

Clare Cook—written evidence (FOJ0008)

House of Lords Select Committee on Communications and Digital: inquiry on the future of journalism

How can innovation and collaboration help news organisations to maintain sustainable business models?

Clare Cook is a senior lecturer and researcher at the Media Innovation Studio at the University of Central Lancashire in Preston, UK¹. She is the leading expert on the business resilience of independent journalism. She is co-author of the global Sustainable Business Models in Journalism report from 2012² and Nesta's study into hyperlocal revenues in the UK and Europe 2016.

This evidence is based on ten years' researching and working with hundreds of independent digital journalism sites globally. Independent digital journalism refers to web-native news providers whose core purpose is journalism. Ownership structures are often independent from legacy media, favouring instead models as sole traders, cooperatives and social enterprise. Teams are typically small, relying on some full-time professional journalists, who are not funded by outside groups often remote working. In the UK context, it refers to the galaxy of professional journalism publications which are operating outside of mainstream corporate chains and the BBC. While they increasingly play a vibrant part of the UK media ecosystem, their business fragility remains the greatest challenge. Failure to ensure a resilient economic future will have a direct impact on press plurality.

The government can make meaningful interventions into the resilience of independent digital journalism publishers. The recommendation is for these to be targeted in the following areas:

Subsidy and direct interventions

- Subsidise staffing. For the past ten years the overwhelming message is the same: the most transformative factor would be more staff to independent publishers. This could be addressed via recruitment databases for sales and marketing staff or schemes focussed on internships or apprenticeships³.
- Subsidise syndication. The UK media ecosystem has several models that are supply chain innovations including RADAR (machine learning hyperlocal content from national data sets)⁴ Value My News (hyperlocal content to mainstream news)⁵ Bureau Local (local stories from large data sets and investigations). Yet these are not able to support themselves through syndications because mainstream media can rarely pay for the services being provided.
- Marketing and promotion for independent and alternative journalism including outreach budgets.

¹ https://www.uclan.ac.uk/staff_profiles/clare_cook.php

² https://trepo.tuni.fi/bitstream/handle/10024/66378/chasing_sustainability_on_the_net_2012.pdf?sequence=1

³ <https://www.nesta.org.uk/report/hyperlocal-revenues-in-the-uk-and-europe/>

⁴ <https://urbsmedia.com/>

⁵ <https://www.journalism.co.uk/news/how-to-monetise-hyperlocal-news-/s2/a740900/>

- Subsidise the return to print which evidence suggests is one of the most compelling revenues for independent digital journalism via local display advertising and even subscription models, as well as visibility

Media supply chain

- Explore additional stimulation of the supply chain of news in terms of content not just through the Local Democracy Reporter scheme. While an expansion of this to court reporting and inquests is needed, this should be done leveraging emerging digital technologies (such as Artificial Intelligence) not just resource heavy use of people, and not always led by the BBC

Research and development

- Commission research to create an international searchable database with robust research criteria correlating revenues as percentage of total income so that this really helps with the decision-making on which revenues to pursue, and which are most likely to be of use depending on key criteria. Decision making remains a consistent issue: we know which revenues are workable, but not which ones work for whom in which contexts. In such a heterogenous sector, help navigating the new terrain will be a key enabler.
- A more nuanced understanding of partnerships and collaboration between mainstream media and independents. Research into hyperlocals in the UK and Europe finds that hyperlocals are surviving by forging symbiotic relationships with media businesses advertisers and communities in their environment. Findings from analysis of 35 hyperlocals suggests that a business ecosystemic approach can help sustain hyperlocal journalism⁶. Those non-legacy digital-first hyperlocals who leverage relationships to develop their business models are more likely to be sustainable or resilient. Yet we do not really know who is gaining what from whom, what those partnerships look like, or how they can be nurtured and improved.
- Look more thoroughly at other sectors adjacent to the media industry where revenues are buoyant (such as media monitoring agencies) and their business models.
- Create a centre for journalism resilience and innovation to address the knowledge gaps and share best practice. The remit of such a centre would be to develop the research in this area, to facilitate partnering and mentoring not just in the UK but internationally, and level the playing field by collaborating and incorporating a broader range of independents into the innovation landscape.
- Revisit the research into the hyperlocal advertising market but with more emphasis on advertising networks so that we can map regional and local. This will help deal with the sector's opacity.

Legislation and policy

- Programmatic advertising giants such as Google and Facebook are urged to share data on local and hyper local advertising for a better understanding of return on investment.

⁶ Cook, C and Bakker, P (2019) <https://content.sciendo.com/view/journals/nor/40/s2/article-p31.xml?lang=en>

- Google and Facebook should be required to support the hyperlocal media sector by helping make the content more discoverable through modifications to their content discovery algorithms.
- Google and Facebook must be pressured to change the rate on return for Google advertising for small and independent public interest news sites.
- local governments are urged to support hyperlocal media services and recognise their value proposition. This includes supporting media player reality rather than dominating activity with their own local information portals an exploration of investment providers.
- grant and philanthropic providers should be encouraged to fund journalism where that has not traditionally been their primary role, in terms of using media for social innovation more broadly.

Training

- To explore how to get younger people into the independent journalism industry because this is typically not a starter journalism job.
- To tackle the shortage of business expertise in the profession and in media research.
- To equip journalism professionals with the entrepreneurialism skills they need.
- Stimulate the exchange of practitioner best practice across multiple media systems.
- To move towards transdisciplinary working.

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