

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

### **Summary of hearing with Guardian Media Group on 2 November 2017**

#### **Views on online news providers**

1. Guardian Media Group (GMG) stated that available evidence suggests that established news organisations, including television broadcasters and newspapers, still have the most influence on the public, compared to newer media organisations and social media platforms.
2. GMG stated however, that social media platforms have a powerful role in amplifying the news that is published by established news organisations. Conversely, established news media play an important role in amplifying the message of purely online news outlets, such as political blogs.
3. GMG explained that available evidence suggests that social media platforms are not as well trusted a source of news as established news providers.
4. GMG explained that the algorithms of search engines and social networks are designed in a way that mainly encourages viral content to spread through people's online news feeds. GMG stated that viral content usually comprises eye-catching visuals and headlines.
5. GMG stated that digital technology has enabled it to reach significantly more readers than in a pre-digital era.
6. GMG stated that revenue from digital advertising is important for the sustainability of news media, but that advertising is declining as a share of total revenues for many news organisations.
7. GMG stated that the vast majority of online digital advertising revenue is taken by other platforms, such as major search engines and social networks.
8. GMG stated that, in order to be financially sustainable, many online news providers (including GMG) are now turning to readers to fund high quality journalism, whether via a paywall or other models, such as becoming supporters or contributing financially.

## **Views on media influence**

9. GMG opined that influence cannot be measured accurately by referring to the share of reference metric used by Ofcom. In addition, other factors need to be considered to ascertain the level of influence that a media organisation has over the political sphere.
10. GMG said that politicians do care about the messages that are disseminated through media organisations that have a large readership and audience, and that broadcast news on television remains the most influential form of media.
11. GMG stated that it focuses on journalism about issues that are in line with the Guardian's core values and are in the public interest. These stories generally focus on issues that are contrary to the public good, many of which are not being covered by other news providers.
12. GMG stated that it does not seek influence for its own sake, but does seek to influence public debate in the interests of the public good.
13. GMG stated that The Sun could be considered to have substantial influence in relation to the political agenda, and that Sky News can also be considered to have such influence, as a trusted news source. GMG cited recent evidence which suggests that Sky News currently has a politically-balanced viewership.

## **Views on media plurality**

14. GMG explained that, when media organisations become part of a larger media company, they are often able to access resources and capabilities within that group that are not available to independent news organisations. GMG stated that, in a world of platforms and news feeds in which it is increasingly difficult to stand out and connect with readers, the ability for media organisations to cross-sell and bundle subscriptions to news organisations, within those larger groups, will be very important in the future.
15. GMG stated that the commercial interests of companies within a broader group may have an impact on the willingness of the news organisation within that group to cover issues and news stories that would be contrary to wider group's commercial interests.
16. GMG opined that there is evidence that the consumption of news within news feeds reduces the ability of end users to identify where that news is from. They said that, as news is communicated through smart home devices in audio format, this may present challenges in terms of identifying the source of

that journalism. GMG stated that this may reduce plurality as the identity of news brands is primarily visual, rather than aural in nature.

### **Choice of stories to cover**

17. GMG stated that editorial colleagues may pick up and report further on a news story published or broadcast by another news provider, in order to provide a mixture of news stories for its readers. GMG stated that other news providers also pick up and report further on stories published by the Guardian.

### **Compliance**

18. GMG explained that the Scott Trust Ltd appoints a readers' editor, who addresses complaints and feedback from readers. The readers' editor reports directly to the board of Scott Trust Ltd, the owner of GMG, and provides regular feedback to the Scott Trust on how it deals with those complaints and feedback. GMG stated that the readers' editor explicitly does not report to the editor-in-chief of GNM.
19. GMG explained that, if there is a complaint against a decision of the readers' editor, where there are grounds to do so this can be subject to review by a review panel, which was also established by the Scott Trust.