

RESPONSE TO OFCOM'S CALL FOR INPUTS ON A MEASUREMENT FRAMEWORK FOR MEDIA PLURALITY

1. INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 Twenty-First Century Fox, Inc (**21st Century Fox**) is a diversified global media company with interests in four main industry segments: cable network programming; filmed entertainment; television; and direct broadcast satellite television. In addition to a global portfolio of cable and broadcasting networks and properties including FOX, Fox International Channels, National Geographic and STAR; film studio Twentieth Century Fox Film; and television production studios Twentieth Century Fox Television and Shine Group,¹ 21st Century Fox also holds equity interests in Sky plc and Tata Sky, which provide audio-visual content to millions of subscribers through pay-TV services in Europe (principally in the UK, Italy, Germany and Austria) and Asia respectively. 21st Century Fox employs thousands of people in its wholly-owned businesses across Europe, the Middle East and Africa, and tens of thousands more through those in which it has an equity stake.
- 1.2 21st Century Fox welcomes the opportunity to contribute to Ofcom's work in developing a framework to measure the plurality of the media in the UK; following its submissions made to the Department for Culture, Media and Sport's (**DCMS**) consultation on media ownership and plurality in October 2013 and (under its former name of News Corporation²) to Ofcom's consultation on measuring plurality across media in November 2011, to the House of Commons Culture, Media and Sport Committee's inquiry into media plurality in January 2012, and to the House of Lords Select Committee on Communications' inquiry into media plurality in May 2013.
- 1.3 In summary, 21st Century Fox's views are as follows.
- (i) Levels of plurality in the UK are **high, increasing and will continue to increase** as digital technology continues to transform how news is generated and consumed in the UK.
 - (ii) This shows that **markets are working well** in delivering plurality to UK audiences.
 - (iii) What matters is ensuring a plurality of views on news and current affairs, as is now widely recognised, so any measurement framework needs to **be based on a clear definition of news and current affairs content** that is neither over- nor under-inclusive.
 - (iv) The measurement framework must function transparently and predictably, since **legal uncertainty will ultimately have a negative impact on investment in the world-leading UK media sector**.
 - (v) The measurement framework should focus on measuring plurality in the **supply of news to audiences**, i.e. at retail level. Any measurement framework should also take into account and give appropriate weight to the role of digital intermediaries.

¹ 21st Century Fox has agreed to contribute Shine Group to a joint venture with funds managed by Apollo Management L.P., which will also comprise CORE Media Group and Endemol.

² 21st Century Fox was known as News Corporation until 28 June 2013. On the same date, 21st Century Fox completed the separation of certain businesses into the separate publicly-traded company that is currently known as News Corporation.

- (vi) **Quantitative measures are not sufficient to assess plurality** in isolation and contain limitations which should be recognised explicitly. A crude reliance on quantified standard metrics misses some positive developments in respect of plurality, which are increasing and likely to continue to increase. In particular, Ofcom should take into account: (a) potential skewing of results stemming from the greater availability of data on larger “traditional” media outlets and lack of reliable tracking of significant news consumption on other platforms (such as social media and apps); (b) the risk of potential skewing of results introduced by survey design and measures to limit those risks; and (c) the need to give appropriate weight to contextual factors such as governance arrangements, regulation and internal plurality.

2. PRELIMINARY COMMENTS

- 2.1 Before responding to the specific questions raised in Ofcom’s call for inputs, 21st Century Fox would like to make the following preliminary observations, in particular concerning the limitations of quantitative metrics in assessing the plurality of the UK media.
- 2.2 As 21st Century Fox observed in responding to the DCMS’ consultation last year, the current regulatory and legal regime covering plurality issues, through its flexibility and ability to take into account all relevant factors, has contributed to the flourishing of the UK media sector, which has traditionally been and remains a world leader.
- 2.3 Ofcom’s objective is to develop a media plurality measurement framework. There is no question that quantified metrics can inform a consideration of plurality, and it is right to identify the best metrics available. However, in attempting to develop a measurement framework for plurality, Ofcom must take care to ensure this regime is not reduced to a crude quantitative measure that distorts competition in the sector and dissuades investment and innovation; ultimately risking the perverse result of a more narrow range and variety of views being available to consumers.
- 2.4 Ofcom has acknowledged relevant contextual factors such as governance models, regulation, internal plurality, and the degree of editorial control by owners. However, even the narrower issue of consumption can only partially be addressed through quantified metrics. As 21st Century Fox discusses in more detail below, there are increasingly important forms of news consumption, creation and distribution (such as via social media) which are simply not picked up by standard metrics.
- 2.5 Barriers to entry have dropped, and the news industry is fragmenting. This has allowed a proliferation of new entrants, and a wresting of control of the news agenda from the traditional editor (not least because online audiences are frequently discovering stories without using the hierarchical structure of the editorially-determined front page). It has also allowed non-media organisations and individuals to create their own content and speak directly to audiences, bypassing media outlets entirely. In addition, increasingly authoritative voices and commentators are active in expressing their views and opinions and commenting on news in a way that contributes to and enriches plurality.
- 2.6 Inevitably the better data is associated with the large, traditional media outlets. They have legacy systems and the scale to support them. However, use of these systems should not draw attention away from the many smaller players and the new means of distribution (even if of traditional outlets’

stories). To focus on traditional media outlets (online or offline) would be to miss some extremely positive developments for plurality.

- 2.7 Cross-media consumer research (as in Ofcom's 'share of references' approach) can have a role. But such an approach is inherently less suited to understanding the type of reactive and fragmented news consumption common online, where consumers are prompted by social media and other links to sample a wide variety of sources (see paragraph 3.8(iii)).
- 2.8 21st Century Fox would also like to reiterate a number of more general points that it believes remain relevant when developing any aspect of media plurality regulation.
- (i) **Levels of plurality are high and increasing:** as noted above, over recent years the trend has been towards an ever greater plurality in the range and variety of views available to consumers and a steady increase in plurality of consumption, thanks to the extraordinary and continuing growth of digital media and methods of accessing digital content. The low barriers to entry in online media have enabled a range of completely new news providers to enter the market and grow; creating innovative and distinctive news and current affairs content, with individuals also able to distribute user-generated news content through social media directly to other individuals. At the same time, the ease of accessing digital content through smartphones and tablets, including outside the home, means that consumers individually and collectively sample news and current affairs content from a greater range of providers than ever before. As these trends continue, plurality is likely to increase yet further.
 - (ii) **Markets are working well in delivering plurality:** the growth in plurality described above has been delivered largely through market-driven innovation. It is therefore clear that plurality can be delivered through market forces and media markets are working well to deliver a range and variety of news and current affairs content to UK consumers.
 - (iii) **The measurement framework must reflect the broader regulatory regime:** an important feature of the current regulatory framework for media plurality is that it correctly focuses on determining whether a merger may result in a reduction of plurality leading to levels of plurality being insufficient overall. In designing the benchmarks by which plurality should be measured, Ofcom must therefore ensure that they are appropriate for this assessment of merger-specific effects on plurality.
 - (iv) **Importance of legal certainty:** the focus of media plurality regulation on the effects of a merger allows media companies to invest in the UK in the knowledge that they will not be penalised for success manifested in organic growth. This degree of legal certainty is a valuable feature of the regulatory regime, and must not be undermined by a measurement framework that could be employed in an arbitrary or opaque manner.

3. RESPONSES TO SPECIFIC QUESTIONS RAISED BY OFCOM

- i. **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?**

- 3.1 21st Century Fox considers that an essential step in developing these indicators is to ensure they can be applied accurately so as to (i) account for the availability and consumption of all relevant providers while (ii) measuring only relevant consumption.
- 3.2 As 21st Century Fox has consistently maintained, and a broad regulatory consensus now recognises,³ the appropriate focus of media plurality regulation (and thus any media plurality measurement framework) is on news and current affairs. This means that a measurement framework must not allow the weight of any provider to be distorted by taking into account the availability or consumption of other, irrelevant forms of content. For example, time spent completing a crossword in a newspaper should not count towards its publisher's share of news consumption.
- 3.3 At the same time, it is vital that the measurement framework account for the full range of providers of news and current affairs content, rather than being limited artificially to a subset of perceived "traditional" news providers (a particular danger in relation to quantitative metrics, as discussed above). This is especially important in relation to online, where many non-traditional providers bring a wide range and variety of views to consumers' attention; politicians and other influential individuals can engage directly with the public (notably through Twitter); and consumers can themselves report events to, and share their reactions with, many others at once. Although quantifying the contribution these sources make to plurality may be difficult, that underscores the need for caution and rigor in conducting any analysis, rather than oversimplification. A reliable indicator of plurality must account for the role played by these voices.
- 3.4 A related point is that the measurement framework must include the availability and influence of news providers that are free at the point of consumption. Failure to do so would ignore not only the dominant "traditional" news provider, the BBC, but also the wide range of free online news sources; leading to a radical underestimation of the true level of plurality in the UK. 21st Century Fox therefore welcomes the apparent acceptance in Ofcom's call for inputs that revenue metrics should not form part of the measurement framework.
- 3.5 Separately, with regard to the use of the Herfindahl-Hirschman Index (**HHI**) as a relevant metric for consumption, 21st Century Fox views this as a very blunt instrument of limited, if any, relevance. Indeed, in some cases it may be misleading because it does not capture important indicators of plurality. HHI figures rely on market share calculations, and given the diverse nature of news supply, market shares, and thus HHI calculations based on them, are not meaningful. The limited value of market shares/HHI calculations in highly differentiated markets is recognised in the context of competition proceedings, and 21st Century Fox believes analogous considerations apply in relation to plurality.
- 3.6 Finally, as noted above, 21st Century Fox welcomes Ofcom's acknowledgement that any quantitative metrics should be complemented by attention to non-quantitative contextual factors. It is important that these are given due weight. However, as explained in response to question 8, it is also important that these factors are considered in a structured and transparent fashion.

³ See *inter alia* the reports of the Competition Commission on the acquisition by British Sky Broadcasting plc of 17.9% of the shares in ITV plc (14 December 2007, at paragraph 5.32) and on the public interest test on the acquisition of Guardian Media Group's radio stations by Global Radio (11 October 2012, at paragraph 1.21); Ofcom's Advice to the Secretary of State for Culture, Olympics, Media and Sport on measuring media plurality (19 June 2012, at paragraph 3.14); and the report of the Leveson Inquiry (Part I, Chapter 9, at paragraph 2.8).

ii. **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?**

3.7 An approach based on quantitative consumer research (such as Ofcom’s ‘share of references’) is relevant. However, it is essential to recognise that such an approach has a number of weaknesses and limits, which need to be considered explicitly and addressed up-front.

3.8 These include:

- (i) **The consequences of survey design.** Any quantitative survey includes implicit and explicit design choices which can influence results. To take one example, the survey⁴ used by Ofcom for its 2014 study of news consumption used the phraseology “which of the following do you use for news nowadays?” However, it might be that for social media sites the question “... do you see news nowadays?” might elicit different responses, in that the prime reason for use might not be news, but nonetheless news exposure results. As a general point, if a “share of reference” survey is to be the bedrock of Ofcom’s plurality analysis, then the design of this survey and how its outputs are processed becomes critical, and merits consultation in its own right.
- (ii) **The focus on news from corporate outlets.** Survey designs must also work within the limits of question budgets i.e. how many issues respondents can reasonably be asked to consider. Ofcom’s survey has (presumably with this in mind) focused on ‘news’ from large organisations (primarily, but not exclusively, traditional media). However, this excludes an increasing range of sources of plurality. For instance, if an individual was following the Prime Minister on Twitter, would they necessarily say that Twitter was a news source? Perhaps not, but the ability of the Prime Minister to speak directly to citizens, unmediated by media organisations,⁵ is an important contributor to plurality. Not only politicians have significant following on Twitter - Piers Morgan, Jon Snow and Caitlin Moran, have 4.3m, 0.6m and 0.5m followers respectively. Equally, an individual might be on an email list for an activist group or charity, again receiving their take on events unmediated by third parties.

The role of social media is not limited to allowing traditional opinion-formers such as politicians or journalists to reach consumers directly. More fundamentally, in enabling individual consumers easily to create and distribute their own content, it allows millions to become news providers and distributors in their own right. For example, an individual eye-witness to a significant event may tweet about it or post on Facebook, and that tweet or post may then be picked up by an exponentially-increasing number of other users, who in turn re-tweet or re-post that story, bringing it to wider attention while completely cutting out mainstream news providers and distributors.⁶

⁴ Ofcom, [News Report 2014 Questionnaire](#), 25 June 2014.

⁵ Note that Twitter is a vital channel for news, but is not a news media organisation, in the sense that it simply provides communication and has no editorial impact (even of agenda setting or prioritisation) over tweets.

⁶ For example, it was recently reported by the [Pew Research Center](#) that the news of the shooting of Michael Brown in Ferguson, Missouri, which subsequently triggered civil unrest, was spread by nearly 150,000 tweets two days before the mainstream US cable networks covered the incident in prime time.

The ‘share of references’ approach (as designed to date) can thus address news consumption from corporate outlets, but crucially this represents only part of overall news consumption, and a declining part at that. As the O&O/Reuters report for Ofcom recognised “news is no longer just available from traditional news providers, and in the social media world individuals can be as influential as organisations”.⁷

- (iii) **The limits of respondents.** Particularly online, the range of sources available is substantial. Ofcom’s survey, which is by no means exhaustive, offers a daunting list of over 30 sources to respondents. Respondents may or may not be able to respond accurately. A further challenge is that respondents will be particularly unlikely to recall or respond with sources they see only occasionally - perhaps as a result of a search result or social media.

This issue of underreporting of digital behaviour has been acknowledged by NRS, who state “Studies have shown respondents under-estimate the frequency of their digital behaviour - particularly for mobile”.⁸ It may be one reason why Ofcom’s research finds lower levels of online multi-sourcing than reported by technical sources such as UKOM.⁹

- (iv) **The challenges of weighting for influence.** Ofcom’s ‘share of references’ includes a weighting for frequency of use, which is appropriate. However, use is not the same as influence. As Ofcom’s own research suggests, people trust some outlets more than others, and it seems likely that a trusted outlet will have greater influence. A second issue is that different media may inherently have greater or lesser ability to influence. Under the ‘share of references’ approach, daily consumption of radio news, TV news and a newspaper are all treated as equivalent. However, is (say) a 3 minute radio bulletin listened to in the background while driving to work as impactful as watching 30 minutes of an evening TV news broadcast?

- 3.9 Given the inevitable absence of comprehensive information on consumption, it may be worthwhile to incorporate into consumer research the simple question:

“Do you feel you are exposed to a range of opinions on the key issues of the day?”

- 3.10 Such a question would (deliberately) pick up exposure from sources other than the traditional media. This is entirely appropriate - while the media were once key intermediaries between events and opinions on the one hand and audiences on the other, they are increasingly being bypassed. Media plurality is only one contributor to news plurality, and ultimately it is healthy news plurality which supports a healthy democratic society.
- 3.11 As regards other proxies for cross-media consumption, revenue is a very poor proxy, distorted (for instance) by output quite unrelated to news consumption, such as sports programming.
- 3.12 Time spent presents numerous challenges, as there is (as far as 21st Century Fox is aware) no data on how much time spent with newspapers is actually spent on news, as opposed to other parts of a newspaper’s pages. Metrics for time spent for different media are also gathered very differently - via

⁷ Oliver & Ohlbaum, Reuters Institute & OII [for Ofcom], *Measuring online news consumption and supply*, July 2014, page 4.

⁸ NRS, *Get the bigger picture*, 17 September 2014, page 11.

⁹ For example, Ofcom’s 2014 *News Consumption Report* records 2.0 sources per user online (page 2); whereas even in 2010 [research](#) by Perspective in the context of the *News/BSkyB* public interest test based on Comscore/UKOM data found an average of 3.46 online sources (page 33). It is likely the figure would be even higher now.

surveys for newspapers but via technical measurement for TV, for example. Mixing these metrics can create distortion, since survey data may be skewed up or down, thereby inflating (or deflating) the importance of the media in question.

3.13 Finally, as a semantic point, 21st Century Fox believes that the term ‘share of references’ is unhelpful. While consumer references may be the right analytical raw material, there is no reason to focus particularly on share. As Ofcom has set out,¹⁰ it is but one metric, and reach and multi-sourcing are equally relevant.

iii. 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.

3.14 Material recent developments relate primarily to online issues, and as such are addressed against questions 4 and 5 below.

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

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

3.15 Standard third party consumption metrics of time spent and unique visitors (such as provided by UKOM) are clearly relevant. Where available these can be usefully supplemented by server-side metrics such as ABCe results (though only certain news organisations provide these). A critical caveat is that these metrics are primarily relevant for news consumed at the sites of traditional media outlets. However this mode of consumption (while still likely primary) is of diminishing importance overall. It is also worth taking into account the purpose for which these metrics have been developed: a metric designed for business purposes may not be the most suitable for policy analysis.¹¹

News being distributed within other platforms

3.16 Increasingly news is being distributed within platforms such as Facebook and Twitter (which have 35m and 11m UK users respectively).¹² Such sites do drive traffic to pure news sites, and in this case, news consumption can be tracked at the site in question. However, if the news consumption happens within a social media site, then it may be impossible to track or quantify.

3.17 To take a simple example, 59% of Twitter users report that they follow a newspaper or newspaper journalist.¹³ (Presumably the figure would be even higher if other types of news provider were included). When users see news updates from the newspaper or journalist, they may click through a link to the underlying source - but frequently they will not. In this latter case, there is no practical

¹⁰ Ofcom, *Measuring media plurality - Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport*, 19 June 2012, paragraphs 5.1 to 5.33.

¹¹ See e.g. Oliver & Ohlbaum, Reuters Institute and OII, *op. cit.* at page 48, highlighting that many existing tools were developed to serve the needs of advertisers and may provide an imperfect understanding of issues beyond their original purposes.

¹² Ofcom, *Communications Market Report 2014*, 7 August 2014, page 287.

¹³ Newsworks, *UK newsbrands hit record highs on social media*, October 2014, slide 26.

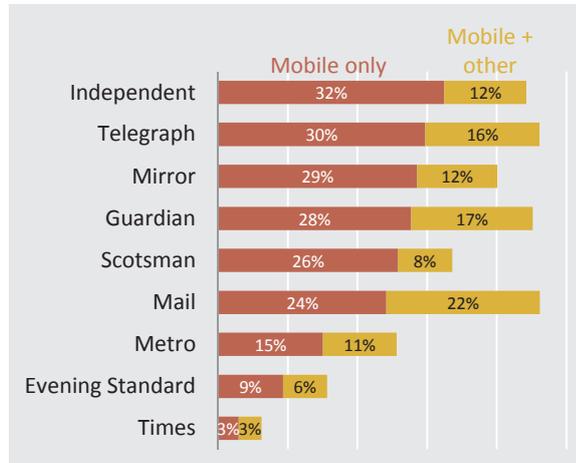
way to measure this news consumption,¹⁴ but it nonetheless represents exposure to distinct news agendas and story framing. Moreover, Twitter is a means by which users are exposed to other citizens' views of stories. Indeed, 49% of Twitter users report that they 'often use it as a tool for reading reactions to news stories'.¹⁵ Similar logic applies to stories shared within Facebook. In practice, all of this represents 'invisible' plurality, untracked by standard web metrics for news sites.

- 3.18 An even less visible form of sharing is email. According to an Oliver & Ohlbaum survey, 19% of respondents reported that they shared news articles via email¹⁶ - which presumably means a larger percentage of people receive news in this way.¹⁷

Incomplete tracking of apps

- 3.19 A further challenge with using metrics such as UKOM's is the incomplete capture of smartphone usage.
- 3.20 Since 2012 smartphone adoption has risen from 39% to 61% penetration,¹⁸ and per-phone usage has increased. As a result, smartphones are increasingly important for news. Indeed, for many newspapers, over a quarter of their readers only consume via mobile devices (including tablets), as illustrated by figure 1, below. Mobiles are likely equally important for other news outlets.

Figure 1: Newspaper mobile audiences¹⁹



- 3.21 This does however present a measurement challenge, in that much of this consumption is likely via apps rather than via a browser - US figures suggest that as much as 86% of smartphone time is spent in apps rather than in the browser.²⁰ However, apps are often not fully picked up by standard web metrics. Thus online usage may be underreported, leading to an understatement of multi-sourcing and of share for those providers which are important on mobiles.

¹⁴ There have been one-off attempts to analyse the impact of individual news events on Twitter, but such approaches are not possible for tracking ongoing volumes of consumption or exposure.

¹⁵ Newsworks, *#NewsOnTheTweet*, 4 March 2014, slide 14.

¹⁶ Oliver & Ohlbaum, *Different Media, Different Roles, Different Expectations: The Nature of News Consumption in the Digital Age*, December 2013, figure 13.

¹⁷ Not least because one person can easily send an email to many recipients.

¹⁸ Ofcom, *Communications Market Report 2014*, 7 August 2014, figure 1.28.

¹⁹ NRS, *Monthly Audience Estimates for Mobile*, 19 September 2014, page 1. NRS covered only certain titles. Beta data.

²⁰ Flurry, *Apps Solidify Leadership Six Years into the Mobile Revolution*, 1 April 2014.

- 3.22 As a simple example, UKOM report that just 13% of Twitter users use Twitter on their mobile.²¹ However, Twitter's own research suggests that 80% do so, and that 70% see it as their primary means of access.²²
- 3.23 Pending a technical solution, this problem is likely to become more serious as mobile adoption and usage growth continue, and as apps grow at the expense of browsers on mobile devices.
- vi. What role should the sector-specific industry measurement systems play in a framework for measuring media plurality?**
- 3.24 Such systems can play a supporting role, but the critical point is that sufficient plurality (or not) is a feature of the entire media system, not of one particular media type. Citizens do not segregate their brains into 'opinions formed from TV' and 'opinions formed online'. Rather, they form their world view from across media, and thus it is cross-media plurality that matters.
- 3.25 Thus industry specific measurements, which are primarily useful for comparing consumption within one particular media type, can only have limited relevance. They are perhaps most useful to calibrate or cross-check cross-media results, such as the 'share of reference' research. At present, 21st Century Fox is not aware of a measurement system that relates to cross-media consumption comparable to these. This is a considerable obstacle to the attainment of a viable measurement framework for media plurality.
- vii. 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?**
- 3.26 The importance, reliability and impartiality metrics are clearly relevant. Beyond this, it may be helpful to consider the metrics which news organisations themselves use to measure their impact, such as 'Likes' and re-tweets. Spike, a tool from Newswhip, provides a single source for tracking social media sharing of UK news outlets.
- viii. 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?**
- 3.27 The contextual factors specifically identified by Ofcom in 2012 were internal plurality, internal governance processes, editorial policy, impartiality requirements and market trends and future market developments. 21st Century Fox agrees that all these factors should be used to inform any future plurality assessment. However, the list of contextual factors to be taken into account should not be a closed list: all factors relevant to a given assessment should be taken into account.
- 3.28 21st Century Fox believes that a key challenge in designing a measurement framework for media plurality is ensuring that contextual factors are used appropriately. They should not be perceived as granting total discretion to modify arbitrarily the conclusions that would otherwise flow from quantitative metrics. Nor should they be given only lip-service in other cases. A structured and

²¹ UKOM, for August 2014. Mobile unique visitors divided by total unique visitors.

²² Twitter, [80% of UK users access Twitter via their mobile](#), 24 February 2014.

transparent consideration of contextual factors, giving them due weight in all cases, will be essential to avoiding this impression.

- ix. **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?**
- x. **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?**
- xi. **Are there other relevant considerations on the relative importance of different metrics that the framework should reflect?**

3.29 It is clear that under the existing statutory regime, it is the supply of news content to audiences – the “consumer interface”, as Ofcom has previously described it – which is the relevant aspect of the news value chain to assess the sufficiency of plurality. 21st Century Fox considers that this is the appropriate focus for assessment, and therefore for the measurement framework.

3.30 However, any measurement framework should take a comprehensive view of which organisations are active in the supply of news content to audiences. It is important to acknowledge that as well as interfacing with news outlets themselves, consumers also access news through intermediaries (search engines, news aggregators, social media platforms) that may themselves exert a significant influence on the range and variety of views to which they are exposed. It is worth noting in this respect that the digital intermediary sector is arguably far more concentrated than any part of the news media.

3.31 The on-going competition investigation into Google has highlighted the possibility that the functioning of a search engine may be designed to favour the other commercial interests of its owner.

3.32 Deciding what content is made available to end users is the primary function of these “digital intermediaries”. In this sense, they operate at the “consumer interface” and perform a function that is comparable to that of an edited medium. In the same way as TV programmes, newspapers or magazines may influence the news agenda through the selection of news and stories, those digital intermediaries have the same ability.

3.33 The fact in most cases digital intermediaries have no centralised editorial function does not mean that they are of less importance. On the contrary, this form of news provision will be of increasing importance, as technology may enable digital intermediaries to capture more readily the very fragmented landscape of news creation and consumption that takes place on social networks and on the web more generally.

3.34 Moreover, algorithms, which are designed to maximise the relevance of the search to the user (both commercial and more generally of content) can have important effects on plurality. On the one hand they may increase the user’s bias vis-à-vis a specific viewpoint that fits their behavioural patterns or views. On the other hand it may allow a diverse minority viewpoint to be maintained, expressed and disseminated very rapidly thereby preserving and increasing plurality in the availability of news.



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

3.35 Other than the preliminary remarks made at the beginning of this response, 21st Century Fox has no further comments to make at this stage.

4 December 2014