

Exploring Stakeholder Challenges and Strategic Responses to Counter the Influence of Fake News: A Qualitative Case Study of PepsiCo and Coca-Cola South Punjab's Beverage Industry

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ABSTRACT

This paper has discussed the issues of controlling fake news in the soft drink sector of South Punjab, Pakistan, in the case of Coca-Cola and PepsiCo. The research design adopted was a qualitative research design where purposive sampling was used to sample the key informants, who included marketing professionals, brand managers, PR experts, and government officials. The data were gathered, and the analysis used the triangulation method to ensure reliability and credibility. The research established that the beverage companies were struggling with some major issues, such as the lack of real-time monitoring, poor consumer digital literacy, a lack of effective cooperation with regulators, inefficient localization crisis response, mismanaged emotional response, using fact-checking, inefficient community engagement and CSR integration, and culturally insensitive messaging. These difficulties made brand credibility weaker, increased misinformation speed, and lowered the confidence of the populace.

Resting on the results, the research proposed some strategic interventions and recommendations, including forming AI-based units of monitoring, local crisis-communicating models, cooperating with local media and fact-check organizations, training about digital literacy, CSR-driven community involvement, culturally and religiously oriented messaging, employee and stakeholder training, and proactive anti-narrative campaigns. Two research questions guided the study: (1) What were the main challenges faced by beverage companies in South Punjab in managing fake news? (2) What strategies could be employed to mitigate the influence of misinformation and restore consumer trust? The study provided actionable insights for the beverage sector and policymakers, highlighting the importance of real-time monitoring, culturally attuned communication, and collaborative approaches in combating misinformation.

Keywords: Fake News, Misinformation, Stakeholders, Beverage Industry, Consumer Behavior, Crisis Communication, Pakistan.

BACKGROUND OF THE STUDY

The digital technologies that have grown fast in particular social media, such as Facebook, Twitter, WhatsApp, Instagram, and YouTube, have changed the way in which information spreads (Arafah and Hasyim, 2022). Since lonely rumors are currently occurring as organized and emotionally-tinged false information, or fake news, they tend to spread faster than the truthful news. Fake news refers to misinformation that is disseminated whether there is the aim of deceiving or not (Abro, 2025). The proliferation of misinformation, commonly known as fake news in the digital age, has become one of the

most pressing issues that would affect brands, specifically in the consumer market segment, including the soft drink industry in Pakistan (Ummah, 2019). Starbucks and Procter and Gamble are among the most famous brands that have lost their sales and reputation due to viral spurious claims about their policies or the safety of their products (Steenkamp, 2020). Fake news can also be defined as the deliberate distribution of untrue data to misinform consumers, which in many cases is politically, financially, or reputational in nature. This problem is propagated by social media, which further stimulates the urgency of such content and has a significant impact on the perceptions and emotions of consumers. The most important element in the beverage market, which is highly competitive, is consumer trust and brand image (Intention, 2025).

Fake news refers to a verifiably false information that is propagated by mass media to influence the behavior of consumers (Allcott and Gentzkow, 2017). The number of fake news cases is quite extensive, and they may be classified based on various criteria: (a) the facticity level, (b) the quality of information, (c) the desire to inform, and (d) the extent of intentional wickedness (Fârte & Obadă, 2021). Consumer reactions in marketing refer to the procedure through which individuals choose, assemble and evaluate incentives of a purposeful perspective of a brand (Madichie, 2015). A wrong perception and buying trend amongst consumers can be highly misleading when incorrect information on health hazards, bad business ethics, or content of ingredients are spread against soft drinks firms. It is postulated that the adverse fake news content results in increased lack of trust, brand boycott, and a revenge bonus. The misinformation incivility in social media was also explored in related literature, which gives empirical evidence on this phenomenon (Sun et al., 2021). Di Domnino et al (2024) hypothesized that there were about 60,000 social media comments on 129 posts of misinformation related to the brand and observed a large correlation between misinformation and consumer hostility, cynicism, and online incivility. The competitive emotional environment may hurt the brand equity. The term emotional regulation denotes the methods that people apply to regulate and react to their emotional state. Consumer feelings play a vital part in marketing (Rohani, 2012).

Such factors affect emotional attention, memory and decision-making. Misinformation may create a great emotional response like fear, anger or even betrayal particularly when dealing with products of sensitive nature like soft drinks. This emotional instability may lower brand loyalty, trust and make them susceptible to switching to the competition. More so, the idea of consumer schadenfreude, enjoying the moment of a brand because of some sense of injustice is also developed in the literature. Karran et al (2023) discuss diverse forms of emotional coping mechanisms that consumers, in response to brand crises, resort to, and include empathy to cruelty. These emotions are often stimulated by fake news that shapes the stories to provoke a sense of guilt, outrage, or distrust (Bago et al., 2022). With the help of fake news, unscrupulous competitors can alter the choice and decisions of investors and customers, respectively (Farte & Obada, 2021). Conversely, the fake news can damage the brand of the company, reduce its competitiveness, trust, and loyalty (Obadana, 2019). It is interesting to note that even when the brand is not attacked directly, there are certain negative outcomes as the brand is contaminated by associations when it is placed next to fake news (Chen and Cheng, 2019). Unless the brands respond swiftly and immediately to fake news, they may lose their reputation and income (Salzman, 2020). Since the fake news is more popular and engages more (Price, 2017), a company that is a victim of malicious actors might struggle to refute the fake news and counteract its adverse impact. This fact is attributed to (a) the human capacity to believe a hoax was comparatively low, (b) the disposition to trust false news when exposed to it repeatedly (i.e., the validity effect), (c) the disposition to confirm the already accepted beliefs (i.e., the confirmation effect), (d) the disposition to believe in what we like (i.e., the desirability effect), and (e) the disposition to assimilate the views that other members of our group hold (i.e., the bandwagon effect) (Sunstein et al

The interdependence between brands and fake news or misinformation is a complicated phenomenon that should be seen (Morais et al., 2023). Brands can be an easy prey when it comes to fake news distributors in other instances and are impacted financially by the sheer amount of fake news is being spread on social

media (Farte & Obada, 2021). As an example, the PepsiCo stock declined by approximately 4 percent shortly prior to the 2016 US presidential election when a fake news item misinformed the consumers of the Pepsi CEO, saying that Trump supporters should take their business elsewhere, which went viral on social media (Obadana, 2019). Otherwise, the established brands seem to be resistant to the fake news (C. J. Chen and Teh, 2022).

Exposure to such brands does not change the responses of consumers, which include trust, loyalty, and other associated attitudes towards the brands. The persuasion knowledge of these consumers (about their experiences, beliefs about the aims of fake news form their goals and tactics) and their preexisting positive attitudes are likely to help them to perceive, analyze, interpret, appraise, and memorize the persuasion attempts (Friestad and Wright, 1994) and implement effective coping strategies (Obada, 2019). On the 1 st of April, 2016, a false report about a Coca-Cola-branded product, Dasani water, was launched on a Web-site claiming that the company had recalled the product due to the detection of clear parasites in bottles provided all over the United States, and this incorrect information was quickly shared on social media (as of the fact that the news turned out to be false and fake again), though, this did not really hurt the consumer confidence in the Coca-Cola brand (Z. F. Chen and Cheng, 2020). Brand managers and stakeholders are being increasingly pressured to come up with strong crisis communication strategies that are strong. Although certain brands are willing to publicly refute fake news through the release of press statements or social media campaigns, others remain silent and are afraid of being associated with something negative even more (Gasana, 2024). Literature on different studies indicates that an active online interaction is more efficient in the control of misinformation. An example is influencer marketing, which is a key approach to misinformation fighting. Model-based research highlighted in the proceedings highlighted the impact that influencer attributes such as trustworthiness and congruency with the brand have on consumer attitudes and engagement. It means that the choice of trustworthy influencers to counteract fake news can be the key to reforming the consumer perception in a positive way (Doofan, n.d.).

Fake news influence in the context of Pakistan

The digital media environment in Pakistan is pointing towards some difficulties. Fake news can easily enter the mainstream discussion due to the large number of active social media users and the strong penetration of mobile phones (Riasat et al., 2025). The soft drink industry is especially prone to the falsified images of the infection, unethical sourcing, or religious insensitivity (Doofan, n.d.) as the soft drink industry is already under the microscope in terms of health issues (sugar-related illness, kidney disease, etc.). Further, in Pakistan, such dynamics may be further aggravated by unequal digital adoption, urban internet penetration is over 76, rural access is 40, and digital literacy lags (Haroon et al., 2021). In such a country, the spread of digital misinformation is prone to exploitation by political and religious actors and competing brands, which are not matched by internet penetration and adoption. Therefore, consumers become extremely susceptible to manipulation through misinformation campaigns that provoke a strong change in brand perception, brand trust, and brand loyalty (Elahi et al., 2023). One notable example coming locally was a viral hoax that claimed that major bottled water brands contained harmful chemical additions and led to widespread panic among consumers before brands dismissed by launching corrective transparency campaigns (Raza & Ahmed, 2024).

This research paper has been studying these trends with the Pakistan soft drink industry as a target. Viral boxes have often targeted major global brands such as Coca-Cola and PepsiCo which have suffered significant drops in perception, trust and, at times, in local market share, targeted by viral boxes based on false health warnings, political boycotts, and so on (Shahid and Ashfaq, 2021). Beverage products elicit high volume, emotional social media message and purchase decisions are based on theological values (taste, ingredients) and credence claims (health benefits). Moreover, measurement tools of these results used in

this industry are established as the Chaudhuri and Holbrik (2001) trust scale and the loyalty index by Chino Mona. Enhance intensive empirical study (2016). In a nation such as Pakistan, soft drink industry is also becoming susceptible to the loss of brand image, and other competitive players are also becoming more numerous. Soft drinks that are produced in the industry include juices, milk, tea, squashes and bottled water. Nowadays, around 177 units are operating throughout Pakistan. These days, the two major participants of the soft drink market are PepsiCo and Coca-Cola Pakistan. The market share of these two market leaders in the industry stands at 76% (Raza, 2013).

PepsiCo is renowned in the international beverage market and also well known for its strong customer relationships, which maintain the influence of the brand and give the company the power of positive word of mouth, enabling the benefit of emotional branding strategies. On the other hand, Coca-Cola is also the most popular and one of the leading soft drink brands in the world. Coca-Cola recognized the importance and power of human sentiments. Coca-Cola efficiently takes advantage of emotional branding in its ideas and other elements in integrated marketing communication. Coca-Cola triggers customer buying responses by selling with emotions and wins the hearts of customers. After the brand opening “Open Happiness”, brands like Coca-Cola come up with a new global campaign “Taste the feeling” (Maza Har Lamhe), which also reflects human emotions and leverages emotional branding. The product mix for PepsiCo and Coca-Cola soft drinks in Pakistan is as follows (Fârte & Obadã, 2021).

Brands of PepsiCo and Coca-Cola

PepsiCo Soft Drink Brands	Coca-Cola Soft Drink Brand
Pepsi	Coca Cola
Pepsi Diet	Spirit
Pepsi max	Fanta
Seven up	Diet Cock
Mountain Dew	
Marinda	
Sting	

The predicaments of the fake news are especially acute in emerging markets like Pakistan, where the level of mobile penetration is accompanied by a low level of digital literacy. The use of social media platforms by major and vast groups of the population as a main tool of news also exposes users to unconfirmed information (Elahi et al., 2023). The problem is also aggravated by weak regulatory enforcement, poor infrastructure of checks and facts, and low awareness among people (Riasat et al., 2025). In Pakistan, the industry of nonalcoholic beverages is particularly vulnerable to such misinformation as health hazards, religious permissibility, and political strife. Rumors about dangerous additives, contamination, or foreign influence by a virus have sparked numerous consumer panic and sales are evaluated many times (Haron et al., 2021; Raza and Ahmed, 2024). The effect of such narratives is enhanced by cultural sensibilities and high religious sentiments which enable misinformation to propagate quickly over digital networks. The reputational issues of multinational brands in South Punjab have been repeated, and local competitors usually have the good fortune to take advantage of such crises at that moment (Shahid and Ashfaq, 2021).

Although the issue of fake news is becoming recognized as an important business risk, the current research in Pakistan is rather shallow and insufficient. The majority of the studies are focused on such quantitative indicators as sales drop, market share, and brand perception whereas the qualitative report on managerial experiences, emotional regulation practices, and internal decision-making processes is disregarded. In addition, the association of cultural values, regional dynamics with misinformation management strategies

is under-researched especially in semi-urban and rural setting like South Punjab. The spread of fake news in online platforms has posed great challenge to business, consumers, and policymakers. Although international literature can offer a lot of information on the mechanisms, effects, and control of misinformation, there is a lack of empirical data on the same in the beverage industry of Pakistan. The emergence of intensive qualitative studies investigating the perception, experience, and response of managers and stakeholders to fake news and how these responses are determined by emotional regulation strategies and cultural implications is clear. The need to fill these gaps is necessary to come up with context-specific frameworks to promote organizational resilience and responsible information practices in new digital economies.

Problem Statement

With the modern market in such fashion countries as Pakistan soft drink industry, where PepsiCo and Coca-Cola operate, failing to attract and keep customers, the goal to expand health awareness and hygiene (Ummah, 2019). Hwang and Kandampelly (2012) pointed out that brand loyalty is an easily torn asset in the current digital world because customers tend to change brands easily when they are not familiar with the brands and have no strong emotional attachment. Besides that, the problem of fake news spreads even more in social media in Pakistan when political or religious narration is combined with the commercial brands. Not only the product messaging but also misinformation campaigns have an emotional and cognitive effect on consumers by damaging the brand perception, initiating emotional regulation (hostility, distrust), and subverting the purchase decision.

Remembering the fake news impression and the continuing antagonism, Gaza caused a wave of boycott of Western Brands such as Coke and Pepsi in countries with the majority of Muslims (NEWS, 2024). In Pakistan, there was a reduction of approximately 7 percent in the sales of Western Soda in the Middle East and the South Asian region. In Pakistani Markets specifically, the market share of the Coke dropped to 5.8% and PepsiCo market share dropped to 10.5% in 2024. Moreover, Coca-Cola also reported a disastrous sales value reduction of 22.11 percent in Pakistan in the recent past. In 2025, the local beverage brands in Pakistan are projected to go up 17% in order to sustain sales (Arab News,2024). This promotes the consumer not to focus on the global brand. Further, the beverage sector in Pakistan demonstrates that total carbonated drinks consumption in Pakistan fell to 1.330 billion liters in 2023 (a decrease in the percentage), whereas years of non-stop growth have occurred. Coca-Cola and PepsiCo have a market share of 42.8% and 39.3 in Pakistan respectively. These figures point at two issues that are important to PepsiCo and Coca-Cola in Pakistan. i. Fake news caused brand damage and emotional backlash through political/religious fake news on social media, and ii). Declining consumer and market share that is associated with health trends as well as politically instigated boycotts (Post, 2023).

This paper covers the industry stakeholders to effectively investigate the effects of fake news in transforming brand perceptions and emotional control in the Pakistani soft drink market. This study aims at establishing the root causes of the deteriorating brand loyalty and offer long-term remedies by combining the perceptions of consumers with those of the stakeholders, the beverage industry of PepsiCo and Coca-Cola, marketing professionals, and regulatory bodies. Finally, the results will be anticipated to enable the beverage companies to develop more robust branding and communication systems that can be used to survive the pressures of the modern media environment of fake news influence.

LITERATURE REVIEW

The beverage industry has faced numerous challenges globally, particularly in the digital age, owing to the proliferation of fake news. Because of this, established brands have become the target of study due to viral

posts and rumors, regularly being unjustly accused of using harmful ingredients or practicing unethical practices (Fârte & Obadă, 2021). Nevertheless, in case such assertions are proved false later, they are severely harmful to the brand image. In this research, Nhete (2022) observes that these falsifications, when spread among the masses, can result in a permanent change in the perception of the consumer (Ali Adeeb and Mirhoseini, 2023). This is very challenging in areas such as beverages, where the credibility of the people is related to safety and quality. It may be hard to win back consumer confidence once it has been lost, despite the facts (Madaniah et al., 2025). In developing economies such as the situation in Pakistan, the situation is further complicated, where the awareness of food safety is increasing with the lack of scientific knowledge or regulation. In these settings, the fake news may gain momentum fast and they may not be restricted (Melios et al., 2025).

Scholars have a feeling that without truth-checking tools (tools that create fact), the mis information consumers will consider and respond more to those misinformation patterns which are emotional in nature. Such theories as Agenda-Setting and Information Manipulation assist in understanding how the constant exposure to some kinds of content, even fake ones, may influence the opinion and choice of the masses. The developing country proposed different case studies, which indicated the potential strong power of fake news in the destruction of the beverage industry (Abdulkhaidova, 2021).

In India and Nigeria, such well-known brands as Coca-Cola and PepsiCo were victims of viral marketing surrounding their products with health issues or offensiveness. Even though these narratives were later disproved, they caused panic among consumers and reduced sales in the short term and demonstrations among people (Samuel Adewuyi, 2023). These instances confirm the fact that misinformation tends to cause emotions-based reactions. People process risks according to their perceived relevance and risk, which translates into emotional reactions such as fear or anger, and, eventually, behavioral change, according to the Cognitive Appraisal Theory (Pahng and Kang, 2023). Their responses indicate that responses to fake news cannot be solely based on facts, but also entail the perception and emotional intelligence of how individuals feel and react (Yeo et al., 2024).

Regulators, businesses, and media watchdogs are some of the stakeholders who can help curb the spread and influence of fake news on social media. Nonetheless, it is faced with several challenges. To begin with, fake news is frequently viewed as spreading more quickly than corrections, and customers devote more focus to negative news (Stepney and Lally, 2024) ii. Reputational risks can impose a challenge in responding quickly to a business or may lack institutional mechanisms for media contradictions. The proactive reputation management is minimal in the soft drink industry in Pakistan, and corporate communication strategies are mostly reactive as opposed to preventive. The media regulators, the industry associations, and the public health bodies have limited cooperation to prove or disprove the fake narratives. This vacuum allows misinformation to flourish, which reduces consumer trust and brand equity in the long term (Shahbaz & Islam, 2019).

Through their insightful studies, different scholars have analyzed the phenomena of fake news in Pakistan and given an insight into the modes of dissemination, socio-political and cultural impacts, and detection of methodologies. Batool et al. (2021) used social network analysis on Twitter data throughout the COVID-19 epidemic to explain the spread of misinformation, unlike Ali and Qazi (2023), who investigated the effectiveness of educational awareness interventions in reducing misinformation on social media (Bhattacharya and Singh, 2025). Jamil and Appiah-Adjei (2019) and Kareem and Awan (2019) have also discussed the problems related to mobile technology and false news classification using machine learning on the Pakistani media landscape (Fusco, 2022).

Amara Malik et al. (2023) examined the reasons and consequences of misinformation and fake news in the pandemic age, yet Shahzad and Khan (2024), which studied the question of new media literacy and managing the false news epidemic on a broad scale (Hirshleifer et al., 2022) analyzed how Pakistani social media users perceive and react to fake news (Riasat et al., 2025). Conversely, the market effects, especially the use of consumer boycotts as an example of the consequences of misinformation, have seen significant changes in the market dynamics, with both global and local brands such as Coca-Cola and PepsiCo experiencing negative sales, with the local competitors gaining market share (Kizgin and S, 2024). The same trends are becoming common in Pakistan. Unverified allegations have been circulated on social media that some brands of soft drinks are harmful or not acceptable, using a religious perspective. These rumors typically spread fast, particularly where access to the real information is low. According to Ahmad and Shaikh (2020), individuals in lower urban centers are particularly susceptible to this type of material since they tend to use informal sources of information (Aditya & Amri, 2023).

There is a noticeable lack of focused research in the context of Pakistan's fast-moving consumer goods, particularly the beverage sector. Limited studies have explored how fake news specifically affects consumer responses and emotional responses within culturally distinct and low-regulator environments. Furthermore, the perspective of key stakeholders such as industry representatives, marketing professionals, and consumer rights groups remains underexplored.

Research Question of the Study

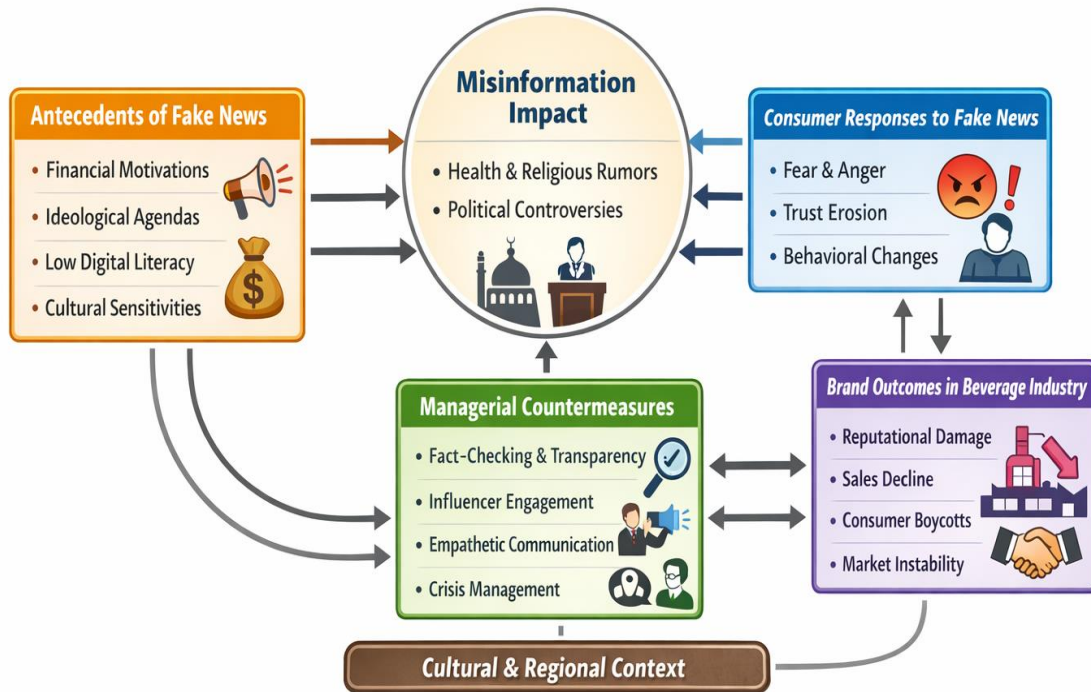
R Q 1.3. What challenges do stakeholders face in identifying and responding to fake news targeting the soft drink industry?

R Q 1.4. What strategies do stakeholders adopt to mitigate the influence of fake news and protect consumer responses and emotional regulation in the South Punjab soft drink industry?

Research Objectives of the Study

- To identify the key challenges faced by stakeholders in detecting and addressing fake news that targets the soft drink sector.
- To explore the strategies adopted by stakeholders to counter the effects of fake news and safeguard consumer responses and emotional regulation in the soft drink industry of South Punjab, Pakistan.

Conceptual Framework



Conceptual Framework for Analyzing Fake News Impact on Beverage Industry in Pakistan

Explanation

The conceptual framework of the present study investigates the impact of fake news on the beverage sector in Pakistan, paying special attention to the relationship between misinformation and the reaction of consumers and the approaches toward the implementation of managerial strategies. Financial incentives, ideological motives, low digital literacy, and cultural sensitivities result in the rapid distribution of fake news via social media platforms and cause instant reputational and financial damage to businesses. Its effect is especially important in the Pakistani setting, where the consumers are very sensitive to health-related, religious, and political assertions, and the number of institutions that check the facts and regulate them is limited. Emotions and psychological aspects such as fear, anger, distrust, and brand avoidance influence consumer reactions to misinformation, causing losses in loyalty, purchase intent, and general brand attitude. Such countermeasures as clear communication, fact-checking in real time, influencer engagement, and sympathetic messaging are the most important interventions to reduce the ill effects of fake news by managers. It is emphasized by the framework that consumer emotions can be moderated by active organizational inequality, along with stakeholder cooperation, during the time of misinformation propagating at a fast rate.

The cultural and regional context of South Punjab is also included in the framework and how the local social values, the unequal access to digital resources, and consumer behavior contribute to the dynamics of

fake news. This framework gives us a holistic view of stakeholder issues in the beverage market and the behavior of managers in response as well as the effect of misinformation on consumers and the brand performance, as it connects antecedents, misinformation effect, consumer reaction, managerial policies and brand performance. It highlights the necessity of qualitative research on managerial experiences, emotional regulation, and strategic communication to deal with misinformation in the developing digital markets.

RESEARCH METHODOLOGY

Using a qualitative methodology, this research addresses the following research questions

R Q 1. What challenges do stakeholders face in identifying and responding to fake news targeting the soft drink industry?

R Q 2. What strategies do stakeholders adopt to mitigate the influence of fake news and protect consumer responses and emotional regulation in the South Punjab soft drink industry?

The qualitative stage of the research paper investigated the emotional and strategic aspects of fake news in the form of the profound perspectives of the primary stakeholders. Through semi-structured interviews and discussion in focus groups, the researcher involved marketing professionals, brand managers, media analysts, and communication experts who are very crucial in the development of brand image and consumer engagement strategies in the beverage industry of South Punjab

Population and Sampling of the Study

The Qualitative phase concerns the part of the research that aims at collecting the profound information related to the emotional control, the perception of the stakeholders, and their response to fake news. The target population in this step consisted of marketing professionals, brand managers, media analysts, public relations experts, and representatives of the soft drink industry around the same areas, Multan, Bahawalpur, and DG Khan, who are actively involved in brand image management, consumer engagement, or media monitoring in these areas. Details as below in the table:

Table Sampling Techniques

Sr #	Participant Category	Role / Expertise Description	Region	Sampling Technique	Expected No. of Participants
1	Marketing Professional	Professions involved in advertising and promotional strategy for the soft drink industry in South Punjab	Multan, Dera Ghazi Khan, and Bahawalpur	Purposive Sampling	3 One from each region
2	Brand Manager	They are responsible for brand positioning, crisis communication, and customer relations	Multan, Dera Ghazi Khan, and Bahawalpur		3 One from each region
3	Media Analyst / Digital Strategies	Experts monitoring media content, misinformation, trends, and public sentiments	Multan and Bahawalpur		2

4	Public Relations Expert	Individuals managing public image, reputation repair, and stakeholder communication	Multan, Dera Ghazi Khan, and Bahawalpur		3 One from each region
5	Soft Drink Industry Representative	Senior officials/distributors representing Coca-Cola or PepsiCo regional officers	Multan, Dera Ghazi Khan, and Bahawalpur		3 One from each region
6	Government / Regulator Official (Optional Category)	Representative from the consumer protection/media regulatory body	South Punjab		01
Total					15

The determined (purposive) sampling method was taken to sample those individuals with the appropriate knowledge and work experience in the soft drink industry or in the communication discipline. This approach enabled the acquisition of rich information by the participants who can give profound details on the impact of fake news on consumer emotions and organizational reactions (Given, 2012).

QUALITATIVE DATA ANALYSIS

Thematic data analysis, as the most systematic type of qualitative analysis, was also recognized by different researchers. Data obtained qualitatively were analyzed by using a simple thematic analysis method and responded to question nos.3 and 4 (Sandhiya & Bhuvanewari, 2024). The six stages entail data familiarization, initial codes creation, researching the codes, theme modification, naming, defining the themes, and constructing the final report (Mclod, 2024).

Challenges and Strategies to Manage Fake News in Pakistan’s Beverage Industry: Thematic Analysis

The spread of fake news has become a massive issue in the beverage industry in Pakistan, especially in South Punjab, where such information is disseminated easily via social media and informal circles. Coca-Cola and PepsiCo companies experience recurring crises because of rumors, viral messages, and misrepresented narratives, which influence consumer perception, trust, and loyalty to the brand. It is complicated to deal with such misinformation as it has technological, social, and cultural aspects. In this section, thematic analysis of the challenges as identified by the industry stakeholders, which are triangulated with literature available, is presented, as well as recommended strategies that can be used to reduce the influence of fake news. Through the incorporation of the thoughts of marketing experts, brand managers, media analysts, PR experts, corporate representatives, and government officials, the study identifies viable and evidence-based strategies to defend brand reputation and encourage consumer trust and community involvement.

1. Lack of Real-Time Monitoring Systems

Findings: The absence of AI-enabled monitoring systems delays detection and response to fake news, allowing rapid misinformation spread. Stakeholders emphasized the need for dashboards and digital command centers for immediate alerts.

Triangulation: Consistent with previous research highlighting digital monitoring as critical in crisis management (Allcott & Gentzkow, 2017; Tandoc et al., 2018).

Strategy: Establish AI-powered real-time monitoring units to track brand mentions and detect misinformation promptly.

2. Low Consumer Digital Literacy

Findings: Consumers in South Punjab often accept misinformation at face value due to a lack of critical evaluation skills. Stakeholders noted that awareness campaigns and early education can empower users.

Triangulation: Aligns with findings by Guess et al. (2020), emphasizing the role of digital literacy in combating fake news.

Strategy: Implement digital literacy programs and awareness campaigns targeting social media ethics and misinformation detection.

3. Weak Collaboration with Regulatory Bodies

Findings: Limited coordination with agencies like PEMRA, PTA, and consumer protection authorities reduces credibility and delays action. Joint clarification and centralized crisis desks improve authority.

Triangulation: Research suggests that multi-stakeholder collaboration strengthens legitimacy and accelerates misinformation mitigation (Wardle & Derakhshan, 2017).

Strategy: Build formal partnerships with regulators for shared portals, joint responses, and rapid verification.

4. Ineffective Crisis Communication at Local Level

Findings: National-level messaging often fails to resonate due to cultural and linguistic differences. Stakeholders highlighted the importance of local dialects and rapid regional responses.

Triangulation: Echoes studies emphasizing localized communication in enhancing message acceptance and trust (Coombs, 2014).

Strategy: Develop localized crisis communication frameworks using regional languages, culturally relevant tones, and empowered regional offices.

5. Emotionally Mismanaged Responses

Findings: Defensive or confrontational reactions worsen misinformation crises. Empathetic, value-based messaging fosters calm and trust.

Triangulation: Supports literature on emotional intelligence in crisis communication (Mishra et al., 2014).

Strategy: Apply emotional reframing and positive storytelling to humanize brand messages.

6. Limited Use of Fact-Checking and Media Verification

Findings: Lack of independent validation reduces credibility. Stakeholders noted that partnerships with fact-checkers enhance trust and speed of response.

Triangulation: Aligns with research highlighting third-party verification as a key tool in misinformation management (Graves, 2018).

Strategy: Enlist the services of neutral fact-checking sites to authenticate corporate messages before distribution.

7. The lack of Community Engagement and CSR Integration

Findings: Brands are susceptible to weak local relations. CSR and community projects are some of the initiatives that generate trust, which serve as a safeguard in times of crisis.

Triangulation: Thousands of studies prove that CSR and community engagement improve emotional loyalty and reduce damage to reputation (Du et al., 2010).

Strategy: Have an ongoing CSR and community involvement participation efforts to increase goodwill.

8. Poor Local Media Relationships

Results: National media are not immediate and do not have confidence in localities. News is updated by local radio stations and local journalists in an authentic manner and timely.

Triangulation: Echoes the studies that have focused on local media networks as important vectors of countering misinformation (Fletcher et al., 2018).

Tactic: Enhance partnership with local media, influencers and community channels to spread information quickly in a factual manner.

9. Absence of Faith-Receptive, Non-discriminative Communication

Results: Messages that do not respect the local cultural and religious standards will put off viewers. Trust is created through inclusive and respectful communication.

Triangulation: Triangulation is supported by the research that culturally aligned messaging enhances the acceptance of messages in sensitive situations (Tandoc & Maitra, 2018).

Strategy: Have campaigns to be culturally and religiously sensitive by consulting with the community leaders and elders.

10. Inadequate Ground-Level and Local Representative Networks

Results: Digital strategies are not enough. The credibility and guarantee of the penetration of the message is reinforced by face-to-face communication with the trusted local players.

Triangulation: Is consistent with community-based engagement models, which focus on human interaction in building trust (Norris, 2001; Putnam, 2000). (Tran et al., 2019)

Strategy: Build place-based networks with the local leaders, teachers, retailers, and NGOs to effectively reduce misinformation.

11. Lack of Strategic Response to Fake News Influence through Advertising

Findings: The main results of the study revealed that the primary point that the respondents made is that Coca-Cola and PepsiCo engage in mainstream advertising extensively, although they do not resort to it as a crisis tool to address misinformation, which exposes brands to the threats of fake news with a viral spread and emotional appeal.

Triangulation: The evidence of global and regional research indicates that the dissemination of misinformation is faster than the process of corrections because it appeals to emotions, and multimedia and emotionally sensitive, rapid communication are crucial in regaining public trust (Vosoughi et al., 2018; Coombs, 2007; Elahi et al., 2023).

Strategy: Create crisis-responsive advertising campaigns based on real-time, culturally aware, and emotionally connecting content, with live corrective content, micro-advertisements and social testimonials to restore the brand credibility within a short period.

Findings of Thematic Analysis: Challenges and Strategies

The thematic analysis of the South Punjab beverage industry showed that there were some essential issues in the management of fake news. First, the detection and response are slowed because there are no real-time monitoring systems and AI-based dashboards; in that way, the spread of misinformation becomes a rapid process. The level of consumer digital literacy is also a factor that leads to an escalation of vulnerability because a lot of users believe what they see. Poor cooperation with the regulatory authorities, inefficient local response communication, and an emotionally poor response management make the problems worse and lessen credibility and hinder corrective response. The results are consistent with the previous studies that focus on the pace of misinformation, the necessity of localized and emotionally intelligent communication, and the value of digital literacy (Allcott and Gentzkow, 2017; Guess et al., 2020; Coombs, 2014; Mishra et al., 2014).

Moreover, there are obstacles like a weak use of fact-checking, overly little community involvement, inadequate collaboration with local media sources, unreliable communication, and low ground-level working difficulties, which hamper the power of companies to shield brand reputation. According to the stakeholders, the key to reducing misinformation lies in independent validation, regular CSRs, cooperation with local journalists and influencers, culturally competent communications, and direct communication with people that the community trusts. These assertions can be backed by the studies that prove the effectiveness of third-party fact-checking, CSR, local media networks, and human-centered engagement in enhancing credibility and trust (Graves, 2018; Du et al., 2010; Fletcher et al., 2018; Norris, 2001; Tandoc and Maitra, 2018).

Companies should use a multi-pronged approach to overcome these difficulties. This involves the creation of AI-driven real-time monitoring departments, the creation of digital literacy programs, the development of formal relationships with relevant agencies, and the creation of culturally-sensitive, localized crisis communication strategies. Also, organizations must use emotionally intelligent messaging, partner with fact-checking sites, sustain ongoing CSR efforts, build stronger local media and influencer relationships, and create place-based engagement programs. Lastly, strategic advertising as a crisis management solution in the form of live corrective messages, micro-advertisements, and emotionally appealing content can be

used to quickly restore trust in the population and combat misinformation (Vosoughi et al., 2018; Coombs, 2007; Elahi et al., 2023).

RECOMMENDATION

- **Regional Crisis Communication Units:** Establish local units to identify, confirm and counter false information in real-time in local languages.
- **Cooperation with Local Media and Influencers:** Cooperate with FM stations, journalists, and micro-influencers and publish verified information as quickly as possible.
- **Corporate-Regulatory Coordination:** Collaborate with PEMRA, PTA, SECP, and MoIB in joint reporting and fast response to fake news.
- **Digital Literacy Programs:** Train consumers about fake news and the use of social media responsibly as part of CSR.
- **Alliance Fact-Checking and Monitoring:** Keep brand tracking dashboards open and transparent through collaboration with third-party fact-checkers.
- **Employ Emotionally Intelligent Communication:** Show empathetic, value-based communication to reassure audiences and win trust back.
- **Culturally and Religiously Sensitive Messaging:** Match messages with social and religious values of the location to increase credibility.
- **Training of employees, distributors, and vendors:** Train employees, distributors, and vendors on how to handle the media and respond to a crisis.
- **Regional Research and Analytics Units:** Work with local universities to monitor the misinformation trends and consumer sentiment.
- **Anticipatory Counter-Narrative Campaigns:** publish verified and culturally sensitive content in social media, community-based efforts, and through influencers.
- **National Fact-Checking Portal:** Have a central portal to detect and validate early on misinformation of the brand.
- **Public-Privacy Cooperation:** Facilitate collaborative efforts of transparency, responsible advertising, and internet responsibility.
- **Crisis Communication Policy:** Formulate sector policies under the Ministry of Information to govern the response to fake news.

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