

# Media plurality and online news

Discussion document



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# Overview

The UK has a high quality and richly varied news media landscape. It is anchored by trusted, accurate and impartial news from our public service broadcasters, and bolstered by a strong tradition of incisive investigative journalism and insightful commentary from news publishers across all forms of media. Enabled by new technology we have also seen new players emerge and well-respected news brands adapt and develop their business models.

Supported by the UK's media plurality regime, this means we all have the opportunity to access a wide range of views from a variety of sources, and that no one media owner or voice has too much influence over public opinion and the political agenda. This is the cornerstone of a well-functioning democratic society.

However, in almost two decades since the UK's media plurality framework was last updated the way in which we consume news has changed dramatically. In 2005 only a fifth of people looked for news on the internet, in 2022, two thirds do so regularly according to our [News Consumption Survey](#). This change has provided people with a greater ability to access a range of opinions and viewpoints than ever before.

But the sheer scale of options may be as overwhelming as they are informative, with trustworthy content fighting for space and attention alongside more sensationalist and unreliable material. As intermediaries increasingly play the role of gatekeepers, curating or recommending news content to online audiences, it is not clear that people are aware of the choices being made on their behalf, or their impact.

To better understand the implications of these changes, last year we started a programme of work on the future of media plurality. Specifically, we set out to examine the possible impacts of the growth of online news, and the role of online intermediaries in particular, on media plurality, and what, if any, regulatory changes may be necessary to maintain and secure it.

This discussion document sets out our understanding of how online intermediaries currently operate within the UK news ecosystem. We explain the role they play in the news value chain; examine the potential risks they might pose and discuss some potential options for amending the regulatory framework to help secure positive outcomes for media plurality in the UK.

Over the coming months, building on the questions we pose through this document, we will be engaging with industry and interested parties as we continue to develop and inform our thinking. We will build on this work to develop recommendations for change to the UK Government.

## **What we have found – in brief:**

### **Online intermediaries play a significant role in the news ecosystem**

While the creation of news content continues to depend on newspaper publishers and broadcasters, search engines, social media platforms and aggregator services have taken on an increasingly significant role in other parts of the news value chain including the curation, discovery and monetisation of news. Our latest research shows that close to two in every three online adults in the UK now use these sources.

### **There are concerns about the impact of online intermediaries, and in particular social media platforms, on media plurality**

Our analysis so far has found that people who most often use social media to access news are less likely to correctly identify important factual information, feel more antipathy towards people who hold different political views and are less trusting of democratic institutions, than people who use TV and newspapers most often as a source of news. We did not find that these outcomes are generally associated with the use of search engines or news aggregators, both of which are perceived by users to provide higher quality, more accurate news than social media. Our key findings are supported by research undertaken elsewhere in the world.

There is much we still don't understand about how using online intermediaries affects users, including how outcomes differ between different social media platforms and, where we have concerns, precisely what is driving them. We will undertake further research to explore these questions.

### **People are not always clear about the extent of online intermediary influence over the news they see**

Although audiences value the range of news content that they have access to online, they are often unaware why certain stories are served to them or the degree of personalisation over news content that is possible. Over 90% of respondents agree it is important that news is covered by a range of organisations with different people and opinions, demonstrating support for the principles of media plurality, and there is surprise and concern that most current plurality rules do not apply to intermediaries.

### **New regulatory tools may be required to understand and address the impact of online intermediaries on plurality**

Traditional approaches to measuring media plurality will become less effective as the role intermediaries play becomes ever more significant. We will need to amend our approach to ensure we get a more accurate picture of the different sources people use for news. Decisions about the tools available to regulators to address concerns about media plurality in the UK are ultimately for government and parliament. Ofcom's role is to make recommendations to government to inform those decisions. Our preliminary view is that there may be a case for new remedies – including tools to provide greater transparency over the choices intermediaries make and to give people more choice about the news we see – to ensure we continue to secure the benefits of the UK's diverse and vibrant news media. We will make formal recommendations to the UK Government by 2024.



# 1. Background

- 1.1 Media plurality is a core component of a well-functioning democratic society. Plurality is not a goal in itself, but instead makes an essential contribution to ensuring:
  - a) citizens are well-informed, able to access and consume a wide range of viewpoints across TV, radio, online and print media from a variety of media organisations; and
  - b) no single media owner, or voice, is able to exercise too great an influence over the political process.
- 1.2 Ofcom has had duties relating to media plurality since it was created in 2003. However, the ways in which people consume news media have changed dramatically, particularly in recent years. In 2005, 18% of people told us they used the internet for news.<sup>1</sup> [In 2022](#), this figure stood at 66%.
- 1.3 To better understand the implications of this change, last year we started a programme of work on the future of media plurality. We wanted to understand the implications for media plurality of the increasing importance of social media, search engines and news aggregators as intermediaries between news content and consumers. We also wanted to assess whether there is a case for amending the existing regulatory framework for media plurality to take account of the impact of online intermediaries.
- 1.4 Following a call for evidence, in a [Statement](#) published last November we identified three potential risks, which we wanted to examine further:
  - a) that online intermediaries control the prominence they allocate to different news sources and stories, potentially giving them a high level of influence over the range of viewpoints citizens can access and consume;
  - b) that the algorithms (specifically recommender systems) used by online intermediaries to allocate prominence operate in a manner which is opaque, with the result that people may be insufficiently aware why they are seeing the news they see, and this news may not be what they really need; and
  - c) that people do not always critically engage with the accuracy and partiality of news content they access through these services in the way that they do with more familiar traditional media.
- 1.5 To build any future recommendations to government on solid foundations, we began a programme of research and analysis this year. We have looked to build evidence on three things: the importance of online intermediaries in the news ecosystem; what news consumers know about how they operate; and how individual behaviour may be impacted by them. Our analysis has considered:
  - a) new in-depth quantitative and qualitative research undertaken with people across the UK. This has involved not only asking people what they do, but also analysing their

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<sup>1</sup> Ofcom (2006): [Media Literacy Audit](#).

online activity to better understand the scale and nature of their online news consumption.

- b) a detailed assessment of the existing evidence about the potential for online news consumption to affect news plurality; and
- c) an independent assessment of the interdependencies in the news value chain, showing how it has changed over the past decade.

**Figure 1: Evidence sources that have informed this review**



1.6 Our focus in this review has been specifically on the direct effects of online intermediaries on media plurality as it is experienced by citizens. We have not looked in detail at the potential impacts of online intermediaries on the editorial incentives of news publishers, for example in terms of the stories they cover or the approach news creators take to secure prominence for their journalism in intermediary algorithms. This is an area to which we may return in future phases and we would particularly welcome views on the effects of online intermediaries on specific forms of news coverage including local journalism.

- 1.7 The issues discussed in this review sit within a wider context of work both within Ofcom and elsewhere. This includes Ofcom’s [annual research and findings on news consumption](#) in the UK and [our work on media literacy](#) to help improve the online skills, knowledge and understanding of UK adults and children.
- 1.8 There are also links with our [wider work](#) with the CMA and Digital Markets Unit (DMU) on how a [code of conduct](#) could be used to manage the relationships between online intermediaries and content providers (such as news creators).

## About this document

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- 1.9 Section 2 provides an overview of the different types of online intermediaries, explaining how they operate and their role and importance in news delivery in the UK.
- 1.10 Section 3 examines how people engage with news online, drawing on our new research carried out earlier this year.
- 1.11 Section 4 looks at the available evidence about the potential impact of online intermediaries on media plurality and its contribution to a well-functioning democracy.
- 1.12 Section 5 reviews our current approach to measuring media plurality and considers whether and how it could be bolstered to take account of online intermediaries.
- 1.13 Section 6 discusses options to amend the regulatory framework to help secure positive outcomes for media plurality in the UK.
- 1.14 Section 7 provides information on the next steps for Ofcom and how we plan to engage with industry and interested parties.



## 2. The role of online intermediaries in the UK news industry

2.1 In this section we look at the types of online services which people use to access news, explaining how their different characteristics have affected the supply chain, ultimately influencing the news we see. We also consider the impact online intermediaries have had on the ways news creators distribute and monetise their content with the result intermediaries have taken on a new and powerful position, exposing the limitations of the existing framework for media plurality in the UK.

### The different types of online intermediaries

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2.2 Online Intermediaries (“OIs”) are services which increasingly operate in the space between news creators, who write and produce news content and make it generally available, and the public who read, watch and listen to this material.

2.3 In our [call for evidence](#) last year, we suggested the term ‘online intermediaries’ could be applied to a range of online services that both help people find news and help news creators find an audience for their content. In particular, we think there are three distinct types of intermediary which people may use and which, because they vary in service design and function, have different effects on the news which people see:<sup>2</sup>

Service type	Key news related characteristics	Examples
<b>Search engine</b>	Finds news content from available websites in response to user search requests, ranking sites according to a wide range of factors (e.g. recency and location). The results may include headlines alongside short textual extracts known as snippets. Some search engines also offer news tabs which present search results from a more limited range of news-only sources.	Google, Bing
<b>Social media</b>	Facilitates the creation and sharing of information among end-users (both individuals and companies) who post, receive and interact with content appearing on ‘feeds’ accessed via a website or app. How news content is prioritised varies between platforms, but in most cases, it will reflect previous user behaviour on the platform.	Facebook, Twitter, Snapchat, Instagram
<b>News aggregator</b>	Websites or apps which collate (via human editors, algorithms or both) news content from a variety of different sources, including news publishers and broadcasters.	Apple News, Uday

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<sup>2</sup> The descriptions set out in the table below are derived from a variety of sources, including publicly available information from individual companies, summaries set out in the CMA and Ofcom’s [report](#) on platforms and content providers, and an independent [report](#) commissioned by Ofcom for this study examining dependencies within the news ecosystem.

2.4 These distinctions are not absolute as some intermediary platforms integrate services from more than one of these categories.

## The role of online intermediaries in the supply chain for news

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2.5 Traditionally news creators used direct distribution channels, such as print newspapers, TV services or their own websites to deliver news to their audiences. Although most news organisations continue to curate and distribute news directly via their own websites, newspapers and broadcast TV bulletins, increasingly people are also turning to search engines, social media and news aggregators to access news. As the popularity of these services has grown, so has their importance as a distribution mechanism for many news creators.

2.6 However, it is not just in distribution that their impact is felt. As set out in an independent report commissioned by Ofcom as part of this review to map dependencies within the news ecosystem, there are several key stages of the supply chain for news, including:<sup>3</sup>

- **Production** – the commissioning, creation and editing of news articles or bulletins.
- **Curation** – the process of selecting, organising and prioritising news content into a package for the audience to consume.
- **Distribution** – making those packages of content available so that the audience can access them.
- **Discovery** – bringing content to the attention of audiences.
- **Interaction** – providing a place for users to interact with news content.
- **Monetisation** – generating revenue from the content.

2.7 While production remains the preserve of news creators, OIs have taken on an increasingly significant role in other stages, resulting in the development of a new intermediated supply chain. We briefly describe each of these stages below and compare how direct and intermediated distribution chains operate at each stage.

### Curation

2.8 Curation involves the selection, organising and prioritising of individual news articles or packages – a set of crucial decisions which affects how stories are put together and presented to the reader or viewer. This curatorial role involves making judgements about which topics to cover, the ranking and prominence of individual news items, and the provision of alternative viewpoints. Traditionally these were editorial decisions taken by staff employed by publishers and broadcasters as part of the process of creating a product, be it a newspaper or a TV bulletin, capable of reaching a mass audience.

2.9 A different process applies where news is distributed via an intermediary. In an intermediated environment, the news creator retains editorial control over the individual articles and what articles to publish. However, the intermediary will increasingly take on

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<sup>3</sup> Roeber (2022): [Ofcom media plurality – News ecosystem dependencies mapping](#).

the curatorial function, selecting and/or recommending news articles for their users from a wide array of different news outlets.

- 2.10 Most online intermediaries rely to a certain extent on automated algorithmic processes (including user interface design choices, search functions and recommender systems which suggests items likely to be relevant to users) to determine the prominence of news articles. In many cases these recommendations may be personalised. However, the level of personalisation varies between intermediaries and particularly the different types of intermediaries.
- 2.11 For example, personalised curation of content is fundamental to social media, but much less important in search, where the ranking of content is largely driven by the search term itself.<sup>4</sup> Whereas some news aggregator services combine algorithmic curation with human editorial engagement, this is not the case for search engines and social media. For example, Apple News provides a mix of curated material by its in-house editorial team (“top stories”) and automated feeds of personalised recommended content and trending news.

## Distribution

- 2.12 News distribution can be understood as the process of making news content available to audiences through a specific channel or outlet.
- 2.13 The process of distribution has in the past been linked to the production of a specific editorially-controlled news product. For example, publishers would print newspapers before shipping them for onward delivery to wholesale and then retail outlets; or broadcasters would send completed news bulletins offered as part of television channels and radio stations via playout facilities to satellite and terrestrial transmission services.
- 2.14 Distribution via search engines, social media platforms and aggregators is different. Intermediaries collect news content in the form of individual articles, headlines and ‘snippets’ from a range of different news creators. The intermediary then packages the content into a product and provides access to the content for the consumer.
- 2.15 On social media, a news creator may have its own profiles or accounts which it can use to share articles and content. Users may be directed to these accounts based on the social media’s algorithm or they can access the news creator’s content via its profile and accounts directly.
- 2.16 Social media and aggregator services typically host more content within their own platforms than search engines, which will generally refer users on to news creators’ own websites to access a full piece of content. However, these boundaries are not always clearly defined and individual companies may offer products that incorporate elements of different types of intermediary services. For example, Facebook feeds contain links to original source content, but also currently offers full pieces on its platform through its Instant Articles service.

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<sup>4</sup> See for example CMA market study into online platforms and digital advertising, [Annex F](#).

## Discovery

- 2.17 Discovery is the process of bringing news content to the attention of readers. For audiences, it is the start of their news journey.
- 2.18 For traditional methods of delivery like print newspapers or TV bulletins, discovery was influenced by the availability of a newspaper in newsagents and other sales outlets, or the position of the news channel on an electronic programme guide. For news distributed online, however, OIs can have a critical influence on how easily a piece of news content, or indeed a news creator, is discoverable online. This will vary depending on the core service which a particular intermediary offers.
- 2.19 Search engines enable their users to pull information from the internet via a specific search query. The search engine will then rank related items and display search results for each user. For example, Google’s search engine algorithm ranks and surfaces content according to a range of factors, such as its direct relevance to the initial query, but also others including the authoritativeness of the source, recency of the material and user’s location. A full list of the factors that are applied by Google’s algorithm in ranking search results is not publicly available, but the company has stated that “hundreds” of criteria are applied to decide what the end user finally sees.<sup>5</sup>
- 2.20 Discovery of content on social media and news aggregator services is influenced by recommender systems that push specific content to users, but they can also provide search functions within their services for a user’s own queries. Their recommender systems will aim to identify material which will engage and then maintain the attention of the user accessing the service to support business models which rely on monetising user attention.
- 2.21 This second set of services primarily predict interests using profiling and passive targeting techniques, based on users’ data and contextual information. For example, Facebook gives higher priority to content on someone’s feed based on a variety of factors, including previous content interaction.<sup>6</sup>
- 2.22 In either case, the prominence of an article or outlet in search engine results, or in a social media or news aggregator feed, can have a significant influence on how many people see that content as typically user attention is focused on the top few results.<sup>7</sup> The approach of online intermediaries to the discovery of news content can therefore have an impact on the diversity and plurality of news and sources to which users are exposed online.

## Interaction

- 2.23 Traditional “one to many” news formats like newspapers, radio and TV news bulletins provide only limited opportunities for users to interact with news content. By contrast, news delivered over the internet offers a range of different opportunities for interaction.

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<sup>5</sup> Google [response](#) to Ofcom’s Call for Evidence (2021). [Google News: Our Approach](#).

<sup>6</sup> Tech at Meta: [How does News Feed predict what you want to see?](#)

<sup>7</sup> CMA, [Online search: Consumer and firm behaviour – A review of the existing literature](#) (2017). Page 3.

- 2.24 Through apps and websites news creators are able to offer a range of different methods of interaction to users via features including comments, 'likes' and live discussions.
- 2.25 The ability of online intermediaries to create personalised environments and to draw on data about their users' behaviour enables further opportunities for interaction. This is particularly the case with social media services, which are designed to allow users to interact with content and other users.
- 2.26 Users can now play a direct role in content distribution by sharing links with friendship groups outside of the intermediary platform, or through posts on their own social media profiles. Their behaviour also has an impact on content curation and discovery, providing platforms with insight into "trending" content and enabling them to identify popular material to be promoted to other users. By tracking user journeys within their own services (and sometimes beyond, through the use of cookies), intermediaries obtain a wide source of information about their users, all of which can be harnessed to provide highly personalised content curation for each user.

## Monetisation

- 2.27 Where content is delivered directly to an audience via a newspaper, TV channel or radio station, news creators can earn revenues from the direct relationships they have with both members of the public and advertisers keen to reach a targeted and well understood audience. For example, a news creator can earn print revenue by selling papers to its readers and can also sell advertising space within the newspaper.
- 2.28 Where news content is delivered online through a news creator's own website, news creators are still able to earn revenue through direct relationships with readers via subscriptions or donations. Revenues can also be earned from the sale of advertising space on the website, although news creators typically rely on third party providers to facilitate the sale of online advertising. This means that they have a more distant relationship with advertisers than is typically the case with traditional modes of offline distribution.
- 2.29 When news content is delivered and accessed in full via an intermediary's platform, it will be the intermediary that monetises the content through its own relationship with users and advertisers. In this instance the intermediary may pay a fee to the news creator for the use of their content or offer them a share of advertising revenue.

## The scale and importance of intermediaries in the news industry

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2.30 As discussed above, online intermediaries have designed services with the potential to take on significant roles across the news supply chain. They not only play an important part in the discovery of news content online, but have also become an important news source for many people in their own right, taking on a significant role in the financial ecosystem that supports news production.

### There has been a significant shift in how people access news away from traditional media providers and towards OIs

2.31 Ofcom's research over the past decade has shown that the reach of traditional news sources is in longer term decline. Although three-quarters of UK adults continue to use television as a source of news, there has been a significant decrease in the consumption of other traditional forms of news media, particularly newspapers, accelerated by the Covid-19 pandemic.

2.32 At the same time, online news and particularly news obtained via intermediaries are becoming core services. In our latest News Consumption Survey, one in seven (14%) people told us they now only use online sources for news, while Facebook has become the third most popular news source overall in the UK after the BBC and ITV.<sup>8</sup>

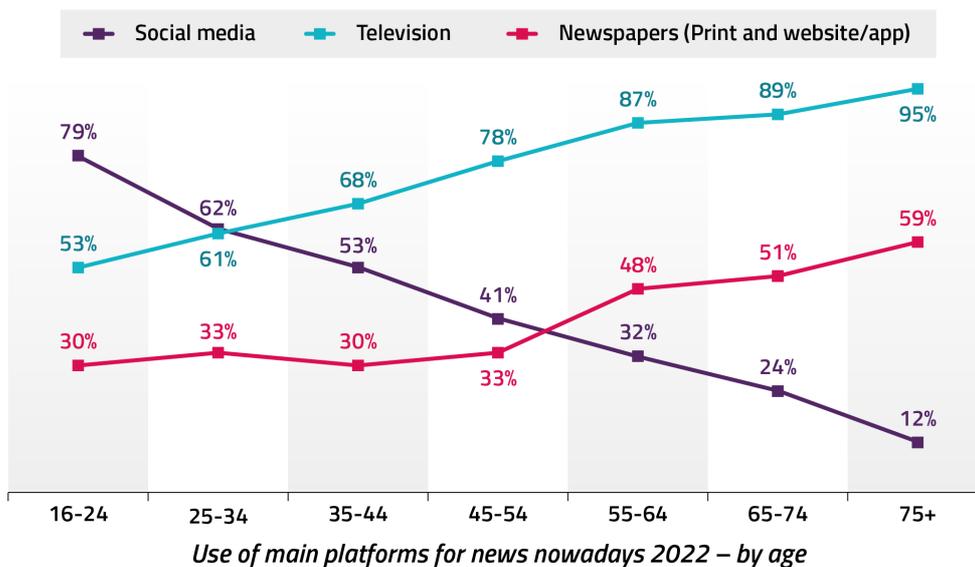
2.33 These changes are particularly stark among younger sections of the population. While use of print newspapers, TV, and to a lesser extent, radio remains high among older audiences, online news sources are much more prominent among younger groups – some four in five people (79%) aged 16-24 now using social media services for news. Among the group now in their early teens, the top three individual sources for news are Instagram, TikTok and YouTube.<sup>9</sup>

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<sup>8</sup> [Ofcom News Consumption Survey 2022](#).

<sup>9</sup> [Teens News Consumption Survey 2022](#). At the cross-platform level BBC still has the highest reach among 12-15s, but its reach has declined over the last five years.

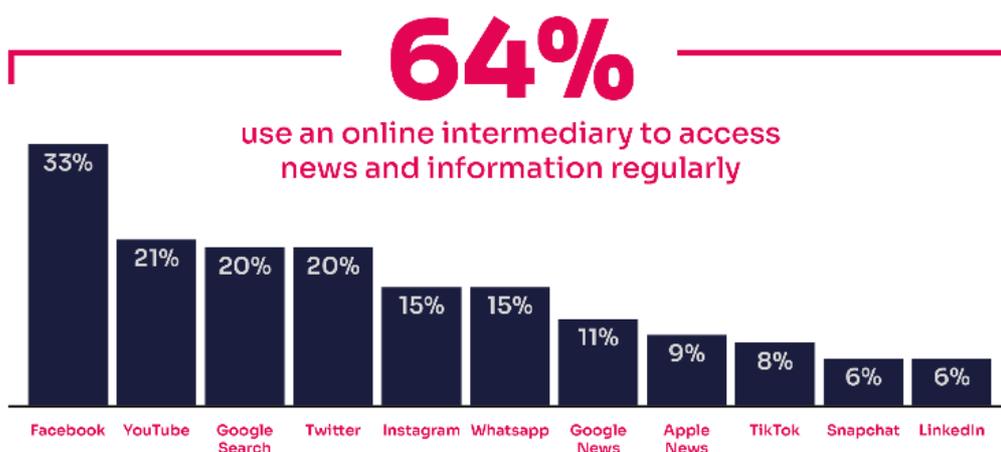
Figure 2: Use of main platforms for news nowadays 2022 – by age



Source: [Ofcom News Consumption Survey 2022](#).

2.34 The long-term effects of these changes are unclear; it is not yet known if these are lifelong habits or ones that are likely to evolve as this group moves through different life stages. To get a deeper understanding of these developments, we commissioned further quantitative research for this review – discussed in depth in the next section. This latest analysis shows two-thirds (64%) of online UK adults now claim to use online intermediaries for news and information regularly, with Facebook, Google Search, YouTube, Twitter and Instagram the most commonly cited intermediaries used as a source of news.<sup>10</sup>

Figure 3: Use of online intermediaries by UK, online adults (2022)



Source: [Media Plurality Quantitative Research 2022](#).

<sup>10</sup> [Media Plurality Quantitative research 2022](#)

## Some OIs are an important source of traffic for other online news websites

- 2.35 As discussed above, OIs can play an important role in how people discover news online which extends beyond their own services because their search and recommender systems often provide links out to other websites and apps.
- 2.36 In 2020, the Competition and Markets Authority analysed website traffic data from several large content providers (mainly news publishers). This data showed that in 2018 and 2019, these publishers relied on Google and Facebook’s services for between 36% and 38% of total traffic to their websites. Traffic going directly to news creator websites accounted for the largest proportion of visits, between 43% and 44%.<sup>11</sup>
- 2.37 We undertook our own study using a dataset from Ipsos that tracks internet users over time to understand how news users discover news online. We examined the data this gave us to identify the news journeys of people who visited a selection of 21 popular news websites visited by UK audiences in November 2021.<sup>12</sup>
- 2.38 As with the CMA’s research, our analysis found that the most common way people accessed these news websites was via direct navigation to the homepage of the news publisher – this accounted for almost half of all visits. Our work also confirms that OIs are now an important source of traffic, accounting for nearly 30% of visits, with Google Search the single most important at 17%.
- 2.39 The analysis we have undertaken suggests the impact of online intermediaries on news traffic varies considerably among news outlets. While the largest sources and online brands such as the BBC were more likely to be accessed directly, other major news outlets, including the Express and the Independent had a considerably larger amount of referral traffic from online intermediaries.<sup>13</sup>

## Intermediaries are a significant and increasingly important source of revenues for news organisations

- 2.40 As well as, or perhaps because of, their role in providing a place to consume news and a source of traffic for news websites, online intermediaries have become an important part of the financial ecosystem which allows news creators to earn a return on the news they create. This can be done in different ways depending on the way their readers or viewers access their content.
- a) **Print and broadcast.** Where people access news via a newspaper or TV news bulletin, the news creator is able to monetise content through its direct relationships with readers and advertisers. For example, in the case of newspapers the news creator is able to earn print revenues, where it charges a cover price for each edition, and also sell advertising space directly to firms which are looking to attract the attention of its newspaper readers.

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<sup>11</sup> This analysis includes traffic data for the following websites: The Independent, The Sun, The Times, The Daily Mail, The Telegraph, Reach PLC websites, Sky websites, and all Vice websites.

<sup>12</sup> Further details of this study are provided in [Annex 5](#).

<sup>13</sup> Ofcom [analysis](#) of Ipsos iris data.

- b) **News creator website.** Where people use the news creator’s own website to access news, the creator can charge subscriptions or solicit donations from its users directly. Websites can also sell digital advertising space to firms that would like to attract the attention of website users.
- c) **Online intermediary.** Where people access news via an online intermediary, it will be the intermediary, in the first instance, which monetises the content via its relationship with its user and with advertisers. To monetise content accessed via intermediaries the news creator must negotiate a fee with the intermediary for the use of its content.

2.41 The evidence we have seen suggests the mix between these sources of revenue is changing. Although use of TV news remains widespread, print circulation is in long term decline. The 2019 Cairncross Review noted that sales of both national and local printed papers fell by roughly half between 2007 and 2017.<sup>14</sup> [Our News Consumption Survey](#) shows that this trend has continued with only 24% of adults using a newspaper in 2022 (down from 40% in 2018).

2.42 Despite this decline, print revenues continue to make up a significant proportion of the revenues earned by newspapers in the UK. The table below shows that print revenues and print advertising accounted for around £2bn of industry revenues in 2021. Digital revenues are the next most important source of revenues for newspapers with digital subscriptions, donations and digital advertising accounting for around £1bn of industry revenues.

**Figure 4: Estimated newspaper industry revenues (£million)**

	2019	2020	2021
<b>Print circulation</b> <sup>15</sup>	<b>1,482</b>	<b>1,349</b>	<b>1,294</b>
<b>Digital subscriptions</b> <sup>16</sup>	<b>374</b>	<b>401</b>	<b>422</b>
<b>Print advertising</b>	<b>1,160</b>	<b>729</b>	<b>736</b>
National	679	443	476
Regional	481	286	260
<b>Digital advertising</b>	<b>556</b>	<b>485</b>	<b>618</b>
National	317	301	367
Regional	239	183	251
<b>Total</b>	<b>3,572</b>	<b>2,964</b>	<b>3,070</b>

Source: Ofcom analysis, Mediatique, Ofcom - Online Nations 2021 and AA/WARC. Print and digital advertising figures taken from AA/WARC expenditure reports.

2.43 As noted above, many news creators rely on intermediaries, particularly Google and Facebook, for people to discover their news content. These firms can have a large

<sup>14</sup> The Cairncross Review: [A sustainable future for journalism](#), DCMS, February 2019.

<sup>15</sup> Print circulation based on Mediatique reports “[The provision of news in the UK – June 2012](#)” and “[Overview of recent dynamics in the UK press market – April 2018](#)”. Updated by Ofcom using data from company financial statements (DMG Media Limited, Reach Plc, Telegraph Media Group Limited and Guardian Media Group).

<sup>16</sup> Taken from [Online Nation: interactive report - Ofcom 2022](#).

influence on the amount of website traffic they receive and therefore the revenue they generate.

- 2.44 In addition, Google is an important provider of services that enable news websites to sell their digital advertising space via the open display advertising market. The CMA found that Google holds a strong position at each stage of the intermediation chain, particularly as a publisher ad server<sup>17</sup> and that intermediaries capture, on average, at least 35% of the value of advertising bought through the open display channel (which is the type of online advertising news creators typically provide). The CMA concluded that weak competition in digital advertising undermines the ability of newspapers and others to produce valuable content.<sup>18</sup>
- 2.45 Information on the amount of revenue online intermediaries generate from news content is not publicly available. Similarly, there are few public sources for how much the online intermediaries then pay to news creators. A report by Economic Insight estimated that, as of 2018, newspapers received around £100m from deals with aggregators, bundling services and other news portals. This would indicate that payments from online intermediaries make up only very small proportion of the overall revenues on which news creators rely.<sup>19</sup>

**Discussion question 1:** Do you agree that online intermediaries play a significant role within the news ecosystem?

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<sup>17</sup> A publisher ad server manages the publisher's advertising inventory and is used to make the final choice of which ad to serve, based on real time bids and bilateral deals. The CMA found Google had a share of over 90% of ad servers in 2019.

<sup>18</sup> CMA, [Online platforms and digital advertising: Market study final report](#) (July 2020).

<sup>19</sup> [Press Sector Financial Sustainability \(publishing.service.gov.uk\)](#)

### 3. How people engage with news online



#### Our research findings:

Our new research shows that although people generally value the range and convenience offered by intermediary services, they do not understand how online news is served to them, and are not on the whole clear about the extent of online intermediary influence over the news they see.

A significant proportion of those using intermediated news express a desire for control over how news is tailored to them. However, many feel they lack the information they need to make informed choices about how intermediaries operate on their behalf.

People are often sceptical of the news they see on social media in particular, but there is evidence they do not always critically engage with the news content they access online.

Our research shows people often consume intermediated news passively and sometimes use unreliable indicators when making judgements about the legitimacy of the content they see.

- 3.1 In this section, we examine how people engage with news online. This includes exploring perceptions of trust in news sources, how well citizens understand the role of online intermediaries in their news consumption, and their level of critical engagement with news content.
- 3.2 The section is largely informed by a new programme of consumer research we commissioned for this review. The research was conducted by Ipsos MORI over the summer of 2022. It included a robust quantitative online survey of 2,557 respondents. This survey was accompanied by passive monitoring data directly from smartphones, computers and tablets among a sub sample of the same respondents, which provided a record of their online activity. There was an additional qualitative component in the form of online deliberative workshops featuring participants from across the UK with different level of experience of online news.<sup>20</sup>

#### A lot of online news is consumed quickly and passively

- 3.3 Research that Ofcom commissioned for our review of BBC News and Current Affairs found that when people look for news, they generally do so in one of three ways:<sup>21</sup>

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<sup>20</sup> Further detail can be found in the accompanying annexes; [6](#) and [7](#).

<sup>21</sup> Ofcom, [Review of BBC News and Current Affairs](#) (p. 7).

<p><b>Habitual consumption</b> </p> <p>Accessing news content, usually through <b>one source</b>, regularly, as part of a <b>routine</b>.</p> <p><i>“TV news in the morning and in the evening, sort of six o’clock for the local news and the national news”</i> Male, 62, Yorkshire</p>	<p><b>Goal-driven consumption</b> </p> <p><b>Actively</b> looking for news content to either <b>fact-check</b>, hear about <b>breaking news</b> or <b>extra information</b> around a topic.</p> <p><i>“If I hear some kind of quirky fact or an interesting story... I’m going to go to my laptop and I will search Google”</i> Male, 45, London</p>	<p><b>Incidental consumption</b> </p> <p><b>Accidentally</b> coming across news while doing something else, usually through <b>social media</b>, <b>word of mouth</b> or <b>notifications</b>.</p> <p><i>“I definitely see news articles without seeking for them. So, for example, if I’m just going through my phone, let’s say Snapchat for example, there’ll always be clickbait articles that you can see”</i> Female, 27, London</p>
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3.4 Our 2019 analysis suggested that when people accessed news incidentally through online sources, their engagement was generally passive. On social media, people would rarely look beyond the headline; when they did click on articles, they read only the first few paragraphs before returning to their social feed. Importantly, when people consumed news in this way, they were much less aware of the source of the story they were reading or watching.

3.5 In other qualitative research, participants asked to recall the content of news they saw online were often surprised by how much news they consumed passively, and frequently underestimated the volume of news they had seen.<sup>22</sup> In 2022, our analysis confirmed that this is still the case. This may be related to the way in which people use online news to scroll headlines quickly rather than read in depth. Some participants in our new research observed that they would often read updates “*mindlessly*” attracted by the speed at which new stories appeared.<sup>23</sup>

*“I found [keeping the diary] interesting because I mindlessly read the news but it made me think about why do I look at it... It made me a lot more conscious about what I am doing.”*

*“I’m a scroller. I use Google News, Wales Online, the Mail Online, South Wales Evening Post which is a local paper. But I just tend to scroll through until I find something I’m interested in.”*

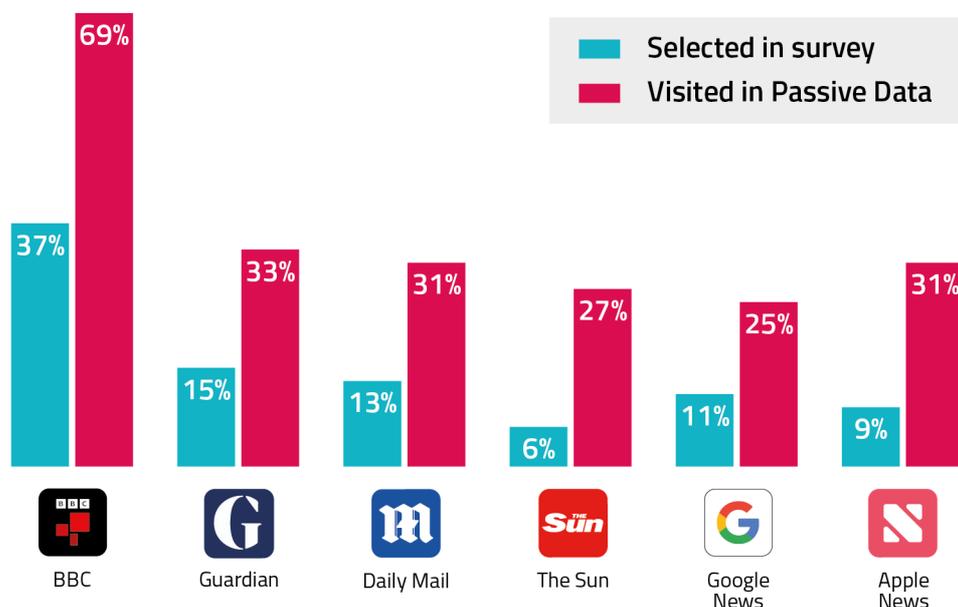
3.6 We asked a sample of participants whose devices were also tracked passively to recall which online news sources they used ‘in the past month or so’. A significant proportion of people used specific online news sites according to passive data but did not recall them when asked about their news consumption.<sup>24</sup>

<sup>22</sup> [Scrolling News: The Changing Face of Online News Consumption study.](#)

<sup>23</sup> [Media Plurality Qualitative research 2022.](#)

<sup>24</sup> Ipsos MORI surveyed a sample of 1,074 adult members of the Ipsos Iris panel aged 16+.

Figure 5: Use of online news sources among online adults – claimed vs. actual (2022)



Source: [Media Plurality Quantitative Research 2022](#).

- 3.7 Of those who completed the survey and had their usage tracked, 79% claimed to use online sources of news. However, when we looked at people’s actual device data, we found the proportion of people using online sources for news was much higher than the survey had indicated – potentially as high as 98%.<sup>25</sup>
- 3.8 Over half of those who claimed not to have used online news made at least 30 visits to online news platforms in the month their data was tracked, the equivalent of around one visit per day. Therefore, they had visited online news sites not just once or twice, but many times. As seen in our qualitative work, it is likely that the incidental and passive nature of much online news consumption limits people’s ability to recall doing it.

## There are many perceived benefits of accessing news online as well as drawbacks

- 3.9 An increasingly online news landscape means accessing news has never been easier, with a greater range of voices, topics and stories available, and as laid out in section 2, OIs are an important point of discovery for this news. In our latest research people told us how they valued OIs for this and many other reasons. They described scrolling through social media for leisure and coming across news they might not otherwise see, search engines allowing them to find out more about stories they had seen elsewhere, and notifications from aggregators allow them to see breaking news or stories from multiple perspectives.

<sup>25</sup> [Media Plurality Quantitative research 2022](#). Passive news consumption data was taken from 1,074 individuals for the month of July, including all key devices used to access news such as smartphones, tablets and laptops (Ipsos MORI, 2022). Although online panellists are recruited to be demographically representative of the UK online population, they may have slightly higher online usage than average. However, their data clearly shows a discrepancy between claimed and actual use of online news sources and we consider this is likely to be representative of a wider population.

*“[Online news] is so readily available, at the click of a button you can get more information about something.”*

*“I’ll get a notification on Apple News first, so I find it out from there and then go to other places...”*

- 3.10 However, our research suggests that the volume of information and news available can lead to consumers feeling overwhelmed. They also expressed concern that the platforms’ need to keep users looking at the service led to stories which were sensationalist and eye-grabbing.<sup>26</sup>

*“One negative is that although it gives you a wide range of sources and people, which could be positive, you also get a wide range of rubbish or fake stories, and those can reach a wide audience.”*

- 3.11 There is a clear pattern of trust towards online news provision from traditional news outlets (e.g. newspapers and the BBC). In contrast, when asked about their levels of trust in social media for news, participants in our research consistently score them poorly, with the lowest ranked news sources for trust dominated by social media sites (Facebook, Instagram, Snapchat, YouTube, TikTok and Twitter).<sup>27</sup>

- 3.12 Both our quantitative and qualitative research showed people perceive a distinction between the news and information provided by search engines and news aggregators – considered to offer higher quality, more accurate information – and that obtained from social media, where they expressed concerns about balance, accuracy and quality.

*“...things like Twitter you can get a lot of fake news, and TikTok there’s always random things on there that are just not true, so I think you have to be more careful now, because it’s very easy for something that’s not real to spread quite quickly.”*

- 3.13 Figure 6 demonstrates this distinction between the news and information provided by search engines and news aggregators, versus social media. When considering the quality, accuracy and impartiality of the news and information they see on these platforms, users of social media give worse ratings than users of news aggregators and search.<sup>28</sup>

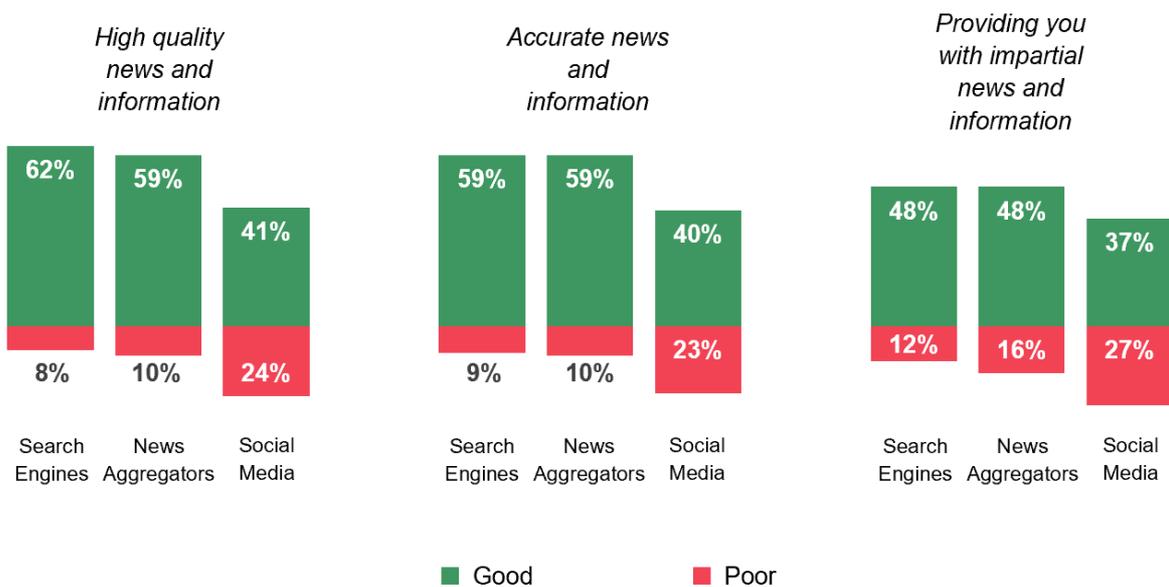
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<sup>26</sup> [Media Plurality Qualitative research 2022.](#)

<sup>27</sup> [Media Plurality Quantitative research 2022.](#)

<sup>28</sup> [Media Plurality Quantitative research 2022.](#)

**Figure 6: Users of online intermediaries rating them for quality, accuracy and impartiality (2022)**



Source: [Media Plurality Quantitative research 2022](#).

- 3.14 Importantly, our research showed differences between age groups. Younger users (16-34) are more likely to feel social media is good for providing high quality, accurate, and impartial news and information, when compared to those over 55.
- 3.15 There are also some areas in which social media is rated highly as a news source by users, particularly in terms of providing a range of opinions and views and access to more authentic voices and live footage.<sup>29</sup>

*“Online gives you so much more. For example on Facebook, BBC Africa came up and I’ve never seen that before, whereas those stories are not so much in newspapers.”*

*“I think the news has got better because of social media; people can record it if they’re there (at that place)...”*

- 3.16 Almost seven in 10 social media users said it also performed well for providing entertaining news or information, a significantly higher proportion than rated it good for other factors including accuracy, impartiality, quality and for providing news from sources they trusted.<sup>30</sup>

<sup>29</sup> [Media Plurality Quantitative](#) and [Qualitative research 2022](#). Social media are also consistently rated highly for providing a ‘range of opinions’ in the News Consumption Survey.

<sup>30</sup> [Media Plurality Quantitative research 2022](#).

*“I quite enjoy Twitter and the comments [on people’s tweets] where you do hear people’s honest and open views. Often, they are strong views, and a lot of people tend to engage with them because they find them more provocative...”*

## People may not always use reliable information when determining the legitimacy of news online

- 3.17 As part of our research, we showed survey respondents mock-ups of news stories on social media to explore which aspects of news stories’ presentation they rely on in deciding whether a story might be genuine or not genuine. The results suggested that people were often looking for, or persuaded by, one or two key aspects of an article when judging its authenticity, such as the sharer or attached comments. Often, they selected aspects of the articles that, on their own, would not always be reliable indicators of authenticity – in particular the headline and the images accompanying the article. Given how much information people see online, it is understandable that people look for short-cuts to help them make snap-judgements. However, this research suggests there is a risk they may not always use reliable indicators when making judgements about the legitimacy of news online.<sup>31</sup>
- 3.18 The majority of respondents were confident in their own ability to differentiate between genuine and false news, with younger age groups being the most confident, but they had less confidence in others’ ability to do so.<sup>32</sup> This was also reflected in the qualitative workshops, where participants expressed confidence in their ability to detect false news, but had less confidence in others.<sup>33</sup>

## There are mixed levels of understanding among the public on how news is served to them

- 3.19 People understand that personalisation happens online; it is most strongly associated with social media, which people naturally associate with user-generated content and the use of their data.<sup>34</sup> It is less associated with search engines and news aggregators, which people interpret as using less personal information and presenting what they view as more factual information. However, we also found that some participants continued to struggle with the concept of personalised news and how it works.

*“I had a look on Twitter and didn’t think this had been personalised to be honest. I do watch Love Island and follow them so that is why they come up...”*

- 3.20 Our research showed around a third of people think news and information is tailored to them. A similar proportion think it is not tailored and a third said they were unsure.<sup>35</sup> Similarly, a third claim to have some awareness of how intermediaries tailor results to

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<sup>31</sup> [Media Plurality Quantitative](#) and [Qualitative research 2022](#).

<sup>32</sup> [Media Plurality Quantitative research 2022](#).

<sup>33</sup> [Media Plurality Qualitative research 2022](#).

<sup>34</sup> [Media Plurality Qualitative research 2022](#).

<sup>35</sup> [Media Plurality Quantitative research 2022](#).

individuals, while the remaining two-thirds say they know very little, or nothing about this. Large numbers of people have very little understanding of the intrinsic role played by personalisation and the use of their data in the news they see. Some participants were discovering for the first time the nature and scale of personalisation on online intermediaries during our focus groups.

*“I thought [the information on personalisation] was interesting as you never see someone else’s phone, realistically. So, you just think they see the same thing.”*

- 3.21 However, some participants in our [qualitative research](#) understood the influence of intermediaries over the news they read at a personal level, with some also raising the prospect of personalised news having an impact on broader society, for example by leading to increased polarisation or influencing political agendas. When introduced to existing media plurality regulations participants were surprised and concerned that current plurality rules do not apply to intermediaries.

*“I didn’t realise that those rules didn’t apply to online media, that’s quite worrying...”*

- 3.22 A significant majority of people demonstrate support for the principles of media plurality. Most agree it is important that news is covered by a range of organisations with different people and opinions (92%), and that no single organisation should have too much control of the news and information people see online (91%).

### **There is some desire for more control over how data is used to tailor news**

- 3.23 The quantitative element of our research indicated that people are divided on whether they would like more control over how their data is used to tailor news for them online. Whereas just under half (46%) of users of intermediary services said they would like total control, 20% of users would rather leave all decisions about what they see to the intermediaries. Users of intermediaries appear more comfortable with some elements of their online activity being used to tailor the news and information they see, such as the news sources or topics they have viewed previously, but less comfortable with ‘close’ personal information (such as their date of birth) being used.
- 3.24 There were also diverging views in qualitative discussions as to whether platforms or individuals bore the greater responsibility for ensuring people saw a range of views and sources. Those who were more familiar with personalisation did not always feel able either to control the data they shared online or to tailor news in the way they wanted to. In contrast, some participants with lower levels of awareness of the role played by online intermediary services felt a greater sense of control by decisions, for example, about what personal information they wanted to share.
- 3.25 While accepting or rejecting cookies is not directly comparable to any ability consumers might have in the future to influence how news is served to them, it is interesting to examine whether people make use of the tools they already have at their disposal for controlling how their data is used elsewhere. We found that only a minority of participants took action to prevent their activity being tracked online, even when they have expressed a

desire for more control over their data; 43% of people said they 'always' accept cookies, with others changing their settings to accept 'most' (18%) or 'limited' (26%) cookies and only 9% 'never' accepting cookies. A similar proportion of those claiming to want control over how their data is used to tailor news also always accepted cookies (44%).

*"You don't understand it, when you do look through it, what it means. I don't even know what cookies are. Someone who's not up to date with technology, I don't know what cookies are. I don't know if they're good or bad. For quickness, I accept cookies and I agree, and I shouldn't really."*

- 3.26 It is also important to acknowledge that, much of the time, both in the quantitative and qualitative elements of our research, a significant proportion of people simply did not have an opinion or felt conflicted about these issues.



## 4. Potential effects of online intermediaries on media plurality

- 4.1 In this section we look at the available evidence on how OIs may be affecting media plurality. We consider two main areas of concern.
- 4.2 First, we consider whether OIs may be affecting the aims of media plurality through the way in which they present news to users and encourage them to engage with it. We consider a range of outcomes that are important for a well-functioning democratic society, such as how people understand the world around them, engage with others who hold different views and participate in democracy, and review the evidence on the extent to which these outcomes are associated with the use of OIs.
- 4.3 Second, given the important role which OIs now play in the financial ecosystem which funds the creation of news content, we also look briefly at the potential impacts that OIs may have on the financial sustainability of news media and summarise work being undertaken by Ofcom and the CMA in this area.

### What we have found – in brief

We have found some outcomes that raise potential concerns from a media plurality perspective and that using OIs for news may play a role in driving those outcomes.

- Our own research suggests people who use social media most often for news are less likely to correctly identify important factual information, feel more antipathy towards people who hold different political views and are less trusting of democratic institutions and the news media.
- We do not find the same patterns generally hold for people who use search engines or news aggregators most often to access news.
- There is evidence in academic literature to suggest that social media use can have a polarising effect, with two studies that show this on Facebook users in the USA. But it is less clear whether social media use causes changes in people's level of news knowledge or their levels of trust.

A lack of available data means we have limited insight into why these patterns exist and in particular, whether they are due in part to the way certain intermediaries curate news or encourage their users to interact with news.

- Intermediary services can increase exposure to a range of news sources, but also have the potential to increase echo chamber effects.
- Intermediaries may play a role in how much misinformation users see, but whether it affects users' views and behaviour is not clear.
- The recommendations made by intermediary services influence what news users see but it is difficult to determine whether there is a bias in these recommendations.

There remain therefore many important gaps in our understanding of how online intermediaries affect media plurality and the democratic process.

## How online intermediaries may affect media plurality and its aims

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- 4.4 This section explores the available evidence on whether the ways in which OIs present news to users, and the ways in which users interact with the news through OIs, have an impact on media plurality and its aims. We consider evidence on a variety of outcomes including how knowledgeable people are about the news and important issues, how politically polarised people are, the diversity of people’s news consumption and the existence of echo chambers.
- 4.5 We have drawn on two main sources of evidence:
- A review of existing academic literature which attempts to assess the impact of online intermediaries on media plurality and its aims. We assess research that has been carried out on specific platforms, in certain contexts and in a particular time period, and therefore cannot necessarily be applied to other platforms or the UK today. In addition to our own analysis of this literature, we have drawn on a detailed literature review commissioned by us from an independent consultant.
  - The results of quantitative research we commissioned for this report. As part of the survey of 2,557 people described in Chapter 3, we asked questions around news media usage. We have used this data to help us understand whether there is a correlation between different types of news media use and media plurality outcomes. This analysis is explained in more detail in an annex published alongside this report.
- 4.6 We have looked at what this evidence tells us about the following outcomes that are related to media plurality and its aims:
- How knowledgeable people are about the news and important issues;
  - How politically polarised people are; and
  - The level of trust that people have in news media and in institutions.
- 4.7 We then looked at what this evidence says about possible causes of those outcomes with a focus on factors that could be influenced by the way online intermediaries present news to their users or the way users interact with news on their services, including:
- The diversity of people’s news consumption and the existence of echo chambers;
  - How often they are exposed to misinformation and its impact; and
  - Whether there is a systematic bias in news recommendations.
- 4.8 The evidence that we review is generally observational in nature – i.e. it helps us to understand whether there are correlations between news consumption through OIs and the indicators of interest, but not why this is the case. At the end of the discussion, we set out some potential explanations for our findings and set out how we propose to explore these further in the next phase of our work.

## Knowledge of news

### The impact of social media use on knowledge of factual information is unclear and requires further analysis

- 4.9 A key aim of media plurality is that it helps to inform citizens about events in the world. Given the importance of an informed population in a healthy democracy, we have looked at the potential impact of online intermediaries on the level of factual knowledge people have on a range of important topics in the world today.
- 4.10 Our new research used a news quiz to look at whether people can distinguish between true and false statements of factual information. In each quiz, we gave people three statements that were true, three that were false; then asked respondents to identify which three statements were true. The rate of success in these quizzes provides a measure of how well informed people are about the topics chosen.
- 4.11 We prepared sets of true and false statements on three key topics: the economy, health and climate change. We then compared how groups of people with different news media habits scored in the quizzes.
- 4.12 We found that, compared to people who use traditional media as their most used source for news, those who use social media most often for news were less likely to identify the true statements. Given that factors such as age and education could affect the scores, we took account of these in our analysis. When we controlled for these factors, a significant difference remained between those who use social media as their most used source and those who use traditional media most often.
- 4.13 When we compared people that used search engines or news aggregators for news, against those who use traditional media, there did not appear to be consistent difference in the ability of these groups to identify true statements.
- 4.14 Although this evidence is informative about the different levels of knowledge people have on the chosen sample of topics, it does not tell us why this is the case or whether it is the use of these news sources that causes the difference. We therefore looked at a range of academic literature in this field, which includes some studies that sought to identify whether social media use specifically affects the level of knowledge people have about topics in the news.
- 4.15 However, these papers present a mixed picture. One study in the United States found that people who didn't use Facebook for a four-week period had reduced news knowledge i.e. implying that the use of Facebook for news has a positive effect on how well-informed users are. Another study concluded that while more frequent Facebook usage caused a decline in the acquisition of current affairs knowledge among those with lower political interest, more frequent Twitter use had a positive impact on people's knowledge acquisition, regardless of their level of political interest.<sup>36</sup>

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<sup>36</sup> The first study involved a treatment group deactivating Facebook for 4 weeks, while a control group did not. They used a survey to measure a range of outcomes including knowledge and polarisation before and after the treatment, to test the

- 4.16 We are conscious that most of this research was conducted outside of the UK in countries with different political systems, party structures and major issues of concern. Equally, it is not possible to generalise across different OI platforms, as different OI services may produce different effects on knowledge levels. We plan to further consider the impact of OI use on people’s acquisition of knowledge in our next phase of work. Further experimental studies that test the impact of online intermediaries on the factual knowledge of people in the UK would help develop our understanding in this area.

## Polarisation

### There is evidence that indicates some social media services can have a polarising effect on their users

- 4.17 Difference of opinion is a normal part of the democratic process. It can be a positive driver for public debate and help voters to decide between different opinions, political perspectives and candidates for office. A plural media landscape in which citizens have access to and consume a diversity of viewpoints helps to achieve this.
- 4.18 However, academic studies suggest that high levels of polarisation can hinder the democratic process in a number of ways. When the perceived distance between political groups is large, some studies suggest that debates may focus on identities rather than substantive arguments.<sup>37</sup> Others observe that polarisation might also hinder fair political debate by reducing the willingness of opposing groups to interact with each other, causing some citizens to disengage from politics.<sup>38</sup> Polarised individuals also appear in some studies to be more likely to share misinformation,<sup>39</sup> another potential harm that we explore later in this section.
- 4.19 Polarisation can take the form of a dislike for another group (affective polarisation) or an entrenched difference in political views or issue positions (ideological polarisation).<sup>40</sup> Our new research, explained in more detail in [Annex 3](#), looked at whether people with certain news consumption habits are more or less polarised, focusing on affective polarisation. We did this because, affective polarisation is more closely related to the concerns identified above.
- 4.20 We found that, compared to people who use traditional media as their most used source for news, those who participated in our research who use social media most often tend to be more polarised. As explained in [Annex 3](#), when we control for demographic

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impact of Facebook deactivation on these outcomes. Note that there are caveats to this study’s findings, for example, effects could differ in a different context e.g. if a different duration or time period was used ([Allcott et al. \(2020\)](#), The welfare effects of social media). The second study measures news knowledge acquisition over time and assesses how this varies with people’s self-reported social media use. ([Boukes \(2019\), Social network sites and acquiring current affairs knowledge: The impact of Twitter and Facebook usage on learning about the news](#)). We note that Boukes (2019) relies on self-reported social media use to categorise participants.

<sup>37</sup> See for example: [P. Barberá, “Social media, echo chambers, and political polarization” in Social Media and Democracy: The State of the Field, Prospects for Reform, pg 47.](#)

<sup>38</sup> [Bertoa and Rama \(2021\); Carothers and O’Donohue \(2019\).](#)

<sup>39</sup> [Osmunden et al. \(2021\), How political polarisation drives the spread of fake news.](#)

<sup>40</sup> [P. Barberá, “Social media, echo chambers, and political polarization” in Social Media and Democracy: The State of the Field, Prospects for Reform, page 46.](#)

characteristics, we found that the significant difference between those groups remains. There did not appear to be significant differences between people who mainly use search engines or news aggregators for news and those who use traditional sources.

- 4.21 Polarisation among users of certain intermediary services is not in itself evidence of a causal link; however, the evidence we have reviewed suggests that some OIs do cause an increase in polarisation among their users. Levy (2021) ran an experiment which suggested that Facebook's recommender system had a role in causing increased affective polarisation. Allcott et al. (2020) found that deactivating Facebook for four weeks led to decreased polarisation, implying that Facebook use may itself be responsible for a rise in polarisation.
- 4.22 Overall, the academic literature seems to provide evidence that social media use can play a part in increasing polarisation. The literature also gives some insight as to what may be causing this pattern; Levy's (2021) study suggests that seeing news which is contrary to our viewpoint can reduce polarisation.<sup>41</sup> But there may also be other features of social media services that play a role in polarising users. For example, some studies suggest that the likelihood of exposure to more partisan outlets is increased by use of intermediaries, which could have an impact on polarisation.<sup>42</sup>
- 4.23 As before, however, we note that many of these studies were conducted on Facebook users in a different political environment (the USA). We think there is a need for further research looking at the impact of other OIs, impacts on users in the UK and further research into the mechanisms which could produce an effect on polarisation.<sup>43</sup>

## Trust

### There is evidence that suggests those who use social media have lower levels of trust in democratic institutions and news media

- 4.24 While some level of scepticism can motivate citizens to ask questions and provide challenge to institutions, some level of trust in the institutions that influence the functioning of our democracy – including the news media – is generally seen as an important underpinning of an effective democratic society.<sup>44</sup> If the way OIs present news has an impact on levels of trust in democratic institutions and the news media, then this could be a concern from a media plurality perspective.
- 4.25 In our new research, we looked at whether people with certain news consumption habits are more or less trusting of UK institutions and the news media. We found that, compared to people who use traditional media as their most used source for news, those who participated in our research who use social media most often tended to be less trusting of

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<sup>41</sup> We note that there is other research highlighting the possibility that exposure to some counter-attitudinal content can be polarising. [Bail et al. \(2018\)](#) found that ideological polarisation increased among twitter users who were exposed to tweets from politicians with opposing views. We consider Levy's experiment to be more relevant, given its focus on exposure to content from news outlets, rather than politicians' tweets.

<sup>42</sup> [Wojcieszak et al. \(2021\)](#), [Flaxman et al. \(2016\)](#) and [Fletcher et al. \(2021\)](#).

<sup>43</sup> Causal studies such as [Levy \(2021\)](#) and [Allcott et al. 2020](#), which test the impact of OIs in the UK would provide useful insights e.g. measuring the impact of one month of twitter deactivation on a representative UK panel.

<sup>44</sup> See, for example [OECD: Trust in Government](#); [Park et al. \(2020\)](#), [Global mistrust in news: The of social media on trust](#).

institutions. As explained in [annex 3](#), when we controlled for demographic characteristics, we found that the significant difference between those groups remains. There did not appear to be significant differences between people who mainly use search engines or news aggregators for news and those who use traditional sources.

- 4.26 Other studies have shown that people who use social media to access news tend to express lower levels of political trust; and an increase in social media use as a source of news at the national level is associated with a decrease in trust in the news media in general.<sup>45</sup> Both our own work and these studies show correlations, but they do not provide insight into whether the way that news is delivered through social media causes reduced trust. It could be the case instead, for example, that people who are less trusting are more likely to use social media for news.
- 4.27 Overall, our own research and some evidence from existing academic literature suggest a negative correlation between social media use and trust in news media and institutions. However, causal evidence on the impact of OIs on trust levels appears to be thin, making it difficult to draw a conclusion on the impact of OI use on trust in news media and institutions. Further research would be useful, in particular experimental studies that test the impact of OIs on trust levels in the UK, and the mechanisms through which any impact may occur.

## Diversity of news consumption and echo chambers

### Intermediary services can increase exposure to a range of news sources, but there is evidence that suggests the potential to increase echo chamber effects

- 4.28 The internet has enabled an increase in both the supply and accessibility of news. According to our News Consumption Survey, the average person used 6.1 (offline or online) sources for news in 2022, compared to heavy users of social media for news, and any users of search or aggregators for news, who on average used 10 or more different news sources.
- 4.29 Our findings are supported by research that shows intermediary services expose users to news they would not otherwise see,<sup>46</sup> and that social media users see news even when using these platforms for other reasons, with younger people and those with lower interest in news more likely to see news incidentally.<sup>47</sup>
- 4.30 This is also consistent with our findings that news traffic accessed through online intermediaries tends to be less concentrated than news traffic accessed through an outlet homepage.<sup>48</sup> In other words, the difference in traffic to larger and smaller news outlets tends to be less pronounced when news articles are accessed through OIs; this does not

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<sup>45</sup> [Ceron \(2015\) Internet, News, and Political Trust: The Difference Between Social Media and Online Media Outlets](#); [Park, et al. \(2020\) Global Mistrust in News: The Impact of Social Media on Trust](#).

<sup>46</sup> [Stier et al. \(2022\), Post Post-Broadcast Democracy? News exposure in the age of online intermediaries](#).

<sup>47</sup> [Fletcher and Nielsen \(2017\), Are people incidentally exposed to news on social media? A comparative analysis](#).

<sup>48</sup> Our findings are similar to those of [Fletcher et al. \(2022\), Concentration of online news traffic and publishers' reliance on platform referrals: Evidence from passive tracking data in the UK](#).

automatically mean that individual users get a greater variety of news when accessing them through OIs.

- 4.31 Other research has studied the news diets of individuals by looking at their visits to news sites, identifying the political slant of the news outlet and the individual, and recording whether they do or do not align with each other. These studies find that OI users access a greater variety of news sources from across the political spectrum, compared to the diversity of news sought from news publisher websites.<sup>49</sup>
- 4.32 However, while OIs may direct us to diverse sources, this does not mean that there is no possibility of echo chamber effects on OIs. An echo chamber, broadly defined, is a place where the ideas seen reflect the ideas that a user already holds. There is a risk that if people see a disproportionate amount of information which reflects opinions they already hold, it can give them a one-sided view of events. There is also the potential for those in echo chambers to become more polarised as a result, and potentially more likely to believe and circulate misinformation.<sup>50</sup>
- 4.33 Echo chambers could arise for a number of different reasons:
- a) **Filter bubbles:** algorithms may filter the news users receive based on their previous online behaviour or the behaviour of people like them in order to maintain their level of engagement.
  - b) **Homophily:** a tendency for people to associate more often with people who are similar.<sup>51</sup>
  - c) **High segregation:** in a highly segregated news environment people are less likely to see news with the same political viewpoint (i.e. there will be a greater difference in the political slant of news seen by two randomly chosen individuals).
- 4.34 Taking each of these in turn, there is a lack of evidence supporting the presence of filter bubbles on search engines and news aggregators,<sup>52</sup> but some evidence suggesting that filter bubbles could occur on social media. One study found that Facebook's algorithm is more likely to show users content from news outlets that shared their political views, compared to news outlets of a different political slant.<sup>53, 54</sup>

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<sup>49</sup> Fletcher et al. [2018](#) & [2021](#), [Flaxman et al. 2016](#), [Wojcieszak et al. 2021](#). We note that the categorisation of news slant in these studies is imperfect given that it is measured at the outlet-level, rather than using the article itself; and it only captures one dimension of diversity (left/right affiliation). Therefore, future research that assesses diversity by analysing the content of news articles will be an important extension of this literature.

<sup>50</sup> [Acemoglu et al. \(2022\)](#) use a theoretical model to show that users are more likely to share misinformation within their social network if this is made up of those who have similar views to themselves, because users expect positive feedback from sharing articles that align with their network's views.

<sup>51</sup> [Currarini et al. \(2009\)](#), [An economic model of friendship: Homophily, minorities and segregation](#).

<sup>52</sup> E.g. [Nechushtai and Lewis \(2019\)](#), [What kind of news gatekeepers do we want machines to be?; Haim, Graefe, and Brosius \(2018\)](#), [Burst of the Filter Bubble?: Effects of personalization on the diversity of Google News](#).

<sup>53</sup> [Levy \(2021\)](#), [Social Media, News Consumption, and Polarization: Evidence from a Field Experiment](#).

<sup>54</sup> We also note that a 2015 study commissioned by Facebook compared the ideological diversity of news stories in four different cases: those shared by a random group; those shared by friends; those appearing in the algorithmically ranked news feed; and those which are clicked into. They found that individual choice in the form of Facebook friends and clicks is a more significant driver of like-minded news exposure than the algorithm ([Bakshy et al. \(2015\)](#), [Exposure to ideologically diverse news and opinion on Facebook](#)).

- 4.35 Related to homophily, there is some evidence that certain groups of social media users on Facebook and Twitter tend to be more frequently connected to users with a similar political leaning.<sup>55</sup> This suggests that people in these groups may be disproportionately exposed to like-minded information from their networks if they share news content. We carried out our own exploratory analysis, published as the economics discussion paper [News consumption and Media Plurality on Twitter in the UK](#). This looked at connections of people based on which news outlets they follow and the news content they interact with (by “liking”). Our analysis that users who are connected may be somewhat more likely to follow similar news outlets than Twitter users in general, but the difference is small for most users.
- 4.36 Finally, some papers we reviewed suggested social media users may have more segregated news consumption than those who get news directly from news creator websites.<sup>56</sup> Other research we reviewed indicated that OI use increases exposure to more partisan news outlets, relative to seeking news directly from news creator websites.<sup>57</sup>
- 4.37 Taken together, our assessment is that the existing evidence we have seen on whether online intermediaries produce echo chamber effects is mixed. Intermediaries help us find more news, and more varied news outlets, although social media users may be at risk of experiencing some echo chamber effects. However, we consider there are some significant research gaps:
- a) It is not clear whether any echo chamber effects on OIs are driven by the OI itself, for example through its algorithms and choice architecture; or whether they are driven by users, for example through user preferences to interact with like-minded people and content.<sup>58</sup>
  - b) The interplay between online and offline news consumption is unclear – it is unknown for example whether regularly watching or listening to broadcast news moderates any online echo chamber effects.
  - c) Existing analysis is focused on news sources rather than specific news content. It could be that an individual is exposed to multiple perspectives through a single news source, or that they are exposed to a single perspective through multiple news sources. Assessing the extent of diversity or echo chambers through analysing the content of news will require further research.<sup>59</sup>

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<sup>55</sup> [Cinelli et al. \(2021\)](#), [Halberstam and Knight \(2016\)](#). We refer to “certain groups” because these papers consider particular social media users. Cinelli et al. (2021) analyses social media users who posted about one of three controversial topics, while Halberstam and Knight (2016) studies politically engaged users i.e. those who follow US politicians. These groups may substantially differ to other social media users.

<sup>56</sup> [Levy \(2021\)](#), [Flaxman et al. \(2016\)](#).

<sup>57</sup> [Wojcieszak et al. \(2021\)](#) and [Fletcher et al. \(2021\)](#).

<sup>58</sup> As highlighted above, [Levy \(2021\)](#) finds some evidence of filter bubbles on Facebook, while [Bakshy et al. \(2015\)](#) argues that individual choice is the more significant driver of like-minded news exposure.

<sup>59</sup> In particular techniques to analyse and categorise content at scale are in a relatively early phase of their development as research tools.

## Misinformation

### Online intermediaries may play a role in how much misinformation users see, but whether it affects users' views and behaviour is not clear

- 4.38 The internet opens a vast range of possibilities for communication, but at the same time, the tools which provide the potential to facilitate democratic debate have also accelerated how far and how fast false information is able to spread.
- 4.39 Last year, we suggested the shift to online news provision and consumption may have both increased exposure to inaccurate news and created a more significant challenge for people making judgments about accuracy, trustworthiness, and impartiality.<sup>60</sup> The potential risks to society arising from misinformation and disinformation could be profound, if they affected either people's understanding of matters of democratic importance or engagement in the political process.<sup>61</sup>
- 4.40 Against this background, academic research consulted by Ofcom suggest that the services operated by online intermediaries have the potential to influence the circulation of misinformation and disinformation. Algorithms and choice architecture intended to stimulate user engagement may tend to promote false information more than true information.<sup>62</sup> Users may share false information which is contentious to provide entertainment or information to friends and family rather than to mislead.<sup>63</sup> Partisan groups may have political incentives to spread misleading information while news organisations may benefit financially by circulating "clickbait" articles incorporating false information.<sup>64</sup>
- 4.41 Evidence on the extent of misinformation more generally is quite mixed. Ofcom research indicates that misinformation online is seen by a large proportion of UK citizens (23% claim to have seen misinformation online in the previous month),<sup>65</sup> while other evidence finds that a small group of users are exposed to a lot of misinformation.<sup>66</sup> There is some support for the idea that policies adopted by social media platforms may be able to influence the spread of misinformation.<sup>67</sup>
- 4.42 There are some studies in the academic literature that have sought to understand the impact political misinformation has on electoral outcomes. For example, Allcott and

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<sup>60</sup> Ofcom (2021): [Statement: the future of media plurality in the UK](#), para A1:28.

<sup>61</sup> When it comes to media plurality, we are primarily concerned with political misinformation as this may influence how people vote. Other types of misinformation, such as medical misinformation, are harmful to individuals but do not have an obvious impact on media plurality or the good functioning of democratic processes.

<sup>62</sup> However, [Jimenez-Duran \(2021\)](#) highlights the potential incentive for platforms to moderate their content to increase both platform quality and user engagement.

<sup>63</sup> See [Duffy et al., Too good to be true, too good not to share: The social utility of fake news. Information, Communication & Society, 23\(13\)](#), cited by [Lecheler and Egelhofer, Disinformation, Misinformation, and Fake News, in Knowledge Resistance in High-Choice Information Environments, ed. J. Strömback \(2022\), p.77](#).

<sup>64</sup> [Lecheler and Egelhofer \(2022\), p.76](#).

<sup>65</sup> [Ofcom's Online Experiences Tracker 2022, wave 1&2 combined](#).

<sup>66</sup> [Grinberg et al. \(2019\)](#) analysed Twitter accounts during 2016 US election and found that fake news comprised 6% of all news consumption but was highly concentrated i.e. 1% of users were exposed to 80% of fake news.

<sup>67</sup> [Allcott et al. \(2019\)](#) found that the incidence of misinformation on Facebook declined relative to Twitter from 2017, which *may be* linked to the policy and algorithmic changes made by Facebook following the 2016 election.

Gentzkow (2017) found that relatively few citizens remember seeing false news stories and fewer still believed those stories to be true. They also found people were nearly as likely to believe they had seen ‘placebo’ misinformation that the researchers invented, even though this could not have been seen by the respondent.<sup>68</sup> They conclude that the impact of misinformation leading up to the 2016 U.S. election is likely to have been limited. Meanwhile, a recent study in Italy finds that exposure to misinformation slightly increased votes for populist parties in the Italian elections of 2018.<sup>69</sup>

- 4.43 One limitation of the current literature is that it does not consider in detail whether misinformation and disinformation, while affecting a small number of voters overall, nonetheless has an impact on the political process. This could be the case for example if those who are influenced are concentrated within marginal political constituencies or among groups of ‘swing’ voters.
- 4.44 Our understanding in this area could be developed further by UK-based studies on the impacts of misinformation on media plurality’s goal of a well-functioning democracy, given that the current evidence is mostly based on studies of the impact of misinformation on elections outside the UK.

## **Bias in news recommendations**

### **Intermediary recommender systems can influence what news people see but without greater transparency we cannot know if there are systematic biases**

- 4.45 The news recommendations that OIs present to their users have an influence on what news they read. In principle, a systematic bias in those recommendations (i.e. promoting or demoting certain types of news content or certain news outlets) could influence users in their electoral choices, potentially giving that intermediary an influence over the political process.<sup>70</sup>
- 4.46 Concerns about bias were proposed by a number of stakeholders in response to our call for evidence last year. DMG Media argued that Google favours liberal outlets over conservative ones.<sup>71</sup> Other stakeholders suggested that international and national content is favoured over regional or local content, and that English language content is favoured over other language content.<sup>72</sup>
- 4.47 However, evidence about the extent or otherwise of a bias in news recommendations is very limited. Our review has identified some studies that suggested that ranking algorithms

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<sup>68</sup> [Allcott and Gentzkow \(2017\)](#).

<sup>69</sup> The authors exploited language differences to try to study the causal effect of misinformation on voting, as German-speaking voters from South Tyrol are less likely to be exposed to misinformation than Italian-speaking voters. We note that this research design relies on the assumption that populism would have increased at the same rate in German and Italian speaking regions of Trentino/South Tyrol if not for the fact that Italian speakers were much more likely to be exposed to misinformation in the run up to the 2018 elections ([Cantarella et al. \(2023\), Does fake news affect voting behaviour?](#)).

<sup>70</sup> The “search engine manipulation effect” and its impact on election outcomes is tested by [Epstein and Robertson \(2015\)](#).

<sup>71</sup> [DMG Media response to Ofcom’s consultation on the future of media plurality in the UK, para 39](#).

<sup>72</sup> [Ofcom \(2021\), Statement: The future of media plurality in the UK, para 3.19](#).

amplified right leaning content<sup>73</sup> or larger, national news outlets,<sup>74</sup> while another study found that neither side of the political spectrum is systematically excluded from Google Search results.<sup>75</sup> However, these studies are restricted by a lack of evidence about the mechanism through which certain outlets receive more prominence and difficulty in identifying an appropriate counterfactual to measure the outputs of the algorithm against. The fact that these studies were carried out at one specific point in time and on specific platforms also makes it difficult to draw broader conclusions about the potential for bias.

- 4.48 Research in this area is hindered in part because there is limited information available about how algorithms operate. The Digital Regulation Co-operation Forum, which includes Ofcom, has recently [published](#) a discussion paper which has signaled the benefits of both a more open approach to data sharing and algorithmic auditing to provide, among other things, a route to signaling transparency and establishing trust.
- 4.49 We consider that the best way to assess the potential for harm would be to enable research to test for algorithmic bias on specific online intermediaries using UK data. This, including algorithmic audits to examine whether any explicit bias is built into algorithms, may be necessary in order to investigate whether there is any meaningful impact from bias on media plurality.

## Conclusion

- 4.50 We have reviewed the available evidence, and conducted our own research, on the impact that online intermediaries may have on media plurality and its contribution to a well-functioning democracy.
- 4.51 Our own research suggests that people who use social media most often for news are less likely to correctly identify important factual information, feel more antipathy towards people who hold different political views and are less trusting of democratic institutions and the news media. In our study, these patterns generally remain significant when we control for the demographic characteristics of individual respondents and when we use different measures of news consumption. We did not find the same patterns generally hold for people that use a search engine or news aggregator most often to access news.
- 4.52 The academic literature explored by Ofcom provides a mixed picture, with some evidence that use of OIs can increase the diversity of news consumption. In the round, however, it broadly supports the view that news consumption through social media is more likely to be associated with problematic outcomes than news consumption through traditional media. In particular, there is some evidence to suggest that using certain types of social media can make users more politically polarised, with two trials that show this effect on users in the

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<sup>73</sup> [Húszar et al. \(2021\), Algorithmic amplification of politics on twitter; Robertson et al. \(2018\), Auditing partisan audience bias within Google Search.](#)

<sup>74</sup> E.g. [Nechushtai and Lewis \(2019\), What kind of news gatekeepers do we want machines to be? Filter bubbles, fragmentation, and the normative dimensions of algorithmic recommendations; Bandy and Diakopoulos \(2020\), Auditing News Curation Systems: A Case Study Examining Algorithmic and Editorial Logic in Apple News.](#)

<sup>75</sup> [Metaxa et al. \(2019\), Search Media and Elections: A Longitudinal Investigation of Political Search Results.](#)

USA. This suggests that part of the cause of this polarisation is the way that recommender systems choose and prioritise content in their users' news feeds.

- 4.53 However, we have limited insight into why these patterns exist and in particular whether they are partly caused by the way certain OIs curate news or encourage their users to interact with news. There therefore remain many important gaps in our understanding of how online intermediaries affect media plurality and the democratic process. Our research into the impact of online intermediaries has been limited by the lack of available data on what online intermediaries are showing to their users and how this affects their behaviour. We discuss in section 6 how greater transparency could be used to provide fuller insights into the impact of OIs in this space.

## Effects on financial sustainability of news media

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- 4.54 A number of stakeholders have noted that the news creators, and the newspaper sector in particular, have gone through a period of rapid change. As more of us access news online, traditional sources of revenue have come under pressure and the sales of newspapers in particular are in long term decline.
- 4.55 News creators have been adapting to this change with a range of innovative new business models to earn new revenues via payments from their online subscribers, the sale of digital advertising and through supply arrangements with online intermediaries. However, news creators face a number of challenges in earning revenues from their online content.
- 4.56 Research by the Reuters Institute indicates that people in the UK are relatively reluctant to pay for news online; with only 9% of UK adults saying that they had paid for online news in the last year.<sup>76</sup> This is much lower than the proportion that paid for online news in other countries. This makes news websites in the UK more reliant on digital advertising revenues and payments from online intermediaries when compared to other countries where payments from subscribers are more common.
- 4.57 The CMA has identified that there are competition problems in digital advertising markets in the UK which undermines the ability of newspapers and others to produce valuable content.<sup>77</sup> News creators have also raised concerns that they are in a particularly weak bargaining position when it comes to negotiating supply arrangements with Google and Facebook.<sup>78</sup>
- 4.58 These issues have the potential to harm media plurality. For example, the inability to make an adequate return may cause news creators to invest less in their coverage and this may lead to gaps in the information that they provide to their readers. Low returns could result in some news creators exiting the market which could lead to further concentration in ownership of news creation or the loss of an important viewpoint.

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<sup>76</sup> [Reuters Institute Digital news report 2022](#), page 19.

<sup>77</sup> [CMA Digital Advertising Market Study, July 2020](#).

<sup>78</sup> [Platforms and content providers, including news publishers Advice to DCMS on the application of a code of conduct, November 2021](#).

4.59 We discuss how these issues might be addressed in our discussion of possible remedies at section 6.

**Discussion question 2:** Do you agree with our summary of the available evidence on how OIs may be affecting media plurality? Is there other evidence that should be considered or new research that should be undertaken to investigate these issues?

## 5. Measuring media plurality



- 5.1 The ability to measure media plurality is essential to the discharge of Ofcom’s duties as set out in the [legal framework](#). As people continue to consume more news online, measurement tools help us to understand the impact intermediaries have on people’s news diets and enable us to maintain effective oversight of the media ownership rules. Measurement is particularly essential to Ofcom’s role in advising the Secretary of State on the impact of media mergers when requested.<sup>79</sup>
- 5.2 In this section, we explain how we currently measure media plurality, why the challenges of measuring media plurality are increasing with the growth of online intermediaries, and how we propose to adapt our approach in future. Alongside this report, we have published an annex entitled [‘Measuring media plurality’](#) that provides further detail and analysis.

### Our current approach to measuring media plurality

- 5.3 In 2015, we developed and published a measurement framework to assess plurality. This consisted of both quantitative and qualitative factors to help us understand the number of different news sources available, and measure the use of those sources and the impact and influence they have. Because no single measure fully reflects impact, we have used a range of proxy measures around impartiality, reliability and trust to come to a view about the personal importance of different news sources.<sup>80</sup>
- 5.4 Our approach to consumption is intended to provide us with a picture of the use of different news sources across media platforms and is based on a series of industry standard metrics such as BARB (TV), RAJAR (radio) and Ipsos iris (online). However, these individual metrics cannot be reconciled to provide a single cross-platform measure. We therefore carry out an annual News Consumption Survey to assess news consumption across all platforms.<sup>81</sup>
- 5.5 Our [News Consumption Survey](#) relies on what is known as ‘claimed recall’, where survey participants recount what news sources they have seen or used recently. However, as discussed in section 3, we know that people’s recollection of the media they have used can be flawed. Additionally, most people do not have an accurate sense of the amount of time they spend reading or listening to each individual source of news. We therefore measure ‘frequency of use’ (i.e. how many times they have accessed a news source within a given time period) as the best available substitute for this information.

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<sup>79</sup> Ofcom’s role in media public interest tests is set out in Part 3 of the [Enterprise Act 2002](#).

<sup>80</sup> A detailed explanation of the different components of our framework is set out in [Measuring media plurality Annex](#).

<sup>81</sup> We have conducted annual [news consumption surveys](#) since 2013.

## How the challenges of measuring media plurality are changing

- 5.6 With the growth in usage of intermediary services, it has become even more difficult to measure the news that people consume online accurately, and to understand the significance and influence of different news sources. As well as being uncertain about the amount of time they spend accessing news, our recent passive tracking analysis has shown us that people also underestimate which services they visit.<sup>82</sup> For example, around half of those who visited the BBC News website did not mention the BBC as one of the sources they visited.
- 5.7 Inaccurate recall is not the only challenge. Even when using passive tracking software that monitors online activity, it is not always possible to measure the amount of news which people read or watch during the time they spend on an intermediary service. For example, it is not clear for how much time people are looking at news when they are viewing content on their Facebook feed. For news specific intermediaries like Apple News, the limitation is that we cannot see what articles are being read, or the news publisher source.

**Figure 7: Functionality of passive tracking software**

Online service	Can we see how long a person spends on the site?	Can we see how long the person spends consuming news?	Can we tell what specific news content is consumed?
News website	✓	✓	✓
News aggregator	✓	✓	✗
Search engine	✓	✗	✗
Social media	✓	✗	✗

- 5.8 Technology that allows the screen of a user’s device (e.g. smartphone or tablet) to be recorded does not suffer the same restrictions as passive tracking or survey data as it can be utilised to record everything that a user scrolls through. However, this type of research is both expensive and time-consuming to undertake, as it involves reviewing and categorising every action someone makes.
- 5.9 Another challenge relates to distinguishing between consumption of and access to news. Currently it is possible our measures underestimate the amount of news consumed from individual publishers and/or fail to capture accurate information on the role OIs play in distributing news content. Our News Consumption Survey does not distinguish between

<sup>82</sup> [Ipsos iris passive tracking data and survey data comparison.](#)

the content creator and the service used to access that content.<sup>83</sup> This raises a question over how to attribute share to each source. For example, if an individual visits Apple News and reads a BBC article, should that be counted as one visit to Apple News or one visit to the BBC? Currently this allocation is determined subjectively by the respondent in their survey response.

## Updating our News Consumption Survey approach

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- 5.10 We measure consumption to understand the reach of individual creators, whether we are seeing signs of concentration in news markets and to assess how and where people are obtaining the news they see. To better fulfil these aims, we would like to collect more accurate data on:
- how much of each news publisher's content is viewed (i.e. accessed both on a publisher's own website and on or via intermediary services), and
  - how much each intermediary is used as an access point/gateway to news.
- 5.11 We think there are two options to collect data more accurately as part of the News Consumption Survey which will help us to estimate the relative size and influence of publishers and intermediaries. We assess these options in full in our [Measuring media plurality annex](#), but in summary:
- **Replace the existing online consumption questions** with new questions that aim to reflect the distinct roles that news publishers and intermediaries play in the delivery of online news. In theory, this option would collect the ideal data we specify in paragraph 5.10, but the new questions may prove to be more challenging for respondents.
  - **Retain the existing online consumption questions and add questions** on how people access news online. This option would provide useful information about which online access methods people tend to use but would not offer us more accurate data on how much news publisher content is consumed.

## Collecting other online consumption data

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- 5.12 There are other options available that can complement data collected via our News Consumption Survey:
- a) **Passive tracking data:** This type of data can provide a more robust insight into the amount of news consumed by individuals on some online news services, and into how intermediaries function as access points through which people reach news. However, this may not provide us with data on how much news publisher content is consumed on intermediary services.
  - b) **Data from intermediaries:** Intermediaries are the primary holders of information about users of their services and their consumption habits. Some intermediaries already

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<sup>83</sup> For example, respondents are asked separately about their social media and other internet usage. This means that a person reading BBC News online content accessed via Apple News could potentially be logged as BBC, Apple News, or both and double counted.

make a selection of this data available via their Application Programming Interfaces or APIs. Ofcom recently carried out an analysis of Twitter data, detailed in our economics discussion paper, [News consumption and media plurality on Twitter in the UK](#), to explore what it could tell us about media plurality. The analysis has shown that the data can be used to measure some aspects of news consumption on Twitter. There are, however, important limitations – in particular, it is not currently possible to see what content is actually viewed by users.

- 5.13 More generally, our ability to measure news consumption online may be substantially improved if we were able to access certain categories of data from OIs that are not in the public domain. This is discussed further in section 6.

**Discussion question 3:** What are your views on the presented options to update how we collect survey data on access to, and consumption of, online news and whether this should be supplemented with tracking or other data?

## Updating our approach to measuring shares of consumption

- 5.14 As discussed above, there is no single measure for media plurality. Our approach has been to use a variety of measures to illustrate different aspects of plurality including availability, consumption and impact.
- 5.15 As part of this, in 2012 we developed a bespoke measure based on a ‘share of reference’ to news sources in different media, which we have used as a proxy for measuring cross-media news consumption. Share of reference is calculated by asking people which news sources they use and the frequency with which they use them. We look at how frequently people say they use a news source rather than time because, as previously discussed, it can be difficult for respondents to accurately recall this from memory. However, while there are limitations to this approach, by adding up all of these individual measures we can attempt to get a sense of total consumption across all forms of media.
- 5.16 We use share of reference data in exercising our media public interest test (‘PIT’) functions to give us a sense of how large an influence a particular company may have over the news market as a result of the transaction.<sup>84</sup> For example, in [our 2020 PIT on the acquisition by Daily Mail and General Trust \(“DMGT”\) of JPI Media Publication Ltd](#), we established that DMGT following the transaction would have share of reference of 3.63%, compared to 3.57% before the transaction. The transaction therefore did not substantially change the distribution of share of reference and did not indicate a reduction in plurality of any meaningful extent.
- 5.17 We think other measures may offer a different perspective to complement the SOR measure. One of these is ‘share of attention’ (‘SOA’) which looks at the attention which

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<sup>84</sup> The PIT allows the Secretary of State to intervene in a merger involving a broadcaster and/or a print newspaper enterprise if certain conditions are met. The Secretary of State may decide to issue an intervention notice that identifies a relevant media public interest consideration (including in relation to media plurality), and which triggers a review of whether the merger might result in harm to the public interest. Ofcom has a first instance advisory role in this process. See Part 3 of the [Enterprise Act 2002](#).

individual people give to a specific news source, relative to their wider news diet. Because this measure is based on the proportion of an individual's news consumption devoted to a specific news source, i.e. it considers each person separately, it is possible to measure the potential influence that a news source may have over the electorate, both as a whole and among specific demographic groups.

- 5.18 We anticipate that these tools will be complementary. Share of reference will continue to be important to understand, for example, a source's share of total news consumption, or its share of consumption in a specific market. Share of attention will add to this, by providing another measure of influence. Additionally, by helping to identify the users of a source who give it the majority or all of their attention, it can be used to assess who is most likely to be influenced by a specific news provider or intermediary.

**Discussion question 4:** Do you agree with our proposal to use the share of attention metric as a complementary measure of news consumption?



## 6. Options for regulating media plurality online

- 6.1 The UK's media ownership rules aim both to protect the news media market from undue influence by any single person or entity, and to ensure that mergers and acquisitions in that market can be properly scrutinised for their potential impacts on media plurality. These rules are complemented by a number of other measures that collectively help ensure people can access trusted news content from a range of viewpoints. Together, they comprise the UK's media plurality framework.
- 6.2 In our 2021 report to the Secretary of State on the operation of the media ownership rules, we recommended a small number of amendments to ensure they better reflected the supply and consumption of news in today's market. However, we noted that even with these changes, the existing set of rules were not by themselves sufficient to address the risks discussed in section 4 because they do not extend to online intermediaries' role in news consumption.
- 6.3 This section briefly looks at the scope of existing media plurality framework and the amendments to the ownership rules we recommended to the Secretary of State last year. It then outlines some options for amending the regulatory framework that we think could be used to improve media plurality online, explaining how they might work and outlining some of their respective advantages and disadvantages.
- 6.4 We do not propose to make recommendations about changes to the regulatory framework at this stage. Instead, we will take account of any comments we receive in response to this paper in order to develop specific recommendations to government ahead of our next media ownership rules review.

### The current scope of media plurality regulation

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- 6.5 The UK's media ownership framework, which is described in detail in [Annex 1](#), contains a series of restrictions, rules and reviews designed in combination to secure plurality of ownership across broadcast and print media.
- 6.6 For example, there are a series of restrictions on certain entities holding broadcast licences.<sup>85</sup> These are in addition to the Public Interest Test (PIT) provisions, which aim to ensure no one individual or entity obtains too much control over print newspapers and broadcasting. The PIT enables the Secretary of State to intervene in media mergers involving a broadcaster and/or a print newspaper which meet certain thresholds. The Secretary of State may decide to issue an intervention notice identifying a relevant public interest consideration (including media plurality), and which triggers a review of whether

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<sup>85</sup> See the disqualified persons restrictions and Channel 3 national cross-media ownership rule in Schedule 14 of the [Communications Act 2003](#) and Schedule 2 of the [Broadcasting Act 1990](#), and the Channel 3 appointed news provider rule in section 280 of the [Communications Act 2003](#).

the merger might result in harm to the public interest, in which Ofcom has an advisory role.<sup>86</sup>

- 6.7 These rules are complemented by a range of other measures to help support a plural media sector:
- a) To ensure the provision of high-quality trusted and accurate news available to the UK population, the public service broadcasting system places obligations on the BBC, ITV/STV, Channel 4, Channel 5 and S4C with regards to the quality and frequency of news programming.<sup>87</sup> In return, these broadcasters are given prominent positions in electronic programming guides to make them more easily accessible by the public;<sup>88</sup>
  - b) Because of their privileged ability to broadcast content directly into people's homes and impact the formation of public opinion, Section 5 of Ofcom's Broadcasting Code requires television and radio licence holders to ensure that news is reported with due accuracy and presented with due impartiality.<sup>89</sup> There are also special impartiality requirements that apply to the coverage of political or industrial controversy or to current public policy,<sup>90</sup> as well as other requirements that must be applied at times of elections or referendums.<sup>91</sup>
  - c) Measuring the availability, consumption and impact of a range of news media informs our advisory role in conducting media PITs and, more broadly, enables Ofcom to monitor and report on changes in media plurality.<sup>92</sup>
- 6.8 These interventions do not seek to achieve any specific benchmark for media plurality. Instead, the regime offers a series of checks and balances that collectively aim to secure a news environment in which people can access a wide range of information and viewpoints and high quality and accurate news reporting, and which is free of the undue influence of any one person.
- 6.9 However, as discussed throughout this paper, the news media ecosystem does not exist in a steady state. To ensure the Media Ownership Rules remain fit-for-purpose, Ofcom has a duty to report to the Secretary of State on their operation every three years, and where appropriate, make recommendations for how they should be amended.<sup>93</sup>

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<sup>86</sup> See Part 3 of the Enterprise Act 2002. The media public interest considerations are set out in section 58 of the Enterprise Act 2002 and include, among others, the need for a "sufficient plurality" of views in print newspapers, and of persons with control of broadcasting and print newspaper enterprises. Further detail about the PIT and other measures including the Disqualified Persons Restrictions, the National Cross-Media Ownership Rule and the Channel 3 Appointed News Provider Rule are set out in [Annex 1](#).

<sup>87</sup> Section 265 and 279 of the Communications Act 2003. There are news requirements imposed on the BBC's UK Public Services (including television and radio) set out in the [BBC Operating Licence](#).

<sup>88</sup> Ofcom made a number of recommendations on how to ensure PSB TV can continue to be widely available and made prominent on platforms like connected TV'. See [Recommendations to Government on the future of public service media](#), July 2021.

<sup>89</sup> Rule 5.1 of the [Ofcom Broadcasting Code](#).

<sup>90</sup> Rule 5.5 of the [Ofcom Broadcasting Code](#).

<sup>91</sup> Section 321(2) and 333 of the Communications Act. See [Ofcom rules on Party Political and Referendum Broadcasts](#).

<sup>92</sup> Ofcom has a function under section 119A of the Enterprise Act 2002 to carry out or commission research to ensure that we have sufficient information to take informed decisions in relation to our Media PIT functions. Ofcom also has a duty in section 14(4) of the Communications Act 2003 to conduct consumer research in relation to television and radio services.

<sup>93</sup> Section 391 of the [Communications Act 2003](#).

- 6.10 In our most recent report in November 2021, we proposed a small number of modifications to the current rules to ensure they better reflect the supply and consumption of news in today's market. The most significant of these was our recommendation to broaden the scope of the existing PIT which, at present applies only to mergers involving print newspapers and broadcasters. We recommended that this be extended to capture a broader range of 'news creators', to enable the Secretary of State to intervene in media market mergers that involve online news providers on public interest grounds.
- 6.11 It is for the Secretary of State to decide whether to proceed with those recommendations. However, while updating the existing rules would improve their effectiveness, on their own these changes would not address the risks resulting from the presence of online intermediaries in the news market discussed in section 4.

## **Future directions for promoting media plurality online**

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### **Why we have decided to assess new regulatory options and how we will do so**

#### **Why we think regulatory changes may be necessary**

- 6.12 Ensuring that people are served a variety of accurate news addressing all levels of public debate – including local, national and international matters – is central to the contribution which media plurality makes to democratic society. It helps people to engage with the world around them and limits the risk of any single person or entity having undue influence over the political process.
- 6.13 However, if it is to remain effective, a regulatory framework must have sufficient tools to address new risks to media plurality as they arise. As set out in section 2, more and more news is accessed via intermediary service. Further, as discussed in section 4, although there are significant gaps in the evidence, we think there is a risk that certain online intermediaries may cause or facilitate political polarisation, give people a distorted range of viewpoints or expose them to harmful levels of misinformation. We have therefore concluded that regulatory changes which may help to understand and mitigate these risks warrant further investigation.

#### **Tests we will apply when assessing the impact of potential remedies**

- 6.14 The news media market is an area where particular care is required in thinking about potential interventions. In particular, we are mindful that regulation to support the ability of UK citizens to access and consume a wide range of high quality news content online should avoid creating risks for freedom of expression. Further, online intermediaries provide a huge range of benefits to UK citizens and society as a whole, and we want to ensure that any interventions allow them to continue to do so in the future. Before making recommendations to government, we would therefore need to be satisfied that the risks of harm are well-evidenced, that any tools we request to address them are proportionate,

and that we have good grounds to believe they would be effective. These tests rightly set a high bar for recommending new interventions.

- 6.15 If, after gathering further evidence on risks of harm and on the potential effects of different remedies, we are confident that the risks are demonstrable and that a remedy is likely to address our concerns, we propose to take account of the following factors:
- a) **Are the costs of intervention proportionate to the benefits?** Regulatory intervention comes with costs, financial as well as non-quantifiable, which must be weighed against the benefits.<sup>94</sup>
  - b) **Is a remedy enforceable?** If a remedy is to lead to a change in behaviour and practice by those services and organisations covered by its scope, it must be enforceable.
  - c) **How can the remedy be best applied?** If there are different ways to apply a remedy that can help to make it more proportionate or effective these should be considered. In the context of online intermediaries, for example, there may be both advantages and limitations to co- or self-regulatory approaches and the potential for third party organisations to play an effective monitoring role.<sup>95</sup>
  - d) **Can the remedy adapt to changes in a dynamic market?** The recommender systems and choice architecture developed by intermediaries are subject to continuous testing, adaptation and optimisation. Remedies should be sufficiently flexible to remain effective while such modifications are made and avoid creating unnecessary restrictions that might stifle innovation.
  - e) **Does the remedy include sufficient mechanisms to identify and resolve unintended consequences?** Interventions in the context of news consumption via online intermediaries touch on sensitive questions about freedom of expression and media freedom. They must be subject to robust safeguards to identify and minimise any risk from unintended consequences.
  - f) **Does the remedy work effectively with other remedies under consideration and already in place?** We will need to determine how individual remedies will work as part of a wider package. They should also complement the broader regulatory framework which will apply to media plurality and online safety.

**Discussion question 5:** Do you agree with our proposed tests for assessing the impact of potential remedies?

### Who and what should be in scope of any potential new regulation?

- 6.16 Most existing regulation, such as our media ownership rules, apply generally to well-defined classes of companies like Ofcom-licensed broadcasters and print newspapers.

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<sup>94</sup> Ofcom has a duty under section 7 of the Communications Act 2003 to carry out impact assessments where we are proposing to do anything for the purposes of, or in connection with, the carrying out of our functions. For an explanation of Ofcom's approach to impact assessments see Ofcom's [Better Policy Making](#) document.

<sup>95</sup> For example, the EU Code of Practice on Disinformation contains a framework for commitments for platform signatories to implement on their services, and includes a role for 'civil society organisations' such as fact checkers and researchers to scrutinise the efforts made by signatories and the efficacy of the Code over time.

When moving online, however, the boundaries between different organisations and different types of news content are more blurred. This creates challenges as changes to the scope of regulation involve identifying which firms new regulations apply to and for what parts of their business activity. In the case of media plurality, this may include determining what ‘news content’ and/or ‘news providers’ should be covered and which online intermediaries should fall in scope.

- 6.17 Identifying in-scope “news providers” and “news content” is both sensitive and complex - any attempt to define what is or isn’t news could be perceived as political interference in the free press.
- 6.18 Some governments have identified the news publishers who would fall within the scope of a regulatory regime by looking at the content those publishers produce alongside other criteria.
- 6.19 They have generally taken a broad approach in defining content of democratic importance or general interest to citizens. For example, the definition of “core news content” in the News Media Bargaining Code in Australia includes content that reports, investigates or explains issues or events relevant in engaging Australians in public debate and informing democratic decision-making or of public significance to Australians.<sup>96</sup> Similarly, the proposed Online News Act in Canada defines “news content” as content that reports on, investigates or explains current issues or events of public interest.<sup>97</sup>
- 6.20 The criteria for “news businesses” adopted by both these regimes can be objectively evaluated by the relevant regulatory authorities.<sup>98</sup> These criteria include whether an organisation has the primary purpose of creating news content, is subject to professional standards, and seeks to target domestic audiences for its output.
- 6.21 Under the proposed European Media Freedom Act, a “media service provider” can benefit from enhanced protections if they self-declare to “very large online platforms” that they meet specified criteria. These criteria include being editorially independent from the state and subject to editorial standards regulation or self-regulation widely recognised in one or more EU Member States.<sup>99</sup> It does not define news content.
- 6.22 When deciding which online platforms should fall within the scope of content-related regulation, legislators have generally adopted an approach whereby individual providers are designated by ministers (often on the advice of the relevant regulatory authority) or directly by the regulatory authority.
- a) In Australia, a ‘digital platform service’ may be brought into the scope of the News Media Bargaining Code if one or more of the services it operates has been designated by the relevant minister. It is the role of the minister to consider, among other things,

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<sup>96</sup> Section 52A of the [Competition and Consumer Act 2010 \(Cth\)](#) (which contains the Australian News Media Bargaining Code).

<sup>97</sup> Section 2 of the [Online News Act \(Bill C-18 \(2022\)\)](#).

<sup>98</sup> The Australian News Media Bargaining Code is set out in section 52G of the [Competition and Consumer Act 2010 \(Cth\)](#); Section 27(1) of the [Online News Act \(Bill C-18 \(2022\)\)](#).

<sup>99</sup> Article 17 of the Proposal for a Regulation of the European Parliament and of the Council establishing a common framework for media services in the internal market ([European Media Freedom Act](#)) and amending Directive 2010/13/EU

whether the relevant body has made a significant contribution to the sustainability of the Australian news industry.<sup>100</sup>

- b) The EU’s Digital Services Act broadly defines an ‘online platform’ as a provider of a hosting service which stores and disseminates information to the public.<sup>101</sup> The European Commission, acting as the regulator, is able to designate ‘very large online platforms’ based on this definition and a monthly EU user threshold. Under the proposed European Media Freedom Act, “very large online platforms” designated under the Digital Services Act will face specific requirements to protect media content and media services on their platforms.<sup>102</sup>

6.23 Decisions about which online intermediaries may fall into the scope of regulation are complicated by the fact that most display news content alongside a range of other content and services, meaning that remedies may need to specify which parts of services are subject to regulation. At the same time, recent years have seen the growth of both citizen journalism and content unaffiliated with the conventional structures of news production, including blogging platforms and subscription platforms such as Substack.

6.24 In the next phase of our work, we propose to look more closely at the different options available to determine the scope of any new regulation designed to promote media plurality online.

**Discussion question 6:** What options do you consider could be used to determine which organisations and which content should fall within the scope of online media plurality regulation?

## How different regulatory tools may help to secure media plurality

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6.25 There are a range of regulatory tools that could be used to provide a fuller understanding of the impact which online intermediaries have on media plurality and address possible harms. These remedies fall, broadly, into four categories: increasing transparency, empowering user choice, direct interventions to secure the maintenance of plurality of news online, and sustainability of news providers.

6.26 We discuss each category below and invite comments to inform our next phase of work.

### Increasing transparency

6.27 The evidence we have reviewed in this document makes it clear that online intermediaries are now an important part of the news sector in the UK. However, there is some uncertainty as to the nature and scale of their impact on media plurality and the contribution which plurality makes to a well-functioning democracy.

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<sup>100</sup> Section 52E of the [Competition and Consumer Act 2010 \(Cth\)](#).

<sup>101</sup> Article 3 (i) of Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC ([Digital Services Act](#))

<sup>102</sup> Article 17 of the Proposal for a Regulation of the European Parliament and of the Council establishing a common framework for media services in the internal market ([European Media Freedom Act](#)) and amending Directive 2010/13/EU

- 6.28 As discussed in section 4, although there is a body of research which provides insights into the effects of online intermediaries, there remain some important gaps in our understanding of the mechanisms by which platforms can both influence news consumption and affect media plurality outcomes more generally.
- 6.29 Greater transparency about how online intermediaries deliver news content and the consumption habits of their users would help to foster greater understanding of the role they play in the news ecosystem. For users, transparency may help them to make more informed choices about where they get their news. For publishers, it will provide insight into how platforms' systems affect the visibility and accessibility of their content. Transparency can also help to provide early sight of any harms which will assist industry, regulators and Government in thinking through whether further interventions (such as those discussed below) are needed.
- 6.30 We recognise that there are legitimate reasons for not putting certain categories of information and data in the public domain. For example, if the detailed workings of a curation or ranking algorithm were made public, this might allow third parties to game these algorithms, distorting outcomes to the detriment of users. In these circumstances, it may be more appropriate for transparency to be delivered through regulatory scrutiny. This is the focus of several of the options discussed below.
- 6.31 The issue of transparency of online intermediaries generally is being considered across the world, including as part of the Online Safety Bill currently before the UK Parliament. We expect that thinking in this area will develop further in advance of our next Media Ownership Rules Review in 2024.
- 6.32 With respect to media plurality, there are a number of ways in which transparency could be achieved. This does not necessarily have to mean regulation. Transparency could be achieved by companies: voluntarily sharing information with the public; making data available to independent researchers or to a regulator; publishing their own research; or by explaining in greater detail how their services work and the steps they take to minimise negative effects. The success of voluntary approaches relies on firms having incentives to be transparent. For example, intermediaries may have incentives not to publish information which indicates an aspect of their service is harmful.
- 6.33 More formal transparency obligations on online intermediaries could take a number of different forms:
- a) **Regulatory reporting requirements.** Reporting requirements can be an important aid to transparency. Transparency reporting in the case of media plurality could both provide a regulator such as Ofcom with the ability to monitor the effects which online intermediary services have over time, and offer confidence to the public that these companies are complying with their own policies. Where the information needed is relatively clear, it may be possible to specify that information in legislation which creates statutory transparency reporting duties for any online intermediaries which fall in scope. For example, the European Digital Services Act requires online platforms that use recommender systems to set out the main parameters of those systems and information on their relative importance through transparency reporting obligations.

Additional information around online advertising and recommender systems is also required for the largest online platforms.<sup>103</sup> Separately, the Council of Europe provides guidance on reporting requirements for OIs' curation and selection processes (e.g. what criteria OIs use to determine which content is prioritised to users) and their impacts on access and consumption.<sup>104</sup>

- b) **Information gathering powers.** Transparency could also be achieved by giving a regulator such as Ofcom information gathering powers allowing us to investigate and determine whether there are any harmful effects. Ofcom's experience has been that information gathering powers are often an essential part of building a robust evidence base and help to overcome information asymmetry to ensure we make the best regulatory decisions.

6.34 There are several ways in which more detailed information could be used by Ofcom to assess the impact online intermediaries have on media plurality:

- a) **Analysis of aggregated usage and traffic data.** Analysis of proprietary data from online intermediaries and other news providers would allow for a fuller and more accurate understanding of the role each plays in the delivery of news in the UK. For example, detailed data about the amount of time users spend reading news would enable us to assess the importance of each intermediary in the news ecosystem and how different groups are impacted. Because some intermediaries refer their users on to other services, understanding how often this occurs would enable an accurate assessment of their relative importance as a source of traffic for other news services.
- b) **Analysis of individual user data.** Access to a randomised and anonymised sample of user level data would allow richer insights into individual user journeys. This would let researchers see which news sources were shown to users, and which ones they clicked on and subsequently visited. We conducted our own research based on the user level information made publicly available by Twitter.<sup>105</sup> However, the data released by Twitter doesn't include what content people have seen, which limits the conclusions that can be drawn. Access to a fuller dataset, and data from other online intermediaries, would enable a more complete assessment of concerns around issues such as echo chambers, misinformation and algorithmic bias, including whether particular groups are impacted.
- c) **Algorithmic audits.** The algorithms that underpin recommender systems used by online intermediaries to deliver news content are complex, potentially containing hundreds of variables. However, it is possible to examine both whether the outputs which users see reflect expectations, known as empirical auditing, and whether due diligence and algorithmic testing protocols are being applied and acted upon, known as governance auditing. These approaches could be used, for example, to determine

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<sup>103</sup> Articles 26 and 27 of Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC ([Digital Services Act](#)). These two articles provide that, where there are options to do so, users should be provided with a direct and easy functionality that allows them to select and to modify at any time their preferred option.

<sup>104</sup> Council of Europe (2021), [Guidance Note on the Prioritisation of Public Interest Content Online](#).

<sup>105</sup> [News consumption and media plurality on Twitter in the UK](#), Ofcom November 2022.

whether there is an explicit bias within an algorithm or whether there is the scope for manipulation of ranking systems in a way which could be harmful to media plurality.

- d) **A/B testing.** A/B tests are experiments which compare two versions of a service to evaluate which achieves a goal more effectively. We understand A/B tests are used as a matter of routine by providers of online services, including intermediaries, to assess the impact of design changes. For example, they can be used to test whether people click on a button more if it is one colour or another, or whether they spend more time reading a story if they have the opportunity to comment at the end. This method could be used to assess whether differences in choice architecture or recommender systems could affect outcomes such as the diversity of news that people see. While Ofcom has carried out trials of choice architecture in an experimental setting, our ability to get meaningful results would be enhanced by carrying out trials in a real world setting.<sup>106</sup>

6.35 Transparency requirements of these kinds come at a cost as they place a burden on the companies that would need to spend time and resources undertaking the analyses or preparing the regulatory reports and data discussed above. Any transparency remedies would therefore need to be proportionate, as well as taking account of the personal and commercial sensitivity of some of the data concerned.

6.36 Additionally, the algorithms and choice architecture employed by both online intermediaries and news providers rarely stay still. Overly specific requirements may become outdated over time, providing a misleading picture of effects. Consequently tests may need to be conducted by the companies concerned using defined parameters agreed with regulators, rather than by a third party working with necessarily incomplete information.<sup>107</sup>

## Empowering user choice

6.37 Another way to improve media plurality online might be to impose obligations on OIs to give users a larger say in the way news is presented to them. There are a number of ways in which users could be given more control over the news they see. These include:

- a) **Customising recommendations.** OIs could be required to provide users with more choice about how their news service operates, particularly the operation of recommender systems. The European Commission in its proposals for the European Media Freedom Act has introduced a user's "right to customisation", requiring OIs to allow users to easily change default settings and manage access to media services to customise according to their interests or preferences.<sup>108</sup> Civil society organisations and researchers have suggested that platforms could offer a choice of interoperable third party recommender systems within their services, so people are better able to select

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<sup>106</sup> See Ofcom's Economic Discussion Paper, [Behavioural insights for online safety: understanding the impact of video sharing platform \(VSP\) design on user behaviour](#).

<sup>107</sup> An example of this approach is the [CMA's involvement in the development of Google's 'Privacy Sandbox' changes on the Chrome browser](#).

<sup>108</sup> Article 19 of the Proposal for a Regulation of the European Parliament and of the Council establishing a common framework for media services in the internal market ([European Media Freedom Act](#)) and amending Directive 2010/13/EU

the system which best suits them, including, for example, a ‘public service’ system providing news from a range of trusted sources.<sup>109</sup>

- b) **Customising choice architecture.** OIs could be required to vary how choices are presented to their users and periodically provide them with options about the overall design of their ‘news feeds’. For instance, users might be presented with the ability to access feeds which deliver news offering alternative viewpoints. We note the Council of Europe’s guidelines suggest users should have the ability to opt out from default design choices made by intermediaries.<sup>110</sup>
- c) **Promote conscious choice.** Intermediaries are already able to prompt consumers to think carefully about their online behaviour. There are lots of ways to do this such as Twitter’s use of government and state-affiliate labels or the flagging of content identified as misinformation.<sup>111</sup> These measures do not stop consumers reading the content, but do alert them to its nature.

6.38 Our research indicates just under half (46%) of OI users would like control over how their data is used to tailor news for them online.<sup>112</sup> In our qualitative research, participants welcomed the idea of having more tools that could help them access a diverse range of news sources and perspectives, and greater transparency around, for example, why individuals might be shown certain stories or perspectives.<sup>113</sup>

6.39 Our research also indicates that people don’t always feel in control of the information that they see and are concerned about the potential scale of the influence that intermediaries may have over it:

*“It’s shaping your opinion. You have to look very neutrally and make your own decision but it’s very hard to do that. It’s like they’re pushing you in a certain direction.”*

*“You don’t have much control really... I think people have less control than they think they do, but it’s made out like they do have the control.”*

6.40 We noted in section 3 that some respondents to our recent research said that they did not want increased choice and that users do not always make use of the control they already have. As a result, user choice may not be a solution that is effective for everyone. How often choices are presented and how those options are framed are also likely to be important. There may be a benefit to combining user choice with actions to improve media literacy to help people make more effective use of the tools open to them.

6.41 We note that some OIs already provide an element of choice to users about how content is displayed. For example, Twitter allows users to view content in personalised or chronological order. However, in the absence of regulatory obligations, OIs may have

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<sup>109</sup> See for example: Brown, Ian (2020), [Interoperability as a tool for competition regulation](#), OpenForum Academy. ARTICLE19 (2021), [Civil society urges EU to fix algorithms](#). Panoptikon Foundation (2021), Webinar: [Alternative recommender systems in the DSA](#).

<sup>110</sup> Council of Europe (2021), [Guidance Note on the Prioritisation of Public Interest Content Online](#).

<sup>111</sup> Twitter: [About government and state-affiliated media account labels on Twitter](#).

<sup>112</sup> [Media Plurality Quantitative Research 2022](#).

<sup>113</sup> [Media Plurality Qualitative Research 2022](#).

limited incentives to offer users some of the choices described above; this is especially the case if those choices conflict with their commercial incentives (e.g. if they reduce the amount of time users spend on the intermediary platform). Some OIs offer news as part of a wide array of other services in which they may have strong market positions. This may make it difficult for users to substitute to alternative online intermediary services, further weakening incentives. Where incentives to provide choice are weak, there may be a role for regulation to ensure that meaningful choices are available.

- 6.42 Increasing user choice may impose costs on intermediaries as they would need to design, test and implement new choices within their services. These costs would need to be taken into account in the design of any interventions.

### Direct plurality interventions

- 6.43 A further class of interventions that could be used to address potential harms to media plurality is to go beyond empowering user choice and be more prescriptive about the news that users see. Since interventions in this area are more intrusive than transparency and user choice, we are conscious of the need to be satisfied that such a measure is proportionate to the identified harms to media plurality. They would also need to be carefully designed to avoid unintended consequences.
- 6.44 One option could be the creation of statutory obligations for OIs to put in place measures to support the visibility and discovery of a range of high quality journalism on OIs. The aim of this would be to ensure users are able to access accurate information and a wide range of viewpoints as part of the news content they get from OIs. Further obligations could be focused on avoiding the display of content harmful to media plurality or its aims (e.g. misinformation).
- 6.45 Regulations that give prominence to specific categories of media are not new. They exist in a number of countries.<sup>114</sup> Within the UK, providers of electronic programme guides are required to give “appropriate prominence” to a limited set of public service broadcast channels as a regulatory benefit afforded to those broadcasters in return for public service obligations.<sup>115</sup> These measures are designed to ensure users have easy access to public service content (including news programming) produced by PSBs.
- 6.46 Several organisations have emerged in recent years advancing guidelines to identify “trusted” or “public interest” journalism that can be used by OIs to promote high quality journalism and reduce the spread of disinformation online.<sup>116</sup> The Journalist Trust Initiative (JTI) has developed international certifiable self-regulatory standards for news media outlets with machine-readable solutions for OIs.<sup>117</sup> Through a principles/process-based

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<sup>114</sup> See [European Commission: Study on media plurality and diversity online](#) for a summary.

<sup>115</sup> Section 310(2) of the Communications Act 2003. Ofcom’s current [code of practice on electronic programme guides](#) is available on our website.

<sup>116</sup> Different frameworks which have been proposed include, among others, [NewsGuard](#) with its [Trust Ratings](#), the [Trust Project](#) with its [Trust Indicators](#), and the [Credibility Coalition](#) with its guidelines to promote online information quality.

<sup>117</sup> The [JTI](#) was originally launched and is now operated by Reporters Without Borders (RSF). It started as a collaborative standard setting process, according to the guidelines of the European Committee for Standardisation (CEN), led by Reporters Without Borders, and supported by more than 120 experts and entities, including among other the European Broadcasting Union (EBU), Agence France Presse (AFP), the Global Forum for Media Development (GFMD).

approach, JTI developed technical standards that broadly reflect six high level principles of ethical journalism, namely accuracy and fact-checking, independence from political and private interferences, due impartiality, fairness, transparency and accountability.<sup>118</sup>

Germany introduced a new law that came into force in 2021 requiring prominence of “public interest content” on “media platforms and interfaces”, which includes, but is broader than, content from Germany’s public service media.

- 6.47 However, a number of risks are associated with a more intrusive approach to securing media plurality. Any interventions in this space require a careful balance between promoting media plurality through diversity of online news content and avoiding undue interference with freedom of expression.<sup>119</sup> Some of the risks include:
- a) It may be difficult to specify in advance clear criteria for what information should be promoted and/or what information should be given reduced prominence. Alternatively, a more flexible system carries with it risks that judgements may be made which advance a particular agenda.
  - b) Any system based on firm criteria carries with it the risk of errors leading to inappropriate content being promoted or important material being suppressed. This problem may worsen over time if the criteria used become less relevant due to changing circumstances.
  - c) The promotion of any set of news creators will have an adverse effect on the discoverability of other news creators and content. This may distort competition in favour of that group and may also hinder the entry or growth of innovative new firms if they are placed at a disadvantage to more established news creators.
- 6.48 It may be appropriate to consider remedies to secure transparency and user choice first to evaluate their performance, before considering prescriptive measures which are more intrusive and carry with them significant risks.
- 6.49 For example, we note some jurisdictions have adopted self- and co-regulatory interventions. Under the new European Code of Practice on Disinformation, the European Union has advanced a strengthened self-regulatory framework where online intermediaries are prompted to ensure safe design practices, which can also include a higher visibility of quality and public interest news sources online based on existing industry standards. The Department of Canadian Heritage has also developed non-binding guiding principles that include the promotion of diverse, pluralistic sources of news and information as a complementary measure to foster resilience against disinformation and misinformation.<sup>120</sup>
- 6.50 Where appropriate, online intermediaries could also develop their own prioritisation practices of public interest news providers that reflect existing industry standards and

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<sup>118</sup> See [CEN Workshop Agreement, CWA 17493:2019 \(E\)](#), p.6

<sup>119</sup> See for example Council of Europe (2021), [Guidance Note on the Prioritisation of Public Interest Content Online](#). Council of Europe (2020), [Prioritisation uncovered: the discoverability of public interest content online](#). Council of Europe DGI(2020)19.

<sup>120</sup> Government of Canada (2021), [Guiding principles on diversity of content online](#).

international policy guidance, such as those from the Council of Europe.<sup>121</sup> As outlined in those guidelines, conditions of transparency, fairness, accountability, external oversight and independence should be taken into account.<sup>122</sup>

## Sustainability of news production

- 6.51 We noted in section 2 that OIs are now an important part of the news ecosystem and that, as traditional offline revenues have declined, newsrooms have become more dependent on online revenues. There are widespread concerns among stakeholders that changes in the market and the rapid decline in print revenues are making it increasingly difficult for news creators to earn a return from investments in the production of quality news.<sup>123</sup> We noted in section 4 that this could become a media plurality problem if it results in a lack of coverage, further concentration in media ownership, or a material reduction in the variety of news voices.<sup>124</sup>
- 6.52 These concerns provide important context for our work, but they are not the main focus of the present study, largely because they have been assessed in some detail in work by Ofcom and the CMA. This has focused on two key issues that present risks for the financial sustainability of news organisations: competition in digital advertising markets; and the bargaining relationship between platforms and news providers over payment for the provision of news content.
- 6.53 First, the CMA completed a market study into online platforms and digital advertising in July 2020.<sup>125</sup> This report found that Google and Facebook had very high shares of search and display advertising respectively and that they were now protected by such strong incumbency advantages – including network effects, economies of scale and unmatched access to user data – that potential rivals can no longer compete on equal terms. It stated that a new pro-competition regime was needed to address the problems it had identified.
- 6.54 Since the publication of that report, in advance of a new pro-competition regime, the CMA has opened a number of cases under the Competition Act 1998, several of which relate to digital advertising. For example, in February 2022, the CMA accepted commitments offered by Google that address the CMA’s competition concerns identified during an investigation of Google’s proposals to remove third party cookies and other functionalities from its Chrome browser. These commitments will see the CMA having an ongoing role in

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<sup>121</sup> Council of Europe (2021), [Guidance Note on the Prioritisation of Public Interest Content Online](#).

<sup>122</sup> Ibid. p. 6-7.

<sup>123</sup> See for example Council of Europe (2019), [Declaration by the Committee of Ministers on the financial sustainability of quality journalism in the digital age](#); Council of Europe (2022), [Recommendation CM/Rec\(2022\)4 of the Committee of Ministers to member States on promoting a favourable environment for quality journalism in the digital age](#).

<sup>124</sup> This was also highlighted by external research and international institutions, such as the Forum for Information and Democracy and the Centre for International Media Assistance (CIMA). See for example Forum for Information and Democracy (2021), [A new deal for journalism](#); and Radsch, Courtney C. (2022) [Making Big Tech Pay for the News They Use](#) - Report by CIMA.

<sup>125</sup> CMA (2020): [Online platforms and digital advertising](#).

the development and implementation of these proposals by Google to ensure harm to competition in digital advertising markets is avoided.<sup>126</sup>

- 6.55 Second, in November 2021, Ofcom and the CMA provided advice to the DMCS on how an enforceable code of conduct could govern the relationships between platforms and content providers, such as news publishers, to ensure they are fair and reasonable.<sup>127</sup> The report explained how an enforceable code of conduct would secure fair compensation for use of content by:
- giving publishers appropriate control over presentation and branding of their content;
  - driving improved practices in the sharing of user data between publishers and those platforms that host their content; and
  - redressing the imbalance in bargaining power in negotiations between publishers and platforms by providing a framework for the determination of fair financial terms for publishers' content where this is hosted by platforms with strategic market status.
- 6.56 Our current view is that the proposed competition regulatory regime for online platforms is likely to be the most appropriate approach for dealing with risks to the financial sustainability of news organisations presented by the operation of OIs. While government has committed to bring forward legislation to introduce this new regime, this legislation is not yet in place. In the interim, both CMA and Ofcom have powers to investigate such concerns under the Competition Act 1998.
- 6.57 We are aware that there have been calls for other interventions to support the financial sustainability of news organisations that go beyond addressing competition concerns. For example, there have been suggestions that government should provide direct financial support for news production. It is important to consider how the independence of news creators can be preserved when there is state support. For example, the Stigler Center has suggested the introduction of a 'private media voucher scheme' funded by public money, whereby each adult would be given a voucher worth a given sum of money to donate to their favoured media outlet.<sup>128</sup>

## Summary

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- 6.58 We have identified four categories of tools that could be used to provide a fuller understanding of the impact of online intermediaries on media plurality and address possible harms.
- 6.59 There are likely to be benefits to consumers from improving transparency about how online intermediaries select and present news. There are many different ways transparency can be improved; further work would be needed to determine the best form of any regulation in this area.
- 6.60 It is also clear that some participants in our consumer research wanted more control over how online intermediaries select and present news to them. Empowering user choice could

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<sup>126</sup> CMA (2021): [Investigation into Google's 'Privacy Sandbox' browser changes](#)

<sup>127</sup> Ofcom/CMA (2021): [Platforms and content providers, including news publishers.](#)

<sup>128</sup> Stigler Centre (2019): [Committee on Digital Platforms – Final Report.](#)

be an effective way to promote media plurality online and avoid some of the potential problems outlined in section 4. In practice it can be challenging to ensure users are given choices in a way that is meaningful to them.

- 6.61 More direct interventions to ensure media plurality are more intrusive and carry greater risks. It may be prudent to implement other remedies first and evaluate their performance before considering more prescriptive measures.
- 6.62 There has already been considerable work to develop remedies which address some of the sustainability problems faced by news creators. Our current view is that the proposed competition regulatory regime for online platforms is likely to be the most appropriate approach in the long term for dealing with risks to the financial sustainability of news organisations presented by the operation of OIs.

**Discussion question 7:** Do you agree with our preliminary assessment of the available options for regulating media plurality online?

**Discussion question 8:** Are there viable options that we have not considered? If so, please describe these options and explain how they would be effective in promoting media plurality.

**Discussion question 9:** Are there any options listed that should not be considered further? If so, please explain why.

## 7. Next steps

- 7.1 This document has aimed to summarise the work we have undertaken since publishing our [statement](#) last November. Our objective has been to understand the possible impacts of the growth of online news and the role of online intermediaries, in particular, on media plurality. We have also set out some potential options for amending the regulatory framework to help secure positive outcomes for media plurality in the UK.
- 7.2 We have highlighted the role OIs now play within the UK news ecosystem. Our research has shown that people often do not understand the level of influence OIs have over the news they see and there is some reason to be concerned about the potential impact of OIs on media plurality, particularly in increasing polarisation.
- 7.3 We have highlighted a number of possible remedies, including new regulatory tools that could be useful in better understanding the impact of OIs on plurality and address the potential for negative effects. This document contains a number of questions we would like industry and interested parties to consider.
- 7.4 Over the coming months, we will be engaging with stakeholders as we continue to develop and inform our regulatory approach to media plurality before bringing forward any recommendations to the UK Government by 2024.
- 7.5 If you would like to respond to this document or have further questions regarding this area of our work then please contact: [media.plurality@ofcom.org.uk](mailto:media.plurality@ofcom.org.uk)

**Discussion question 1:** Do you agree that online intermediaries play a significant role within the news ecosystem?

**Discussion question 2:** Do you agree with our summary of the available evidence on how OIs may be affecting media plurality? Is there other evidence that should be considered or new research that should be undertaken to investigate these issues?

**Discussion question 3:** What are your views on the presented options to update how we collect survey data on access to, and consumption of, online news and whether this should be supplemented with tracking or other data?

**Discussion question 4:** Do you agree with our proposal to use the share of attention metric as a complementary measure of news consumption?

**Discussion question 5:** Do you agree with our proposed tests for assessing the impact of potential remedies?

**Discussion question 6:** What options do you consider could be used to determine which organisations and which content should fall within the scope of online media plurality regulation?

**Discussion question 7:** Do you agree with our preliminary assessment of the available options for regulating media plurality online?

**Discussion question 8:** Are there viable options that we have not considered? If so, please describe these options and explain how they would be effective in promoting media plurality.

**Discussion question 9:** Are there any options listed that should not be considered further? If so, please explain why.