of East Stratcom, a government agency responsible for monitoring potential disinformation campaigns and ensuring the reputation and image of the European Union in Russia and Eastern countries; the NATO Strategic Communications Centre of Excellence, which has been operating since 2014 to improve NATO’s strategic communication.

In the university field, there are funded research groups and projects, such as the Computational Propaganda Research Project of the University of Oxford, which has been studying the use of algorithms, automatization and computational propaganda in public life since 2012.

1.2. Disinformation in corporate communication

Scholars have not addressed the relationship between disinformation and corporate communication with the same depth as in the case of institutional and political communication. Previously, the study of this relationship had focused on its use as a strategy to position itself in the short term and damage or confuse the competition. “If a corporation accepts the premise that its credibility is an asset that must be monitored and protected, then it cannot be justified that a company risks its credibility in a program of disinformation”, stated the former President of Public Relations Society of America in the early 1990s. He later noted that disinformation cannot be “accepted or tolerated as a PR tactic in the corporate world”, given that a company that lies “risks losing the trust of all its audiences” (Shell, 1992).

It was in the late 1990s when some scholars start to review research works that tried to approach disinformation from the corporate field. Dishman and Nitse point out that “disinformation is not just a single application of untruthfulness within corporate communications. It is the strategic application of the untruth with intent to deceive for an anticipated advantage” (1999, p. 26). In their study, the authors tried to identify among other elements, some of the advantages and disadvantages of disinformation in corporate communication:
Table 1: Potential advantages and disadvantages of disinformation in corporate communication (Dishman and Nitse)

<table>
<thead>
<tr>
<th>Advantages (short-term)</th>
<th>Disadvantages (long-term)</th>
</tr>
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<tbody>
<tr>
<td><strong>External</strong></td>
<td></td>
</tr>
<tr>
<td>1. Creation of positive company image</td>
<td>1. Creation of negative company image</td>
</tr>
<tr>
<td>2. Increased sales</td>
<td>2. Retaliation from competitors</td>
</tr>
<tr>
<td>3. Avoidance of problems</td>
<td>3. Decreased sales</td>
</tr>
<tr>
<td>- Buying time</td>
<td>4. Cancellation of contracts</td>
</tr>
<tr>
<td>- “improving” numbers (falsifying documents to avoid legal troubles)</td>
<td>5. Increased costs</td>
</tr>
<tr>
<td>4. Uncertainty and confusion on the part of competitors</td>
<td>6. Legal punishments</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Internal</strong></th>
<th></th>
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<tbody>
<tr>
<td>5. Protection from punishment from superiors</td>
<td>7. Wasted time in covering company’s disinformation instead of using time productively</td>
</tr>
<tr>
<td></td>
<td>8. Negative effects on company morale</td>
</tr>
<tr>
<td></td>
<td>9. Increased unanticipated problems</td>
</tr>
</tbody>
</table>

Source: Dishman and Nitse (1999).

These potential advantages were proposed in a pre-digitisation era, in which organisations induced to deception basically through the production and dissemination of financial reports (Kane, 2003) or counter-narratives that could impact their ability. Currently, the short-term advantages would be focused on gaining followers on the company’s social networks and improving their digital status. For this purpose, companies manipulate reviews on Amazon, TripAdvisor and other platforms for buying and selling goods and services, by introducing fake comments that have a positive impact. In 2017, English blogger Oobah Butler managed to position a non-existent restaurant, “The Shed at Dulwich”, on TripAdvisor, as the best in London thanks to the help of acquaintances who wrote reviews by skipping the security algorithm. Having achieved the first objective, he recreated a restaurant in his garden shed and it was visited by several people who read the recommendation in the social network:

“I invited people into a hastily-assembled restaurant collection of chairs outside my shed, and they left thinking it really could be the best restaurant in London, just on the basis of a TripAdvisor rating. You could look at this cynically, and argue that the smell of the Internet is so strong nowadays that people can no longer use their senses properly” (Butler, 2017)

It should be noted that the creation of fictitious reviews is already a professional service offered by companies that profit from this deception. Consumers have also found an opportunity for direct blackmail, sometimes threatening companies to write negative comments if they do not receive discounts or benefits (RTVE, 2013). Reviews can also be used to harm the competition and it has been proven that the inclusion of 50 negative reviews is sufficient to outperform any competitor in terms of visibility (Lappas et al., 2016); and that they are particularly harmful for sectors such as hospitality
and catering, although they are not the only ones. In 2013, it was discovered that Samsung had paid Taiwanese bloggers and students to create fake content against their competitor HTC. In the face of these practices, and although tools are being created to detect this type of lies (El Fiorenza, 2018), consumers’ opinions continue to be influenced by the information found on the internet, which is usually believed to be real.

Most disinformation usually has an external origin. Berthon and Pitt (2018) point out that brands may be involved with fake news: (1) when they publish false information about the company (2), when their brand advertising appears near fake news, since this can be understood as a validation of these news sites by association (3), an example is when when organisations sponsor, directly or indirectly, this type of news site for the sake of traffic and impact (4). The authors point out that fact-checking can sometimes be slow which, coupled with the pressure of clickbait, may contribute to journalists being unaware of what they have published. In the latter case, we would not be faced so much with misinformation.

Many of the fake news stories about organisations focus on their spokespersons and representatives, linking them to non-existent and compromising statements. The best-known example is the case of Indra Nooyi, the CEO of PepsiCo, who was associated with alleged comments on Trump supporters. The community reacted by boycotting the brand using the hashtags #boycottPepsi and #Pepsiboycott. The company was affected and registered a 35% drop in public sentiment. Although PepsiCo recovered in just one week, the impact on its share prices lasted for one month (Reid, 2017). New Balance overcame a similar case after its head of institutional relations stated, following Trump’s Presidential victory, that the Obama administration “had turned a deaf ear” to them. Although the statement referred to a trade treaty, its de-contextualisation gave way to alleged support for Trump. The community reacted with a wave of hate that included videos in which New Balance shoes were being burned (Parkinson, 2016).

The source is usually unidentified or false. Vinci suffered its biggest fall in the stock market, losing 18% of the value of its shares in 2016, after someone supposedly leaked false statements from the company claiming that their CFO had been fired for possible fraud. Once the company denied the information, the damage was reduced to 4% loss per share (Pardo and Pardo, 2018). Identity theft is another common mechanism, either by hacking a social network or website or by directly creating a similar identity. Products can also be used in the creation of fake news stories. In 2016, Mercadona published a report on its producers after it was reported on social media that it had changed 1,800 Spanish products for low-quality foreign products.

Therefore, as Reid (2017) points out, although most corporate disinformation is usually related to the political realm, it is important to keep in mind that a company can be attacked “by other motivations, such as financial ones (manipulating share prices), emotional ones (aversion to brand or corporate leaders) or by disgruntled employees, among others”. In this last point, talent plays a decisive role. When the lies come from within, the information seems authentic, as we observed in the case of the Ryanair workers who spread a false story in which they denounced poor working conditions. The image was shared on the social networks of union members, forcing the airline to respond hours later by sharing a video in which its staff were seen organising the montage. The impact was negative for
both the company and its employees, since it exposed the poor working conditions as well the dishonesty of workers (Ortega, 2018).

Although the use of fake news and opinions can be used for companies own benefit, most of them come from external sources and the threat they pose has already been proven. According to the European Communication Monitor (2018), 22.5% of European organisations had been affected by disinformation in the last month. The data is particularly significant in relation to the surveyed sample, which involved 3,100 communication professionals in 48 countries. Faced with this, only 12% of the affected organisations have already established advanced routines to identify fake news. This worrying scenario for organisations also shows a growing trend. In 2017 fake news grew by 365% (Corporate Excellence, 2018), so more research is needed to address their characteristics and impact.

2. Objectives and methods

The purpose of this work is to identify the characteristics of fake news that affect the reputation of organisations. It aims to address the most common type of fake news, recognising the nature of the most affected entities in Spain and the types of false rumours that are spread about them.

To this end, exploratory research was carried out based on the review of a sample of scholarly articles, news and studies about disinformation and specifically to its impact on corporate communication. Throughout this first phase of work, the object of study has been contextualised by delving into different cases that exemplify the consequences of misinformation on the reputation of organisations. To determine whether disinformation is a threat, we examined the fake news stories debunked by the Spanish fact-checker Malditobulo.es. This medium has been chosen because it is affiliated with the International Fact-checking Network (IFCN), a body that guarantees verification processes, and for its participation in the group of specialists selected by the European Commission to combat disinformation. To this end, all the debunked fake news published on its website between 1 July and 30 September 2018 were exported manually on a daily basis, discarding those pieces related to the fact-checker itself.

A subsequent content analysis has been performed on a sample of 168 information pieces to identify the type of organisation affected: companies, institutions or political parties. In each of these categories, we also collected the fact-checks related to their representatives, leaders, employees and/or other people working for the organisation, as it is understood that this kind of disinformation also impacts their reputation. Likewise, content analysis was also performed to identify the most widespread stories for each one of the organisations and offer a final categorisation.

3. Results

In total, 168 debunked fake news were collected in the period of analysis. Of them, 3 were compilations of false rumours containing more than one false news story and 107 (63.6%) made references to organisations.
The content analysis detected 71 references to 47 institutions, 20 references to 28 different companies and 16 allusions to the 4 main political parties (Ciudadanos, Podemos, PP, and PSOE) and Esquerra Republicana de Catalunya, in conjunction with Junts per Catalunya.

Figure 1: Distribution of collected fact-checks by organisation type

The institution with the largest number of debunked fake news in the period of analysis is the Government of Spain, followed by the Royal House. However, it should be noted that most disinformation pieces were focused on local and regional institutions and aimed in many cases to link them to political causes and/or the preferential treatment towards certain groups. Likewise, although in a smaller percentage, there were false news about government and foreign institutions, such as the Russian and Estonian governments, among others.

As for companies, the mentions were quite dispersed, impacting companies from different sectors, such as fashion (Zara, Nike and Adidas), department stores (Corte Inglés, Mercadona, Carrefour and Media Markt), leisure companies (Warner Park), transport companies (Ryanair), the food sector (Coca-Cola, Heineken) and energy companies (Iberdrola). Most fact-checks alluded to false give-aways, non-existent promotions and fake job offers. It is noted that in these cases, the ultimate goal is the collection of user data and that some falsehoods are recurrent, i.e., the same lie is told about different companies or different lies are spread about the same company. For example, as detected in the exploratory study, Mercadona had already been the target of false stories before.

The number of fake news about political parties and their representatives is close to that of companies. False rumours were spread about the main political parties: Podemos was targeted by the highest volume (8), followed by Ciudadanos (4), PP (3), PSOE (2) and Esquerra Republicana de Catalunya in combination with Junts per Catalunya (1). It should be noted that the two fake news stories about PSOE directly related it to Podemos, so this fake news were counted for both parties.
Most of the stories alluded to the political parties’ leaders, including Pablo Iglesias, Albert Rivera, Inés Arrimadas and Teresa Rodríguez. In the case of Ciudadanos, its members and affiliates were also attributed false inappropriate behaviours and statements.

**Image 1: Examples of debunked fake news**

![Image of debunked fake news]

Source: Maldito Bulo

The intention is always to damage or change the image of the organisations. Premeditation is observed, since it is contextualised in social concerns that encourage the mass spreading of information, such as unemployment, the management of public money and the political agenda. Other false stories use humour, which with the same intent, contributes to their dissemination.

Of the 168 fact-checks collected, 53 fake news targeted spokespersons, representatives or members of organisation. Since the allusion is usually made by groups, “judges” or “members”, we took into account only those stories in which one or more people in particular were directly identified. Thus, 40 fake news were targeting the representatives or spokespersons of some organisation and 13 alluded to other public figures, such as actors and journalists. In all cases, the fake news sought to smear the reputation of a person and by extension an organisation.
Figure 2: Distribution of debunked fake news by victim

Source: Author’s own creation

Content analysis has allowed us to categorise the most common fake news for each type of organisation. This categorisation aims to provide a clear image of the type of associated lies, although, as it will be shown, some of them could be extrapolated to the 3 types of organisations.

Although it is not our object of study, the content analysis detected a large volume of fake news focused on immigration. There is an increase in hate speech towards immigrants through their association with criminal acts and vandalism. In turn, these stories are related to the supposed support of institutions or politicians.

The most common formulas to introduce deception are: (1) creation of fake news in supposed digital media (*Mediterráneo Digital, Somatemps, The Patriota, Caso Aislado* and *Alerta Digital*, among others) or their publication in fake media that try to usurp the identity of real media (*CNN tech, 12 Minutes*); (2) use of humorous/satirical news that try to pass on as real information; (3) edited and manipulated images; (4) use of de-contextualised videos and images, which corresponded to previous news or were fictitious images attributed to false events; (5) conversations or interactions developed on social networks, or messages on WhatsApp, among others.
Table 2: Categorisation of debunked fake news by content

<table>
<thead>
<tr>
<th>Organisation type</th>
<th>Type of false information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Companies</strong></td>
<td>Opening or identifying of alleged facilities alien to companies</td>
</tr>
<tr>
<td></td>
<td>Fake job offers</td>
</tr>
<tr>
<td></td>
<td>Linking brands to political causes</td>
</tr>
<tr>
<td></td>
<td>Identity theft</td>
</tr>
<tr>
<td></td>
<td>Fake product/service giveaways and promotions</td>
</tr>
<tr>
<td></td>
<td>Alternative uses of products</td>
</tr>
<tr>
<td></td>
<td>Search for influencers by the brand</td>
</tr>
<tr>
<td></td>
<td>False accidents</td>
</tr>
<tr>
<td></td>
<td>Publication of disinformation and fake covers in the media</td>
</tr>
<tr>
<td><strong>Political parties</strong></td>
<td>False statements or behaviours by members or leaders</td>
</tr>
<tr>
<td></td>
<td>False election promises</td>
</tr>
<tr>
<td></td>
<td>Inappropriate behaviours associated with members</td>
</tr>
<tr>
<td></td>
<td>False agreements between political parties</td>
</tr>
<tr>
<td><strong>Institutions</strong></td>
<td>False implementation of new sanctions, social aids, compensations, laws and legislative measures</td>
</tr>
<tr>
<td></td>
<td>Information about so-called public salaries</td>
</tr>
<tr>
<td></td>
<td>False statements or behaviours of senior representatives, officials and public service personnel</td>
</tr>
<tr>
<td></td>
<td>Delivery of false prizes (cultural institutions)</td>
</tr>
<tr>
<td></td>
<td>Destruction of public documentation</td>
</tr>
<tr>
<td></td>
<td>Misinformation about unemployment</td>
</tr>
<tr>
<td></td>
<td>False agreements between institutions</td>
</tr>
</tbody>
</table>

Source: Author’s own creation

4. Discussion and conclusions

Throughout this work, the impact of disinformation on the communication of organisations has been addressed. Exploratory research shows that this is not a new phenomenon, although the news boom over fake news has rekindled this concern. In the institutional and political spheres, its use has always been related to propaganda campaigns. It is noted that disinformation remains a common technique for discrediting political adversaries and is secondary feature in hybrid warfare. In the business sphere, studies carried out since the 1990s show concern about the intentional use of fake news as a tool for short-term strategic communication. The premeditated use of fake news that benefit organisations remains in effect today through the use of fake news and opinions that contribute to improving the reputation of one organisation or destroying that of the competition.

The greatest concern today lies in the intentional dissemination of fake news through social media that may have a negative impact on the reputation of organisations. In this regard, it has been shown that
the cases analysed so far indicate that the community tends to take sides and therefore the reputation of organisations is damaged by fake news. It should be noted that fake news stories do not always come from external sources and that employees can also spread false rumours to exert pressure on their companies.

The content analysis of the fact-checks carried out *Maldito Bulo* shows that the dissemination of disinformation that impacts organisations is a real and permanent risk. 63% of the debunked fake news reviewed in this analysis alluded to some organisation or its representatives. This percentage shows the weakness of organisations and the need for organisations to establish work routines to detect fake news and effectively debunk them. However, it is noted that most organisations have not established permanent protocols to face this threat.

Finally, it is necessary to point out that this work has been based on the information published by the Spanish fact-checker *Maldito Bulo*, which is the Spanish benchmark in the fight against disinformation. Although this medium has numerous tools and enjoys the support of the community that participates in its activity, it is possible that there were many other fake news stories that were not detected. The final reflection, therefore, is that the universe of disinformation is unlimited, and we are still beginning to understand and investigate what its short-term consequences are.

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