



Media plurality measurement framework – call for inputs

Invitation to comment

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About this document

Ofcom has been requested by the Secretary of State (Culture, Media and Sport) to develop a measurement framework for media plurality. With this document, we are inviting early input from stakeholders on the indicators that such a framework should include. We also provide details on the Secretary of State's request and discuss relevant background to it.

Introduction

- 1.1 Media plurality contributes to a well-functioning democratic society, by:
 - ensuring that there is a diversity of viewpoints available and consumed across and within media enterprises; and
 - preventing any one media owner or voice having too much influence over public opinion and the political agenda
- 1.2 These two goals are linked. In particular, the first helps mitigate the second, as having citizens informed by a diversity of viewpoints may limit the influence of any one media owner.
- 1.3 A variety of genres are potentially relevant to media plurality, but news and current affairs play the primary role in delivering the goals set out above. Policy and regulatory processes in the UK that relate to media plurality have focussed on ensuring plurality in the provision and consumption of news and current affairs content.
- 1.4 Media plurality is relevant to Ofcom's primary duty to further the interests of citizens and consumers in communications matters. Ofcom also has specific duties in this area, which include our role in assessing the potential effects of mergers between media enterprises if the Secretary of State makes a 'public interest' intervention.
- 1.5 Over the past few years, we have also contributed more broadly to the ongoing policy debate on the UK framework for media plurality. We conducted a substantial amount of analysis and research in this area in 2012, feeding into advice for the Secretary of State and a submission to the Leveson enquiry.¹ We have also continued to monitor changes in news consumption and attitudes to news in the UK in 2013 and 2014.²

The Secretary of State has asked us to develop a media plurality measurement framework

- 1.6 In 2013, the Department for Culture Media and Sport consulted on measuring media plurality³. Having established the scope for a measurement framework for media plurality through the conclusions of this consultation, the Secretary of State asked us on 9 September 2014 to develop the framework itself⁴.
- 1.7 We have now commenced work on this request and we are using this document to gather early stakeholder input.
- 1.8 We have been asked to develop a suitable set of indicators to inform the measurement framework and to decide on the metrics that are most appropriate for each of these indicators. At least one of the indicators should be focused closely on

¹ See Ofcom, *Measuring media plurality*, 19 June 2012, and Ofcom, *Measuring media plurality: Supplementary advice to the Secretary of State for Culture, Media and Sport and the Leveson Inquiry*, 5 October 2012

² See <http://stakeholders.ofcom.org.uk/market-data-research/other/tv-research/news-2013/> and <http://stakeholders.ofcom.org.uk/market-data-research/other/tv-research/news-2014/>

³ See DCMS Media Ownership and Plurality Consultation Report <https://www.gov.uk/government/publications/media-ownership-plurality-consultation-report>

⁴ http://stakeholders.ofcom.org.uk/binaries/consultations/plurality-cfi/annexes/Plurality_request_from_SoS.pdf

media ownership. We have been requested to develop the framework in consultation with industry.

- 1.9 The scope of the measurement framework should be consistent with what determined through the Government's consultation into media ownership and plurality⁵. In summary, its conclusions are as follows:
- Online content should be included within the scope of any measurement framework
 - News and current affairs is the type of content which is most relevant to media plurality
 - All organisations that impact the news and current affairs that UK consumers access should be in scope
 - The BBC's impact on plurality should be in scope
 - The framework must deliver indicators capable of illustrating the situation at UK-level and in each of the Nations.
- 1.10 The purpose of this call for inputs is to gather stakeholder views on the indicators and metrics which should be included in a measurement framework that is consistent with the scope summarised above. We are not seeking to revisit the conclusions of the Government consultation.

The measurement framework will enable a future analysis of media plurality in the UK

- 1.11 The Government's purpose for establishing a media plurality measurement framework is to enable a future market analysis of plurality in the UK.
- 1.12 This future market analysis would establish a baseline assessment on the state of media plurality in the UK and would indicate where potential problems might be arising.
- 1.13 The indicators that are included in the measurement framework should allow considerations on how far the UK is from an "ideal" media market in terms of plurality.
- 1.14 As noted in the Government consultation report, we have previously considered that several features would characterise an ideal plural outcome:
- a diverse range of independent news media voices across all platforms;
 - a high overall reach and consumption of news and current affairs among all demographics and across the UK nations;
 - consumers actively multi-sourcing, such that the large majority of individuals consume news from a range of different sources;

⁵ Department for Culture Media & Sport, *Media Ownership and Plurality Consultation Report: Government Response to the House of Lords Select Committee on Communications Report into Media Plurality*, 6 August 2014

- sufficiently low barriers to entry and competition between providers to spur quality and innovation in the gathering and dissemination of news;
 - overall investment and commercial returns that are sufficiently high to ensure sustainability, and support high quality coverage, extensive newsgathering and investigative journalism; and
 - no organisation or news source has a share of consumption that is so high as to create a risk that consumers are exposed to a narrow set of viewpoints.⁶
- 1.15 We have noted that there may be trade-offs between these features, and not all may be achievable in practice. These features may be best considered as ideal benchmarks against which to plot and compare current positions.
- 1.16 At this stage, we are not seeking views on the features of an ideal plural outcome, on the current levels of plurality in the UK, or on whether these give rise to potential policy concerns. These matters are for any future market analysis of plurality in the UK based on the plurality measurement framework. We note that there is no firm date planned for a market analysis of plurality in the UK.. Through this document, we are seeking views on issues that are relevant to addressing the Secretary of State's request for a plurality measurement framework.

We have conducted relevant work in this area in 2012: we intend to build on this in addressing the current request

- 1.17 In October 2011, the Secretary of State asked Ofcom to answer five questions related to media plurality. This request followed Ofcom's consideration of plurality in relation to the proposed NewsCorp/BSkyB transaction (the Public Interest Test) published in December 2010.
- 1.18 The October 2011 request asked for advice on: the best approach to measure media plurality across platforms; whether a framework should include online news sources; whether or how a framework should include the BBC; what could trigger a plurality review; and whether it is advisable to set a limit on news market share.
- 1.19 To respond to these questions, Ofcom consulted with industry and academics through an Invitation to Comment. We commissioned in-depth consumer research to understand consumers' use of and attitudes toward news. We also commissioned a consultancy to investigate how the market for the provision of news in the UK operates, looking specifically at the dynamics that characterise the main routes to market of print, broadcast and online news. This research was published in full, alongside our response, on the Ofcom website in June 2012.⁷
- 1.20 Our response includes our initial advice on measuring media plurality. The metrics we recommended in 2012 centred around three categories (availability, consumption and impact) alongside a consideration of relevant qualitative factors. We advised that a framework should include the BBC and online news, and that a periodic review of plurality would provide the best approach in relation to a trigger. We also set out that any consideration of a limit on news market share should be informed by a view of what level of plurality is sufficient. We noted it would be for Parliament to decide whether it should provide further guidance on the question of sufficiency.

⁶ Ofcom, *Measuring media plurality: Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport*, 19 June 2012

⁷ Ofcom, *Measuring media plurality*, 19 June 2012

- 1.21 We consider that our initial advice from 2012 is still relevant to the current request from the Secretary of State. We plan to improve and build on this in our next phase of work.
- 1.22 Figure 1 below illustrates the metrics included in our June 2012 advice. We set out that the measures relevant to quantifying a news media market's plurality fell into three categories:
- **Availability** – the number of providers available at the point of consumption. This is a relevant metric, but offers limited insight on its own.
 - **Consumption** – the number of people using news media and the frequency and / or time that they spend consuming it. We set out that consumption metrics, particularly share, reach and multi-sourcing, form the foundation of a plurality assessment.
 - **Impact** – these metrics need to capture the influence of news content consumption on how people's opinions are formed. We noted that while quantifying this is complex, proxies for impact should play a part in a broader assessment of plurality.
- 1.23 While highlighting the importance of these categories of metrics, we also set out that measures should be complemented by a consideration of relevant contextual factors. We considered that contextual, non-quantitative factors would play an important role in drawing conclusions.
- 1.24 Examples of potentially relevant contextual factors include:
- news organisations' differing governance models (such as Trusts, publicly limited companies with shareholders, private companies, statutory organisations);
 - the presence or not of regulation and oversight, some based on statutory models. For example, Ofcom's Broadcasting Code or the BBC's own editorial or regulatory processes and compliance;
 - the presence of internal plurality and a range of voices within organisations; and
 - the potential for editorial control exercised within organisations by proprietors/owners.
- 1.25 We concluded that a plurality assessment should make use of a basket of measures – of which consumption metrics were the most important – together with a consideration of a range of contextual factors.
- 1.26 We also considered that the metrics should also have the flexibility to be analysed by retail or wholesale level. We defined retail level as the individual title, or brand, of each news source that is providing news to the consumer. The wholesale level would be the third party supplier of the news. For example, BBC One, BBC Two, Sky News, Channel 4 and Five are classified as retail providers, but at the wholesale level, this would be classified as BBC, Sky and ITN, as ITN provides news for Channel 4 and Five.
- 1.27 At the same time, we acknowledged the news value chain was becoming more complex, noting, for example, the growing relevance of new types of online aggregators. We therefore recommended that that flexibility was required to consider

at which points in the value chain editorial control is most likely to be exercised and therefore how best to measure diversity and influence.

Figure 1: Summary of metrics included in our June 2012 advice

Category	Metrics	Description	What it indicates
Availability	Number of providers		An indication of the potential for diversity of viewpoints
Consumption	Reach	By platform – TV, radio, newspapers internet	An indication of the variety of viewpoints disseminated
		By provider within platform	
	Share of consumption	Cross platform	As above. Potentially useful in assessing a cross media merger. It establishes the capability for each provider to reach the population regardless of platform.
		By platform – TV, radio, newspapers, internet By provider within platform	An indication of the potential concentration in patterns of consumption.
		Herfindahl–Hirschman Index within platform	
		Cross platform – TV, radio, newspapers, internet Cross platform by provider Herfindahl–Hirschman Index cross platform	As above. Note: this can be in the form of Ofcom's bespoke share of references indicator that captures the reach and frequency of consumption, or in the form of average minutes consumed on each platform derived from industry measurement systems.
Impact	Multi-sourcing	By platform and cross-platform	An indication of the extent to which consumers are sourcing their news from one or a range of sources
	Personal importance	By platform By provider	Provides one proxy for measuring the potential to influence opinion
Contextual factors	A range to be considered depending on the situation	Examples include: Internal plurality Internal governance processes Editorial policy Impartiality requirements Market trends and future market developments	

Approach and next steps

- 1.28 Consistent with the Secretary of State's request, we intend to develop a media plurality measurement framework through an open consultation process.
- 1.29 This call for input is the first of two stages in this process. The early views we gather through this document will inform our analysis on how to build on our 2012 advice. This will lead to a set of proposals for the indicators to include in the measurement framework. We plan to consult on these proposals in the first quarter of 2015.
- 1.30 We expect to reach conclusions and provide the measurement framework to the Secretary of State during summer 2015.

Questions for comment

- 1.31 We invite stakeholder views on the issues we discuss below.

Building on our 2012 advice

- 1.32 As set out above, our advice in 2012 set out a range of metrics relevant to an assessment of media plurality. We invite comments on how we can develop this advice in line with the Secretary of State's request.

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

- 1.33 Measuring media consumption across different media platforms can present particular challenges. This is because established media consumption metrics used by industry focus on individual platforms and cannot be easily combined to form a cross-platform view. In our previous work, we have used a 'share of references' indicator, approximating cross-media news consumption with a consistent methodology and the same definition of news across platforms and content types, through bespoke consumer research⁸.

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

Relevant market developments

- 1.34 The metrics and advice that we set out above were developed and published in 2012. We are aware that the most appropriate ways to measure plurality in the UK may have been influenced by changes in the media landscape since this time. Relevant developments may involve changes to how news and current affairs content is sourced, produced, supplied and consumed.
- 1.35 We are seeking views on relevant developments and how they may affect the way in which plurality could be measured. We raise specific questions on changes related to online news below, but we are also interested in seeking views on any other relevant development.

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

The growing role of online news and its measurement

- 1.36 The use of online media as a way to access news has changed since 2012, and the ways that the use and dissemination of online news can be measured are also

⁸ Cross-media share of references - developed through bespoke quantitative research as a cross-media measure of news consumption that looks at all sources of news used across the four main platforms (TV, radio, newspaper, online). The measure was developed by Ofcom for the PIT report. Consumers were asked which sources of news they use for each of the main platforms. The references to each individual source mentioned were then aggregated across all platforms and expressed as a share of the total responses. This produced a cross-media share metric with consistent methodology and a consistent definition of news across all platforms. Results can be expressed in a number of ways, including wholesale provider, cross-media brands, platform aggregations etc.

evolving. In particular, the use of social media as a way to disseminate and access news has grown and Ofcom research shows that three in ten 16-34s are now using social media for news.⁹

- 1.37 Different news providers employ different methods to measure how their online media is consumed, and academics are starting to explore distinct ways of seeing how news is circulated online.¹⁰ With a range of different techniques and concepts emerging and already in use, we would like to hear views on how best to quantify the use of online news and current affairs.

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

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

Changes in standard industry measurements

- 1.38 Industry measurement systems¹¹ continue to develop. For example, BARB's "Project Dovetail" is extending the measurement of watching TV content beyond linear viewing on TV sets; the online measurement from UKOM/comScore has seen a number of developments over the past year; and the role of and scope of the National Readership Survey is currently being reviewed. We are seeking views on what role these measures should play in a plurality framework.

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

Measuring impact

- 1.39 In our 2012 advice, we considered that proxies of impact and influence should play a part in a broader assessment of plurality. The proxies we identified in 2012 included survey-based indicators on personal importance, reliability and impartiality of different news sources. We noted these proxies have inherent limitations as they can only measure people's conscious articulation and not actual effects. We welcome views on other ways to measure impact and influence to complement the proxies we identified in 2012.

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

Contextual factors

- 1.40 As set out above, we recommended in our 2012 advice that a range of contextual measures should be considered alongside other measures of availability,

⁹ Ofcom, *News consumption in the UK – 2014 report*, 25 June 2014

¹⁰ We have recently published a report by Oliver & Ohlbaum Associates Ltd, the Reuters Institute for the Study of Journalism and the Oxford Internet Institute on *Measuring Online News Consumption and Supply*. This report was commissioned by Ofcom in February 2014. While not related to the latest Secretary of State request, it provides relevant information on the specific issue of online news measurement. The report can be found at this link:

<http://stakeholders.ofcom.org.uk/binaries/internet/Measuring-online-news.pdf>

¹¹ Also known as JICs (joint industry currencies), these include BARB for TV, UKOM for online, RAJAR for radio and NRS for newspapers.

consumption and impact. We also said that relevant contextual factors could change on a case by case basis. This would allow for a degree of flexibility, for example in assessing the way in which different types of organisations contribute to plurality, when conducting public interest tests. As the purpose of the new framework is enable assessments of plurality in the UK market as a whole, we are seeking views on whether other contextual factors, in addition to those we set out in 2012 (and included in Figure 1 above) should be included in the measurement framework.

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

Measuring media ownership and influence across the news value chain

- 1.41 The Secretary of State sets out in his request that at least one of our measures should be focussed closely on media ownership. In our previous work, we have been able to consider the majority of our metrics at retail (title or brand) and wholesale (provider) level. This provides relevant insight on the number and relevance of media owners at these two levels of the news value chain.
- 1.42 However, in our 2012 advice, we also noted that the news value chain is complex and likely to continue to evolve. While metrics at the retail and wholesale levels were useful in informing plurality considerations (in the NewsCorp / BSkyB public interest test in particular) we recommended that flexibility is required to consider the most relevant points in the value chain for measuring diversity and influence. The conclusion of the DCMS consultation was consistent with this, and further specified that all parts of the news value chain should be included in the scope of the media plurality measurement framework.
- 1.43 We are therefore seeking views on: how media plurality measures could best focus on media ownership; whether the retail and wholesale levels remain the most appropriate points in the value chain to consider the role and influence of different media owners; and how the measurement framework should capture the role of organisations operating in other parts of the news value chain.

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

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

Considering the relative importance of different metrics

- 1.44 In our 2012 advice, we noted that a plurality assessment should consider a basket of metrics together with a range of contextual factors. We also noted that consumption metrics would be the most useful. In addition, in future assessments of plurality in the UK market as a whole, cross-platform metrics are likely to be particularly relevant.
- 1.45 We would like to hear views on other relevant considerations that could inform the relative importance of different elements of the basket of metrics and factors that are included in the measurement framework

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

- 1.46 Finally, we invite any other comment of relevance to the Secretary of State's request for a media plurality measurement framework that is not readily captured by the questions we set out above.

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

How to make submissions

- 1.47 Ofcom invites written submissions to be made by 27 November 2014. We are seeking responses that provide views, supported by evidence, on the specific questions detailed above, or on other considerations stakeholders consider relevant.

- 1.48 Please make representations via:

- The online web form at <http://stakeholders.ofcom.org.uk/consultations/plurality-cfi/howtorepond/form>
- By email - especially for larger submissions - particularly those with supporting charts, tables or other data – to MediaPlurality@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- Responses may alternatively be posted or faxed to the address below, marked with 'Ofcom advice on measuring plurality across media'.

Steven Cape
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Riverside House
2A Southwark Bridge Road
London SE1 9HA
Fax: 020 7981 3706

- 1.49 We do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- 1.50 Ofcom strictly observes confidentiality in all aspects of its operations. This applies to material supplied in response to this invitation to comment. If your submission includes material which is confidential, we will require a full version with confidential information omitted, together with reasons why the submission should be treated as confidential.
- 1.51 We intend to publish non-confidential responses to this invitation to comment on our website.