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House of Lords Communications and Digital Committee inquiry “The Future of Journalism”: Diversity and Innovation in the News.

1. Personal background and expertise

1.1 I am a Leverhulme Doctoral Scholar at the Oxford Internet Institute (OII) at the University of Oxford. I also work as a research assistant at the Reuters Institute for the Study of Journalism (RISJ) and as a journalist for various international outlets. As a member of the Leverhulme Doctoral Centre “Publication beyond Print”, I am currently researching the implications of AI in journalism and the news industry, jointly supervised by Prof Gina Neff and Prof Ralph Schroeder at the OII and funded by the Leverhulme Trust. In the past two years, I researched topics ranging from innovation in the media to diversity in newsrooms and co-authored various RISJ reports on these topics. I make this submission as part of the inquiry “The Future of Journalism” lodged by the House of Lords Select Committee on Communications and Digital.

1.2 This submission focuses on two key questions:

1. How can innovation help news organisations to maintain sustainable business models?
2. Why is journalism not more representative of the population?

2. Sustainable Business Models and Innovation: *How can innovation help news organisations to maintain sustainable business models?*

Journalism around the world has faced a decline of its traditional business models.¹ This also includes the UK, where advertising revenues and print circulation have both strongly declined over the last two decades. The latest figures from Ofcom show that the circulation of national newspaper titles in the UK decreased from 22 million in 2010 to 10.4 million in 2018, a decline of 52.5%.² This poses great challenges to news organisations. News organisations need to adapt in order to provide professional, high-quality independent journalism to their audiences and to maintain sustainable business models in the long run.

2.1 Adverse impacts of paywalls: One response of publishers has been the attempt to introduce various types of paywalls to offset losses stemming from the decline in print circulation and advertising revenues.³⁴ However, such paywalls are not a panacea to the industry’s financial woes. Media organisations face strong competition for people’s attention online, from a plethora of services. As a recent study on news consumption during the UK General Election 2019 has shown, only 3% of all internet time was spent with news during the campaign (where one would expect attention to news higher than usual). According to the authors, on average, people spent 16 minutes per week with news and made around 22 news visits each week across web and mobile during the campaign.⁵ At the same time,

¹ Nielsen, R. K. (2018). The Changing Economic Contexts of Journalism. In T. Hanitzsch & K. Wahl-Jorgensen (Eds.), *Handbook of Journalism Studies* (2nd ed.). London: Routledge.

² Thorpe, E. K. (2019, August 6). How people in the UK are accessing news: 6 key findings: What’s New in Publishing: Digital Publishing News. Retrieved March 21, 2020, from <https://whatsnewinpublishing.com/how-people-in-the-uk-are-accessing-news-6-key-findings/>.

³ Sehl, A., Cornia, A., Nielsen, R. K., & Simon, F. M. (2017). *Pay Models in European News* (RISJ Factsheet). Oxford: Reuters Institute for the Study of Journalism. <https://bit.ly/3dltZxp>.

⁴ Simon, F. M., & Graves, L. (2019). *Pay Models for Online News in the US and Europe: 2019 Update* (RISJ Factsheet). Oxford: Reuters Institute for the Study of Journalism. <https://bit.ly/396eJkE>.

⁵ Fletcher, R., Newman, N., & Schulz, A. (2019). *A Mile Wide, an Inch Deep: Online News and Media Use*

many media still offer free news.⁶ And as research by the Reuters Institute for the Study of Journalism has demonstrated, only a minority is willing to pay for online news and, if so, they are often not willing to pay for more than one or two publications.⁷ While this may not differ substantially from previous subscription patterns, it creates a predicament. As the case of the US shows, winner-take-all markets can be the result where a few publications (e.g. The New York Times and the Washington Post) reap most of the revenue with a few “breadcrumbs” left for the rest.⁸ Paywalls are thus part of the solution, but by no means the only answer.

- 2.2 Innovation can be one answer (among many) to these problems. However, we need to be careful not to think about innovation in this context in purely technological terms, or what Posetti (2018) has termed “shiny things syndrome”⁹ – the unfocused pursuit of technological innovation at the expense of more longer-term, holistic, research-driven, and audience-oriented innovations in core concepts such as content and business development. It is the latter we need to focus on, too.¹⁰ In this context, important lessons can be learnt from news organisations in the Global South. Even though their experiences and approaches cannot be applied one-to-one to the UK context, they provide important clues as to how sustainable business models could look like in the future.
- 2.3 Examples of successful business models from emerging economies: The two case studies I will focus on here are Rappler in the Philippines and South Africa’s Daily Maverick. Both are digital-born commercial news publishers operating in difficult political and commercial environments and were part of a study lead by Dr Julie Posetti at the RISJ, co-authored by Nabeelah Shabbir (The Correspondent) and myself. A key innovation uniting them is that they have prioritized stronger audience engagement over reach and focus on deeper, narrower, and stronger relationships with audiences, emphasising curated conversations, physical encounters, and investment in niche audiences.¹¹ These efforts have, in turn, lead to two new revenue streams, most importantly in the form of membership programmes and events. In the case of Rappler, these efforts are further complemented by B2B services, with Rappler’s analytics teams providing data analysis expertise to clients.
- 2.4 Diversification of revenue sources through membership and events: While both outlets continue to rely on other sources of income such as advertising, sponsorships, and grants, they demonstrate that membership schemes and events hold the promise to become important sources of revenue for other news organisations, even if they won’t be able to replace “what we had”, as journalism

in the 2019 UK General Election (Digital News Report). Oxford: Reuters Institute for the Study of Journalism. <http://www.digitalnewsreport.org/publications/2020/mile-wide-inch-deep-online-news-media-use-2019-uk-general-election>.

⁶ Simon, F. M., & Graves, L. (2019). *Pay Models for Online News in the US and Europe: 2019 Update* (RISJ Factsheet). Oxford: Reuters Institute for the Study of Journalism. <https://bit.ly/396eJkE>

⁷ Fletcher, R. (2019). *Paying for News and the Limits of Subscription*. (Digital News Report). Oxford: Reuters Institute for the Study of Journalism. <http://www.digitalnewsreport.org/survey/2019/paying-for-news-and-the-limits-of-subscription/>.

⁸ Smith, B. (2020, March 2). Why the Success of The New York Times May Be Bad News for Journalism. Retrieved March 21, 2020, from <https://www.nytimes.com/2020/03/01/business/media/ben-smith-journalism-news-publishers-local.html>.

⁹ Posetti, J. (2018). *Time to step away from the 'bright, shiny things'? Towards a sustainable model of journalism innovation in an era of perpetual change* (Reuters Institute Report). Oxford: Reuters Institute for the Study of Journalism. <https://bit.ly/2zyaEXr>.

¹⁰ This is not to say that technological innovations cannot play an important part in creating more sustainable and financially stable businesses. As Nick Diakopolous demonstrates in “Automating the News”, automation and AI can potentially help news organisations in this struggle, for instance by predicting particularly successful content, optimizing content production and distribution or identifying potential subscribers. See: Diakopolous, N. (2019). *Automating the News: How Algorithms Are Rewriting The Media*. Cambridge, Massachusetts: Harvard University Press.

¹¹ Posetti, J., Simon, F. M., & Shabbir, N. (2019). *What if Scale Breaks Community? Rebooting Audience Engagement When Journalism is Under Fire* (Reuters Institute Report). Oxford: Reuters Institute for the Study of Journalism. <https://bit.ly/397WwmD>.

scholar Rasmus Kleis Nielsen put it succinctly in a recent essay on the topic.¹² In the case of South Africa's Daily Maverick, events account for about 10% of overall revenue, membership for 22% and additional donations from members and readers for about 9% – a combined total of 41%.

- 2.5 Trade-offs between revenue models: It is important to note the conditions of and limitations to these solutions. For one, membership models, donations, and events all rest on a strong identification of audiences with the respective outlet and a strong belief in its mission and journalism. Outlets have to make a credible case (in perpetuity) why the journalism they produce matters and why audiences should support them.¹³ Two-way listening is essential for the development of strong, loyal communities of action built around editorial missions.¹⁴ As we write in our report, building and maintaining membership programmes is not straightforward, and often involves the skilful combination of existing elements (e.g. events, community partnerships, citizen reporting portals) with new approaches (e.g. bespoke newsletters, access to 'behind-the-scenes' content). Members should also not be seen as 'cash-cows', but as loyal communities and collaborators on civic engagement, editorial, and product-development projects, potentially helping the outlets grow and improve.

3. **Diversity and Representativeness:** *Why is journalism not more representative of the population?*

Journalism is only as representative as the people that create it. When it comes to journalism's lack of representativeness, we are faced with a multifaceted problem to which there are, again, no easy answers. In the following, I will briefly spell out some of the common reasons why journalism in the United Kingdom is not more representative of the general population, before providing recommendations in the concluding section of this document.¹⁵

- 3.1 Inequality: First, journalism in the UK strongly reflects underlying inequalities in society, inequalities which are exacerbated by a class and education system which inhibits upward social mobility.¹⁶ As a largely elite profession – at least on a national level – these conditions work against greater representativeness, especially in terms of ethnic minority representation and representation of people from lower socio-economic backgrounds. In addition, underlying structural forms of discrimination, sexism and racism within society also affect news organisations. The media is not immune to wider societal trends and discriminatory currents. If representativeness in journalism is to be achieved, these issues need to be addressed elsewhere, too.
- 3.2 The decline of local journalism: Second, a traditional route into journalism for people from lower socio-economic and/or rural backgrounds has been local journalism. Acting as a "feeder system" and talent pipeline, local news allowed talented individuals to enter the profession and later often progress to a career in national media – a traditional career path not just in the UK.¹⁷ However, with the floundering of local news, this route has become increasingly difficult, likely exacerbating urban-rural divides in the news and preventing individuals from less

¹² Nielsen, R. K. (2020, January 9). Building the business we want. Retrieved March 21, 2020, from <http://www.digitalnewsreport.org/publications/2020/building-business-want/>

¹³ See also: Rusbridger, A. (2018). Breaking News. London: Canongate Books.

¹⁴ One of the risks here (although I do not have evidence for this) might be an increasing polarisation as news organisations as they try to convince audiences that they are worth supporting over other outlets.

¹⁵ Please note that this submission does not focus on diversity in the news coverage itself (e.g. screen presence of diverse journalists or diverse images used in news articles).

¹⁶ Social Mobility Commission: Class privilege remains entrenched as social mobility stagnates. (n.d.). Retrieved from <https://www.gov.uk/government/news/class-privilege-remains-entrenched-as-social-mobility-stagnates>

¹⁷ Örnebring, H. (2016). Newsworkers: A Comparative European Perspective. London: Bloomsbury.

well-to-do backgrounds from entering the profession.¹⁸ At the same time, the decline of local and regional news in the UK in general has led to a crisis of representativeness, as local audiences are no longer properly served with news from their respective communities.¹⁹

- 3.3 Journalism's affordability problem excludes people from lower socio-economic backgrounds: Third, and closely linked to the previous points is the financial security offered by the profession. Affordability is crucial for journalism's ability to be representative of society at large. Yet, journalism is often exactly the opposite: a profession which many cannot – or no longer – afford, especially in expensive cities such as London. As my colleagues Alexandra Borchardt, Tanjev Schultz, Julia Lück, Sabine Kieslich and I write in our 2019 report on diversity in journalism in the UK, Germany and Sweden, "children from affluent families are more likely to be able to afford joining a profession that requires much idealism but offers a lower income and less security than other professions. Socially less privileged people are left out. The bourgeois-intellectual milieu is also most likely to teach the social and cultural skills that editors-in-chief value, such as linguistic eloquence, a general "canonical" education, the ability to project intellectuality and self-confidence. The decline of local media in many places also means that journalism is increasingly concentrated in the cities, where only people with a corresponding financial background can afford the high rents and living costs. It is therefore often not easy for migrants, ethnic minorities or socially less privileged people to enter the inner circle of journalism. Those who make it against all obstacles are often particularly capable and highly motivated."²⁰
- 3.4 Role-models matter: Fourth, a lack of role models can impede greater representativeness, especially for people with minority backgrounds and/or people from lower socio-economic strata. As we argued in our report for the Reuters Institute and the University of Mainz, "you can't be what you can't see". Pupils or students who have never met a journalist in their lives other than on screen might not be attracted to the profession in the same way as others. As Katie Lloyd, Development Director at BBC News, put it in our report: "When you go into communities where people, nobody in their family, nobody they know, nobody's friend's parent is in journalism or media [...] why would they ever consider that as a career?"²¹
- 3.5 Organisational structures and resistance matter, too: Fifth, a lack of initiative and organisational hurdles within news organisations are partly to blame for a lack of representativeness. While an increasing number of organisations (both journalism schools and news organisations) in the UK has outreach and diversity schemes in place, proactively reach out to diverse candidates, have diverse hiring boards in place, and actively monitor diversity figures across their organisations, such measures are not yet in place everywhere.²² While a sense of awareness and urgency around the issues of diversity and representativeness seems to be more pronounced in the UK than in some other European countries, news organisations still have some way to go in addressing this issue. Furthermore, diversity initiatives are largely pointless if underlying structural forms of discrimination, sexism and racism are not confronted, both in news organisations and beyond. On the contrary, diversity initiatives implemented without a real commitment to broader cultural change run the risk of avoiding and sugar-coating these issues, thus hindering more diversity and representativeness.²³

¹⁸ Borchardt et al. (2019). *Are Journalists Today's Coal Miners? The Struggle for Talent and Diversity in Modern Newsrooms – A Study on Journalists in Germany, Sweden, and the United Kingdom* (Reuters Institute Report). Oxford & Mainz: Reuters Institute for the Study of Journalism. <https://bit.ly/2WrYw6C>.

¹⁹ Örnebring, H. (2016), p 10.

²⁰ Borchardt et al. (2019), p 31.

²¹ *Ibid.*, p 30.

²² *Ibid.*

4. Recommendations

In the following, I will provide recommendations based on the findings outlined above.

I will first outline suggestions on how innovation can help news providers of all types to maintain sustainable business models. In a second step, I will provide recommendations on improving diversity in news organisations which, in turn, has a positive effect on the representativeness of news.

4.1 *How can innovation help news organisations to maintain sustainable business models?*

First of all, it needs to be noted that there won't be any silver bullets nor "one size fits all" solutions when it comes to finding sustainable business models for the news. Instead, the recipe for success will consist of an individual mixture of different ingredients. These will include advertising and promotional business (albeit in a much more limited fashion), growing digital subscriptions, but also membership solutions, reader donations, financing through grants, event revenues, or consulting services.

1. We need to steer away from an understanding of innovation purely focused on technological solutions. While these can help to make journalism more profitable (mainly by optimising existing products), we should also think of innovation in terms of longer-term, holistic, research-driven, and audience-oriented approaches, as Posetti (2019) has argued.
2. Innovative, audience-first solutions such as events and membership schemes which connect outlets more closely with their readers can be, within certain bounds, workable solutions to help build sustainable news businesses. News organisations in the Global South such as Daily Maverick and Rappler, but also UK-based news start-ups such as Tortoise provide important points of reference. However, they cannot and likely won't suffice on their own and need to be supplemented by other sources of income.
3. Audience-centred business models all rest on a strong identification of audiences with the respective outlet and a strong belief in its mission and journalism. Outlets have to make a credible case why the journalism they produce matters and why audiences should support them. Acknowledging this axiom and creatively thinking through what this means for one's news organisations is a form of innovation itself.
4. To date, "we know very little about how journalism creates value for audiences, and when, where, and for what people might be willing to pay".²⁴ News organisations and governments would be well advised to conduct and fund studies looking into these questions in more detail to help build a sustainable future for journalism.

4.2 *How can diversity and representativeness in journalism be improved?*

Making journalism in the UK more representative and diverse requires, first and foremost, structural change on a broader social level. However, this does not

²³ Ahmed, S. (2012). *On Being Included: Racism and Diversity in Institutional Life*. Durham, NC: Duke University Press.

²⁴ Nielsen, R. K. (2018). The Changing Economic Contexts of Journalism. In T. Hanitzsch & K. Wahl-Jorgensen (Eds.), *Handbook of Journalism Studies* (2nd ed.). London: Routledge.

mean that news organisations are off the hook. They, too, need to commit to serious structural change if the situation is to be improved. Among the things news organisations can do (and which have already been successfully implemented elsewhere) are:

1. The introduction of fellowships and access schemes for diversity candidates as well as partnerships with schools, universities and select foundations and charities to identify suitable candidates.
2. Changes to recruitment practices in order to eradicate the role of implicit biases in hiring as far as possible. This includes, for example diverse hiring boards and partially anonymised CVs, but also requiring leadership roles above a certain level to have diverse candidates on the shortlist.
3. Proactive outreach efforts which go beyond usual channels (in other words: finding potential and suitable applicants “where they are” rather than waiting for them “to come to you”). This also includes actively looking for candidates outside of the capital and major cities for open positions.
4. Managing for diversity will be required. Diverse candidates will most likely need more management attention in the beginning. In expensive cities like London, this can also include support with housing or other needs. Data and stringent monitoring of diversity efforts are required to assess progress. However, news organisations also need to take care of attrition rates. Increasing diversity (and thus improving the representativeness of the news) cannot succeed if diverse candidates get stuck at the bottom of the hierarchy or drop out on their way up.
5. Finally, local journalism is crucial for the representation of local and rural populations. However, with local journalism in decline, this representation is under threat with lasting implications for society and democracy. Stronger measures and government interventions as outlined in the recent Cairncross Review will be necessary to counteract this decline and to ensure the continuing representation of populations outside major metropolitan hubs.²⁵

5. Declaration

- 5.1 This submission mainly draws on research I conducted with several colleagues at the Reuters Institute for the Study of Journalism at the University of Oxford. Part of this research has been variously funded by Google, Facebook, and the German Telekom Foundation. The author has no conflict of interest to declare. These comments represent my personal views and I am not here commenting in any official or representative capacity.

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²⁵ Cairncross, F. (2019). *The Cairncross Review: A sustainable future for journalism*. Department for Digital, Culture, Media & Sport. <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism>.