

Fake News and New Social Media and the Impact on Women Entrepreneurship

Carolina M. Billings

Abstract

This paper aims to identify the impact of fake news on a women-businesses operating on social media platforms. The findings show that men's and women's perception of difficulty in identifying fake news is similar. In contrast, women are more concerned than men about the harmful effects of misinformation on society. This article's main objective is to investigate users' perception of fake news, as well as identify the criteria on which their recognition strategies are based and the effect on their choice of the social media platform for their business strategy as well as the correlation between fake news content and the changing demographic of platforms such as the boomerizing of Facebook, and aging of Instagram and TikTok and the migration to new platforms. The results are based on the analysis of interviews where participants were asked about their competence in determining the veracity of the information,

misinformation vs disinformation and their ability to identify false content.

Their consideration of changing their existing social media platform for emerging new social media as a result. Benefits are related to a better understanding of the effect of algorithms on business marketing as a result of mitigating fake news.

Keywords: *Algorithms and Marketing, Fake News, Gender and Management, New social media, Women Entrepreneurship*

JEL Classification: *M1, M3, 035*

Introduction

What is Fake News, and who decides what and when is fake? According to the Center for Information Technology & Society (University of California Santa Barbara, 2022) *The term fake news means “news articles that are intentionally and verifiably false” [1] designed to manipulate people’s perceptions of real facts, events, and statements. It’s about information presented as news that is known by its promoter to be false based on facts that are demonstrably incorrect or statements or events that verifiably did not happen. Fake news “is fabricated information that mimics news media content in form but...lack(s) the news media’s editorial norms and processes*

for ensuring the accuracy and credibility of information” [2]. It overlaps with misinformation (false or misleading information) and disinformation (false information purposely spread to mislead people). (University of California Santa Barbara, 2022) the challenge of this definition is the concept of “news articles that are intentionally and verifiably false.”

Calling out *Fake News* as we understand it today became popular in politics during the 2016 US presidential elections (Gentzkow, 2017) where anything that did not appear to serve or show the candidate in a bad light immediately got labelled fake news to *discredit and move on*. However, perhaps the articles in question were intentionally bias and lacking of journalistic due process but, at the time of the labelling and not been verified as false. Therefore, calling out fake news without verification could equate to falsehood as the articles or information in question. The research question for this paper is: How do social media platform efforts to mitigate *Fake News* affect social media-based entrepreneurs?

The evolution of the News

Who is the media now?

Social Media platforms have become a haven for the dissemination of misinformation; however there are things to consider. 1. *Traditional or main*

street media relies strongly on social media platforms for engagement and distribution (Gaskins, 2012) and 2) Traditional/Main Stream media also relies heavily on *citizen journalism, blogs and video footage*. (Bruns, 2009). And if we include the concept of disinformation under the fake news spectrum, one cannot avoid *compromised* or bias news from mainstream media as a result of either their clear political alignments, i.e., *CNN vs Fox News* in the United States but also one must consider the news outlets sponsors, stakeholders i.e., big pharma, big tech. “Without *citizen journalism* to hold accountability to power, there would have been No George Floyd” (Sloan, 2022), a powerful example of the good side of social media and how it has opened the doors for the *democratization* of information. For every unverified *citizen report*, there is now a spotlight on the truth for the unrepresented. (Sloan, 2022).

Pivotal points of the evolution of sources of dissemination of information.

In 1967's in his article “*The medium is the message*,” McLuhan concluded that “*the personal and social consequences of any medium – that is, of any extension of ourselves – result from the new scale that is introduced into our affairs by each extension of ourselves or by any new technology*” (McLuhan, 1967). Today's reality as stated by CNN's Brian Stelter's during his exit broadcast after the cancellation of the show *Reliable Sources*, a show about

the media within a media outlet purportedly holding itself accountable.

Brian Stelter states, *“media is evolving at a dizzying speed, the biggest change is people carrying super computers in their pockets ready to capture events as they unfold...the media is not the enemy of the people, the media is the people.”* (CNN, 2022). Are We the people now the medium?

Demographics and the choice of social media

Not all fake news affects social platforms equally. During research interviews, interviewees were asked: *Users’ perception of fake news, as well as identify the criteria on which their recognition strategies are based as well as their competence in determining the veracity of the information, misinformation vs disinformation and their ability to identify false content.*

All respondents shared similar demographics within their level of education: *all respondents have a post-graduate college degree and operate a service-based enterprise using social media as part of their business strategy. On a scale of 1 to 10, all respondents felt competent, rating themselves at an 8+ of their ability to spot questionable content* (Hall, 2022) (Herschorn, 2022) (Magill, 2022) (Skalli, 2022) (Wagner, 2022). *All respondents cited a) using multiple sources, including mainstream media, for*

their source of news and b) Following the story back to its source and considering source biases and influencing stakeholders especially regarding medical news. All respondents cited LinkedIn as their primary social media/network platform choice. All respondents rated the quality of information and participants as trustworthy within the LinkedIn network.

(Hall, 2022) (Herschorn, 2022) (Magill, 2022) (Skalli,2022) (Wagner, 2022)

There were, however two answers that highlighted the question: What is the influence of demographics and culture on the acceptance and interpretation of fake news through social media.

Fake News: Misinformation vs Disinformation & Citizen Journalism

Because social media is a public platform, anyone—including news outlets—can post anything without being accountable for fact-checking. It's left to users to distinguish misinformation vs. disinformation in their feeds.

(Intuit Mail Chimp, 2022)

Two respondents provided a unique perspective regarding perceived misinformation vs disinformation and the role of citizen journalism as news content within social media channels. To properly represent the

significance of their answers, we must explore two concepts:

Misinformation vs disinformation and Citizen Journalism. What differentiates misinformation from disinformation is the *intent of the person or outlet sharing it* (Filippo Menczer, 2016). In the previously cited study from Indiana University, misinformation is classified as *“false or misleading content including hoaxes, conspiracy theories, fabricated reports, click-bait headlines, and even satire.”* Misinformation is not deliberately intended to deceive. Instead, it aims to shape or change public opinion on a topic. Disinformation can be spread using many of the same tactics as misinformation—hoaxes, click-bait, and fabricated reports. Disinformation is created to deceive. (Intuit MailChimp, 2022). Lastly citizen journalism: *Citizen journalism is a media concept that refers to ordinary people's journalistic activities. It means citizens themselves report the issues confronting them. Citizen journalism has enabled people to raise their voice on what they feel need attention. These people are, thus, termed citizen journalists. Citizen journalists or amateur reporters are none but the general audience, that is, viewers, readers and listeners of mainstream media.* (Noor, 2020) As observed by Alex Bruns *“New competitors with the products of the journalism industry frequently take professional journalists themselves to task where their standards have appeared to have slipped, and are beginning*

to match the news industry's incumbents in terms of insight and informational value: recent studies have shown, for example, that avid Daily Show viewers are as if not better informed about the U.S. political process as those who continue to follow mainstream print or television news" (Bruns, 2009)

Fake News as a Spectrum

During my research interviews, two perspectives highlighted a deeper reflection regarding not only *who* is reporting it but *what* is being reported by citizens and its impact on Main Stream Media. Simone Sloan Rph, MBA, mentioned the *consequences and responsibility* of citizen journalism. *"Although without citizen journalism movements such as Black Lives Matter would not have been able to provide the evidence of the real-life events faced by underrepresented communities, those too must be viewed with an eye of skepticism and conduct due diligence. I can look at two news reporting of the same incident using the same footage and have it be manipulated to mean different things, however, many times it is only being reported as a result of the live footage, which has been made public uncensored. Without citizen journalism, there would have been no George Floyd"* (Sloan, 2022)

Another perspective of citizen journalism impacting Fake News is the dissemination of information through social media uncensored by government regulations. Y. Skalli highlighted the perspective of East versus West sensitivities regarding freedom of the press in highly active geo-political regions outside of North America (Skalli, 2022) *“In places where official sources are not trusted, social media is relied on and perhaps given an element of credibility as it gets distributed through trusted sources from people to people. The misinformation comes about perhaps not intentionally but as a result of the interpretation given as it spreads through social media communities. Commentary taking a more critical role than the source or validity. A personal strategy, then is more about critical thinking and a personal mindset as to how vulnerable you are at believing what is being reported by people through social media. The most important way for me to try to determine whether content seems fake is for me to evaluate my own cultural biases related to the topic. In her New York Times Article titled Revolution-Facebook Style A. Shapiro reported: “As the street protests went on, young Egyptians also were mobilizing and venting their anger over Gaza on what would, until recently, have seemed an unlikely venue: Facebook, the social-networking site. In most countries in the Arab world, Facebook is now*

one of the 10 most-visited Web sites, and in Egypt, it ranks third, after Google and Yahoo. (Shapero, 2009)

Intersectionality of Business and Personal use of Social Media

The Great Resignation (Serenko, 2022) has accelerated the rate at which women have chosen to start their service-based businesses. More than 40% of all employees were thinking about leaving their jobs at the beginning of 2021, and as the year went on, workers quit in unprecedented numbers. (Microsoft, 2021) This movement and opt-in of social media platforms has the ability to alter the demographics and the very nature of a platform. For example, the aging of Facebook by the percentage of *Boomer* users. *Aging* is also currently being experienced by Instagram and TikTok. *TikTok has previously been seen as a network for primarily Gen Z, but now just 47% of TikTok users are between ages 10-29, compared to 62% last year. The platform's user base is aging up with 42% of users now aged 30-49. If this trend continues, we could see something like the Boomer takeover of Facebook.* (Intuit Mail Chimp, 2022) Without a marketing strategy, understanding of emerging/changing platforms and a robust following, entrepreneurs can easily burn through resources leading to failure to launch. Our research shows that by *leveraging the aggregate*, women

entrepreneurs can accelerate their presence, understand emerging platforms, increase engagement and monetization of their services to result in their ability to become financially independent, establish their brand presence and refresh their social marketing strategy for growth. As an example of the use of aggregate during our research, the six interviews conducted represent business-to-business consultants each representing an average of 50 clients. Therefore, observation data for this paper is based on approximately 300 women entrepreneurs.

Social Media is not just Social.

For women entrepreneurs there is an ongoing intersectionality between business and personal use *“my personal social media is my business social media. My brand is about a lifestyle I live authentically using social media as social proof”* (Magill, 2022). Most women-owned service-based businesses rely on social media platforms to market their business. The ease of entry, familiarity of a particular social platform and perceived quick monetization can become a source of frustration when taken from the personal to business. In her book *(Not) Getting Paid for What you Love*, B. E. Duffy identifies the lure of ease calling women by the millions to social media entrepreneurship only to find dissolution. *“These content creators, I came to*

realize, were motivated by the wider culture's siren to call to get paid to do what you love. But what they experienced often fell short of the promise...the rest are un(der)-paid, remunerated with the deferred promise of "exposure" or "visibility." "A grueling balancing act is required, On that I explore thought the lest of "aspirational labor". (Duffy, 2017)

The low barrier to entry often results in bypassing fundamental business foundations such as proof of concept, unique value proposition, business plans, marketing strategies, and market analysis to name a few. All these are under their control. What most self-professed women digital entrepreneurs often underestimate are the challenges out of their control within social media platforms.

Changing Logarithms & Handling of Fake News by Platform's Leadership

On a recent interview of Facebook Founder Mark Zuckerberg on the Joe Rogan podcast (Zuckerberg, 2020), dated two days from the date of this citation had received 2.4M views on YouTube, *"When we take down something that we were not supposed to, it is like the worst."* How do you discern asked Rogan: *How do you know when someone is real or not? This is the big argument between Elon Musk and Tweeter. He was asked what is the percentage of bots and fake accounts he was told 5% to which Elon*

responded it has to be much, much higher than that.” “When we look at a page, there are a whole bunch of signals we do not rely just on AI...it is all a trade-off. We could be totally more aggressive catch 100% of the bad guys but in the process take down the good guys or we could be more lenient and say the cost of taking down any number of good guys is too high so we opt to let in some bad guys in”. “For big accounts we make sure we know who the administrator is” “when an account is put on hold because it has breached policy it gets sent to a review board”. When pressed how Facebook handles controversial stories that end up being true, Zuckerberg admitted “the process isn’t perfect” “it sucks probably in the same way of going through a criminal trial but in the end proving that you are innocent...in the end you are free.” (Zuckerberg, 2020)

How is currently being solved

LinkedIn although not considered a social media platform is the digital media networking of choice for business-to-business consultants 86.6% of

our interviewees identified LinkedIn as their networking, marketing and prospecting platform of choice. 13% of respondents identified Facebook as their primary Social Media platform of choice for business and personal. 100% of the respondents identified changes in *Logarithms* as the number one reason for business interruption. *“For some marketers, they’re like little data puzzles just waiting to be solved. But if you’re like most businesses trying to tackle social media, they’re a sort of boogeyman. The great “unknown” that’s holding your content down. Algorithms might seem helpful and mostly harmless to the average social customer, helping sift through content and deliver only “relevant” content rather than random posts. However, marketers that don’t fully understand what algorithms are or how they work will find themselves facing a constant struggle.”* (Barnhart, 2021)

Overall, the experts interviewed rated their client’s technical abilities a 5.5 out of 10 relying almost exclusively on consultants such as themselves or hiring social media experts to guide them through.

Research Data and Methodology

The research presented on this paper has been conducted by The Hive Consulting Group Inc. (THGC) a Toronto based Boutique Management Consulting firm located in Ontario, Canada with an international clientele.

Its niche market is incubating, growing and accelerating women's professional success as a closed consortium of women professional corporations, service-based enterprises and brands for 10 years. Methods of data collection for qualitative research, include observations, co-creation of initiatives, textual and visual analysis, book publishing, video production and individual and group interviews. The community withing THCG operating as *Powerful Women Today* consists of 50 women entrepreneurs operating as a consortium of business-to-business consultants operating as Ph.D.'s, Master level clinicians, licensed professionals, self-made millionaires and subject matter experts collectively servicing thousands of regular clients within the consolidated portfolios in modalities such as finance, law, relationships, coaching, vocational, wellness, business consulting and lifestyle. The consortium members perform the role leadership as *Mentor Experts working as an aggregate* to the open opt-in Powerful Women Today community of approximately 500,000 globally. Interviews were conducted in a Semi-structured video format consisting of several key questions that helped to define the areas to be explored, but also allowed the interviewee to diverge in order to pursue an idea or response in more detail. *The flexibility of this approach, particularly compared to structured interviews, also allows for the discovery or*

elaboration of information that is important to participants but may not have previously been thought of as pertinent by the research team. (Gill, 2008)

Results and Discussion

- Users' perception of fake news, as well as identify the criteria on which their recognition strategies are based:
 - 100% of respondents rated themselves 8/10 at being able to identify fake content on news.
 - 100% of respondents rated themselves 8+/10 at having a strategy for recognition. Raging from *sources* (Sloan, 2022) *research* (Herschorn, 2022) to *correlating multiple sources* (Magill, 2022) (Wagner, 2022).
- Competence in determining the veracity of the information, *misinformation vs disinformation* and their ability to identify false content: *"News have evolved there are so many so-called experts specially regarding pharmaceutical, so many channels it fully understanding sources, biases, who is sponsoring it, the motivations behind it and expert's credentials."* (Sloan, 2022) *"Fake news is nothing new. It is as much about omission as it is about bias."* (Hall, 2022)

- 100% of respondents rated themselves 8+/10 in their competence of being able to discern misinformation from disinformation.
- Understanding Logarithms and business disruption as a result of platforms mitigating fake content: *“There is no communication when changes are made to a platform. It seems Facebook is both the platform most affected and the one that keeps changing the most. Accounts were being penalized for large number of contacts that do not engage. Visibility went down, they are now wanting to make sure you engage first, share second. Creators with fan/business pages who had amassed large number of followers experience their visibility on their business page disappeared overnight unless ads are being purchased. It is the lack of communication that is the most disruptive not so much the change in policy or practice.”* (Hall, 2022) during the Joe Rogan Experience’s podcast Mark Zuckerberg stated that one strategy to mitigate fake content is to have *“paid advertising by business accounts whose administrator is known”* (Zuckerberg, 2022) for most small businesses that relied on organic visibility of their contents, paid advertising needs to be significant in order to make a consistent difference in their business. This is most of the

time not affordable. *“Lately the biggest algorithm threat is accounts being put on “Facebook Jail” that are not creating bad content, a recent example is a business owner’s account being put on hold over “nudity”. It was a business account with no images nor copy that is remotely near it. So, you have to wonder, what is getting caught on these nets? What are they really looking for?”* (Hall, 2022)

- Changing demographic of platforms such as the *boomerizing of Facebook*, and aging of Instagram and TikTok and the migration to new platforms. Changes in functionality of existing platforms. Shifting of demographics was rated 7/10 by S. Wagner during our interview. *“It is not about where you want to be but where your clients are moving to”* (Wagner, 2022) *“Platforms seems to be expanding their functionality to compete with each other. YouTube now has TikTok like short clips, Instagram now wants more Video like YouTube, LinkedIn offers audio now like Clubhouse. Even Facebook and LinkedIn’s dashboards look alike now. It takes a lot for someone to switch to a new social media platform.”* (Herschorn, 2022)

Conclusion

The demographic we serve are highly educated, remember *professional*

journalism and are not technology savvy. Based on the Diffusion of Innovation modelling (Rogers, 2003) six interviewees representing 500+ entrepreneurs using social media as the key channel for their brand's message distribution are classified as a *late majority* (Hall, 2022) (Magill, 2022) (Herschorn, 2022) (Wagner, 2022) in their likelihood to embrace New Social Media Channels. A greater understanding of the role social media plays in the marketing and sales funnel as well as the understanding that their *following* is not a *client list*. Social media is a *meeting/prospecting place* and a good place for *social proof* for business and personal brands not a place to *stay and run* a service-based business. "*Social influence rises with the number of influence sources, but the proposed relationship varies across theories, situations, and research paradigms.*" (MacCoun, 2012)

Relying on Social Media platforms as your entire marketing, branding and engagement strategy is too volatile and vulnerable for businesses. The changes in algorithms seem to be the primary source of *business interruption* and *concern* more so than fake news or content. Overall, the second biggest point of vulnerability for women business owners is remaining 100% on social media once they have converted their clients, relying on it as their *technology strategy* for community, business development and engagement. Followers or contacts are not *owned* by the

business owners. Overnight and without reason social media platforms such as Facebook, Instagram, TikTok and Tweeter to name the most popular and free to users, can be shut down overnight or close user accounts at will. LinkedIn as a paid platform focusing on professionals and business owners seems to be the least affected by Fake News, bots, and fake profiles. LinkedIn has encouraged users to bring more social and casual networking engagement, however, the membership itself self-audits and censors non-LinkedIn-like behaviour seen on other platforms. Changes in logarithms should not shut down a business that has a clear *value ladder* or *sales funnel* leading them away from reliance on social media for their communication and engagement with their clients/list. This really ought to be done via CRM's, email campaigns, newsletters and regularly scheduled events that bring the community together and provide *live* brand experience and engagement.

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Contact information

Name of the author: Carolina M. Billings

Affiliation (University): LIGS University

Email: Carolina.billings@gmail.com