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Ofcom's Media plurality measurement framework - call for inputs

News UK is the owner The Sun, The Sun on Sunday, The Times and The Sunday Times.

News UK is part of News Corp – a global media business focused on creating and distributing content that educates, entertains, informs and inspires our customers.

INTRODUCTION

The ease of access to news and current affairs across multiple platforms means that it is an appropriate time for a discussion about the development of a measurement framework to analyse media plurality in the UK.

We strongly believe that there is a high and growing degree of plurality in the UK market. We also agree with Ofcom's contention that news and current affairs should be the focus of the measurement of media plurality as it is key to ensuring a diversity of viewpoints in the UK.

Given the pace of change, the change in provision and consumption of news and current affairs, and the number of new market entrants, News UK believes that the metrics in any proposed measurement framework should be objective, flexible and regularly reviewed. News UK also suggests that while this is mechanically possible, Ofcom should avoid creating complex matrices.

The metrics also need to be robust and relevant so that they adapt to changes in the consumption behaviour of viewers, visitors and readers, technological advances, and the development of innovative new products and offers. Any framework needs to be consistent and work across all platforms and media. In addition, the proposed metrics need to be platform agnostic.

This is because media companies require a clear and consistent framework in which to operate so that they continue to innovate, thrive and invest with confidence. Without confidence, the risk is that the framework will create barriers to entry and investment, with products not developing in line with consumer needs.

For sectors and individual organisations, it may also risk sustainability, punish commercial success, suppress investment in news and current affairs and stifle innovation at a time when innovation is vital to keep news and current affairs relevant to all demographics. At News

UK, we have made a substantial investment in our journalism, our content and our digital platforms.

News UK's submission looks at the complexity of creating a set of objective metrics and an overarching framework that can offer a reliable measurement tool, as well as working consistently across all media.

Answers to the questions

Question 1. *How should we develop the indicators we set out in our 2012 advice on measuring plurality to address the Secretary of State's request for a media plurality measurement framework? Are there other metrics that should be added to those we outlined in our 2012 advice?*

News UK believes that the definition of news and current affairs should be reviewed on a regular basis. News UK believes that organisations with a wide and varied offering, including sport, entertainment, arts and culture, will need to remove these irrelevant subjects from the analysis so the measurement is only of those organisations' news and current affairs offer. We consider there are at least 2 options for this analysis:

- (a) determine the percentage allocation between news and current affairs and other content in a mixed offering; or
- (b) set a threshold for news and current affairs and if a mixed offering has more than the threshold, then it is included.

In terms of this analysis, different media should be treated consistently so that if the allocation or threshold means that general entertainment television viewing (for example, *I am a Celebrity*, *X-Factor* and *Strictly Come Dancing*) is not included for television broadcasters (or their group), then any articles about those TV programmes in newspaper titles should not be included as news and current affairs.

News UK thinks it is very important to weight and include local and regional news and current affairs providers along with national providers, whether they are broadcasters, radio stations, newspapers and online newspapers.

In Ofcom's 2012 advice the Herfindahl-Hirschman Index (HHI) was mentioned under the share of consumption metric. News UK does not comment on whether HHI is or is not the appropriate metric to measure, but we would suggest that any definition of market for this metric should be wide and include all media sectors. We agree that the BBC's impact on plurality should be in scope along with online content and all organisations that impact news and current affairs that UK consumers access (whether or not based in the UK).

We consider that news agencies, aggregators and search engines that provide discoverability and access to news and current affairs should be included in the scope as they do have an impact on the news and current affairs that people access. While they do not write the news themselves, they have considerable influence over which news and opinion is surfaced and in which order, so they do have a degree of editorial influence.

The metric(s) will need to be flexible enough to disaggregate entertainment, arts and culture for organisations (and where required their products or offers) with a wide offering from news and current affairs before the share of consumption is measured.

For the multi-sourcing metric and the contextual factors, we consider that it needs to take account of the voice or viewpoint within a media organisation with analysis of whether that voice is consistent across all an organisation's channels, titles, apps or sites. If there is a different editorial voice or viewpoint for particular channels, titles, apps or sites within an organisation (for example, a newspaper group) this should be factored-in and result in a more positive result for plurality than if there was one voice or viewpoint across the organisation.

An important contextual factor is that the framework must respond to changes in technology and behaviour of viewers, readers and subscribers.

One of the key changes is in terms of generational differences. As stated in the Call for Inputs, it is clear from anecdotal evidence that younger generations are accessing news and current affairs differently to their parents (and grandparents). A recent study in the United States found that "one-third of people under 30 get their news from social networks"¹.

According to Ofcom: "The most regular news consumption among UK students is television news: 47% watch the BBC daily, or often, with smaller percentages for other TV stations. Newspapers are read daily by 30% of students (which is high compared to other surveys of the age group). This compares with 74% who use Social Media daily or more often"².

"There has been growth in the number of those who use any internet or apps for news, with over four in ten (41%) doing so this year, compared to just under a third last year (32%). This is particularly evident in the 16-34 age group, where use of internet or apps for news has increased from 44% in 2013 to 60% in 2014. Nearly two in ten (19%) people aged 16-24 report that they use only the internet for news, compared to 1% of those aged 55+."³

Ofcom's analysis continues: "Since 2013 there has been an increase in the number of people stating a website/app as their most important news source (21% in 2014 vs. 14% in 2013). Almost half (45%) of 16-24s say their most important news source is a website/app, up 15 percentage points since 2013 (30%). Those aged 16-24 are less likely than those aged 55+ to name a TV channel as their most important news source (36% vs. 65%). For both age groups (16-24s and 55+) there has been a decrease, since last year, in those who nominate a TV channel as their most important news source (46% and 70% respectively in 2013)."⁴

¹ Pew: 25 percent of teens access Internet mainly through a phone, reported online at Poynter.org on (13 March 2013)

² Accessing and Consuming News: How Young People Find News in a Networked Society, Final Seed Project Report, Angela Phillips, Goldsmiths, University of London, June 2014 (The UK sample comprises 256 students from two London universities).

³ Ofcom, News consumption in the UK, June 2014

⁴ Ofcom, News consumption in the UK, June 2014

Question 2. *Are “share of references” indicators appropriate to measure cross-platform media consumption? In addition to “share of references” indicators, are there other metrics of particular relevance to measuring cross-media news and current affairs consumption? What are their pros and cons?*

As set out in our answer below to question 3, in our recent analysis the *average news user* uses 3.8 different platforms to follow the news. How media is consumed is at the heart of this debate and any framework and metric should acknowledge and factor in generational differences.

Question 3. *Are there developments that have had a significant influence on the most appropriate ways to measure plurality in the UK since 2012? How do these developments affect the way in which plurality could be measured? Please provide evidence in support of your views*

There are two key changes: one in consumption and the other in access on technology (and therefore provision).

We have measured changes in consumption of news as set out below. 95% of respondents stated that they follow the news and the *average news user* uses 3.8 platforms to do so. The figures across different platforms bear out the differences between age groups, with 60% of 16 – 24 year olds using online as compared to 21% for people over 55.⁵

Smartphones now account for over three-quarters (76%) of handsets and one in four British consumers now own a tablet.⁶ Portability of digital access allows easier and faster access to online sources of news and current affairs including outside the home or workplace.

Question 4. *What are the relevant metrics to quantify the use of online news and current affairs? What are their pros and cons?*

The challenge with measuring online news and current affairs consumption is determining that measure, as well as consistently applying that measurement across a wide range of news sources and platforms. The alternative of arbitrarily weighting one website visitor the same as one newspaper reader or radio listener, with no sense of how much they consume, or how impactful is that consumption, is worse. While this might be mechanically possible, Ofcom should avoid creating complex matrices.

Question 5. *Does the ongoing evolution of online news consumption create challenges for measuring plurality? How should a measurement framework seek to address these?*

As previously argued, online news consumption is part of the evolution in consumer habits but it's not the end game for any framework or metric. Technological advances and consumer changes mean that there needs to be a robust framework that can absorb innovations and further market disruption.

⁵ Ofcom, News consumption in the UK, June 2014

⁶ <http://www.iabuk.net/about/press/archive/tablet-ownership-up-63-as-uk-digital-ad-spend-hits-63bn#fLktAAU6LIqI6BFk.99>

Question 6. *What role should the sector-specific industry measurement systems play in a framework for measuring media plurality?§*

Sector-specific measurement systems play a role but only as a starting point as they use different measures and, as such, are not all comparable. There are often a number of different measurements for the same sector: for example, for newspapers there is ABC, measuring circulation, and then the National Readership Survey (NRS), calculating readership, while in television BARB is used for advertising sales. News UK would argue that merging different measurements is not a solution, as it is not comparing like with like.

In addition, some audience measurements were formulated in a pre-digital age so may require amendment to make them fit for purpose in a digital era with media outlets being accessed on many platforms (for News UK, in print, apps and via our websites).

This reinforces the view of the News UK that in order to be an appropriate measure, the framework needs to be a consistent and robust measure that works across platforms and media.

Question 7. *In addition to the proxies we identified in 2012, are there other indicators which could contribute to a more reliable measurement of impact and influence of news provision on public opinion? What are their pros and cons?*

News UK thinks that it is crucial to objectively measure the influence of different forms of media. This will need to be reviewed and the factors that comprise it need to be determined. This influence will need to be measured across demographics and not limited to key decision makers. Usually when people discuss influence as a metric, it is used in the context of key decision makers but we consider that in this context it should have a much wider scope.

Question 8. *Are the contextual factors identified in 2012 sufficient to informing future plurality assessments when used alongside other measures of availability, consumption and impact? Should additional contextual factors be considered?*

We consider that the contextual factors previously identified by Ofcom are relevant but these should not be an exhaustive list. With regard to weighting such factors any assessment should not lead to inconsistency and a lack of clarity and predictability in how the metrics are applied. We suggest an approach where all contextual factors are used, and are weighted transparently and similarly for comparable organisations and/or sectors.

Question 9. *How should the plurality measurement framework consider media ownership? Do the retail and wholesale measurements we used in our previous work remain relevant to this? What other approaches could be used to complement these?*

Question 10. *Should the measurement framework seek to capture the influence of news and current affairs organisations operating in parts of the value chain other than the retail and wholesale levels we examined in our previous work? If so, how?*

We would like to answer questions 9 and 10 together.

The relevant framework is the supply of news to readers and audiences at the retail level. We consider that there should be a requirement to assess the voice or viewpoint across the organisation as set out above. We also suggest that editorial viewpoint is different from any issues relating to ownership and that any measurement of ownership should not take this into account.

Ofcom should also look to measure different part of the value chain. This is because news agencies, aggregators and search engines provide discoverability and access to news and current affairs.

Question 11. Are there other relevant considerations on the relative importance of different metrics that the framework should reflect?

As set out above, we think that changes in media consumption and provision should be included and factored in specifically as a metric.

Question 12. Do you have any other comment of relevance to the Secretary of State's request for a media plurality measurement framework?

News UK has no additional comments to make at this time.

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