



# MEDIA REFORM COALITION

## OFCOM CONSULTATION ON A MEASUREMENT FRAMEWORK FOR MEDIA PLURALITY

May 2015

The Media Reform Coalition was set up in September 2011 to coordinate the most effective contribution by civil society groups, academics and media campaigners to debates concerning media regulation, ownership and democracy. We work with partner groups and supporting individuals to produce research and to organise campaigning activities aimed at creating a media system that operates in the public interest.

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

Whilst we welcome the introduction of regular plurality reviews and Ofcom's transparent approach to devising a measurement framework, we are concerned that the 'basket of measures' is becoming over-filled. It is therefore perhaps not so much a question of what should be added, but what should be taken out.

The problem can be simply stated as this: the broader the array of measures and indicators adopted, the greater the element of interpretation afforded to any decision-making as regards plurality 'sufficiency'. We believe this is the critical issue of public interest concern. Existing plurality policy has failed primarily because it invests interpretative decision-making power exclusively in the hands of the Secretary of State. This creates acute conditions for capture that are widely acknowledged among stakeholders.

The best way to limit the potential for capture in plurality decisions is to establish bright lines in measurement, from which sufficiency can be fairly and transparently deduced. We recognise that no system of media plurality measurement is flawless and we accept the need to rely on more than one set of metrics or standards. Some of the measures contained within the framework represent sensible and reliable indicators, notably consumption metrics based on standard data collected by industry. But when used in conjunction with other, less reliable indicators, there is a serious risk of muddying the waters in ways that obscure the ability of particular entities to dominate public conversations.

We offer below some suggestions to simplify the framework whilst at the same time enhance its rigour. In some cases, we recommend abandoning particular measures that risk distorting rather than clarifying the plurality picture. For example, the consultation document states that 'share of consumption is a good proxy for measuring the ability to

influence in the news media market; and reach and multi-sourcing are good proxies for the diversity of viewpoints consumed' (p. 11). We agree with the first part of this statement but not with the second, for reasons detailed below.

We also suggest weighting particular measures so as to reflect, for instance, the relative significance of 'wholesale' news provision in the context of plurality concerns, compared to retail. For some of the more contentious areas of measurement – such as cross-platform influence – we suggest alternative approaches that will provide a clearer picture of the degree of concentrated news media power. Finally, we have concerns about the definition of 'partial control' in respect of media ownership, which appears to deviate from and weaken Ofcom's previous definition of 'de facto control' in respect of media companies.

In general, we consider that the present framework would make it extremely difficult for policymakers to intervene on plurality grounds even when there is a strong case to do so, especially in response to 'organic growth'. The DCMS Report on Media Ownership and Plurality (DCMS 2013) already sets the threshold for such intervention at a very high level. The more 'diluted' the system of plurality measurement, the more it ultimately favours precisely those interests whose power it is intended to check.

While we have suggested that the 'basket' in general is too full, there is one significant absence from the proposed measurement framework: a clear exposition of the connection between metrics and remedies in addressing future plurality issues. We note that Lord Justice Leveson called for 'clarity on what is meant by plurality and how it should be measured' (2012: 30). But he also noted that 'it will be important for the regulatory authorities to be able to impose structural remedies and remedies which will change behaviour which can relate, if appropriate, to editorial independence and journalistic standards' (2012: 30). There is but one single reference to remedies in Ofcom's consultation document – and that is simply in relation to the existing statutory framework (p. 6).

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

We welcome the distinction between content originators, aggregators and digital intermediaries – as well as its relationship to the broader classification of wholesale and retail news sources. However, we have concerns regarding the clarity and application of this distinction in the framework. First, there is some inconsistency as regards definition. Whilst the distinction between intermediaries and aggregators is clearly made in section 4.19 of the consultation document, section 4.23 appears to conflate them:

We consider that claimed use from survey data, considered alongside robust web measurement products, is likely to give the best available picture of the use of online sources for news, including the extent to which **intermediaries such as social media and news aggregators** are being used for news content (p. 16).

A more serious concern is how this distinction is actually applied in measurement, which can have critical implications for the picture of plurality derived - especially in regard to inferences about 'multi-sourcing'. One of the principle limitations of recent news consumption surveys is that the distinction is not applied at all within the survey questions themselves. For instance, in the Kantar news omnibus survey for Ofcom in 2014 (Ofcom 2014), respondents were asked to select from a list of online news outlets those that they 'use for news nowadays'. But the list includes content originators alongside aggregators and online intermediaries. The problem with this approach is best illustrated by a hypothetical example:

Imagine that respondent A and B are both avid online news consumers and have both been following a recent prominent news story about tax evasion prior to participating in a news consumption survey. They also share a tendency to gravitate towards the editorial slant offered on the story by both the *Guardian* and the *Mail* online. Respondent A is conscious of her preference for these outlets and tends to visit their websites directly. She therefore selects them from the list appending the question of which online sources you 'use for news nowadays'. Respondent B is relatively less brand-loyal but no less inclined towards the same stories either on aggregators and intermediaries alike. He recalls reading the recent stories either in full or as snippets on Yahoo, Google News and Facebook which make up his selection in response to the question.

The data then reveal that between them, these respondents consume five different news sources. But it fails to capture the fact that not only have the respondents based their answers on consumption of the same news agenda, but also the same selection of stories produced by the same two providers. So their answers suggest a picture of news diversity that simply does not reflect the reality of their consumption.

Clearly, in this case, the inclusion of the *Mail*, *Guardian*, Yahoo, Google and Facebook as equal choices in the same question amounts to conflating dependent and independent variables in a way that risks significantly distorted results. In light of this, we consider survey methodologies inadequate to address this crucial question. It would be far more appropriate to base it on analytics data which can provide considerably more accurate measures for share and reach at the wholesale and retail level, as well as a definitive picture of where digital intermediaries are sending users. Without doing so, we are, once again, concerned that the suggested methodology may exaggerate the diversity of the news environment.

To this extent, content originators should be treated as distinct entities not only in the measurement of plurality but also in the *assessment* of plurality. This applies equally to wholesale providers on other platforms. It stands to reason that those who maintain editorial control over news output have a prior influence in shaping the news agenda and should not be considered in tandem with those that may merely amplify their voices.

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

We agree with the distinction between wholesale and retail providers as a sensible starting point for understanding the impact of media ownership on plurality. However, for the same reasons stated above, we do not believe that wholesale and retail measurements should necessarily be afforded equal weight in plurality assessments. It would be wholly inappropriate, for instance, to infer that the dominance of Sky News in the wholesale radio market is mitigated by the fact that there is a plurality of retail providers.

We also have particular concern with the definition of full and partial control in respect of media companies which appears to mark a departure from Ofcom's own guidance on this issue in 2006 (Ofcom 2006). In particular, neither the full nor partial control definitions capture the notion of 'de facto' control as set out in the 2006 document as follows:

Even where a person does not have a majority interest, he is regarded as controlling a company where it is reasonable, having regard to all the circumstances, to expect that he would (if he chose to) be able in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of the body are conducted in accordance with his wishes (2006: 3).

We believe this wider definition is essential in order to capture the myriad ways in which a controlling influence over a media company can manifest.

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

We recognise the importance of including impact within the framework, in spite of the inherent difficulties in measurement. It is particularly important given the sheer range of news sources available today. I might, for instance, get my news first from an amateur blog but only form my opinion about the issues when I read about it on the BBC website. In this case, multi-sourcing clearly cannot be said to reflect a waning of traditional media influence.

However, measuring impact on the basis of attached 'importance' can produce distorted results for a number of reasons. First, there is the potential for respondents to select certain outlets on the basis of what they think others consider credible, rather than their own personal judgement. Second, news sources judged to be more important do not necessarily have more impact. This is particularly a problem when impact is associated with perceived impartiality and balance. Such indicators fail to capture the potentially persuasive and emotive impact of editorialised news.

A more reliable approach is to address this question through agenda setting research, for which there is a long-established tradition within media studies (for example McCombs 2004). In the broadest terms, agenda setting studies seek to measure the influence of the

media agenda – and by extension leading wholesale media providers – on both the public and policy agenda. In various contexts it has been adapted and refined to account for the complexities of the news agenda setting process today, and it remains the most widely accepted set of tools for measuring media influence.

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

We believe that the share of referencing approach is inadequate for the same reasons as outlined above in that it neglects the uneven impact of different sources of news. We concur with Steven Barnett who argues that ‘this metric overstates the power of broadcast media and understates the power of the printed word, whether in hard copy or online’ (Barnett 2013). Even if the share of referencing is only ‘used as part of a suite of metrics’, this does not compensate for the unreliable findings it is likely to generate.

Inter-media agenda setting research offers a more reliable framework for measuring cross-media influence by, for instance, analysing the headlines of different news outlets across different platforms at regular time intervals. This kind of research can provide a cogent indication of the extent to which individual providers have an editorial influence that reaches across platforms, and is intrinsically more reliable than the subjective recall of news brands by survey respondents.

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

Yes. It is essential that contextual factors form part of the framework, especially given some of the concerns raised in the Leveson Inquiry about the failure of internal governance process and independent editorial boards to protect plurality. Contextual factors are also significant if the BBC is to be included in the reviews. There is a clear difference in plurality concerns sparked by the relative dominance of a publicly-owned entity operating with a public service mandate and internal plurality controls, compared to that of an entity owned by an individual or consortium of private shareholders with no such mandate or controls.

**Do you agree with our approach to measuring plurality in the UK nations?**

We welcome the recognition that there is a need to consider pluralism in relation to the information needs of devolved nations and the commitment to secure additional research on sources of nation-based news. In particular, we believe it is a good idea to investigate the contextual factors shaping nation-based news consumption and think that the issue of the sustainability of news outlets – and the remedies needed to maximise sustainability – should be one that is extended throughout Ofcom’s consideration of plurality.

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