



BBC response to Ofcom's consultation on its proposed advice to the Secretary of State for Culture, Media and Sport on a measurement framework for media plurality

20 May 2015

Overview

1. The BBC welcomes this opportunity to contribute to Ofcom's consultation on a measurement framework for media plurality. Our response should be read in conjunction with the material we have inputted into Ofcom's detailed work and market analysis in relation to media plurality over the past four years.
2. The BBC's starting point is to consider the broader policy objectives relevant to plurality. It is widely recognised that a healthy news sector must ensure a plurality of supply offering a diverse range of views. However, the importance of media plurality should not eclipse the desirability of other outcomes in a healthy news sector. These include high levels of news consumption and reach, accurate and well-funded journalism, competition between providers and a variety of ownership and governance structures.
3. The UK's news market is highly successful, providing high levels of choice, innovation and global competitiveness. UK consumers benefit from well-known traditional news brands - from a vigorous, free press to trusted, impartial broadcasters – who act as reference points via traditional media and in an increasingly plural but hard-to-navigate sea of information and opinion online.¹ Indeed, UK news brands are among the strongest in the world in online news,² replicating the success of British providers like the BBC World Service in exporting trusted news around the globe. This competitiveness online is based on an appetite for British journalism (the Daily Mail, Guardian, FT and BBC together have c.400m unique users a month, two-thirds overseas) and on a willingness to embrace new digital business models.³
4. While established UK news providers are adapting - to the benefit of global and UK audiences – new entrants are also bringing further choice and competition. The internet has lowered barriers to entry in the UK news market remarkably, whether for businesses, bloggers or social enterprises. News providers are scaling faster than ever before⁴ and generating new digital revenues (roughly £90m in 2013 from the UK). These trends have made the UK's news market resilient to the well-documented global challenges which have accompanied the opportunities of digital. The sector is now well positioned to succeed as it prepares for the challenges ahead (analysis of these challenges is outlined in the BBC's Future of News report⁵).
5. The BBC's digital news plays a complementary role in this environment. Among the first digital entrants, BBC online has since 1997 been helping to grow the overall market for digital news. A decade after launch, almost one in 10 UK internet users cited the BBC website as one of the main reasons they went online. Today, it serves the BBC's universal

¹ UK audiences on average use five different online news sources, up a third in the past two years. They turn to different sources for different reasons, getting more entertainment and interaction with social media, more in-depth coverage and expertise thanks to newspaper sites, and the most trusted and accurate news from broadcasters. Mediatique (2014), The provision and consumption of online news – current and future. Available online: <http://www.bbc.co.uk/blogs/aboutthebbc/entries/41458fbb-cc5e-4413-ba84-50d2b88765c9>

² Ibid.

³ Overall, UK online news revenues are close to £500m pa, up 65% in 2 years. Ibid.

⁴ The rapidity with which they reach \$50m revenues doubles roughly every 5 years. Ibid.

⁵ Available online: http://newsimg.bbc.co.uk/1/shared/bsp/hi/pdfs/29_01_15future_of_news.pdf

mission by reaching a broad segment of British audiences with news they consistently judge to be by far the most trusted and impartial of sources. Yet there is evidence to show that while the BBC's reach is strong, its market share is moderating. While Ofcom cites its own survey data showing an increase in use of the BBC website/app from 2013 to 2014, industry measures of actual consumption show that the BBC's share of online news has moderated as the market becomes more competitive and as new entrants secure bigger audiences.⁶ Overall, the BBC's website represents c.1% of time spent online in the UK.⁷ The BBC is working in partnership to improve the way it links to other providers, helping ensure users find the best of UK journalism from a mix of different sources.

6. Given the richness of the UK news market and the increasingly sophisticated nature of audience behaviour, any assessment of media plurality should provide not only an evaluation based on the individual metrics of the measurement framework but a review of the broader market context, trends and developments as well. Any review that is thought necessary should include a relevant set of considerations about the prospects for plurality and the connected goal of a healthy news sector overall. In particular, our response outlines the importance of any review taking into account:
 - *A basket of measures*: the importance of assessing plurality on the basis of a basket of measures, ensuring that fallible sources of data are not relied upon in isolation;
 - *Caveated individual metrics*: the need for caution where the framework poses methodological concerns, eg. with regard to the 'share of references' metric and problematic proxies of media impact, ensuring individual metrics are interpreted and presented with proportionate weight, relevant caveats and that they are not allowed to generate misleading conclusions about actual concerns;
 - *Contextual factors*: Contextual factors are critical. As Ofcom has proposed, these should be presented as an integral part of the measurement framework, ensuring an explanatory account can be given of the numbers generated by quantitative metrics and of the way variances in the operating environment of different news providers may influence the chain of causality behind individual citizens' choices;
 - *Ongoing review of framework*: The need for the framework itself to be kept under ongoing and evidence-based review, including as part of any assessment of media plurality;
7. Any review should adopt a balanced approach, taking care not to penalise success or harm innovation while acting to address any plurality concerns that might be identified.

⁶ Mediatique, op cit.

⁷ UKOM Q1 2015

Answers to questions posed in Ofcom's consultation document

- *Do you agree with our proposed measurement framework for media plurality? What, if anything, should be added to the measurement framework?*
8. The BBC's view is that Ofcom's proposed measurement framework for media plurality is a reasonable starting point for any assessment of media plurality in the UK that is thought necessary. However, as Ofcom notes itself, the proposed framework includes a number of imperfect – yet potentially critical – elements including individual metrics of consumption, the cross-media 'share of references' measure, the scope and weight of contextual factors, and problematic proxies of media impact. We address these matters directly below. Critically, as long as the framework raises methodological concerns, the output of any future assessment must be interpreted and presented carefully with individual metrics evaluated in the round, alongside other elements of the framework. A consideration of relevant contextual factors will also remain important. The BBC agrees with Ofcom's own cautionary note "that the framework itself should be reviewed as part of any assessment of media plurality."⁸
9. In broad terms, however, the BBC agrees with Ofcom's proposal to focus on availability, as well as consumption and impact. We also welcome Ofcom's clarity that consumption should be measured not just by share but also by reach and multi-sourcing given their role in diversity of viewpoints consumed. The starting point for any plurality assessment must be an analysis of the number of different voices – measured across platforms – available to consumers in any market. Availability leads to choice and, regardless of actual scale of consumption, can ensure that a range of ideas remain in circulation and that scope exists for alternative views and perspectives to be presented. Barriers to multi-sourcing have never been lower, particularly online. Digital media mean that stories from relatively obscure sources can quickly become common currency of debate. It is important, therefore, that availability metrics are considered alongside and given due weight relative to measures of consumption and impact.
- *Do you agree with our approach to online content? If not, how could it be improved?*
10. In terms of scope, Ofcom's proposal is "that any online news source that originates content, or which has an influence over the selection of news content, should be measured by the framework."⁹ In line with the Government's conclusion that online content should be included within the scope of any new measurement framework, this is a sensible approach and should ensure that future assessments are able to capture the full range of relevant online sources.

⁸ Ofcom (March 2015) Measurement framework for media plurality, A consultation on Ofcom's proposed advice to the Secretary of State for Culture, Media and Sport. Available online: http://stakeholders.ofcom.org.uk/binaries/consultations/media-plurality-framework/summary/Media_plurality_measurement_framework.pdf

⁹ Ibid.

11. Ofcom proposes a dual approach to assessing this online dimension: firstly, to monitor claimed use of online content from survey data alongside robust web measurement products; and secondly, by including within its wider assessment of contextual factors any relevant “ongoing developments in technology, consumption [and] distribution mechanisms” that may have an effect on media plurality concerns.
12. We agree with this dual approach. On the one hand, survey data should ensure that consumption beyond traditional news providers is captured – in a way that may otherwise not be fully reflected in online measurement tools already available today. And drawing on robust web measurement tools should provide a complementary focus on actual consumption, and help to avert the risks raised in Ofcom's consultation document about reliance on individuals' conscious recall. On the other, a broader consideration of developments in the consumption, technology and distribution mechanisms of online news is merited, in particular, in consideration of the evolving use of digital intermediaries. As noted in our submission to Ofcom's call for inputs, intermediaries may have a potential effect on plurality in a number of ways – controlling distribution, making editorial-like judgements, shaping future economic models and potentially influencing the political agenda. Their effect on UK plurality could be positive, increasing multi-sourcing and improving access to a wider range of news; indeed, analysis provided by Ofcom in its consultation document suggests that users of digital intermediaries use an average of 6.1 sources of news, compared with an average of 4.3 used by others. Given this, and in view of the uncertain and evolving role of online news as a whole, it is appropriate for the measurement framework to make room for an assessment of these wider developments alongside the monitoring of survey data and specific online measurement tools.
 - *Do you agree with our approach to measuring cross-media consumption? Are there other metrics which might better capture cross-media consumption?*
13. There are well-known challenges associated with aggregating sector-specific data into a cross-platform measure. In recognition of this, Ofcom's primary proposal is that its 'share of references' cross-media consumer research tool is the most appropriate way of measuring cross-media consumption. While the BBC welcomes the aim to measure plurality across platforms, including online, there are a number of key risks with 'share of references' that make it an imperfect measure of cross-platform consumption, an imperfect proxy for influence in the news market and liable to overstate the relative influence of providers of television news. We explained these risks in detail in our response to Ofcom's call for inputs, and welcome the fact that a number of these points were recognised in Ofcom's subsequent consultation document (eg. paras 4.40 – 4.42). In brief, our concerns relate to the measure's reliance on conscious recall, its use as a proxy for influence in the news market and the risk that it may be interpreted uncritically, neglecting the chain of causality behind consumption and the variety of factors beyond consumption which generate a provider's ability to influence.

14. Ofcom also proposes to use other metrics such as the Herfindahl-Hirschman index (HHI) for the purpose of measuring sector-specific and cross-media consumption. It is calculated by expressing the market shares of all participants, or sometimes only the largest 50, as percentages, squaring the individual percentages and adding up the result. Professor Martin Cave, an economist specialising in competition and a Deputy Chair of the Competition and Markets Authority, noted in evidence to the 2014 House of Lords plurality inquiry that “the application of the squaring rule has the effect of giving high weight to large firms.”¹⁰ It intentionally exaggerates concentration and as a result, as Professor Cave clarified, “the principal use of the HHI in competition law is ... as a filter to identify ... where ... impact on concentration is insufficient to warrant further examination.” In short, it is generally used as a relatively blunt, preliminary indicator – a potential trigger for review rather than a metric used to reach conclusions as part of one as Ofcom has proposed. Overall, it will be important for Ofcom to present the results of the HHI with caution, therefore, to ensure that it is properly interpreted. This caution will be particularly important if the HHI is applied to cross-media consumption. Ofcom has expressed hesitation about doing so in the past, reporting to the House of Lords inquiry that “such a measure tends to work best in well-defined markets with clear boundaries and a consistent set of products. For this reason, HHI could work within a sector but would be challenging to apply in a cross-media assessment.”
15. The BBC is not currently aware of other metrics to recommend for the purpose of measuring cross-media consumption. However, if Ofcom considers that its proposals particularly with regard to the ‘share of references’ measure are, for now, likely to be ‘as good as it gets,’ then this underlines the crucial point that these measures must be assessed in the round, analysed alongside other metrics. It underlines that the qualitative dimension of a plurality assessment and the task of reconciling the analysis of metrics with ‘contextual factors,’ discussed below, without which it is not possible to make sense of the numbers, is a fundamental part of any plurality measurement framework. And it highlights the importance of keeping cross-media consumption metrics under review and undertaking further work over time into alternative metrics capable of mitigating or avoiding the risks we have raised.
- *Do you agree with our approach to measuring impact? If not, how could impact be better captured?*
16. We agree with Ofcom that plurality matters because it makes an important contribution to a well-functioning democratic society. This is why it is best defined by reference to the desired outcomes of a plural market, including preventing any one voice “having too much influence over public opinion and the political agenda.” We agree that there is merit in trying to measure different media sources’ impact on opinion-formation as an important element of the measurement framework. However, measuring this kind of impact is likely to be one of the most challenging aspects of the framework. It is crucial, therefore, for the outputs of impact metrics – to the extent that they pose legitimate methodological concerns – to be

¹⁰ House of Lords Select Committee on Communications, (February 2014) Inquiry into Media Plurality, written and corrected oral evidence. Available online: <http://www.parliament.uk/documents/lords-committees/communications/Mediaplurality/MediaPluralityEvidence.pdf>

interpreted and presented with proportionate weight, due caution, and that they are kept under ongoing, evidence-based review.

17. There is no accepted approach to measuring actual impact and each individual's opinion is inevitably subject to complex interaction between an array of influences. We note that Ofcom propose to overcome this complexity and the barriers to evaluating actual impact by using a proxy – a survey-based indicator of 'personal importance.' This was first proposed in 2012 advice to the Secretary of State, though Ofcom now propose that it be "refined to focus on the importance of a news source in helping people make up their minds/form their own views" and contextualised alongside an assessment of "perceived impartiality, reliability and quality."¹¹
18. The BBC agrees with Ofcom about the challenges of measuring actual impact, but we remain unconvinced that Ofcom have found a suitable proxy, even with these refinements. There are two serious potential pitfalls to Ofcom's proposed approach. Firstly, the use of a proxy question on perceived importance is inevitably imperfect because it only assesses people's conscious articulation, and as Ofcom itself notes in the consultation document, "people are unlikely to be fully aware of the impact the media might have on them."¹² What's more, respondents may misreport the media which are most important in helping them to form their own opinion due to complex social incentives, including the so-called 'third person effect' – discussed in Ofcom's previous work on media impact:

"There is reason to be cautious in relation to self-report data in this field: as a rule, it is well established that people ordinarily deny that they are themselves influenced by the media, while believing that the media influence others. This 'third person effect' (Davison, 1983) is taken to reflect a cultural preference for presenting oneself as autonomous and rational, rather than as an insightful account of media influence or its absence."¹³
19. As a consequence, an additional consideration in relying on self-reported data in this area is that respondents may over-report the 'impact' of impartial sources such as broadcasters who are regulated for accuracy and impartiality, and under-report the impact of sources with a strong, editorialised perspective on the basis that acknowledging the latter is more likely to interfere with social preferences for presenting oneself as rational and autonomous.
20. Secondly, the 'personal importance' measure, as currently constructed, may solicit responses prone to giving a seriously misleading impression of threats to plurality. The metric was first tested in work commissioned by Ofcom from Kantar Media in 2012 which noted the risk of replicating consumption data that in turn is closely linked with

¹¹ Op.cit.

¹² Op. cit.

¹³ Ofcom, 2004 Childhood Obesity – Food Advertising in Context. Available online: <http://stakeholders.ofcom.org.uk/binaries/research/tv-research/report2.pdf>

characteristics such as trust and accuracy.¹⁴ Crucially, impact, as measured by proxy statements like 'personal importance', may simply indicate that people use different providers for different purposes, and that a particular purpose such as finding an impartial take on the news may be particularly personally important – a conclusion which does not necessarily indicate a problem for plurality. Indeed, it could indicate the opposite.

21. Taking these possible pitfalls of measuring impact into account, our response to Ofcom's call for inputs requested Ofcom to clarify how it would plan to include an examination of lines of causality within the measurement framework in order to ensure that consumption and impact metrics are neither replicative (providing a redundant proxy for consumption under the guise of measuring impact), nor interpreted without caveats or in isolation from their wider context. We welcome, therefore, Ofcom's decision to attempt to refine its 'personal importance' proxy. As noted above, Ofcom's proposed refinements are to ask people about "the importance of a news source in helping make up their minds/form their own views" and contextualising any data alongside an assessment of "perceived impartiality, reliability and quality." The proposal to contextualise data alongside assessments of perceived impartiality and other characteristics may be an important refinement. It should ensure that the overall assessment can take into account the characteristics that people associate with different providers and hence illuminate the chain of causality behind data generated by the impact proxy. We also support Ofcom's attempt to refine the 'personal importance' proxy itself. In theory, this may help focus respondents on the impact that media have specifically on opinion-formation. However, we note that Ofcom has not presented new research to demonstrate what effect the proposed modification has in practice. As a result, it is difficult to know whether respondents will approach the refined question differently to the way they did its previous incarnation in the 2012 Kantar Media work.

22. As with other elements of the framework, the important points, therefore, in light of any methodological uncertainty are two-fold: firstly, it is vital that the output of any future assessment is interpreted and presented with a degree of care and caution; that individual metrics are evaluated with proportionate weight, alongside other elements of the framework as well as a consideration of relevant contextual factors; and finally that the framework itself should be kept under review and re-evaluated as part of any assessment of media plurality. In particular, research should ideally be undertaken and published in advance of the framework being put into use to demonstrate the likely effect of proposed refinements.

- *Do you agree with the use of contextual factors as part of the framework?*

23. The BBC strongly agrees with Ofcom's proposed approach that "views contextual factors as an integral rather than as a supplementary part of the measurement framework." They are integral for two reasons. Firstly, in light of methodological challenges to measuring media

¹⁴ Kantar Media. Measuring News Consumption and Attitudes. Annex 5 to Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport By Kantar Media. 29 June 2012

plurality, contextual factors provide an important check and balance within the overall framework. They ensure that plurality is assessed in the round and that fallible sources of data are not relied upon in isolation.

24. Secondly, they help ensure that it is possible to make sense of the numbers generated by an assessment and to reach conclusions in that light. Considered alone, quantitative metrics fail to provide an account of variances in the operating environment of different news providers or the nature of the chain of causality behind consumption and impact. For example, the correlation between broadcasters' regulatory framework for impartiality and their lead on attributes such as 'trustworthiness' and 'accuracy' is important to understanding the consumption and impact of their news services. This is a theme the BBC has looked at in prior submission to Ofcom. Similarly, factors such as governance models (trusts, limited companies, and statutory corporations) as well as funding models (advertising revenues, circulation revenues, subscription fees or public funding) should also inform the overall assessment. That is one reason why Ofcom is right to say that quantitative metrics "are insufficient for a full assessment of plurality" and that contextual, "qualitative factors [must] play an important role in drawing conclusions." They help guard against the possibility that the numbers generated in an assessment will be interpreted uncritically or allowed mechanistically to read across to misleading conclusions about concerns.
25. The BBC's view is that the range of contextual factors identified in Ofcom's proposals is broadly sufficient to informing future plurality assessments when used alongside other measures of availability, consumption and impact. These include governance and funding models, diffusion of editorial control, internal plurality, market trends as well as regulation and oversight. However, Ofcom is also right that a future assessment of media plurality should not be limited to considering a set of contextual factors drawn up in advance. The framework should be flexible enough to respond to contextual change and to allow for other factors to be considered as and when they become relevant.
 - *Do you agree with our approach to measuring plurality in the UK nations? If not, how could plurality in the nations be better measured?*
26. In line with the conclusions reached in the Government's consultation on media ownership and plurality, Ofcom is right to recommend that the measurement framework should capture differences in plurality across the UK in order that policy makers can have an informed debate. Ofcom's proposal is to do so by undertaking additional consumer research to identify sources used for news relating to each nation and to use this data as an input to a nations 'share of references' measure. Ofcom prefers this approach to using industry measures of nations-focussed news sources on the grounds that 'nations focussed' sources as a category would be difficult objectively to define.
27. The methodological concerns that apply to the use of survey data and the share of references measure at the UK level apply equally at the level of the nation. However,

Ofcom's proposal to rely on these measures without a complementary set of objective availability metrics, and industry consumption data makes the need for caution even greater. It is important, therefore, that the assessment of plurality at the level of each UK nation is undertaken in the round, alongside a consideration of relevant contextual factors and that the output is presented carefully with due caveats about the reliability of any conclusions reached. And finally, that this along with other parts of the overall framework is kept under ongoing review.

28. The BBC accepts Ofcom's proposal, reiterated from its advice in 2012, that periodic reviews of plurality should not assess regional or local media on the basis that "the tension between media plurality and commercial sustainability is exacerbated at smaller geographic units." However, it is important that the absence of local and regional media from Ofcom's proposed measurement framework is not assumed to detract from the crucial role of local and regional media and the challenge all providers face in responding to increasing devolution at a time of digital disruption. As classified and local advertising has moved online and print circulation has declined, local and regional media have innovated in their digital strategies and business models. While the considerable work undertaken by some local and regional providers shows signs of bearing fruit, challenges remain for the sector. The challenges are structural, global and independent of the role the BBC plays in local media markets, in complement to commercial and community media. Nonetheless, the BBC seeks to be an effective partner where this offers value to licence fee payers while also supporting plurality and choice. As part of this, we have been undertaking partnership work with local and regional news providers. A Local Working Group has been established by the BBC and industry following the 'Revival of Local Journalism' conference organised by the Society of Editors and BBC News in 2014. The Local Working Group has developed a series of initiatives. This includes trials to improve methods of linking from BBC websites to local partners, which will be rolled out across sites, training and sharing of content. We note there are other initiatives aimed specifically at supporting local media such as the Government's proposed review of Business Rate Relief for local newspapers.

Ends.