

## AN EMPIRICAL ASSESSMENT OF CONSUMER PERCEPTIONS OF FAKE NEWS AND ITS INFLUENCE ON EMOTIONAL REGULATION AND BEHAVIORAL RESPONSES: EVIDENCE FROM THE PAKISTAN SOFT DRINK INDUSTRY

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### Abstract

*The purpose of this paper is to empirically examine consumer perceptions of the influence of fake news and how these perceptions relate to emotional regulation and consumer responses in the soft drink industry in Pakistan. The research examines the constructs of consumer perception, trust, loyalty, and emotional responses (anxiety, anger, and confusion) in an online information environment. The study employed a descriptive quantitative approach with a survey questionnaire. A sample of 600 respondents was surveyed, with equal representation from three geographical areas. Frequencies and percentages were used to describe consumer perceptions, emotions, and behavioral intentions in response to fake news. The results suggest that most consumers (54% - 59%) view fake news as prevalent, deceptive, and hard to identify. Fake news exposure is linked to changes in consumer perceptions, such as heightened distrust of product safety, brand integrity, and corporate reputation. Moreover, 53%-58% of participants reported a decrease in trust and loyalty, as indicated by lower purchase intentions, higher brand switching, and reluctance to recommend brands. Emotionally, fake news is linked to increased feelings of anxiety, anger, and confusion (52% - 56%), which lead to uncertainty and risk-averse behavior. In summary, the results show the interrelated nature of cognitive, emotional,*



*and behavioral factors in consumer reactions. The research offers valuable theoretical and managerial insights by showing that fake news is a perceptual and emotional disruptor in consumer markets. For marketers, the study highlights the importance of active communication, transparency, and consumer education programs to counter the negative impact of fake news. For policymakers, the research highlights the need for media literacy and the regulation of deceptive information in the digital space. The study adds to the body of knowledge by providing industry-specific empirical insights from a developing market and extending the knowledge of consumer reactions to fake news.*

## 1.1 Introduction

The development of digital technologies and social media platforms has transformed the ways of information creation, distribution, and consumption. With the increased use of the internet and mobile phones, individuals are now able to access the abundance of information in real-time and thus can communicate in real-time irrespective of distance. However, the digital revolution has also resulted in the spreading of fake news or misinformation (Arafah and Hasyim, 2022). The problem of fake news, or deliberately misleading information, is becoming more relevant to society and companies (Allcott and Gentzkow, 2017).

In the digital world, sharing information has been adopted as the leading medium of communication on social media platforms such as Facebook, WhatsApp, and TikTok. Such platforms enable the democratization of information, and at the same time, it becomes hard to differentiate between credible and untrustworthy sources. This

contributes to the immediate spread of misinformation, which may be presented in emotional appeals, sensationalism, and algorithmic filtering (Tandoc et al., 2018). Research indicates that fake news is faster than real news due to the novelty and emotional appeal, and thus has a higher chance of being shared by users (Digital Cooperation Organization, 2023). This poses a major challenge to consumers who might be unable to identify genuine and fake information.

The effects of fake news are not confined to the political and social realms but extend to business, too. In consumer-oriented industries, counterfeit news may damage brand reputation, undermine trust, and influence consumer behavior (Pearce, 2024). This is particularly true of companies operating in competitive industries, where misinformation can lead to loss of revenue due to a change in consumer attitudes. One such industry is the soft drink industry, where the reputation of the brand, the perceptions of the

consumers, and emotional attachment are critical to success.

The soft drink business is a major cultural and economic sector in Pakistan, which is controlled by multinational corporations such as Coca-Cola and PepsiCo. But the industry is susceptible to fake news, particularly that of health, religion, and socio-political matters. Consumer panic and market instability can be caused by the proliferation of fake news regarding the safety of the product or its dangerous components, or unethical business practices (Raza and Ahmed, 2024). Also, the increasing use of digital media in Pakistan, combined with the lack of media literacy, puts consumers at risk of becoming victims of fake news (Elahi et al., 2023).

The impact of fake news on consumers is complex and involves both cognitive and emotional reactions. The presence of fake news can also impact the attitude of consumers, leading to distrust, confusion, and negative brand perception (Sun et al., 2021). In particular, fake news has been found to reduce trust and loyalty, which are important in establishing long-term consumer relationships (Obadana, 2019). Exposing consumers to unfavorable information on any brand is likely to make them skeptical about the authenticity of the brand and turn to other brands, even where they lack evidence to back their assertions.

Another serious yet neglected factor of this problem is emotional regulation. ER is how individuals react to their emotional conditions (Rohani, 2012). False news may cause such strong emotions as anxiety, anger, and confusion, especially when the news is concerning health and safety. These feelings may influence the decision-making processes, leading to impulsive or avoidance behavior (Bago et al., 2022). The impacts of these emotional disturbances are heightened in the soft drink industry, where the consumption is linked with lifestyle and emotional branding. Moreover, such psychological phenomena as confirmation bias, desirability bias, and the bandwagon effect contribute to the proliferation and influence of fake news. Individuals would tend to believe and spread information that validates their prior beliefs, which exposes them to fake news (Sunstein et al., 2018). The original impact on perception and memory may be enduring, affecting long-term brand perceptions even after the information has been corrected. Although the issue of fake news is becoming a pressing concern, there are no empirical studies investigating its impact on consumer perceptions, emotion regulation, and behavioral outcomes in Pakistan. Past studies have mainly focused on political fake news or consumer behavior in general, whereas little has been done on individual sectors



such as soft drinks. Also, the connection between emotional responses and behavioral responses to fake news is not well researched. Therefore, the study aims to empirically investigate the perception of the influence of fake news and the implications of these effects on emotional regulation and consumer reactions in the Pakistani soft drink sector. By studying the main variables, such as perception, trust, loyalty, and emotional reaction, the study will provide a comprehensive picture of how misinformation affects the consumer decision-making process in a new market.

## 2.1 Literature Review

The phenomenon of fake news is urgent nowadays, and its consequences on consumer markets are significant. The term Fake news is used to describe deliberately misleading and false information presented as factual information, most of which is disseminated using digital media to influence attitudes and behaviors (Allcott and Gentzkow, 2017). With the emergence of social media, misinformation spreads faster than the real information, in most cases (Tandoc et al., 2018).

Fake news can be a potent external cue in the environment of consumer markets, which can distort information processing and consumer decisions. Studies show that fake news influences the thinking of consumers, leading to

misperceptions of products and brands (Friggeri et al., 2019). The capacity of fake news to spread, because of its emotional and novelty appeal, makes it more persuasive, making consumers more likely to accept and spread fake news (Digital Cooperation Organization, 2023). Therefore, fake news is a strategic risk to businesses, particularly in the industries where brand image and trust are critical (Aula and Mantere, 2020).

Consumer perception refers to the process through which consumers choose, organize, and interpret information to form perceptions of products and brands (Madichie, 2015). This process is distorted when there is fake news, where the consumer is exposed to conflicting and incorrect information. According to the research, fake news contributes to confusion and uncertainty, and it becomes more difficult to determine the sources of trustworthy and non-trustworthy information among consumers (Lewandowsky et al., 2017). The studies have shown that the effect of fake news on consumer attitudes towards the quality of the brand, safety, and ethical conduct is significant (Nguyen and Zhang, 2020). Negative misinformation is sensationalized or negative and may lead to the formation of negative perceptions, even in the absence of evidence. Moreover, belief in fake news strengthens these perceptions with such cognitive biases as the so-

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called continued influence effect when misinformation continues to affect beliefs even after being corrected (Lewandowsky et al., 2017). In the case of the soft drink industry, misinformation about corporate responsibility, ingredients, and health is particularly prone to influencing consumer perceptions. As the issue of health issues related to soft drinks raises more and more concerns, fake news creates fuel to consumer worries and generates negative brand perceptions (Doofan, n.d.). This highlights the influence of perception in mitigating the impact of fake news on consumer behavior. Consumer behavior is also driven by trust, which is the trust in a brand that is trustworthy and reliable. Loyalty, in the meantime, is the readiness to keep purchasing and advertising a brand (Obadan, 2019). The effect of fake news on the two cannot be underestimated. Research indicates that consumer trust can decrease significantly due to exposure to fake news because misinformation can undermine the authenticity of the products and the credibility of the brands (Friggeri et al., 2019). This mistrust is difficult to regain, even when there is correct information. This is particularly the case in the online environment where consumers are inundated with conflicting information (Zhou and Xie, 2021). Similarly, counterfeit news has adverse impacts on brand loyalty. Bad news, especially news that is

emotionally charged, may weaken the psychological relationship between consumers and brands and lead to brand switching and low-purchase intentions (Nguyen and Zhang, 2020). It has also been revealed that consumers tend not to recommend controversial or fake news-related brands, which will affect the success of the brand in the long term (Park & Kim, 2023). Trust is also a very essential element in competitive markets, such as the soft drinks, where brand loyalty is created on the basis of emotional branding and regular usage. Not only does fake news have an impact on existing consumer relationships, but it also creates an opportunity to lose a portion of the market to competitors.

Emotional regulation plays a role in the reaction of consumers to external events, like fake news. It entails how individuals cope and manage their emotional reactions to attain their objectives (Rohani, 2012). In the context of fake news, emotional regulation is vital as fake news is usually designed in a way that evokes specific emotions, such as fear, anger, and confusion. Research indicates that the misinformation with emotional appeal is more likely to influence consumer behavior compared to information that does not have emotional appeal (Bago et al., 2022). As an illustration, false information on health issues or contamination can lead to fear and anxiety, resulting in consumers



shunning certain products or brands. Similarly, the revelation of unethical practices in fake news may result in anger, which causes negative attitudes towards the brand and retaliation (Sun et al., 2021).

Another way in which fake news affects cognition is by evoking emotions. Emotional consumers tend to fall into the fallacy of heuristics and tend to be less critical in their information processing (Sunstein et al., 2018). This increases their susceptibility to misinformation and its effect on their decision-making. In addition, people do not regulate their emotions in the same way, and this influences how they react to misinformation. The less emotionally regulated individuals will be more susceptible to impulsive actions, such as switching the brand immediately or sharing unverified information. In comparison, more emotionally regulated consumers are able to judge information better and prevent the influence of fake news.

Behavioral responses refer to the actions that consumers take to their perception and emotions. In fake news, these reactions consist of purchase intention, switching brands, avoidance and word-of-mouth. Studies show that fake news affects consumer behavior significantly, such as a reduction in purchase intention and a rise in brand switching (Nguyen and Zhang, 2020). Negative

misinformation not only results in avoidance of consumption, but also results in hesitation to refer other people to consume the products. This is particularly worrying to the brands that rely on consumer advocacy and referrals.

Further, defensive and avoidance reactions are caused by misinformation. Consumers resort to risk-avoidant behavior in the face of uncertainty and confusion, including the avoidance of controversial products (Lewandowsky et al., 2017). In extreme situations, misinformation may lead to a panic response, which causes a great change in consumer behavior. Cultural, religious, and social factors also influence consumer behavior in Pakistan. In case of misinformation associated with religious or health concerns, it may provoke consumer backlash, including boycotts and social stigma (Haroon et al., 2021). Such information on social media is viral and thus more compelling to people, making brand management strategies difficult.

### 2.1.1 Research Gap

As much as a substantial amount of research is emerging on fake news and the impact that it has on consumer behavior, there are certain gaps. The existing studies have been more inclined to the concept of fake news in political, social, or general online communication, as opposed to its effects on particular consumer industries. Although the literature confirms the adverse effect of fake



news on consumer attitudes, trust, and purchase intentions (Frigeri et al., 2019; Nguyen and Zhang, 2020), the authors have not studied them in a comprehensive manner. The integration of emotional regulation processes is one of the gaps in the research. Even though studies acknowledge that fake news has emotional effects, like fear, anger, and confusion, empirical studies are lacking on the systematic mediating roles of these emotions on fake news influence on consumer behaviors. This creates a conceptual void since emotions are one of the major motivators of consumer behaviors, which have been poorly researched in relation to misinformation.

Additionally, the majority of research is carried out in developed countries, and higher levels of digital literacy and regulation can impact consumer attitudes and reactions toward misinformation. In comparison, the emerging markets such as Pakistan are providing a different environment, where digital penetration is high, social media usage and low media literacy are high, and may potentially intensify the impacts of fake news. However, there is not many empirical studies on the same in Pakistan, particularly in the consumer markets. Another weakness is the lack of research that is industry-specific. The soft drink industry is particularly vulnerable to fake news concerning the area of health, emotional branding, and trust as it is heavily dependent on

branding, emotional branding, and trust. However, empirical studies of the influence of fake news on consumer perception, trust, loyalty, and behavioral reactions are absent in this industry.

Additionally, prior studies have failed to adequately investigate the effect of the combination of cognitive (perception), relational (trust and loyalty), and emotional (regulation) issues on consumer behavior when under the influence of fake news. This lack of a multi-dimensional view does not help in the appreciation of the holistic reality of misinformation in the real world. This study, therefore, bridges these gaps by providing empirical evidence of the soft drink market in Pakistan, integrating consumer perception, trust, and loyalty with emotional regulation, and investigating how the two influence consumer behaviors. The study provides a structured and quantifiable view of how fake news influences consumer behavior in an emerging market through the use of a quantitative approach.

### 3.1 Problem Statement

The proliferation of fake news on social media has emerged as a major issue for consumer-oriented industries, especially in Pakistan's soft drink industry, where brand reputation and consumer trust play a vital role. Fake news regarding product safety, health risks, and business practices leads to confusion, distrust, and influences consumer



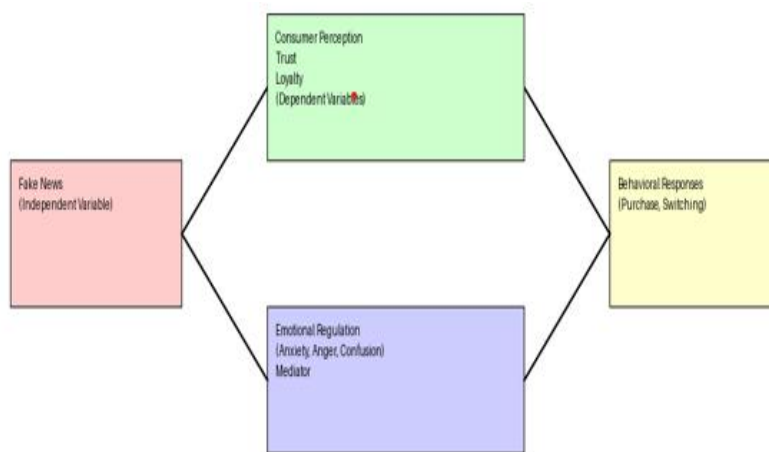
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attitudes and brand loyalty. While previous research has explored the broader impact of fake news, there is a lack of empirical research on how fake news simultaneously influences consumer perception, emotional regulation, and behavioral responses in a particular industry. Additionally, the impact of emotional responses, including

anxiety, anger, and confusion, on consumer decision-making has been overlooked. Thus, this research seeks to fill this gap by empirically exploring the impact of fake news on consumer perception, trust, loyalty, and emotional regulation, and how these factors interact to drive consumer behaviors in the soft drink industry in Pakistan.

4.1 Conceptual Framework



The theoretical framework of the proposed research aims to evaluate consumers' perceptions of fake news and the relationship between these perceptions and their emotional reactions and behavioral patterns within the context of Pakistan's soft drink industry. The framework does not attempt to establish direct causal relationships but instead aims to understand how consumers perceive and respond to misinformation (Awan & Paracha, 2021). The fake news is viewed as the key informational stimulus that consumers are exposed to via digital platforms in this model. The

framework looks at the perception of consumers of this information in terms of credibility, influence, and relevance to soft drink brands. These perceptions are manifested in the main cognitive dimensions, such as consumer perception, trust, and loyalty, which are the ways people perceive brand-related information under the influence of misinformation. Meanwhile, emotional regulation is a significant explanatory factor included in the framework. Emotional responses to fake news include anxiety, anger, and confusion, which are usually



accompanied by exposure to fake news. The model presumes that these emotional states are not just the results but components of the perceptual process, which influences the way consumers perceive and internalize information. Emotional regulation, therefore, indicates the capacity of consumers to control and react to these emotions in making judgments about brands (Bago et al., 2023). Moreover, the framework incorporates behavioral responses as the observable consequences of these perceptions and emotional experiences. Such reactions can be hesitation to buy, switching brands, decreased product recommendation intentions, or heightened distrust of brand communication. Conspicuously, these actions are considered to be reactions associated with perceived information and not necessarily caused by it.

In general, the framework offers a detailed background to evaluate the perception of fake news among consumers and the connection between these perceptions and emotional and behavioral aspects in the soft drink sector in Pakistan.

### 5.1 Research Question

How do consumers perceive the influence of fake news on their responses and emotional regulation in the Pakistan Soft Drink Industry? This question will provide the answer through quantitative data analysis of consumer perception, which later shifts towards qualitative data analysis.

### 6.1 Research Objective

To understand the way consumers, perceive the role of fake news in affecting their perceptiveness, trust, and loyalty, as well as emotional regulation in the context of the soft drink industry in Pakistan.

### 7.1 Research Methodology

Using a qualitative methodology, this research addresses the following research question: How do consumers perceive the influence of fake news on their responses and emotional regulation in the Pakistan Soft Drink Industry?

The quantitative phase of the present study focuses on assessing consumer perceptions of fake news and its association with emotional regulation and behavioral responses within the Pakistan soft drink industry. The research adopts a structured survey approach to capture consumers' experiences, perceptions, and reactions to misinformation related to soft drink brands. Data were collected through a self-administered questionnaire distributed among consumers who actively use digital and social media platforms, as these channels serve as the primary sources of exposure to fake news. The survey instrument was designed to measure key constructs, including consumer perception of fake news, trust, brand loyalty, emotional responses (such as anxiety, anger, and confusion), and behavioral tendencies such as purchase hesitation, brand switching, and word-of-mouth intentions.



The study specifically targets consumers from diverse demographic backgrounds to ensure a comprehensive understanding of how fake news is perceived across different segments of society. By employing quantitative analysis, the research systematically examines patterns, and variations in consumer perceptions and responses. This approach enables the study to provide empirical insights into how consumers interpret fake news and how these interpretations are associated with their emotional regulation and behavioral outcomes in the context of the soft drink industry in Pakistan

**7.1.1 Research Scale and Instrument Development**

For the quantitative phase of this study, the researcher developed an organized plan to collect relevant data from consumers across selected Regions of South Punjab, including Multan, Dera Ghazi Khan, and Bahawalpur. A well-designed five-item Likert-scale survey questionnaire was prepared to measure the core variables of the study, the influence of fake news on consumer responses (trust, loyalty, and perception), and emotional regulation (anxiety, anger, and confusion). Details are as follows:

Table:

Research scale

Sr No	Variables	References	No. of items
1	Fake News Influence	(Pennycook et al., 2020)	05
2	Consumer Responses		
i.	Trust	(Chaudhuri & Holbrook, 2001).	05
ii.	Loyalty	(Godey et al., 2016)	05
iii.	Perception	(Chaudhuri & Holbrook, 2001).	05
3	Emotional Regulation		
i.	Anxiety	(Tremblay et al., 2016)	05
ii.	Anger	(Watson & Clark, 2021)	05
iii.	Confusion		05
<b>Total Items</b>			<b>35</b>

In this research work, the survey questionnaire was divided into two sections. The first section collected demographic information from respondents, while the second focused on the core research variables. The respondents sampled

(n=600 in the rural and urban regions of the three major regions of South Punjab: Multan, Dera Ghazi Khan, and Bahawalpur) were used to obtain data. The reason why these regions were chosen is to get a wide range of information and



representation of consumer views in the beverage industry in the state of South Punjab.

**7.1.2 Population and Sampling of the Study**

In the initial phase of the study, which encompasses the quantitative aspect, the target population (600) will consist of consumers of soft drink brands residing in the urban areas of South Punjab, namely Multan, Bahawalpur, and Dera Ghazi Khan (DG Khan). The selection of these cities was due to their diverse socio-economic characteristics, the mainstreaming of

digital media, and their appropriateness for the beverage consumption market. The researcher used the Raosoft Calculator to obtain the sample size between the population of interest i.e., consumers in three regions, Multan, Dera Ghazi Khan, and Bahawalpur, aged 18-24, 25-34, and 35-45. The reason is that younger and middle-aged consumers are more exposed and will tend to disseminate fake news through social media compared to senior citizens. This is as outlined in the table below.

Table

**Population and Sample Size Region-wise**

Region	Total Sample (n)	Confidence level	Margin of error	Region-wise age group starta	Note
Multan	200	95%	5%	18-24=80 25-34=80 35-45=40	Sample Consumers of Coca-Cola & PepsiCo across urban/rural outlets stratified by Gender & Education. Overall sample used for quantitative analysis
Dera Ghazi Khan	200	95%	5%	18-24=80 25-34=80 35-45=40	
Bahawalpur	200	95%	5%	18-24=80 25-34=80 35-45=40	
Total Sample Size of South Punjab	600	95%	5%	18-24=275 25-34=231 35-45=94	



The sample size mentioned in the above table was determined using the Raosoft Sample Size Calculator, adjusting for a 95% confidence level and 5% margin of error, which produced a total sample of 600 respondents, 200 from each region. Within each region, the sample size was stratified by age, with the following age allocation:

- (18-24) = 46%
- (25-34) = 38%
- (35-45) = 16%

This sample highlights the key findings of the study on younger and middle-aged consumers who are more active on social media and are therefore more likely to encounter and share fake news.

**7.1.3 Quantitative Data Analysis**

To balance the objective no.3, answer question number three of the research, and analyze the researched data, the researcher relied on the descriptive technique and a quantitative statistical program, Statistical Package for the Social Sciences (SPSS). The results of SPSS were in frequency and percentage forms, which the researcher extracted.

**7.1.4 Data Analysis**

The data were analyzed using descriptive statistical techniques to examine the distribution of responses across the key study variables. A total of 600 respondents, comprising 200 participants from each selected region, were included in the analysis to ensure adequate representation. Frequencies and percentages were computed for each item to assess the level of agreement, neutrality, and disagreement among respondents regarding the influence of fake news, consumer perception, trust, loyalty, and emotional responses. The use of percentage analysis allowed for a clear interpretation of prevailing trends and patterns in consumer opinions. The results provide a quantitative overview of how respondents perceive fake news and how it is associated with their cognitive evaluations, emotional reactions, and behavioral tendencies within the context of the soft drink industry in Pakistan. Details of the data analysis are mentioned in the table below:

S#.	Variables	Short Statement of the items	Agree+ Strongly Agree %	Neutral %	Disagree + Strongly Disagree
1	Fake News Influence	Fake News spreads quickly on social media	54	20.2	25.9
2		Misleading information on the online	55.7	22	22.3
3		Difficult to distinguish truth	55	19.8	25.2

		from rumors			
4		Social Media Content exaggerated or false	57.3	18.7	24.0
5		Fake news affects the opinion of companies	55.2	19.0	25.8
6	Perception	Question overall brand image	56.8	17.7	25.5
7		Opinion changes after alarming posts	59.2	17.8	23.0
8		Believe negative news without checking	57.3	20.3	22.4
9		Viral posts affect safety evaluation	57.3	19.2	23.5
10		Ethics and values are shaped by fake news	56.9	21.7	21.5
11	Trust	Fake news reduces trust	58.0	19.0	23.0
12		Difficult to trust after false claims	55.30	19.2	25.5
13		Trust does not recover after clarification	53.0	21.3	25.7
14		The official does not recall after clarification	54.2	18.8	27.4
15		Rumors reduce trust	55.3	17.7	27.0
16	Loyalty	Fake news reduces purchase intention	54.7	20.7	24.7
17		Stop buying after repeated negative posts	56.5	18.7	24.8
18		Switch to alternate brands	56.3	17.3	26.3



19		Loyalty declines due to fear or doubt	54.8	16.3	28.8
20		Hesitate to recommend the brand	58.3	18.0	23.7
21	Anxiety	Fake news causes health worries	53.0	21.7	25.3
22		Uneasy about ingredient posts	54.8	19.2	26.0
23		Contamination rumors cause anxiety	53.3	21.8	24.9
24		Doubt the product's safety for the family	52.8	21.8	25.4
25		Stress from unverified news	53.8	22.5	23.6
26	Anger	Angry after discovering a false claim	50.7	21.0	28.3
27		Irritated with the company	55.5	19.3	25.2
28		Upset by unverified news	56.8	20.0	23.2
29		Frustrated by consumer manipulation	54.0	19.5	26.5
30		Angry over exaggeration on social media	53	21	26
31	Confusion	Confused due to conflicting information	55	20	25
32		Unsure which sources to trust	56	19	25
33		Overload of contradictory claims	54	21	25
34		Clarification fails	52	23	25

		to reduce confusion			
35		Difficult to form a clear opinion	55	20	258

**7.1.5 Findings and Discussion**

The findings of the study reveal that fake news is widely perceived as a significant influence on consumer behavior. A majority of respondents acknowledged the rapid spread and persuasive nature of misinformation, with 54% to 57.3% agreeing that fake news spreads quickly on social media, online information is misleading, and content is often exaggerated or false. Additionally, 55% of respondents indicated difficulty in distinguishing truth from rumors, highlighting the level of uncertainty consumers experience in the digital information environment. These results confirm that fake news is not only prevalent but also perceived as credible enough to shape consumer opinions. In terms of consumer perception, the findings indicate a strong association between fake news and changes in brand evaluation. Approximately 56.8% to 59.2% of respondents reported questioning brand image and changing their opinions after exposure to alarming posts. Furthermore, 57.3% admitted believing negative news without verification, while a similar proportion stated that viral posts influence their evaluation of product safety. These results suggest that consumer perception is highly sensitive to external information,

particularly when it is emotionally or socially amplified through digital platforms.

The analysis also highlights a noticeable decline in trust due to fake news. Around 53% to 58% of respondents agreed that misinformation reduces their trust in brands and makes it difficult to regain confidence even after clarification. Notably, 53% indicated that trust does not recover after false claims, while 55.3% believed that rumors significantly damage trust. This demonstrates that the effects of fake news are not temporary but may have lasting implications for brand credibility. Similarly, consumer loyalty appears to be negatively associated with fake news exposure. Between 54.7% and 58.3% of respondents reported reduced purchase intention, hesitation in recommending brands, and a tendency to switch to alternative products. Additionally, 56.5% indicated that they may stop purchasing a brand after repeated negative posts. These findings suggest that fake news disrupts not only immediate purchasing decisions but also long-term consumer-brand relationships. The emotional dimension of the findings further strengthens the observed patterns. A majority of respondents reported experiencing



anxiety, with 52.8% to 54.8% expressing concerns about product safety, ingredients, and health risks due to fake news. Similarly, emotional reactions such as anger and frustration were reported by 50.7% to 56.8% of respondents, indicating dissatisfaction with misleading information and perceived manipulation. Confusion also emerged as a key response, with 52% to 56% of respondents reporting difficulty in identifying trustworthy information and forming clear opinions due to conflicting messages. Overall, the findings suggest that fake news is strongly associated with changes in consumer perception, erosion of trust and loyalty, and heightened emotional responses. These results highlight the interconnected nature of cognitive, emotional, and behavioral dimensions, demonstrating that misinformation influences not only how consumers think but also how they feel and act in the context of the soft drink industry in Pakistan.

## 8.1 Recommendations

This study offers some policy and practical insights to reduce the detrimental effect of fake news on consumer attitudes, emotions, and behavioral intentions in Pakistan's soft drink market.

### a Improving Proactive Communication

Since 54% to 57.3% of the respondents believe fake news is prevalent and influential, brands should prioritize proactive and

transparent communication. Soft drink companies need to engage with social media and address potential misinformation through corporate channels. Prompt disambiguation, factual information, and consistent brand communication will minimize confusion and avoid the development of negative brand perceptions

### b Building Consumer Confidence with Transparency

Given that the research suggests 53% - 58% of consumers lose trust and find it hard to gain trust, even after exposure to fake news, companies should be transparent. Detailed information on product ingredients, safety measures, and manufacturing practices can help to restore trust. Labels, public statements, and third-party endorsements may also help boost trust.

### c Creating Emotional Assurance Campaigns

The research reveals that 52.8%-56.8% of the respondents feel anxious, angry, and confused because of fake news. So, brands should develop campaigns that not only inform consumers but also appeal to their emotions. Calming statements, customer engagement programs, and empathetic communication can minimize negative emotions and increase positive brand sentiments.

### d Enhancing Digital and Media Literacy

Given that many respondents struggled to identify true and false information, it's important to improve consumer knowledge. Governments and industry should work together to encourage digital and media literacy initiatives to help consumers evaluate information sources and detect misleading information. This will help consumers make better choices and limit the impact of fake news.

#### **e Building Brand Loyalty through Engagement**

The results show 54.7% - 58.3% of consumers have lower purchase intentions and higher brand switching tendencies. This suggests firms should priorities building consumer relationships by engaging with customers through loyalty programs, personalized communication, and community-building measures. Creating emotional bonds with customers can foster loyalty despite negative messaging.

#### **f Establishing Crisis Management Systems**

Since fake news has the potential to quickly erode brand reputation, businesses must have crisis management mechanisms. These systems should involve continuous monitoring of social media, crisis teams, and established communication strategies to address fake news. This will reduce reputational harm and enable quicker recovery.

#### **g Working with Regulators**

Given the negative effects of fake news on society, regulatory authorities should take a proactive role in regulating disinformation. Regulations that control misleading advertising, punish deception, and hold the platforms accountable can contribute to a healthier information ecosystem. Industry and regulatory co-operation are crucial to tackle this problem.

#### **h Working with Influencers and Authorities**

Given the strong influence of online content, brands should work with reliable influencers, health professionals and organizations to share information. This approach can help to combat misinformation and promote positive brand associations.

#### **9.1 Limitations and Further Research**

The longitudinal nature of this study and the self-reported data collection may not fully capture changes in consumer perceptions over time. Moreover, the study is limited to the soft drink industry in Pakistan, which limits the applicability of the results to other industries and markets.

#### **9.1.2 Longitudinal Examination of Consumer Perceptions**

Longitudinal studies should be used to explore consumer perceptions over time. Given that the impact of exposure to fake news may change over time and with subsequent exposure and new information, a temporal perspective would offer a better understanding of the stability



and evolution of consumer perceptions and behaviors.

### 9.1.3 Use of Experimental Research Designs

Future research should use experimental designs to more effectively determine the causal effects of fake news on consumer behaviors.

Experimental environments can better control for the impact of misinformation and provide more conclusive evidence on the effects of fake news on perceptions, emotions, and decisions.

### 9.1.4 Exploration in Multiple Industries and Settings

More research should include other industries, such as health care, food and beverage, and financial services, in which fake news may have different effects. Also, cross-cultural research would provide greater generalization and insight into how different cultures and regulations influence consumer perceptions and behaviors in response to fake news.

### 9.1.5 Inclusion of Other Moderating Factors

This study encourages future research to include other variables, such as media literacy, source credibility, and digital literacy to gain insight into consumer responses to misinformation. This would help in understanding the intricacies of consumer behavior in the online media landscape.

### 9.1.6 Application of Advanced Statistical Techniques

Researchers should apply more sophisticated statistical methods,

such as structural equation modeling (SEM), regression analysis, and mediation or moderation analysis, for more rigorous analysis. These techniques would enable a greater exploration of variable inter-relationships and stronger empirical evidence.

### 9.1.7 Exploration of Individual Differences in Emotional Regulation

Research should also focus on individual differences in emotional regulation strategies, such as personality, intelligence, and past experiences with misinformation. This would explain the variability in consumers' interpretation of fake news and emotional and behavioral responses.

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