



Is your biggest risk
the one you can't
see coming?

How media companies need to build trust
in the fight against 'fake news'.

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Fake news threatens to undermine the trust between media organizations and their audiences. Here, we discuss how companies can fight back.

Fake news is one of the biggest challenges facing both traditional media organizations and social media platforms. It can undermine the trust they have built with their audiences and advertisers – posing a threat to their reputation, revenue and sustainability.

To distinguish their brand and protect their reputation, media companies need to build trust by creating a culture of integrity, compliance and ethics that supports accuracy, promotes quality content and journalism. They also need to strengthen their cybersecurity measures to prevent breaches that result in fake news, monitor online content and create a crisis management plan to respond effectively to issues as they occur.

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For media companies, trust is under siege – and that’s an existential issue.

Media companies earn their reputation, and the trust of audiences and advertisers through the quality, truthfulness, speed and exclusivity of the information they provide. This trust distinguishes major media organizations from the countless other information sources available on the internet. Hence, it is critical for media and publishing companies to sustain the value of their brand, and drive the subscription and advertising revenues that are their lifeblood.

The rise of so-called “fake news” or “unreliable information” presents a serious threat to trust – and to media companies overall. Amid a flood of false, misleading or misinterpreted information, audiences have difficulty knowing who to trust and what to believe. And if audiences and advertisers no longer trust media brands and publishers, they may withdraw their loyalty and their investment. Once unreliable news spreads through social media and other online channels, it becomes difficult to distinguish between high-quality and trustworthy news, and made-up information. Furthermore, consumers may be more likely to seek out news that reinforces their existing views, even if it’s based on unreliable information.

As a result, fake news is one of the biggest challenges faced by most companies involved in producing and distributing media, and there is no sign that the problem is going away. It’s a critical issue not only for journalists, publishers and advertising agencies, but also for the social collaboration and internet-based media platforms that have become key channels for delivering news and information. To distinguish their brand and protect their reputation, media companies need to tackle the complex and multifaceted problems created by unreliable information and other interference. This also includes taking steps to rebuild lost trust when necessary.

The explosive growth of fake news

Fake news – information that’s deliberately misrepresented with the aim of deceiving an audience for political, commercial or personal purposes – is not a new concept. But its impact has exploded with the internet-driven transformation of the media landscape. Anyone can now publish and reach a worldwide audience, and readers, therefore have a vast range of potential information sources. At the same time, social media platforms have become important conduits for delivering information to millions of people – at a pace that is difficult to manage and monitor.

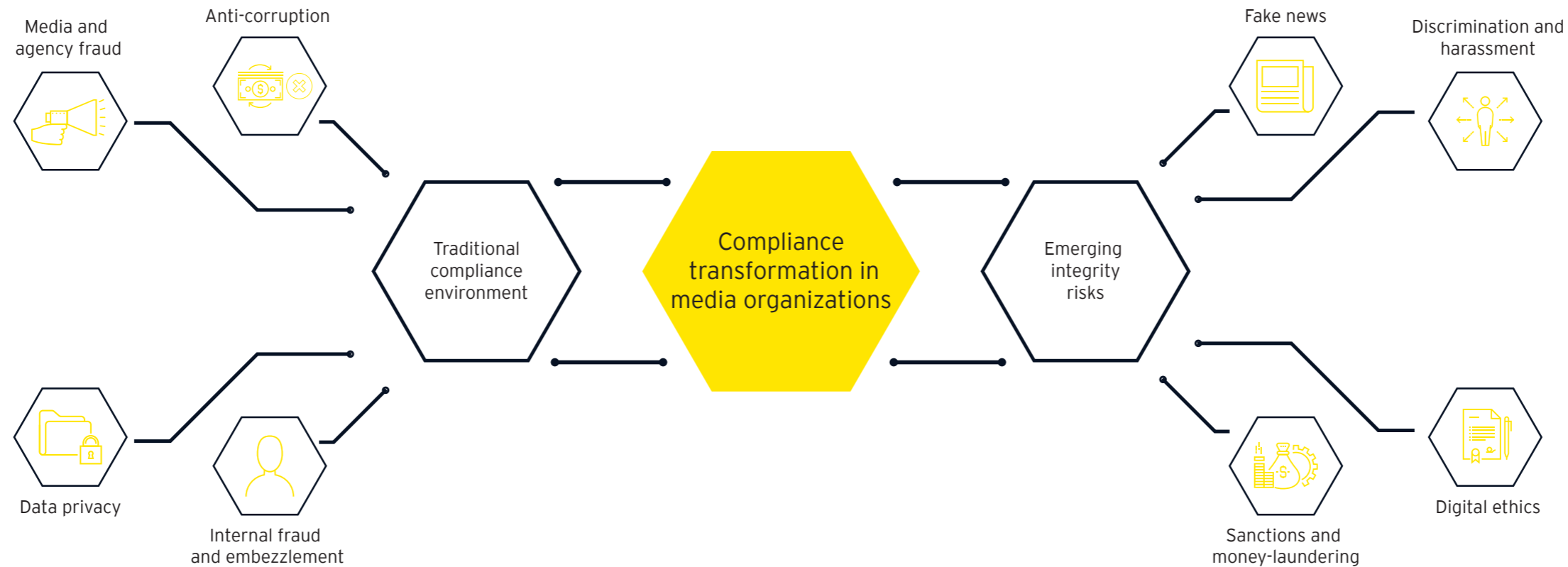
In this environment, false information can spread like wildfire, completely uncontrolled, masquerading as fact and often shared unintentionally or in good faith – without the counterweight of the research and fact-checking traditionally carried out by journalists. The impact of this false information is often magnified by algorithms that are designed to deliver users content they’re interested in, which also means that they are more likely to believe it when they read it. Adding to the challenge, the term fake news is also used in the global political environment to label news or information that is disliked, exposes confidential information or those that causes concerns.

These trends make it harder for audiences to distinguish truth from falsehood, and to determine which sources to trust. In a 2019 CIGI-Ipsos global survey, 44% of people admitted to being duped by fake news at least some of the time. The survey also pointed out that, 4 out of 10 (40%) said their trust in media had declined because of fake news. And the majority supported efforts to combat false information from spreading, which included deleting fake online posts and closing social media accounts linked to fake news¹.

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1. CIGI-Ipsos Global Survey: Internet Security & Trust, Ipsos Public Affairs and the Centre for International Governance Innovation, 2019.



Fake news challenges faced by media, publishing and technology companies

Today, fake news is an expanding problem across the entire media and consumer technology sector, affecting both traditional media (including television, digital and print) and social media platforms.

In this context, fake news can take many forms. For example, traditional media companies may find their reputation undermined by false information published using their brand. This may be because of external causes (such as hackers taking over the brand's social media accounts) or internal causes (such as rogue journalists). In 2018, for example, the influential German news magazine Der Spiegel removed an award-winning writer after he falsified articles on a grand scale and even invented characters, deceiving both readers and his colleagues².

In some cases, state-controlled or foreign ownership of media brands may also pose a risk – for example, it may result in unreliable or biased information being published. The spread of falsified news or other made-up information can also significantly impact the integrity and reputation of social media organizations. Social media and other online platforms, including those operated by traditional media brands, face the problem of detecting the relatively few damaging fake news items among millions of posts published daily. For these platforms, the problem of identifying and controlling fake news is made even more difficult by the need to avoid censoring legitimate free speech – particularly since there is often no clearly defined boundary between the two. Online platforms also increasingly face the credibility issues associated with fake product, travel and service reviews that are generated in exchange for payment.

For many media organizations, the fake news challenge is further complicated by the global spread of regulatory initiatives.

Nations worldwide are working on efforts to curb various types of misinformation, including hate speech and attempts to influence elections and people's opinions. Having said that, critics have also expressed concerns that laws in some countries may also be used to curb free speech. Media companies should seek compliance advice to determine their overall exposure and the potential impact of these legislative initiatives in each jurisdiction. In a key development, leading online platforms, social networks, advertisers and advertising industry associations have voluntarily agreed to the EU Code of Practice on Disinformation – the world's first self-regulatory code aimed at addressing the spread of fake news – in October 2018. The code aims to achieve goals, such as ensuring transparency in political advertising, closing fake accounts, and demonetizing companies that profit by creating fake news. Some countries have gone further by imposing mandatory requirements on media organizations and digital platforms – e.g., in France, a 2018 law empowers judges to order the immediate removal of fake news from internet sites during election campaigns³.

3. "French fake news law 'will curb free speech'," The Times, 22 November 2018.

The business impact of fake news on media companies

When fake news problems occur – whether due to bots proliferating false headlines or invented stories slipping through fact-checking at major news organizations – they create debate and even skepticism in society about the value and trustworthiness of media in general. "Audiences and advertisers may no longer know whom to trust. And if they no longer trust media brands as reliable sources of accurate information, brand revenue and sustainability can suffer – e.g., advertisers may not want to be associated with platforms that host problematic content", says Emmanuel Vignal, EY Asia-Pacific Leader, Forensic & Integrity Services. "If you lose advertisers, that's a big problem. If you lose your audience, that's an even bigger problem, because you can't drive advertising dollars if you don't have eyes on your content," he says.

How media companies can fight fake news

Retaining trust is therefore media companies' most important weapon in the battle against fake news. Trust is critical to the organization's reputation, and ultimately to its sustainability as a business, says Andreas Pyrcek, EY Global Forensics Sector Leader for Telecommunications, Media and Entertainment and Technology (TMT). "Traditionally, media and consumer technology organizations managed integrity and compliance risks in a process-driven manner. The current debate about fake news and its impact on organizations shows that there's a much more critical success factor for an ethical business: the organization's people," he says.

The key steps to building and maintaining trust include:

- ▶ Building a culture of integrity, compliance and ethics that supports accurate and well-verified information, with a focus on quality content and journalism

- ▶ Strengthening cybersecurity to prevent breaches that generates fake news
- ▶ Monitoring content on news platforms, social media and other interactive channels to identify potentially damaging fake news items
- ▶ Creating a crisis management plan to react quickly and effectively when problems occur

For many companies, it may be challenging to make the investments necessary to achieve these goals, particularly if budgets are being squeezed due to the broader internet-driven disruption impacting the entire media industry. The need to direct resources toward these goals makes it even more important to maximize operational efficiency throughout the organization. To fund strategic investment in this area, the organization may need to unlock capital by identifying efficiencies elsewhere in the organization, through approaches such as increasing automation – which can create problems as well as solve them – or outsourcing some corporate functions. Many media organizations have already undertaken a wide range of initiatives to improve efficiency.

2. "The Relotius Case: Answers to the Most Important Questions," Der Spiegel, www.spiegel.de/international/the-relotius-case-answers-to-the-most-important-questions-a-1244653.html#.



Media companies need to clearly define what success means — for individuals as well as for the organization as a whole.

Dr. Stefan Heissner
EY EMEA Forensic & Integrity Services Leader

Building a culture of integrity, compliance and ethics

Proactively building a culture that retains trust is a far more effective and sustainable approach than scrambling to rebuild trust after it has already been lost. A strong culture of integrity, compliance and ethics, supported by an integrated compliance and risk management program, is the key to helping media and consumer technology companies prevent fake news-related problems and maintain brand reputation over the long-term. Resources should be allocated using a risk-based approach that identifies the business's greatest risks to which it is exposed to and directs investment in proportion to each risk.

Establishing this culture requires commitment from the highest levels of the organization; executives need to make it clear that maintaining trust is a business imperative. "Ultimately, you need to set a tone from the top – 'this is what we stand for,'" says John Harrison, EY Global Media & Entertainment Sector Leader. "It's part of the overall value proposition that the organization responsibly delivers content that's as accurate as possible – even if, in some cases, publishing the content may not be in its immediate commercial interest," he says.

This integrity-based culture avoids focusing solely on maximizing clicks per story. Instead it aims to preserve quality journalism, including control mechanisms to prevent inaccuracies. Still, it also needs to recognize commercial reality by balancing the value of aggressive journalism against the need to protect the brand and its reputation – assessing what's worth publishing and what may cause trouble for the organization.

At the level of individual journalists and others involved in the day-to-day news flow, establishing a culture of integrity involves creating the right balance between incentives and metrics. It's important to examine what motivates each individual, and to create the right blend of success factors, weighted toward information value, integrity and responsibility. "Media companies need to clearly define what success means – for individuals as well as for the organization as a whole," says Dr. Stefan Heissner, EY EMEA Forensic & Integrity Services Leader. "Is there too much pressure on journalists which could lead them to manipulate their own articles? Is success measured using a balanced scorecard that takes into account quality as well as the number of clicks?"

Strengthening cybersecurity

Cyber attacks present major threats to trust – breaches and data thefts can result in scandals that undermine the trust media companies have built with audiences and advertisers. The risks media organizations face include attackers, who may seek to spread fake news by stealing social media account credentials, or they may aim to disrupt operations through cyber attacks or they may steal and misuse user information.

These threats underline the importance of a strong cybersecurity strategy covering both technical controls and employee behavior. Strong technical controls are essential to protect users and information, including secure storage, firewalls and multilevel authentication. But it's also vital to establish clear policies that build employee risk awareness and drive secure behavior. Which information should be shared? How should it be shared, and with whom? Are there clear policies for handling passwords, dealing with suspicious email attachments and preventing phishing?





Monitoring social media, platform news and social interaction

Tracking and stopping the spread of fake news requires constant vigilance, and monitoring of social media platforms and other interaction channels. Fake news may appear almost anywhere in the online environment and then rapidly spread across multiple platforms. Therefore, media and consumer technology companies may need to conduct internal monitoring of their own platforms and channels as well as external monitoring across the broader online landscape to identify the source of fake news that might affect the company. These sources include malicious domains and fake websites, and false rumors proliferated by social media bots.

Multiple levels of monitoring are needed, notes Dr. Stefan Heissner. The first level – flagging potentially suspicious items – must be automated due to the sheer volume of information that must be scanned. But once this automated monitoring has flagged a suspicious item, manual analysis may be needed to determine whether it’s a “false positive” or a real problem that the company needs to investigate and address.

Crisis management

Fake news problems can threaten even the best-run media business, since they are often outside the organization’s control. By creating a comprehensive crisis management plan in advance, the business can respond rapidly and effectively to minimize the damage and counteract the potential loss of trust.

Though fake news problems may have diverse causes, the crisis management principles and steps are often similar. When a problem emerges, a predetermined clear plan of action enables organizations to react quickly and investigate it. It’s important to promptly engage with key stakeholders to acknowledge the problem and what’s being done, even if you’re still investigating the root cause. Delaying engagement with stakeholders, in the hope that the problem will vanish on its own, may be a losing strategy because it allows more time for the impact to spread. Internally, organizations need the ability to escalate their response depending on the extent of the problem.

Crisis management actions may include:

- ▶ Forensic investigation of impacted data and systems
- ▶ Analysis of the attack type
- ▶ Assessment of the potential damage
- ▶ Setting up a crisis reaction team to respond to customer questions
- ▶ Assessment of stakeholder impacts
- ▶ Liaison with law enforcement
- ▶ Rebuilding trust in the market through proactive communication, transparency and authenticity

Building a trusted and sustainable media business

The unfortunate reality is that the battle against fake news seems to be a matter that will continuously remain on organizations’ agendas. Even as organizations learn to identify and prevent existing threats, we can expect new fake news sources and tactics to continue to emerge. This makes it even more important to create a long-term plan for retaining the trust of audiences and advertisers. With a comprehensive approach focused on the biggest risks, media and consumer technology companies can ward off the existential threat posed by fake news – and respond effectively when problems occur.

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