

Digital Markets Taskforce  
The Cabot  
25 Cabot Square, Canary Wharf, E14 4QA  
Email: digitaltaskforce@cma.gov.uk

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## **Digital Markets Taskforce JPIMedia Response to the Call for Evidence**

I am the chief executive officer of JPIMedia, the publisher of dozens of trusted local and regional news brands ranging from the Yorkshire Post and The Scotsman to the Peterborough Telegraph and the Chichester Observer.

I am writing in support of the NMA's submissions regarding the CMA's final report on online platforms and digital advertising.

While in one sense unrelated, the CMA's final report on online platforms and digital advertising, the House of Lords Select Committee's report on digital technology and the resurrection of trust, and the Online Harms Bill, all illustrate the utterly corrosive nature of vast unregulated and unaccountable online platforms on democracy, national security, vulnerable individuals, and the effective working of a competitive market-place.

Trusted, regulated, accountable public interest journalism of the type provided by our and similar regional media companies is the only antidote - as Dame Frances Cairncross rightly identified in her report published nearly a year and a half ago.

But time is running out.

The accelerating market dominance of the big tech companies like Facebook and Google and the opaque nature of their operations - especially around their algorithms which shares content created by other parties - have been key factors in the rapid contraction of traditional media and their revenue streams. As newspaper circulations reduce we have become increasingly reliant on digital audiences leveraged through these global platforms - and entirely vulnerable to algorithmic changes and dwindling advertising yields over which we have neither visibility nor control.

By way of example, our own records show that from 2012 to 2014 total revenues contracted by about 8% pa. This position had significantly deteriorated by the period 2015 to 2019 when they declined by around 13% pa. Advertising reductions were more severe, while the revenues we earned from the falling sales of our newspapers were ameliorated by price increases. This latter period coincided with the meteoric rise of Facebook advertising.

For that reason we entirely endorse the CMA's findings, but it is crucial that:

1 Action is taken swiftly. The further damage wrought by the pandemic on our business models means local and regional publishers need help in weeks not years.

2 Codes of Conduct must include a mechanism to mandate both the inclusion and prioritisation of our

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trusted content on dominant platforms as well as providing a fair payment to the creator of the content for its use. This payment should be based on revenues generated by the content. Despite our considerable investment in the production of news, when our content is hosted in the Google or Facebook ecosystems, its value is captured by the platforms.

3 The Codes must provide transparency of the algorithm in content selection and advise changes well in advance.

4 The tech companies must share the audience and the advertiser data with the creator of the content consumed.

5 The Digital Markets Unit should have the power to make compensation orders for breaches of the codes of conduct. Compensatory awards would not only correct the harm to publishers flowing from platforms' misuse of content, but they would directly fund our journalism to the benefit of consumers and wider society.

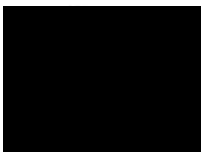
More immediately while the code is being developed and new sustainable public interest journalism models are established, local and regional publishers require direct Government financial support.

There are many examples globally of how tax credits and rebates schemes can support creative industries such as ours. Receiving a payment for every journalist employed - of say £10,000 pa - and an enhanced sum for the recruitment and training of additional reporters could make a significant difference between the continued haemorrhaging of journalist jobs or the sustaining and creating of many additional roles.

For our part, we are aware of our responsibilities. To establish a UK specific kite-marking scheme based on the principles of the press card so that trusted news sources can be easily identified; to continue to invest in trained, trusted, unique, quality public interest journalism as our core function; and to continue to innovate long-term business models based on 'readers pay' principles with the end goal of achieving self-sustaining public interest journalism.

I hope these considerations will help inform the call for evidence on the CMA's final report.

Yours sincerely,



**David King**  
Chief Executive

cc: Lord Gilbert of Panteg, Chair of the House of Lords Communications and Digital Committee.