

The Role of Advertisers and Platforms in Monetizing Misinformation: Descriptive and Experimental Evidence

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Countering Disinformation in Social Media**

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How is misinformation financially sustained?

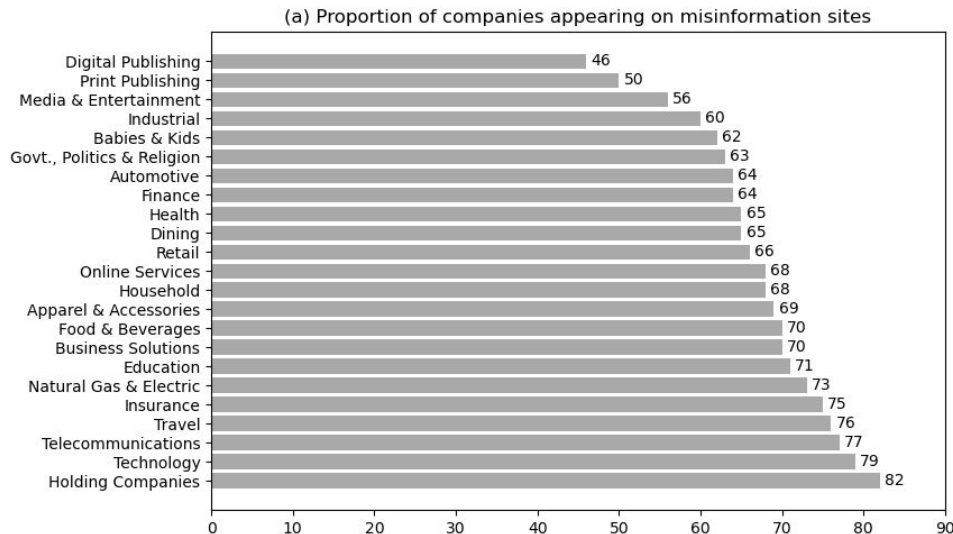
- While socially harmful, misinformation is often financially motivated ([Guess et al., 2019](#); [Mosseri, 2017](#)).
- **Data:** Websites publishing misinformation ([NewsGuard, the Global Disinformation Index, prior work](#)) + novel online advertising data ([Oracle's Moat Pro platform](#)) over 2019-2021.

Key descriptive findings:

1. Most misinformation sites (74%) are supported by advertising.

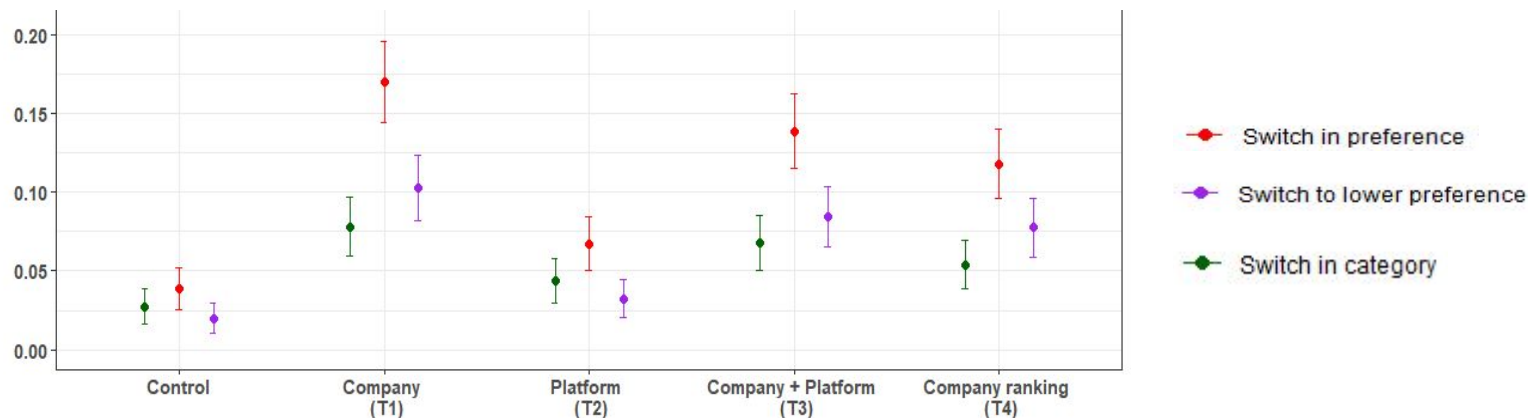
Among the most active advertisers:

2. **55%** appeared on misinformation sites.
3. Those using digital ad platforms to automate ad placement were **10X** more likely to appear on misinformation sites.

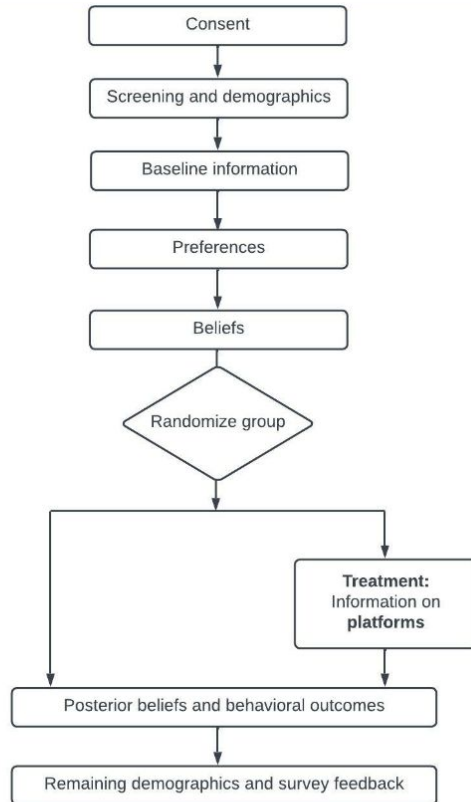


How does monetizing misinformation affect advertising companies?

- **Sample:** Representative sample of the U.S. population ($N \approx 4000$).
- **Incentive:** Offered \$25 gift card (with 20% probability) from a company of their choice.
- **Randomized (factual) information treatments:**
Control (generic), T1 (company), T2 (platform), T3 (platform + company), T4 (company ranking).
- **Outcomes:** Two types of consumer responses ([Hirschman, 1970](#))
 - **Exit:** Respondents switched their gift card company by up to 13 pp ($p < 0.001$).
 - **Voice:** Signed Change.org petitions voicing concerns about both companies (T4) and platforms (T2).



Do decision-makers prefer to avoid advertising on misinformation?



- **Sample:** Executive Education alumni from Stanford GSB and CMU Heinz College (N = 442).
- **Beliefs:**
 - 80% believe their company's ads did not appear on misinformation sites...
 - ...despite 81% of those in our ads data appearing so.
- **Information intervention about the role of platforms:**
 - Decision-makers update their beliefs.
 - Those uncertain about whether their company advertises on misinformation increase their demand for a platform-based solution.

Takeaways

- Misinformation is largely financially sustained by ads from companies across several industries and amplified by the use of digital ad platforms
- Companies whose ads appear on misinformation sites can face substantial consumer backlash in terms of both exit and voice
- Decision-makers within companies are largely unaware of their ads appearing on misinformation but report a strong preference to avoid doing so
- To reduce the financing of misinformation, platforms can:
 - Increase transparency of where ads appear for advertisers
 - Inform consumers of where companies advertise to incentivize companies to steer their ads away from misinformation sites