



Reach PLC summary response to the Digital Markets Taskforce call for evidence

Introduction

Reach PLC is the largest national and regional news publisher in the UK, with influential and iconic brands such as the Daily Mirror, Daily Express, Sunday People, Daily Record, Daily Star, OK! and market leading regional titles including the Manchester Evening News, Liverpool Echo, Birmingham Mail and Bristol Post.

Our network of over 70 websites provides 24/7 coverage of news, sport and showbiz stories, with over one billion views every month.

Last year we sold 620 million newspapers, and we over 41 million people every month visit our websites – more than any other newspaper publisher in the UK.

Changes to the Reach business

Earlier this month we announced changes to the structure of our organisation to protect our news titles. This included plans to reduce our workforce from its current level of 4,700 by around 550 roles, gearing our cost base to the new market conditions resulting from the pandemic. These plans are still in consultation but are likely to result in the loss of over 300 journalist roles within the Reach business across national, regional and local titles.

Reach accepts that consumers will continue to shift to its digital products, and digital growth is central to our future strategy. However, our ability to monetise our leading audience is significantly impacted by the domination of the advertising market by the leading tech platforms.

Moreover, as a publisher of scale with a presence across national, regional and local markets, we have an ability to adapt and achieve efficiencies in the new market conditions that smaller local publishers do not.

Allowing the status quo to continue in terms of the platforms dominance of digital advertising risks the loss of news titles, further reductions in the numbers of local journalists and ultimately a vacuum that risks being filled by unreliable news and information.

Key Points for the Digital Markets Taskforce

1.1 Reach PLC is a member of the News Media Association and fully supports its submission to the taskforce. This short submission is in support of the responses and conclusions of the NMA.

1.2 Reach PLC agrees fully with the CMA's findings regarding the challenges faced by publishers and the detriment experienced as a result of the dominance of the platforms in digital advertising, search and social media.

1.3 We are very concerned that after significant time has already passed for the CMA to make its findings there may be further delays in passing legislation to form the Digital Markets Unit while news titles continue to suffer from not receiving adequate recompense.

1.4 We support the NMA's call for urgent pro-competitive reform to rebalance the platform-publisher relationship and restore competition to the digital advertising market. It is key that these measures are implemented within the next six months. Any widening in scope for the Unit before its creation will lead to further delay and further damage to news brands.

1.5 We would like to see interim action taken to address the negative impacts of the tech platforms dominance of the digital advertising market on news brands.

1.6 While we support the recommendations relating to codes of conduct, the powers available to the DMU and the pro-competitive interventions it is essential that the codes also cover compulsory payments to providers for their content. We continue to monitor the situation in Australia where compulsory arbitration has been introduced and believe this could provide an appropriate model for the UK.

1.7 We also support the DMU having the power to impose remedies such as compensation where market power has been proven to have negative impacts.

Conclusion

Reach PLC fully supports the NMA submission to the Digital Markets Taskforce.

While we continue to see record engagement with our content and record numbers of subscribers, our ability to fully realise the potential of our digital success is severely constrained by the dominance of the advertising market by a handful of global platforms.

With news providers under greater commercial pressure than ever following the pandemic we do not have the luxury of time to wait for the creation of the Digital Markets Unit and would urge the relevant legislation to be brought forward within the next six months.

For further information contact Ciaran O'Brien, Reach PLC Director of Communications at

