

## **21ST CENTURY FOX/SKY MERGER INQUIRY**

### **Summary of hearing with Tony Gallagher (Editor-in-Chief, The Sun) on 30 October 2017**

#### **Introduction**

1. Tony Gallagher (TG) stated that his career in journalism spans over thirty-one years and he was a deputy editor at The Daily Mail before being appointed as Editor-in-Chief of The Sun. TG said that his experience in editing is extensive given that he has edited The Daily Telegraph and The Sun and had a deputy editor role at The Daily Mail.

#### **The Sun**

2. TG stated that The Sun in print looks to compete across the whole range of news topics – politics, health, foreign affairs, show business, real life, crime, sport, entertainment, television. In contrast, The Sun online is focused more on entertainment and show business. The Sun wants to be the biggest and best newspaper in Britain and provide a comprehensive service.
3. TG explained that a lot of The Sun's readers are interested in political news as well as entertainment news and the newspaper therefore aims to provide reliable political news.
4. TG does not consider news broadcasters such as Sky News and ITN as competitors in the same way as the new online sources. However, the BBC online has considerable resources, meaning that The Sun's ability to compete with it is severely constrained.
5. TG stated that The Sun sources its news from many places including its own staff both in the office and out and in the lobby, foreign wires, Reuters, AP, the Press Association and regional agencies. The Sun also gets a lot of 'ring ins' from its readers. Breaking stories are sourced from TV and from online sources.
6. TG stated that the opinions of The Sun's readers are important both for editorial decision-making and from a commercial perspective. The editorial line of the paper should be aligned with the opinion of its readers.

7. He opined that the question of whether the paper has an influence on the views of its readers is less clear. Historically, that influence has been overplayed and in the last election research showed that only 48% of Sun readers voted.
8. TG stated that The Sun carries out its own investigations and places a high premium on getting exclusive stories that are not in any other social media channel or in any other newspaper.

## **The Sun Online**

9. TG stated that there is a lot of competition in online news, and that online readers are not brand-loyal. The key transformation in the past six years has been the growth of native online news sites, which provide very substantial competition.
10. TG stated that the editor of The Sun Online reports to him.
11. TG stated that, since The Sun Online removed its paywall, it had had an increased number of readers online but this has not seen an equivalent growth in revenue, as advertising revenue is going to Facebook and Google.
12. TG explained that stories in The Sun print version are also published online. The online version of The Sun is more weighted towards entertainment news and has many more stories at its disposal because it does not have the limitation of space of the print edition.
13. TG said that he is unable to comment on whether or not and how other news media companies differentiate their offline content from their online content.
14. TG stated that a very considerable amount of online traffic is channelled through intermediaries. Intermediaries such as search engines and social networks are relied upon to attract readers.
15. TG stated that one of the problems with receiving traffic via intermediaries is that they can change their algorithms unknown to him, which may downgrade the ranking of The Sun in search results.
16. TG explained that the lower search engine ranking of The Sun is contributed to by the many alternative online news sources that copy and repeat articles originating from The Sun and move up the search rankings. Relatedly, TG stated that the Sun's competitors may at times only make cursory reference to The Sun as the originator of stories. This means that readers are likely to be unaware of The Sun as the originator.

17. TG stated that the average age of readers of The Sun Online is 37 and the average age of readers of The Sun's print version is 51. The gender split in readership also varies, as well as other demographics.
18. TG stated that The Sun also uses Snapchat as a way to disseminate its stories. The average age of viewers on Snapchat is 19. About 70% of Snapchat users of The Sun are women.
19. TG stated that The Sun Online does not engage in extensive reader profiling to tailor the presentation of news to each different reader demographic. The Sun Online is aiming to obtain more information on its readers' tastes and choices over the next few years. It is also aiming to attract more younger readers and to get them to stay on its website for longer periods of time.
20. TG stated that online news providers also produce originating stories. A recent example of this are the allegations surrounding actor Kevin Spacey, which were first published in BuzzFeed, according to TG's knowledge.
21. TG stated that people online are not brand loyal and tend to go to stories where they are directed by Google, Facebook or Twitter.

### **Compliance with legal and self-regulatory requirements**

22. TG stated that the operation of newspapers has changed significantly. There is now a heavier focus on compliance, stricter controls over payments for stories and operational activities need to have gone through a chain of command before approval is granted.
23. TG stated that the Independent Press Standards Organisation (IPSO) is well-known and considers it a strict regulator.
24. TG stated that nowadays more people lodge complaints about the news.
25. TG stated that a complaint online can be amplified through social media.
26. TG stated that IPSO's Editors' code is always taken into consideration at The Sun when it comes to publishing pieces.
27. TG stated that his senior staff and lawyers meet once a week with The Sun's own ombudsman to discuss complaints from IPSO.
28. TG opined that The Sun is more risk-averse than other newspapers, although there have been times when a particular article potentially involved high legal risk and The Sun has nevertheless decided to publish it.

29. TG stated that The Sun is in regular contact with IPSO with regard to compliance and complaints.
30. TG stated that The Sun also ensures that photographs comply with strict credentials before they are published.

### **Views on media influence**

31. TG stated that he is not sure to what extent any newspaper can influence readers to change their opinions. TG opined that the influence of newspapers is overplayed.
32. TG stated that politicians are very concerned about who owns news media and that politicians want to use newspapers as a mouthpiece.
33. TG stated that, in the digital age, politicians may be less concerned with newspapers and may want to focus more on social media as a platform.
34. TG stated that the editorial team at The Sun hardly has any contact with the editorial team at The Times. However, he does occasionally get in touch with the editor of The Times on a breaking story that is particularly sensitive or may have security implications. He may have the same kind of discussions with other national newspapers.
35. TG stated that he has hardly any contact with news broadcasters. On occasions where the Sun has a big story, he may seek some amplification via nightly broadcasts.
36. TG stated that he speaks to Rupert Murdoch (RM) occasionally, generally every few weeks. TG explained that they speak about how The Sun is carrying out its work, including its handling of stories compared to other papers, what is going on politically within the UK and US, upcoming stories and the next day's front page. They also discuss newspaper design.
37. TG stated that there is no indication that RM is looking for a particular view to be expressed within The Sun and there are many areas where his views are very different from those of RM. There was no discussion about who The Sun would back in the last election.
38. TG explained that The Sun did not cover the allegations surrounding Bill O'Reilly as much as those related to Harvey Weinstein and Kevin Spacey because Bill O'Reilly is not as well-known a figure in the UK.

39. TG stated that he and RB occasionally speak about the stories that The Sun is doing. TG explained that, as RB is a former editor, it can be helpful to discuss such matters with her and she is a useful sounding board.
40. TG stated that he believes The Sun had no influence on the Brexit vote and that social media would have a more considerable influence nowadays. TG referred to the use of social media in the recent UK elections as an example.
41. TG explained that newspapers like The Sun can however have influence in other ways. For example, it can influence the public or policy through running campaigns in its papers such as encouraging readers to give old pound coins to the Poppy Appeal.