

## RESPONSE TO OFCOM'S CONSULTATION ON ITS PROPOSED MEASUREMENT FRAMEWORK FOR MEDIA PLURALITY

### 1. INTRODUCTION

- 1.1. News UK welcomes Ofcom's efforts to build upon and improve the media plurality measurement framework it developed in 2012. News UK strongly believes that the new framework must be suitable for the digital age and capture all providers of news and current affairs, whatever their size, prominence, status or means of distribution (especially as many news brands now use multiple means of distribution). Having examined Ofcom's proposals in detail, News UK agrees that the share of references metric is currently the most consistent and reliable method of measuring cross-media consumption. However, News UK is concerned that any qualitative analysis of additional contextual factors is likely to be highly subjective and may lead to distorted conclusions about the true degree of media plurality in the UK. In order to provide the certainty that the industry needs to be able to sustain the current vibrant and plural media landscape, News UK considers that contextual factors should only be explored if the share of reference data identifies a threshold plurality concern.
- 1.2. This response builds upon the points raised in News UK's previous two submissions to Ofcom and will focus solely on the proposed measurement framework set out in Ofcom's consultation document dated 11 March 2015 (the **Report**). The response begins with some general comments about the proposed measurement framework and goes on to address the specific questions asked in Ofcom's Report. The response will not comment upon the wider regulatory framework in which the proposed framework sits, although News UK looks forward to continuing to engage constructively with Ofcom in relation to how the new framework will be established.

### 2. GENERAL COMMENTS

- 2.1. The following five points set out News UK's view regarding Ofcom's proposed measurement framework for media plurality:

#### **i. The way that news is being consumed is changing**

- 2.2. Although Ofcom asserts in paragraph 3.9 of its Report that "*there have been no significant shifts in the overall pattern of news consumption in recent years*", News UK considers that the growth of online news, the emergence of new digital players and the increasing ubiquity of internet-connected devices has changed, and will continue to change, how news and current affairs is consumed by the public. In this evolving media landscape, Ofcom must look beyond more traditional media sources such as TV broadcasters and print publishers in its assessment of media plurality and continue proactively to explore the alternative views and perspectives being offered by the burgeoning number of online news and current affairs providers both in and outside the UK.

#### **ii. Share of references is currently the most appropriate cross-media metric**

- 2.3. The unprecedented growth of online news combined with increasing technological convergence and multi-sourcing by readers and audiences mean that traditional methods of

measuring audience consumption such as share of newspaper circulation, share of TV viewing and share of radio listening are no longer appropriate metrics to measure media plurality. News and current affairs is now being distributed by a large number of news and current affairs providers across a greater number of platforms and, with many providers using multiple platforms, it is vital that one consistent methodology is used to quantify the reality of modern cross-media consumption. News UK agrees with Ofcom's view that the 'share of references' metric is currently the most appropriate method to measure the consumption of news and current affairs.

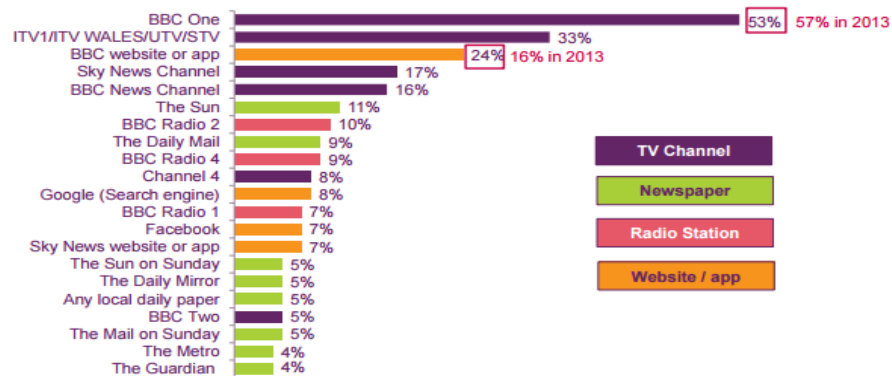
### **iii. The meaning of "sufficient plurality" must be clear**

- 2.4. News UK notes Ofcom's comments that quantitative metrics alone are insufficient for a full assessment of media plurality and that qualitative contextual factors are an integral part of the measurement framework.
- 2.5. Whilst News UK agrees that contextual factors are an important part of a full analysis of media plurality, we do not consider a full analysis to be necessary if the share of reference data suggests that the market is sufficiently plural.
- 2.6. News UK is concerned that a qualitative analysis of the contextual factors involves a high degree of subjectivity and judgement by the measuring body. As a result, there is a risk that the contextual factors may be used by Ofcom or the Government to support a conclusion that there is insufficient plurality in the market, even if the simple quantitative data suggests otherwise. It is imperative that what constitutes a sufficiently plural environment is not left to absolute discretion. There needs to be clear guidance on levels of sufficiency calculated on a cross-platform basis in order to encourage and foster innovation and investment.
- 2.7. News UK considers that regulatory certainty can only be achieved by having clear numeric thresholds or 'warning' levels to indicate when the level of market concentration held by one organisation might be considered to command too great a capacity to influence public opinion. For example, if a multi-platform news and current affairs provider receives a share of reference below a certain percentage or threshold, the default position should be that there is no plurality concern. If, however, the multi-platform news and current affairs provider receives a share of reference above a certain percentage or threshold, the presumption might be that there is a plurality concern. The relevant news and current affairs provider must then have the opportunity to rebut this presumption by relying on relevant contextual factors, for example, by explaining that its market concentration is higher than usual because of a competitor's recent market exit. In other words, contextual factors should only be considered if a news and current affairs provider's share of reference exceeds the threshold levels. News UK believes that this approach would provide organisations with a far greater degree of certainty than Ofcom's current proposals.

### **iv. Measuring editorial control must be consistent across platforms**

- 2.8. Ofcom must be particularly careful when measuring editorial control across different platforms that are operated by the same news and current affairs provider. In Figure 1 of Ofcom's Report (set out below), a distinction is drawn between the BBC website and the BBC News Channel and the Sky News website/app and the Sky News Channel, when both platforms may in fact have identical editorial voices and should, therefore, be considered as one news source.

**Figure 1: Top 20 news sources, reach among all adults: 2014**



Source: Ofcom research, April 2014

Q5a-e) Thinking specifically about <Source> which of the following do you use for news nowadays?

Base: All adults 16+ (2731) Note: 2013 figures only shown where there are statistically significant differences between 2013 and 2014

It is noticeable that the distinction across platforms for broadcasters is not made for publishers who print newspapers and have an accompanying online news offering. Where the ultimate editor of each platform is the same, it is right that Ofcom considers the aggregate total share of references across all platforms operated by the same news and current affairs provider. Whilst News UK recognises that measuring editorial control is inherently complex and will change depending on the news brand concerned, it is important that Ofcom undertakes further work in this area to ensure that it adopts a consistent, accurate, real-world approach to measuring editorial control and the effect that this has on media plurality.

**v. The BBC’s contribution to plurality must be considered before the new measurement framework is finalised**

- 2.9. Despite the rapidly changing media landscape, there is no doubt that the BBC will continue to play a fundamental role in the dissemination of news and current affairs. As a result, News UK welcomes the BBC being included in Ofcom’s proposed framework. However, given that the BBC Charter is shortly due for renewal and that this process is likely to involve a thorough assessment of the BBC’s contribution to media plurality, News UK believes that Ofcom should not finalise the new measurement framework until the BBC’s Charter Review has reached its conclusion. This will avoid duplication of analysis and will help to ensure that Ofcom adopts a consistent and joined up approach to measuring media plurality.

**3. RESPONSES TO SPECIFIC CONSULTATION QUESTIONS**

**Question 1. Do you agree with our proposed measurement framework for media plurality? What, if anything, should be added to the measurement framework?**

- 3.1. Please refer to News UK’s general comments above.

**Question 2. Do you agree with our approach to online content? If not, how could it be improved?**

- 3.2. News UK supports Ofcom’s view that all online content relating to news or current affairs should be included within the scope of any new measurement framework. This must include all online sources that originate content or have an influence over the selection of news content displayed. We therefore support Ofcom’s decision to include content originators,

online aggregators and online intermediaries in any assessment of media plurality. It is vital in this active and evolving market that Ofcom pays as much attention to these non-traditional sources of news as it does to traditional print publishers and TV broadcasters.

***Question 3. Do you agree with our approach to media ownership? If not, how could media ownership be better captured?***

- 3.3. News UK believes that the ownership of news sources should only be considered if the share of reference data suggests that there is a plurality concern.
- 3.4. If a plurality concern is identified, it is imperative that Ofcom's approach to media ownership considers more than just the simple fact of who owns a media enterprise, and recognises the number of distinct editorial voices within an enterprise and the positive impact this has on plurality. The importance of the distinction between external and internal plurality was emphasised by both the Competition Commission and the Court of Appeal in their assessment of the acquisition by Sky of shares in ITV.

***Question 4. Do you agree with our approach to measuring cross-media consumption? Are there other metrics which might better capture cross-media consumption?***

- 3.5. Given the challenges of combining sector-specific measures for different media and the absence of any single objective measurement for cross-media consumption, we agree with Ofcom's view that the share of reference methodology is currently the only metric available.
- 3.6. As is already recognised by Ofcom, using survey data to measure cross-media consumption has its limitations. To minimise the inherent risks associated with survey data, it is crucial that the survey itself is carefully drafted by an independent expert and in consultation with the industry.
- 3.7. It is also important that any agreed measurement framework is itself reviewed on a periodic basis to ensure that it makes use of any relevant methodological developments which could improve the ability to quantify cross-media consumption and plurality and address new entrants, new technology and new modes of consumption.

***Question 5. Do you agree with our approach to measuring impact? If not, how could impact be better captured?***

- 3.8. News UK notes Ofcom's comments that quantifying media impact is challenging as a person is unlikely to be fully aware of the impact that any news source has on their consciousness. The rise of social media and other new forms of online news distribution makes the task of measuring impact even more difficult. We support Ofcom's recognition that the survey must include questions relating to the stated importance of different news sources and the extent to which a news source is talked about or shared. We also support Ofcom's proposal to obtain a better understanding of the impact of different news outlets upon users through third-party research from academics and the industry.
- 3.9. As stated in paragraph 3.6, News UK believes that it is important that the industry is given the opportunity to review and comment upon any draft survey before it is finalised and presented to readers and audiences at the retail level.

***Question 6. Do you agree with the use of contextual factors as part of the framework?***

- 3.10. As explained above, it is fundamental that Ofcom does not use contextual factors artificially to create a plurality concern which is not otherwise supported by quantitative data. Contextual factors should only work for the benefit of the news industry to rebut any presumption of there being a plurality concern.

***Question 7. Do you agree with our approach to measuring plurality in the UK nations? If not, how could plurality in the nations be better measured?***

- 3.11. News UK agrees that any measurement framework must be able to capture the differences between levels of plurality across the UK and the nations. News UK has no specific comments on Ofcom's proposed approach to achieve this outcome.

**News UK**

**22 May 2015**