

# BUSINESS OF FEAR: EXECUTIVE SUMMARY AND SOLUTIONS

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- The spread of disinformation has, for some time, been one of the most pressing security and political challenges;
- Its dissemination is not necessarily motivated solely by ideology; but for some “entrepreneurs” disinformation websites are a lucrative source of income (globally around 20,000 disinformation websites generate an estimated 213 million euros annually, and in the Czech Republic several dozens disinformation websites earn some 190,000 CZK monthly);
- Programmatic advertising, as the dominant model for digital advertising, fuels this issue, since advertisers do not choose where their ads are displayed, but only target individual customers. This leads to a heightened risk of brand damage in case a firm’s ad appears on a website with problematic content;
- There is a lack of awareness among advertisers since they often do not understand the mechanism behind programmatic advertising, nor have the time and resources to think about ethical advertising as such. The responsibility for the whole advertisement process is often delegated to media agencies;
- In evaluating advertising campaigns, the media agencies are mostly rated according to the quantifiable outcomes of a given campaign. Thus, they are not incentivized to take into account the brand reputation of their client (this area is also hard to quantify and assess). This is not to say that all firms and agencies are ignoring the issue completely, but there are large discrepancies in awareness within the industry;
- The potential risks associated with brand damage are not to be ignored - brand reputation is increasingly becoming a decisive factor for a new generation of consumers, often guiding their consumer behavior. Both the state institutions and the European Union are increasingly more sensitive to the issue and it is expected that sooner or later they will try to disrupt the business model of websites spreading disinformation, by inter-alia regulating the advertisers themselves. Accordingly, it is in the best interest of businesses to become actively involved in shaping ethical norms vis-à-vis digital advertising;
- In this respect, cooperation with civil society actors focusing on the area of disinformation is of crucial importance. These initiatives can provide advertisers with up-to-date information and advice. In the Czech Republic, these initiatives are Konšpirátori.sk, who map disinformation sites, NELEŽ, which offers technological solutions to firms in managing programmatic advertising, and Fair Advertising, which alerts advertisers when their ads appear on disinformation sites.