

Fall 2023

# Disinformation Costs



## Disinformation Costs Overview

The cost of disinformation is difficult to quantify, but there are some basic statistics available. Disinformation is another way of saying “Lies”. The impact of disinformation tends to be both multi-faceted and indirect.



*How can we better understand the rising cost of disinformation to organizations?*

Disinformation costs come in many shapes and sizes. Below we quantify some global impacts and describe potential impacts, along with recent examples.

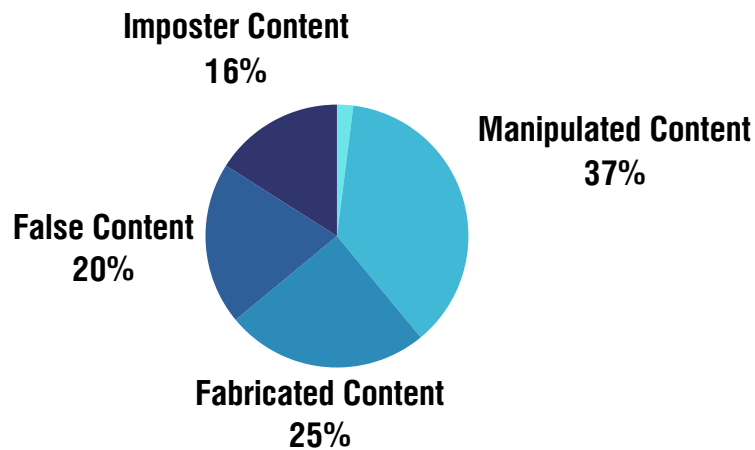
## Disinformation Impact Estimates

Amount	Description	Source
\$100 billion	<i>In 2018 the World Economic Forum estimated this would be the cost in 2025. Includes impacts on lost</i>	World Economic Forum

	<i>productivity, reputational damage</i>	
\$78 billion	<i>The present global cost per year of disinformation.</i>	ZDNet
94%	<i>% of business leaders who say disinformation is a threat</i>	iResearch
37%	<i>% of business leaders who say they are well prepared</i>	iResearch

## Impact of Disinformation on Businesses by Content Type (iResearch)

(NOTE: Satire and Parody = 2%)



## Disinformation Impacts

*The cost of disinformation to organizations can be significant and include:*

- 1. Reputation Damage:** Loss of trust and credibility among stakeholders, customers, and the public.
- 2. Financial Losses:** Due to reduced sales, declining stock prices, or increased advertising and PR efforts.
- 3. Legal Expenses:** Defending against false claims, lawsuits, or regulatory fines resulting from misinformation.
- 4. Cybersecurity Costs:** Protecting against cyberattacks and breaches fueled by disinformation campaigns.
- 5. Employee Productivity:** Time spent addressing disinformation internally instead of focusing on core tasks.
- 6. Crisis Management:** Resources spent managing the fallout and mitigating damage caused by disinformation.
- 7. Increased Advertising Costs:** Need for additional ad spend to counteract negative narratives or misinformation.
- 8. Lost Opportunities:** Missed partnerships, collaborations, or business ventures due to damaged reputation.

9. **Policy and Compliance Costs:** Adapting to new regulations or industry standards aimed at curbing disinformation.
10. **Customer Acquisition Costs:** Increased efforts needed to win back trust or acquire new customers.
11. **Monitoring and Analysis Tools:** Investment in tools and services to track and combat disinformation.
12. **Staff Training and Education:** Investment in anti-disinformation training programs for employees.
13. **Loss of Market Share:** Competitors may gain market share if the organization's reputation is tarnished.
14. **Long-term Repercussions:** Effects on brand perception and trust, which may persist even after the incident.
15. **Stakeholder Relationships:** Damage to relationships with investors, partners, and stakeholders due to mistrust.

## Disinformation Impact Examples

Example	Disinformation	Impact
<b>Theranos (2015):</b>	<i>False claims by founder of biotech company misled investors about effectiveness of blood testing technology.</i>	Theranos founder Elizabeth Holmes was found guilty of fraud and is serving an 11 year sentence.
<b>2016 Presidential Election - Cambridge Analytica</b>	<i>A significant amount of fake news and disinformation spread during the 2016 US presidential election. Some of this disinformation was spread by foreign actors, such as Russia.</i>	Some have said that Cambridge Analytica's work with Russia to target US voters with disinformation led to Trump's victory over Clinton.
<b>Pizzagate (2016-?):</b>	<i>False reports circulated claiming a pizza parlor trafficked in children via a series of tunnels, and that senior Democrats were involved.</i>	An armed individual entered the restaurant "to investigate" a malicious fabulism.
<b>Wayfair (2020):</b>	<i>A random user pointed out that Wayfair cabinets were "all listed with girls' names," prompting followers to allege that the furniture actually had children hidden in them as part</i>	Company was forced to reassure customers that children were not hidden inside furniture; attention taken away from actual problems and at least one 13 yr. old girl was

	<i>of a supposed child trafficking ring.</i>	frightened by “attempts to save her”.
<b>Manipulative Social Media Campaigns (Continuing):</b>	<i>Coordinated disinformation campaigns on social media platforms can aim to spread false narratives about companies, affecting public perception and driving some to irrational acts</i>	In at least one case, a male, radicalized via Gamergate, ended up attacking Speaker Nancy Pelosi’s elderly husband with a hammer in San Francisco.
<b>Fox News Settlement with Dominion (2023):</b>	<i>Fox News repeatedly and knowingly distributed false claims about a stolen election in 2020, blaming Dominion, a manufacturer of voting machines.</i>	Fox News was found liable for defamation and was forced to settle for \$780 million dollars
<b>Loss of Democracy (2024?):</b>	<i>Continuing onslaught of outrageous lies about 2020 elections and about democratic principles in general.</i>	The US is no longer a democracy, but an authoritarian regime run by a dictator with ties to foreign adversaries

## What You Can Do to Fight Disinformation

- Have a plan in place to respond to disinformation attacks.
- Train employees on how to spot and report disinformation.
- Invest in security measures to protect your data and systems.
- Work with partners to share information and resources.
- Be transparent about your efforts to combat disinformation.

# Contact Information

## For Further Inquiries

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