



Select Committee on Communications and Digital

Corrected oral evidence: The Future of Journalism

Tuesday 25 February 2020

3.30 pm

Watch the meeting

Members present: Lord Gilbert of Panteg (The Chair); Baroness Bull; Viscount Colville of Culross; Baroness Grender; Lord McInnes of Kilwinning; Baroness McIntosh of Hudnall; Baroness Quin; The Lord Bishop of Worcester; (Alasdair Love, Clerk to the Committee; Professor Jane Singer, Specialist Adviser to the Committee).

Evidence Session No. 1

Heard in Public

Questions 1 - 11

Witnesses

I: Dr Alison Preston, Head of Research, Ofcom; Dr Rasmus Kleis Nielsen, Director, Reuters Institute for the Study of Journalism; Vikki Cook, Director of Content and Media Policy, Ofcom.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Dr Alison Preston, Dr Rasmus Kleis Nielsen and Vikki Cook.

Q1 The Chair: I welcome our witnesses to our meeting today. It is the Committee's first session in our inquiry on the future of journalism and the challenges that it faces in an incredibly fast-moving and changing landscape. Our witnesses are experts in the field, and I am very grateful to them for coming along to help us get our head around some of these issues by giving us the benefit of their expertise. Our witnesses are Alison Preston, who is the head of media literacy at Ofcom, Vicky Cook who is director of content and media at Ofcom, and Dr Rasmus Kleis Nielsen who is director at the Reuters Institute for the Study of Journalism. Thank you all very much for coming. Would you like to start by giving a brief introduction and then take us through your initial thoughts on the industry? What are the most important changes in the consumption of news? Obviously, that is an important starting point for us—how people are consuming news in This era.

Dr Alison Preston: I am in the market research department at Ofcom. I have been with Ofcom since it began, and I have conducted media literacy research and news research over a number of years. I am currently co-directing our Making Sense of Media programme of work. On the question about the key changes in the consumption of the news, obviously the internet has transformed an awful lot of the way that we consume news. In recent years, the rising dominance of smartphones has made an impact, meaning that news is accessible at all times, in all locations. It is important to remember that one in 10 people now only uses their smartphone to go online. That rises to one in five of the poorer members of society. Connected to that are the methods of discovering, navigating and choosing news that have been transformed, and the significant role that social media, search engines and news aggregators now play. That means that there has been a fragmentation in our consumption habits. The development of the smart speaker is also changing consumption of news. One thing that I want to highlight up front is the potential for people to be less aware of the source of the news that they are using and the importance of people knowing that, for reasons that we will talk about later. What is also interesting from our research is that a third of people are now citing word of mouth as a source of news. That illustrates the more informal and blurred nature of news nowadays, with sources being less clear-cut than before.

Vikki Cook: I am director of content and media policy at Ofcom. I wear numerous hats. I will quickly canter through them and hope that they will be relevant to this discussion. I am currently overseeing the review into PSB and oversaw the review into BBC news and current affairs last year—so just small, straightforward, non-political issues. I also oversee all the diversity in broadcast work for the industry. I was asked to join Ofcom three years ago, just ahead of taking on regulation of the BBC. Before that, I have been in television as a producer, newscaster and journalist—very much behind the scenes, not in front of the camera—for 20-odd years. I will make two points. Picking up on what Alison said, the

pace of news nowadays is the biggest challenge from a production point of view, certainly from the latter days of my endless shifts in the newsroom—how there is no longer the luxury that we had when I first started. There were embargoed stories, and diaries for the day and for the week. You could see what was coming up in planned stories. Now, there is news 24 hours a day, seven days a week, so the challenge for journalists and newsrooms to meet that is vast. From the consumption point of view, as Alison mentioned, in this world of multiplatform, aggregated news, those news brands that viewers and listeners recognise as trusted and accurate news providers have a huge challenge in branding their content in this world of many sources, some of which are reputable and some are not. There are vast challenges for us as a regulator and for many of my former colleagues.

Dr Rasmus Kleis Nielsen: I am director of the Reuters Institute for the Study of Journalism. We are part of the University of Oxford and our mission is to explore the future of journalism worldwide. We carry the Reuters name because the core funding comes from the Thomson Reuters Foundation, the charitable arm of the Thomson Reuters information services company. In addition to that, we work with more than 30 different funders across the world, including media organisations, regulators, foundations and technology companies.

In terms of the changes in consumption, Alison teed it up very well. We are in the middle of a massive, rapid and one-way shift to a more digital, more mobile and more platform-dominated media environment. According to some estimates, digital by now accounts for more than half the time that people spend with media. More than half that time spent with digital is with mobile and more than half of the time spent with digital is, broadly speaking, with services and products offered by platform companies such as Google, Facebook and various subsidiaries of Amazon, Apple and Microsoft—smaller companies such as Twitter, TikTok and so forth—which largely do not invest very much or anything at all in original content creation but are essential to how people find, access and use all forms of content, including news.

There are many things to discuss related to that shift, including many problems, real or perceived. As one discusses that, it is really important to consider two things. First, the shift is arguably driven by people's revealed preferences; people have the opportunity to avail themselves of printed newspapers or broadcast media should they choose to do so, but every day they do not, and in increasing numbers they do not and opt for digital, mobile and platform media. Secondly, looking at news specifically, that change is playing out against a deep-seated disquiet about much of the news among much of the public. Only a minority of internet news users in the UK say that they trust most news most of the time, and the problem goes far beyond trust when we asked people things such as, "Do you feel that the news helps you understand the world around you," or, "Do you feel that the news holds power to account?" Only a minority of the British public feel that the news in fact does those things.

The Chair: Thank you. Lord Bishop, I think you want to ask something

arising from that question and then we can move on to the question of demographics.

Q2 The Lord Bishop of Worcester: Thank you for what you said and for being here today. I would like to take us back to first principles since this is an inquiry into the future of journalism and ask you to adumbrate in a few sentences, if you would, what value you see journalism having in a civilised society? Is that changing as a result of the rapid changes that are taking place, or are there constants?

Dr Rasmus Kleis Nielsen: I am happy to take a stab at that. First, journalism exists in the context of its audience and its value and purpose can be defined only by the public and by the professional journalists who practise journalism. It is not my role to sit in Oxford and tell other people what is valuable or right in society. That said, I am happy to share a personal view as a citizen, which is that the most important roles that journalism plays that are of public value and important to our society and democracy are that it helps people stay informed about and understand the world beyond their personal experience. It helps portray the contending forces in the world, often in quite dramatic terms. It is useful for engaging people with things to help them form a view and take a position, and it provides a means by which people can have reasoned disagreements—or sometimes just disagreements—in a public space, which is useful as people think through the different positions they can take on things. It is really important to stress that journalism does lots of other things too. It entertains, it diverts, fills time and so forth, all of which are legitimate but not necessarily essential or integral to a democratic society. There are many competing alternatives for entertainment, diversion and the like rather than just the ones offered by professional journalists specifically.

The Chair: Vikki, from the point of view of Ofcom, you regulate aspects of the industry, particularly in the area of broadcast. In response to the Lord Bishop's question, what do you value? What are you trying to support and protect?

Vikki Cook: In terms of our regulation and content standards, all broadcasters, as you know, have to adhere to standards: news must be impartial, accurate and trustworthy. Again, apologies that I am wearing half an Ofcom hat and half a personal hat answering this one. But in these times of very divided societies and certainly in the current climate, that need for accurate and trustworthy news, as Rasmus was saying, to explain, not only the global themes but the world around the country we live in, is more important today than it has ever been. Again—this goes to the point about news across all platforms—often people refer to audiences as declining. I do not think they are, but they are dispersing. When you have a dispersed audience as well, you need a level of journalism that provides not only trustworthy and accurate news, which came through strongly in the news review, but which reflects all communities and societies across the UK. Again, one of the big challenges that we may come on to is making sure that that news-gathering footprint truly reflects the UK and is not being driven by what

is often referred to as perhaps a slightly more narrow London-centric point of view.

Baroness Quin: Thinking about what has been said about journalism informing people and the points you have made about the need for trustworthy information, do you feel that journalism in that sense is going in the right direction, or not? As we have seen, a lot of newspapers are almost campaigning organisations rather than informing ones on one side of an argument or the other—for example, Brexit. How does that campaigning role fit in with what people feel more generally is the role of journalism, which is reporting and informing?

Dr Rasmus Kleis Nielsen: There are two sides to this. One is the question about the parts of the media landscape that are tightly regulated under Ofcom's purview. We have expectations which are enforced by that and there is a wider universe, including private publishers, who have greater liberty, if you will, and fewer forms of support. My view is that we live in diverse, deeply divided and disputatious societies where we often do not agree on what constitutes being informed or misinformed, and where in many cases there are no objective standards by which one can measure whether people are in fact informed or misinformed. Of course, there are some instances when we can establish such standards: is crime going up or going down, and are vaccines good or bad for you or do they cause autism? But in many other areas, such as divisive political issues like Brexit or a general election, it is not obvious to me that there is an independent standard by which one can tell whether the public are informed. Previous research suggests that professional journalism, with its many imperfections, often in quite partisan forms in the broadsheets, for example, is in fact associated with people knowing more about the political process, being more likely to vote and feeling a greater sense of connection with their communities. I think that we can say broadly that journalism as it exists is a net benefit but that does not mean that all of us will feel that every instance of journalism is a net benefit. This seems to be part and parcel of what it means to live in a diverse society where people disagree.

The Chair: The next question is focused principally on Ofcom.

Q3 **The Lord Bishop of Worcester:** How significant would you say are demographic differences in the consumption of news, such as generation, ethnicity, class and region? What drives that?

Dr Alison Preston: We were very pleased to see that you want to address this question because it is an extremely important point. Ofcom places considerable emphasis on looking at differences by audience group because the UK-wide picture often masks considerable differences. I will start with some illustrations by age, but if you want more detail, obviously please tell me. While three-quarters of the respondents to our news consumption survey say that they consume news via TV, this ranges from half of 16 to 24 year-olds to 94% of those aged over 65. The converse is true for the internet, with 83% of people aged 16 to 24 using it for news compared with 40% of those aged 65-plus. Basically, we see a similar ratio for radio with twice as many older people as

younger people using it for news, and an even more stark picture for print newspapers, with 20% of 16 to 24 year-olds saying that they use them for news compared with 58% of people aged 65-plus—an almost threefold difference. Just to hammer home the age divide, when we look at the proportion of people using only one source for news, 32%—pretty much a third—of the 16 to 24s use only the internet for news compared with 1% of those aged 65-plus. Looking at TV, 14%, or one in seven of people aged 65-plus, are using only TV for news, which compares with 5% of those aged 16 to 24. There is a real bifurcation going on here, and while that has always been the case, it is certainly increasing over time. Different generations are using different platforms in quite different ways.

There is one further thing I want to add on the difference by age. It is something that we have explored in terms of people's motivations for following news and it picks up on some of what we were talking about just now. When we give older people a list of reasons for why they follow the news, they are more likely to nominate reasons such as, "It is a civic duty to know what is going on in the world," or across the UK or whatever, while younger people are much more functionalist in their approach. They are following news in order to have something to talk about, to pass the time or, indeed, to be entertained by. Again, we are seeing quite a difference in the underlying motives and motivations between the different generations.

The Chair: Briefly, do you have a long enough series of data to know whether that changes as voters get older?

Dr Alison Preston: I am afraid that I am going to have to say yes and no because three years ago we changed the methodology of our news consumption survey. During this coming year we will have three years of data, which is reasonable, so we will be able to speak more clearly to that. We started this particular survey in 2012, so we have about five years of data from which we can see some indications, but at this point it is not an absolutely complete picture. As I say, obviously there are always age divides in terms of different platforms being used for which purpose, but the news world of the different generations is now very different and distinct.

Q4 **Baroness Bull:** I turn to print, particularly newspapers and magazines. The evidence tells us that circulations are declining, whether online or in print. Is that the big challenge or are there other challenges facing newspapers and magazines? What are they doing to address them and how successful are they being?

Dr Alison Preston: On this question, we will turn to Rasmus for his views. Basically, we have some duties in relation to the press, certainly in terms of media plurality and our public interest tests, and we have consumption data for people's use of newspapers and so on. Beyond that, Rasmus has a lot more to say about this area.

Dr Rasmus Kleis Nielsen: It is clear that in the medium to the long term, every newspaper publisher will have to recognise that print is

increasingly a niche medium for older people. It should be treated with respect because it is important for lots of people and it is profitable for many companies, but it is not in any meaningful sense a mass medium that defines society as a whole any more. Newspaper publishers have, to different degrees, responded to that structural change either by investing in digital—we should remember that most newspaper publishers have been investing in digital news for more than 20 years, often without making any money out of it in terms of operating profits, so there has been an investment in the future. How aggressive and successful it has been is a separate discussion. The central challenge here is that the change towards digital, which from the point of view of much of the public has been welcomed and embraced—very few people under 40 would prefer the media environment in the 1990s—has caused as collateral damage massive disruption to the business model of for-profit private sector news publishers that still, by all accounts, represent the majority of investment in original reporting and professional journalism in this country, at least according to work done by Mediatique for Ofcom. It is something like two-thirds or thereabouts of investment in original journalism.

Very briefly, we have moved from a world of very low choice for individual citizens where publishers had very high market power and dominated the advertising economy to a world of very high choice for individual citizens where publishers have very low market power and platforms dominate the advertising market. Advertisers were never interested in funding news production. It was a completely accidental by-product of the way in which they could reach audiences through news publishers. Now they have many other options and they have embraced those options because they see a greater return for their investment. They have few romantic longings for a world in which they paid rather high rates to news publishers.

From the point of view of citizens, this means that there is a large number of different publishers competing for their attention but the majority still offer news free at the point of consumption, meaning that very few people are willing to pay because they find perfectly acceptable free alternatives for news. There is a massive move of advertising money from print publishing into digital, primarily to platforms, and there is a limited willingness to pay, because most people are perfectly content with the free alternatives.

Without any malice on anyone's part, that is leading to a significant reduction in the number of front-line journalists across the country, particularly locally, and investment in original editorial content. Some people are doing well. There are a few winners; the *Financial Times* newsroom is now bigger than in the past, but others are in a difficult position. The *FT* might be doing well, but the newsrooms of the *Hereford Times* or its equivalent in Oxford or mid-Surrey are almost certainly smaller than they were in the past.

Baroness Bull: You have focused on news, but in my world newspapers and magazines do not only include news. Very often, magazines do not include news at all. Thinking about that aspect of print, I do not want to

go down a definitional rabbit hole here, but I am interested in thinking about the future of magazines in the world of future journalism. Do they even have a part to play in journalism as you might define it?

Dr Rasmus Kleis Nielsen: I would say two things. The first is to reiterate what I said in response to the Lord Bishop's question, which was that a lot of journalism has all sorts of value that is largely in the eye of the beholder. It is up to citizens and journalists to create and capture that value. I might value some things, and other people might value other things and I have no particular views on that. We do not research magazines specifically in terms of the work that we do at the Reuters Institute. Our work is primarily on news journalism. Many magazines are facing the same challenges as newspapers, which is that they used to provide a bundle that integrated advertising and editorial content. We now live in a world where platform companies are integrating audiences and advertising. That is a very different environment. The bundle that publishers put in front of audiences offered a wide range of different things to pick between—will you pick up Condé Nast's *Vogue* or another magazine? Some were compelling advertising and some were editorial content. General interest newspapers maybe covered weather, sports, television listings and the like. A large number of these different forms of value are now being created more efficiently by other providers. Very few people still rely on a print newspaper for television listings, weather, sports reports or the like. It has whittled away at publishers' ability to create a single mass product that could serve many different needs and carry a lot of advertising to lots of different people. That is eroding revenues in the industry.

Q5 **Viscount Colville of Culross:** This is really a question for Dr Kleis Nielsen. You talked about newspapers moving towards digital over 20 years and the fact that the *Financial Times* has made some money out of it and we understand that the *New York Times* is doing very well out of it. In the research that we were given, the *Sunday Times* and the *Times* are getting half a million paying customers, with the majority being digital only. Is there not a possibility that that model of making money from digital newspapers could be successful outside very specialist publications like the *FT*? The other part of my question is that I was very surprised to see the *Guardian*, which has huge numbers of hits because it is free, but when you download it you are asked to give money, and 600,000 people are apparently paying to support that publication. Are either of those models sustainable to keep newspapers going in the digital era?

Dr Rasmus Kleis Nielsen: I am what I would think of as a conditional optimist in the sense that I believe that they are definitely proof that there are many different ways forward to a sustainable private-sector, for-profit business of news. Some of them will rely on subscription, some on advertising, some on other businesses built around the visibility and attention that journalism can generate. I think that we will see up-market titles do relatively well. We will see specialised, niche titles for up-market audiences do relatively well. Some of the biggest advertising-supported outlets will also find a way ahead. For example, I understand

that Mail Online has suggested that it will be cash-flow profitable from next year, but you should check that with it. Others are pursuing similar ad-supported, free-at-the-point-of-consumption popular models online. In essence, there clearly are paths ahead. I would qualify that with two further observations. One is that the most promising models are largely catering to up-market audiences who are affluent, well educated and highly engaged in society. It is less obvious that there are a number of profitable business models for less privileged audiences. Particularly at the local level, what constitutes critical mass is important, although there are some encouraging examples in the UK, including the *Lincolnite* in the city of Lincoln. The second observation is that it is really important that we define success here as sustainability and not maintaining the top lines or profit margins of the 1990s. I do not see a world in which many publishers will make the kind of money that they made in a fundamentally different media environment that they dominated, because we have to recognise that there are now only two kinds of news media left in the UK. There are niche media and there are niche media who think that they are mass media.

Q6 **Viscount Colville of Culross:** We move on to broadcasting. Dr Preston, you talked about the move by young people to get their news—83% of 16 to 24 year-olds were getting their news from the internet. The BBC has been very successful in moving people online to get their news. However, it has been much less successful in getting this younger generation to tap into BBC or PSB news. I understand from the research that something like only 23% of this demographic use the BBC News website. What more can the established broadcasters do? They are already putting all this energy into online to try to attract that younger demographic and adapt to the digital era.

Dr Alison Preston: I will address the point about what they can be doing more of. First, it is true to say that TV is still there and is still resonant for many people. Of our list of the top 20 sources of news that are used, seven of those are from the TV broadcasters. Also, when we look at 12 to 15 year-olds and their consumption of news, TV is also the most-used platform for news consumption for that age group. That speaks to the importance of bearing in mind the context of daily life in all of this. For 12 to 15 year-olds, a lot of that consumption is because of what their parents are doing. They are at home and being engaged with the TV in that way. Rasmus has alluded to the way the press does not cater to the needs of a wide range of people, but we should not forget in this debate the role of television, certainly among the traditional broadcasters, still has that as their remit. Also, it is still being used by a lot of people as something that is a fundamental part of daily life, and therefore the TV news is a part of that.

Vikki Cook: Without sounding like a stuck record, I have to go back to the trust and accuracy point. When we conducted the news review, we did an awful lot of qual research throughout the UK and I attended a lot of the focus groups. We had quite a clear idea about how we wanted to engage with younger audiences because that is the holy grail. All broadcasters are chasing younger audiences but they are not quite

delivering on that yet; I am trying to be polite. When we broke it down to the news, which is pertinent to your inquiry, we saw that as regards trusted, accurate news, even the younger audiences and those who might say, "I don't really watch traditional television. I don't watch the BBC or the big main broadcasters," when it came to big events or big breaking news stories—Notre Dame had just gone up in smoke one evening when I was with a group in Peterborough—they do. The people in the group said, "Oh God, no, when it comes to a big breaking news story, we go to the proper broadcasters." They took the "proper broadcasters" to be the PSBs, usually the BBC and ITV. In terms of maintaining trust and accuracy, that cuts across all levels and all ages.

The big challenge for broadcasters is relevance, particularly for the BBC because obviously that was the focus of the news review. Many of the regional focus groups and audiences we talked to felt that their local communities and areas were not being properly represented. They felt that a predominately white, middle-aged, London-centric agenda was still being chased. That was certainly the case for audiences outside London and the south-east. It is worth saying that BBC online news reaches a broad audience, but the research for our news review suggests that a lot of that audience is older, and is already being pretty well served by television and by radio, which we must not forget in the PSB offering.

There are some central pillars, and when it comes to news delivery, certainly the younger audiences want news that they can trust and they know is accurate. That came through really clearly.

Viscount Colville of Culross: On the other hand, we are being told by your statistics that trust in the main broadcasters has gone down by 11%. The BBC has done everything it can. It has tried to diversify and it has moved its people to the regions to try to make them more relevant. Does it not seem strange that in the digital era in which we have these clickbait conspiracy theories whizzing around the social media and people are saying, "I desperately need a trusted source," when that is offered, we find that there is diminishing trust in the public service broadcasters. Why is that and what can be done?

Vikki Cook: One of the important aspects of this is something we mentioned earlier: brand recognition, which is a real challenge for broadcasters. I refer to a recent piece of work which was not specifically to do with news but is part of our current research into wider programming and genres in the PSB review. If you talk to younger audiences—this is anecdotal, but it comes up time and time again—people will say, "I mostly watch Netflix." If we ask what they watch on Netflix, they will reel off the names of four or five programmes that are all PSB-originated content. When you tell them that, they say, "I did not realise that." As I say, that is a real challenge in terms of the branding—the kite mark, even—that is needed for trusted, accurate news which cuts through this incredibly busy space that is filled with an endless stream of breaking news and very short headlines on your phone. A way of cutting through and making sure that your brand is there and is trusted is required.

An important point is that quite often, if there is a lack of trust, that does not have much to do with the content; it is perhaps about how a broadcaster has handled an issue. Often it is much more about an institutional lack of trust rather than the content being produced. That is an important distinction to make.

Dr Rasmus Kleis Nielsen: I agree with what Vikki has said; it was a sound analysis. I would add only that there is a further dimension of trust beyond the trustworthiness of what is being done, which is the question about how divided society is and how political elites behave. In a society in which people are very divided and where the political elites relentlessly attack either individual media organisations or the media as a whole, trust will be lower even if the journalism is as good as or even better than it was in the past. This is demonstrated by decades of research in the United States which shows that trust is going down and down even if the standard of journalism has arguably been rising. As society becomes more divided and as political elites relentlessly use the media as a proxy for their disagreements, trust will erode. That is a function of politics more than it is a function of anything specifically to do with journalism or the media itself.

Viscount Colville of Culross: We have the impartiality of the broadcasters in this country. How difficult is it to maintain trust in that?

Dr Rasmus Kleis Nielsen: Our research is aligned with what Ofcom has shown in much greater detail, so I defer to Alison and Vikki on this. The BBC is by some distance the most widely used and the most broadly trusted source of news in this country, despite the more or less well-founded grievances of people with strong opinions and loud voices on Twitter or in the political system. The plurality of the British public, certainly in our survey after the election, said they felt that the BBC had done a good job of covering it. It was by far the best-scored outlet of all the ones we looked at. That does not mean that it is perfect because it is right to scrutinise any powerful institution in society to see whether it is fulfilling its mandate and whether it does so in a duly impartial and accurate way, and it is being scrutinised very energetically by both politicians and Twitter users of various sorts.

Vikki Cook: Perhaps I may add on the point about impartiality that it was interesting to note that it did not score as highly as trust and accuracy did, and certainly the younger audiences said, "The problem is, you get one person who says 'black' and another who says 'white' which is really dull and does not teach me anything." Again, there is a real challenge to impartiality but, time and again, trust and accuracy were the two words that came out way ahead of it.

The Chair: Briefly on the issue of trust, and then we will move on: on the basis of what you have said, it is logical to assume that people would trust locally sourced news, something that comes from closer to home. Is there evidence that people trust local newspapers to the extent that they still have access to them, or local television news in their regions?

Vikki Cook: It is not so much about trust, with due respect, but authenticity. Certainly from the research we used for the news review, it

was not the fact that people said, "If the news comes from someone just around the corner, I know I can trust it"; rather, it was a story that was authentically told: "It came from someone who looks and sounds like me, so someone who understands the issues around me. It is not someone who has been parachuted in from London to tell me a story." Much more importance is placed on authenticity when looking at rep and portrayal throughout journalism in the UK.

The Chair: Setting aside the reason people trust various media, is it true that local newspapers and local television have a higher rating than national ones?

Dr Rasmus Kleis Nielsen: Our research suggests that, at the brand level, the most broadly trusted sources of news in the UK are the regulated broadcasters followed by local newspapers and up-market newspapers. With up-market newspapers, that could be deference more than an actual assessment. The least trusted are popular newspapers and digital-born titles. With digital-born titles, is that just unfamiliarity? Some may be very trustworthy, but if people are not familiar with them they may not yet have built that trust. Some things are very trusted but not very widely used online, at least like up-market newspapers. Other things are not very trusted but widely used, such as popular newspapers including online.

Q7 **Baroness McIntosh of Hudnall:** I want you to talk to us about radio, but I am intrigued by the notion that you would not trust a thing that you none the less preferred to a thing that you did trust. I find that completely perplexing, and I wonder whether you have any rationale, given that you specified it so clearly, as to why that might be.

Dr Rasmus Kleis Nielsen: I would offer several things, and this is an area where I hope we will do more research in the future because it is an important question going forward. First of all, people seek many things from journalism and not all of it is reliable information. That might lead people to embrace things knowing full well that they might not be trustworthy because they find them diverting, entertaining, it gets their blood pressure up in the morning, or in other ways find them engaging. I am not sure that that is necessarily a bad thing; as long as people know that things are not necessarily trustworthy they can engage with them knowingly. That is not necessarily a bad thing as long as they are duly sceptical.

Also, because we still carry with us the mentality of a mass-media environment with a limited number of outlets, there is sometimes a tendency to think of the *ex-Sun* reader or the *ex-Times* reader. In a digital environment, we should increasingly not think of people in such terms, but more think of people as using a handful of two, three or four sources of news for different things. Again, Ofcom will have more detailed research on this, but for people for whom the centre point of their news is online, we should imagine the man and woman in the street as someone who relies on the BBC or one of the other Ofcom-regulated broadcasters for some things online and then probably one of the popular newspapers and/or a local newspaper for other things and then

the platforms for diversion and information. Very few people would think of themselves as being only a *Mirror* reader or only a *Telegraph* reader.

Baroness McIntosh of Hudnall: I completely understand what you are saying. You may want to return to this, but I wonder whether there is yet a sufficiently clear body of evidence to suggest that you are right about that. It is a very compelling analysis, but do we know whether that is the case? If taken in the raw, the statistics seem to suggest that many people use certain kinds of news outlets that, for the sake of this argument we define as not necessarily reliable, and many fewer people use the news outlets that, for the sake of this argument, we are defining as trustworthy. If you simply do the maths on that, there are some people who are consuming news only from what we define as unreliable sources. How do they develop belief systems? If you do not have belief systems or if belief systems are too diverse, there is no community of belief in democratic societies and you start to get real challenges to the notion of democratic government. That would be my view. That is a very complicated question and not the one I was supposed to ask, but I would love to know whether there was any prospect of that.

Dr Rasmus Kleis Nielsen: Give me a week and I will send you some information, very happily.

Baroness McIntosh of Hudnall: Brilliant. I will take that. People have enjoined us not to forget the radio in PSB offering so I am not forgetting the radio. In the environment that you describe, what purpose does radio serve? There is lots of radio—probably more than most of us have had any chance to sample. How, in your view, has it adapted to the digital environment? I want to ask you specifically about the relationship between broadcast news and podcasts, because in a simple-minded way I have thought of podcasting in relation to current affairs and news issues as being the radio equivalent of long-form writing in newspapers, whether print or online. But it is also doing something else because it is creating a different atmosphere around the information that is conveyed. Could one or all of you enlighten us about that?

Dr Alison Preston: I will give you some thoughts and views about radio and podcasts. According to our news consumption research, radio is used for news by 43% of UK adults and around three-quarters of listeners say that they use BBC Radio for news. One thing to stress about news on the radio is that listening to the radio tends to be a more passive, incidental activity, but listeners do value radio news, particularly when stories are breaking. Again, the role of the radio in people's domestic spaces is significant and important. People have a strong affinity to particular stations and presenters. In the news review research that we carried out fairly recently, we found that people tended to say that radio presenters seemed to be more willing to challenge and offer opinion than TV presenters, certainly on TV news, which they find quite divisive at times but also quite engaging. There is something about the role of radio that is personal and domestic. There is also a value and importance attached, particularly around breaking news. Despite the fact that 43% of the UK population does not sound like a huge number, none the less it is almost half our population and resonant for those people.

We do not have a huge amount of data in relation to podcasts and news specifically. Our figures indicate that one in eight adults are listening to podcasts each week, but that is an overall figure rather than just to news. As we might expect, the average age of the podcast listener tends to be younger, so there is some value there in bringing a habit of audio listening to the younger demographic. As I said, it tends to be older people who are listening to traditional radio now. Your point about the long-form element of podcasts and the value of that sounds useful and possible.

Q8 Lord McInnes of Kilwinning: You have covered a bit of this but I wanted to ask you how social media and online search engines have changed the consumption of news. Also, from the other perspective, what does the new consumption through digital mean bring about in terms of the output? Following on from the question about podcasts, has there been a change in terms of journalists' ability to write more long-read articles than they perhaps would have been able to do in the traditional print industry? Is there more of an opportunity for consumption to be seen through video, and how is that changing?

Also, as the demographics of those using social media, search engines or online news to get their news change, while the number of younger people using the PSBs and print continues to decline, we can see that older groups are increasing their use of digital news and search vehicles. Is that changing the dynamic of the output that journalists have to produce for their online news content?

Dr Rasmus Kleis Nielsen: I shall take each point in turn. On the production side, this is the sort of thing that, as a researcher, is hard because we do not all necessarily agree about what quality is. Different things are of value from the point of view of people's different information needs and the like. My best assessment is that we live in a world in which the best journalism is in many ways better than it has ever been. It is more informative and precise, and it is more transparent about its underlying sources. It is more engaging and interactive while being more humble about its place in the world. Journalism is less arrogant than it often was in the past—often an unearned arrogance which came from the absence of challenge, which is no longer the case. That said, we also see copious amounts of what might be characterised as clickbait journalism—a lot of superficial things that are churned out very quickly with little, if any, added value at all and which is sometimes outright destructive because it is inaccurate, muddies the issues and confuses people.

We are seeing greater polarisation, which is complicated by the fact that for some issues we have not only better journalism but also better coverage than we have ever had from the point of view of individual citizens while other things are withering away. The coverage of local affairs in many parts of the country is greatly reduced. Wales is a key example of this because it used to have a vibrant private sector as well as a strong public service provision, but I would guess that the BBC now accounts for the majority of journalists working in Wales. The situation is

very different in England, so the issues at the national level are different from those at the local level.

This is changing how journalism is done. Journalists are more data-informed and they have to be more responsive to how platforms direct attention to their work. It is easy to be critical of these things, but it is worth recognising that being aggressively ignorant of the public's needs, demands and desires is not always a good thing if one is in the information business. There are many upsides to this as well. On balance, the jury is out as to whether this is good or bad, and indeed it may be both good and bad.

On the consumption side, people are increasingly relying on social media and search engines. That is particularly the case among younger people and those of a lower social grade. It is important to recognise that while we have many reasons to fear that a reliance on social media and search engines would lead people into so-called filter bubbles where the algorithms feed them more and more information which just confirms and reinforces their existing beliefs and values, empirical research suggests that for most users, social media and search engines lead people towards more demonstrably diverse sources of news than they would seek out of their own volition. This does not mean that there are no echo chambers because there are, but they are overwhelmingly the product of self-selection where people are choosing to engage with like-minded communities.

We should remember two things. First, some of those like-minded communities may be benign and progressive, or enlightened politically; the women's, labour and civil rights movements were and are arguably echo chambers in many ways. Secondly, there is the polemical interpretation, which is that the biggest, most important and consequential echo chamber is the technocratic, centrist, up-market elite establishment which sees the world differently from everyone else. It operates largely within a cocoon of information which holds up its view of the world. I think that we can now say with absolute confidence that after the past five or so years, it has been demonstrably out of touch. Despite the consumption of a lot of news, that news has not in fact helped the establishment to understand the world around it.

Viscount Colville of Culross: I want to pick up on what you said about filter bubbles. I think you said that the Richard Fletcher research from your institute shows that those who use social media for news boosts the amount of news they receive compared with those who just receive news offline. That seems extraordinary. We have just done an inquiry into the digital era. Facebook's response to a lot of the complaints about its algorithms was to make sure that people had more access to their friends and family. The algorithms make sure that people can see more posts from and talk to more people who are like them. In a world in which the algorithms are driving you towards more of the things that you like, how can you be sure that you are getting more sources of information, which is what your research shows?

Dr Rasmus Kleis Nielsen: There are two responses to that. First, it is important to use this opportunity to underline the fact that these products continue to change. We cannot assume that the way they work in one moment of time will be the way they work for all time. We will continue to repeat these types of studies to establish whether that continues to be the case. As you suggest, there is reason to expect that they will change over time.

Why at this stage is it still the case that social media and search engines expose people to more sources of news than they would see of their own volition? I think that it is largely about the baseline, which is that most people in the UK use on average something like two or three different sources of news online in the course of a week. Even if Facebook demonstrably displays less content from public pages now than it did in the past entirely for reasons of commercial self-interest, it is very improbable that it will only show news from the two or three sources of news that people seek out of their own volition.

What I am suggesting is not that social media and search engines lead us to some sort of perfect pluralist nirvana of incredibly diverse, rich and deep news engagement—far from it. It is simply an observation that at this moment in time, they will slightly increase the amount and diversity of news issues online, particularly among those citizens who are the least likely to actively seek out news from multiple different providers. That will be largely young people, those with limited formal education and those of a lower social grade. At this moment, Facebook is one of the few institutions in society, along with the public services media, that is reducing the quality of information rather than increasing it, but you are right to suggest that this may change over time. We can see across the competitive environment of the platform economy that some platforms consider news to be less central to their commercial business, self-interest and value proposition than Facebook and search engines have done historically. I would say that some platforms are either putting news out to a smaller reservation or are actively hostile to letting news publishers on to their platforms at all; they are actively trying to keep them out.

Q9 **Baroness Quin:** I want to come back to media literacy, which Alison mentioned quite a long time ago now. How media literate are children and adults in Britain today? Should more be done to encourage media literacy, whether through the education system, encouraging the use of fact checking sites or whatever it might be? Do you feel that media literacy is improving or is it an issue that needs to be addressed?

Dr Alison Preston: Thank you. Before addressing those questions directly, I want to give a bit of context in terms of the range of work we are doing in this area and to describe what we define as media literacy, which might help the conversation. We have been monitoring media literacy in the UK since 2005 and until now we have been doing that predominantly through two major surveys, one of adults and the other of children aged three to 15 and their parents. We have also done two pieces of extremely illuminating qualitative ethnographic surveys. The

best way to describe them is that they are similar to the “Seven Up” TV series. We have been visiting the same 20 or so adults every year. We have been seeing many of them since 2005, so we have a wonderful video record of their media habits and attitudes—their lives as they have progressed over the past 15 years. Since 2013, we have done a similar thing with, again, about 20 children aged eight to 15 at that time.

That really punches above its weight as a resource for us, because, as you can imagine, seeing particular individuals and how they change over time in response to tech, life stage and so on, but also in terms of their media savviness and habits, really helps us to get a grip on some of these issues. One of the things to say about media literacy is that there is a range of definitions out there. What we tend to say is that encompasses a range of behaviours and attitudes that we would like UK adults and children to be fluent in. That runs from things such as awareness of privacy and of your own data and being able to recognise scams and so on to a set of attitudes and behaviours around critical understanding.

Of particular resonance for now is a sense of the provenance of the information or services that you are using. People need to be aware of the distinction between advertising and editorial and, because a platform may provide you with a list of sites, whether you trust all those links because that platform has returned it, whether you are aware of how particular online services are funded and therefore might be targeting for you some reason. All those are core elements of critical understanding that remain important.

To come on to your questions, what we have broadly seen is that, over the past 15 years, there has been an increase across some of these savviness measures, but it is fair to say that there has been a stalling or flattening out in recent years, particularly around these issues of critical understanding. We have a significant minority across the population who remain either unaware or unwilling to engage or be more aware online. I could give you a couple of statistics and we could talk further about some others, but certainly in terms of how things are funded, in the analogue space, a significant majority of people are aware of how BBC TV and the commercial TV sector are funded, but that is less so for the online elements. Just under half of people are aware of how YouTube is funded and just over half of how search engines are funded.

Interestingly, that varies by socioeconomic group, so richer, AB households are more aware of these things than poorer households. The distinction between advertising and editorial in the analogue space is a given for pretty much everybody. In terms of a print newspaper or a TV programme versus an ad, pretty much everyone gets that distinction. But in the online world, when we showed people a Google page where the first few links are ads—and it said in small letters that they were ads—only half of the people correctly identified those as ads and a similar proportion of children as well. There are some quite fundamental and basic factors, particularly around the provenance of information and about understanding the purpose of some of this content and services, that are important for us to address.

Baroness Quin: Does your colleague want to add anything to that?

Vikki Cook: I do not think that I can add anything to what Alison has already said about media literacy. She is the fount of all knowledge in terms of Ofcom. I have seen those case studies of children growing up through the ages—someone who does not really know what a mobile phone is and then a few years later they are completely locked on to it—and they really bring home the importance of how you connect with different audiences and younger audiences who do not have the same brand affiliation and will not have had it in their lifetimes.

Baroness Quin: Do you think that the Government can introduce measures to improve media literacy?

Dr Alison Preston: We are very pleased that the Government have made a firm commitment to developing a media literacy strategy, which is coming out in the summer. We are working with them on that and feel that it is a very positive step. It is certainly the case, as you know, that there is a wide range of media literacy stakeholders and other organisations that are doing an awful lot of really useful work in this space. One thing that we have done at Ofcom, building on our bedrock of research, is that last year we set up our Making Sense of Media programme to focus on doing more in the way of collaboration and co-ordination of these sets of stakeholders. There is an agreement that we should all do more to join together and pool resources and expertise and get more awareness of what works. It is important to put different sets of stakeholders together to make a holistic plan. That is what we are doing. But as I said, we are working in conjunction with DCMS as it develops that strategy. We are looking forward to it.

The Chair: I want to come back to the issue of joining up all of the work in this area. It is a theme that this Committee has looked at in the past and we explored it in our report on children and the internet. We were looking more specifically at education programmes for children to help them to address a variety of online harms, and we found right across the piece a whole variety of agencies, NGOs and charities working in this area, running slightly different and occasionally conflicting programmes. Whose job is it to bring everything together and make sense of that? Is it Ofcom's job, or the Government's job?

Dr Alison Preston: I would say that it is a combination. We need to accept that people have genuinely different and interesting ways of dealing with different issues according to different audience groups and locations across the UK and so forth. There will need to be different types of delivery. That is important to allow for and allow to flourish. In terms of collaboration and co-ordination, Ofcom and DCMS need to work through which organisation is best placed to do that. That is something that we are in the process of discussing and deciding.

Baroness Bull: I am worried about your comment that richer households are better able to identify funded content. "Richer" must be a proxy for something else. Surely that is about education. Why would a richer household be better able to identify who is funding online content?

Dr Alison Preston: I used that phrase as a shorthand for socioeconomic groups, so it is the type of job that the head of the household has, the level of income of the household and so on that goes into those groupings.

Baroness Bull: I understood that.

Dr Alison Preston: We find across a range of our measures that, again, for reasons that we can hypothesise around or have views on, people from lower socioeconomic groups are less likely to have the time, the knowledge, and a certain level of awareness across this range of media literacy measures.

Baroness Bull: It is quite worrying.

Dr Alison Preston: It is, yes.

The Chair: I do not want to overcharacterise your evidence, but I think you said that only 50% of people could identify a Google search result labelled "Ad" as an ad, so there is a lot of work to do.

Q10 **Baroness Grender:** I have a couple of questions. I hope the first is quite a short one and we will get into the longer one in a second. First, you are at the start of our inquiry, so thank you very much for being here. One thing that we need to ask ourselves is whether there are any gaps in terms of the research that exists or that you have done about the consumption of journalism and is there anywhere that you would direct us in terms of our research towards things that we should investigate ourselves? Where are the gaps?

Dr Rasmus Kleis Nielsen: We have a pretty clear picture of the fundamentals in terms of media consumption and new issues in the UK through the work of Ofcom, independent researchers at universities and the like. The major gaps are essentially two main things. The lack of access to data inhibits our understanding of what happens inside large platform environments like social media, measuring applications, video sharing sites and the like. It is not impossible to study these using existing tools and from the outside, but if some arrangement could be found to make data available in a previously confined fashion, that would greatly enhance our understanding of what happens inside these environments. That is an area where there is considerable room for improvement. The other major gap is around the business of news and particularly the function of the online advertising market, which I am glad to see there is increasing scrutiny of from the regulators and oversight bodies of various sorts. Again, we have a sense of the overall dynamics, but not a very granular understanding. Without that, it is hard to see how we can project the lines into the future in terms of the advertising component of the funding of journalism. These are two areas where evidence is not as strong as it could be, but fundamentally, we know where we are. The Committee has a tremendous opportunity to try to dispel a lot of misunderstandings. Frankly, what I see in public debate and political discourse around the news is a lot of what I think of as media change denial—people who are speaking out against the best available research, sometimes knowingly but more often innocently.

They are not actually across how quickly things have changed and how much we know already about where we are.

In terms of where the Committee could look in the future, I suggest two things for your consideration. If you hold the view I have just expressed that we broadly know quite a lot about where we are and what the basic dynamics are, the highest value-added part of an exercise like this would be to try to look at examples of success rather than chronicling in great detail all the problems. It could be trying to understand better why the *Lincolnite* seems to be thriving when so many other local news providers in the UK are not to the same extent. Also, can we learn something from the fact that long-established legacy news media as well as some digital-born sites—although not all of them—in continental Europe seem to have done quite well in building subscription models or advertising models that work in a digital media environment. Can we learn something from examples of success elsewhere—not the US because the US market is very large and extremely unusual and not a particularly useful analogy to the British market, but from our not-so-long-ago fellow citizens across the Channel? We might be able to learn one or two things about what works elsewhere.

The other thing that the Committee could usefully shed light on is how the British news industry itself thinks about its future. For example, given the fact that it is navigating an extremely competitive and very rapidly changing environment, what is the R&D expenditure of the British news industry? Is it in fact investing to try to find a path forward? Are some news outlets investing in that or are a number of them resigned to managing decline? If they are so resigned, perhaps that is a choice and a deliberate decision, if you will, about how to navigate this period of time you are going through. There are a number of serious challenges. I do not envy the industry and profession having to face them, but there might also be one or two internal factors that bear looking at. The only thing in life that we can control is ourselves, so perhaps the news industry has one or two things to look at as well.

Baroness Grender: I think you have started to answer my second question. What we want to do as a Committee is produce a report that is about the future of journalism rather than the current demise or a harking back to a golden age of journalism which, I agree, did not necessarily exist or have the necessary humility or challenge. By all means tell us where the research does not exist that we need to do ourselves, but what should we particularly focus on given that what we want to do is produce an interesting and useful piece of work about the future of journalism?

Vikki Cook: Just to pick up on Rasmus's point, it would be good to remember in all of this to look for the opportunities and not just to uncover the problems. That is certainly the approach that I would take and we are taking with the current state of the wider TV industry and its future. The more I look at the wider industry, I am not sure that there is a one-size-fits-all solution. In terms of an agile approach to possible solutions, there is often much more of a hybrid approach to how certain challenges can be addressed. The challenge for journalism is very similar

to the work we do with broadcasters in the diversity and inclusion space. It is an incredibly competitive industry, but there are certain common goals that broadcasters are working towards. In terms of the diversity space, that is to have a more diverse workforce and, in terms of journalism, it is to have solid, trusted and accurate news and current affairs reporting output. Are there areas where there could be better collaboration or information sharing? Journalism has changed beyond belief since when I started. There is a real skill to being a journalist in the digital age. It is not just that old-fashioned thing of taking a piece of content, clipping out 20 seconds and saying, "That's great: that can go on the internet". It is a real skill. Technology now leads a lot of television whether we are looking at high-end drama or journalism. What are the technological advances that might come into play in the future of journalism? I do not think you can look at one without looking at the other.

Q11 **Baroness Greender:** I have one tiny question. You talked about looking at some other European nations. Where would you particularly point us in terms of successful examples?

Dr Rasmus Kleis Nielsen: I am happy to send some examples. I could share them with the chair, and Professor Singer and Alasdair. That might be a way to do it. I am very glad to hear that you propose to focus on the journalism we want rather than the journalism we have. That is the only path forward because much of the public is frankly not sentimental about where we were. If I was involved in your exercise, I would probably focus on three things. If we focus on the journalism we want rather than what we have, we need to recognise up front that not everyone wants the same thing. We need to be respectful of that and not be overly prescriptive in this area. That is legitimate in a democratic society. Different people have different values, needs and desires.

We do not live in a world where Oxford dons or those who carry Peer titles are in a position to tell people in the rest of society what they should or should not like and value. The second thing is to try to see how far we can move from focusing on what have been essentially industrial measures of commercial and bureaucratic success—volume of attention, reach, revenue and the like—to the outcomes we are actually seeking. Are people informed? Do they feel empowered to take part in society, do they feel that they are connected to their communities? Those are the outcomes that people of many different persuasions want the media to contribute to. We should focus on that rather than on how many hours people are watching TV, spending online and so on.

I will budge slightly from that position in my third observation. When we think about the future of journalism, one thing that seems to be an absolute given is that we have to think about what the role and value of professional journalism looks like if its share of attention is much diminished in a far more competitive market. In broadcast, a rough estimate is that people are spending something like 10% to 15% of their time watching linear scheduled TV on news in one form or another. For the UK election late last year we tracked people's online behaviour for six

weeks during the run-up to election day. We saw that they were spending about 3% of their online time on news and information, so what does professional journalism look like if the share is 3% rather than 12%? I do not accept that that means that it is not important. There are people who go to church for an hour twice a week, which is only a few percent of their time, but it could be a deeply meaningful and valuable experience for them. I do not accept that raw attention is the only metric of value or importance. I think that all of us as citizens who are relying on journalism as part of our democracy need to think about how it can enrich our society even if it is somewhat diminished, both as a business and as a share of our time spent with it.

Dr Alison Preston: I would echo the point about putting real people centre stage in all of this. We do that in our research and it would make a lot of sense for the Committee to do so in your inquiry. It is about being realistic about what people are doing with their news consumption and not making assumptions about what the perfect, rational news consumer ought to be. One of the fundamental points and principles of our media literacy work is that people need to be duly aware and savvy. We do not expect or want either them or ourselves to be continually on heightened alert about absolutely everything, but we need to encourage them to be aware that they can use the relevant types of media at the relevant points.

The Chair: We have kept our witnesses a very long time, but shall we have one very brief question from Baroness McIntosh?

Baroness McIntosh of Hudnall: I want to pick up on the question asked by Baroness Grender about where else we might look for exemplars. That was focused on the notion of business models that work, but I am still very exercised by the issue of trust and how important it is for journalism to be trusted. Could you point us towards anything other than an authoritarian state or a dictatorship where there is a higher degree of consensus about what is trustworthy in terms of the delivery of information, particularly news information? That would be helpful because we might then be able to see what success looks like there.

The Chair: Dr Kleis Nielsen has kindly offered to write to us about that and other issues.

I thank our witnesses for a very helpful initial session. It has given us a lot to think about. I am mindful of the point you made at the end about how people want a variety of things; they do not all want the same thing. We need to look at what everybody wants, not just at our view of what the future of journalism is all about. That point has been well made by our witnesses and the Committee needs to bear that in mind.

Thank you very much for the evidence that you have given to us, and thank you for your offer to provide further evidence in future. At this early stage we are always looking for plenty of reading, so if anything that might be of interest to the Committee comes across your desks, we would welcome you adding it to our reading list.