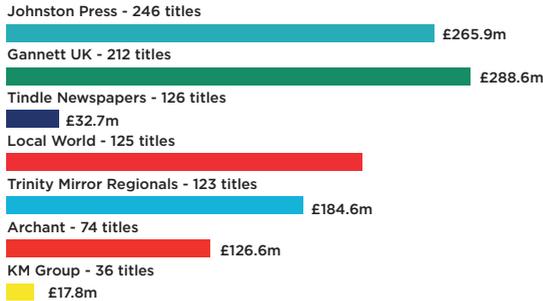


# WHO OWNS THE UK MEDIA?



# A LOCAL NEWS DEMOCRATIC DEFICIT

Six companies account for over 80% of local newspaper titles - more than four times the combined number of titles published by the remaining 56 publishers - and 85% of revenue.



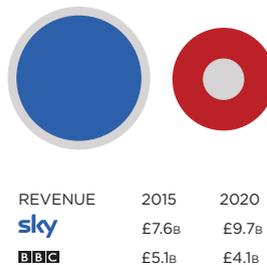
## RADIO FREE BRITAIN

2 conglomerates, Bauer and Global Radio, have nearly 40% of all commercial local analogue radio licences while only 14% of stations are independently owned.

These same two companies control 2/3 of all commercial digital stations.

The main public service TV channels account for nearly three quarters of all viewing yet Sky is by far the biggest broadcaster. Its share of revenue is set to increase if the government gets away with proposed cuts to the BBC.

*No wonder Rupert Murdoch's 21st Century Fox wants to take full control of Sky.*



Is the internet any different? Search is dominated by Google while Apps are dominated by Facebook

### UK WEB SEARCH

GOOGLE	88.6%
BING	6.6%
YAHOO	3.6%



### TOP 10 APP DOWNLOADS

1. FACEBOOK MESSENGER
2. WHATSAPP MESSENGER
3. FACEBOOK
4. SKYPE
5. SNAPCHAT
6. INSTAGRAM
7. EBAY
8. SPOTIFY
9. YOUTUBE
10. BBC IPLAYER

(UK, 2014)



# INTRODUCTION

What does it mean to have a 'free' media when the nation's TV channels, news outlets, radio stations, search engines and social media platforms are owned by a handful of giant corporations? What does it mean to have 'independent media' when many of our most influential media organisations are controlled by individuals and Boards that are so closely connected with vested interests?

This short report shows that just three companies dominate 71% of the national newspaper market – a market that may be shrinking but is still crucial when it comes to setting the agenda for the rest of the news media. When online readers are included, just five companies dominate some 80% of market share. In the area of local news, six giant conglomerates account for 80% of all titles while the 50-plus publishers have less than 20% of the remaining titles. We are facing an increasing number of news deserts given the fact that 36 million UK citizens – some 57% of the total population - do not have a local daily paper that is able to dedicate itself to matters of concern to their community. And where there is still a local press presence, some 85% of local government areas are faced with a monopoly or duopoly supply of local outlets.

Sky, effectively controlled by Rupert Murdoch's 21<sup>st</sup> Century Fox empire, is by far the UK's biggest broadcaster and continues to dominate the pay TV landscape. ITV is making huge profits on the back of its format sales and faces fewer and fewer obligations to serve domestic audiences. Meanwhile, Channel 5 is already owned by a US giant, Viacom International, and there are constant rumours that the government is keen to sell off Channel 4 to the highest bidder. Two companies have nearly 40% of all commercial local analogue radio licences and control two-thirds of all commercial digital stations. Only 14% of non-BBC stations are now independently owned while radio news is provided either by the BBC or by Sky.

Is the internet any different to this? UK search is overwhelmingly dominated by Google while the most popular apps like Instagram and WhatsApp are owned by Facebook, itself by far the most popular social media site.

The BBC remains a powerful presence in broadcasting and online but its budget has been severely cut by the last two licence fee deals, its independence has been undermined, and it is increasingly being told by government to be mindful of its impact on the wider commercial market.

We believe that concentration within news and information markets in particular has reached endemic levels in the UK and that we urgently need effective remedies. This kind of concentration creates conditions in which wealthy individuals and organisations can amass huge political and economic power and distort the media landscape to suit their interests and personal views. Urgent reform is needed in order both to address high levels of concentration in particular media markets and to protect against further concentration in others.

We hope that this report will provide data and arguments that will be useful to groups and individuals who want to see a far more pluralistic media structure in which a genuine diversity of views, voices and opinions are aired.

# NATIONAL NEWSPAPERS

## Market Share by Circulation (ABC)

Between 2014 and 2015 there was little structural change in the UK's national newspaper market.<sup>1,2</sup> Although every national newspaper lost circulation in the year between July 2014 and July 2015 – the national press as a whole saw a year-on-year decline in circulation of 6.6% on average<sup>3</sup> – this conceals substantial variations in circulation decline. The *Daily Star* fared worst, with an 11.7% decline, while *The Times* saw a much smaller decline of slightly under 1% (Table 1).

**Table 1: Average Daily Circulation, National Newspapers (July 2015)**

Title	Average Daily Circulation (July 2015)	YoY % Change	Share of Circulation
<i>Sun</i>	1,856,790	-9.75%	27.2%
<i>Daily Mail</i>	1,657,706	-2.82%	24.3%
<i>Daily Mirror</i>	878,527	-10.49%	12.9%
<i>Daily Telegraph</i>	489,459	-4.75%	7.2%
<i>Daily Express</i>	429,810	-10.58%	6.3%
<i>Daily Star</i>	411,725	-11.69%	6.0%
<i>Times</i>	394,910	-0.93%	5.8%
<i>i</i>	276,137	-3.42%	4.0%
<i>Financial Times</i>	207,179	-2.90%	3.0%
<i>Guardian</i>	168,369	-7.07%	2.5%
<i>Independent</i>	57,930	-8.24%	0.8%
<b>Total</b>	<b>6,828,542</b>	<b>Average: -6.60%</b>	<b>100.0%</b>

The Sunday newspaper market has seen similar declines. On average, titles lost 8.9% of circulation between July 2014 and 2015 (Table 2). Both the daily and Sunday markets are dominated by two titles (and their Sunday affiliates) – the *Sun* and *Daily Mail* account for 51% of all daily newspapers sold, while the *Sun on Sunday* and *Mail on Sunday* account for just under half of all national Sunday

1. National newspapers are defined here as those classified as national by the Audit Bureau of Circulations, but not including those that have an area of focus smaller than the UK. Therefore, national newspapers in Scotland and Wales are not included; neither is the Evening Standard.

2. See Media Reform Coalition (2014) *Media Ownership Reform: A case for action* for circulation market share figures from 2014.

3. Audit Bureau of Circulations, July 2015 figures

newspapers purchased in the UK.

**Table 2: Average Weekly Circulation, National Sunday Newspapers (July 2015)**

Title	Average Weekly Circulation (July 2015)	YoY % Change	Share of Circulation
<i>Sun on Sunday</i>	1,545,244	-7.73%	25.1%
<i>Mail on Sunday</i>	1,425,840	-6.30%	23.1%
<i>Sunday Mirror</i>	813,023	-12.86%	13.2%
<i>Sunday Times</i>	763,521	-4.54%	12.4%
<i>Sunday Express</i>	380,185	-10.45%	6.2%
<i>Sunday Telegraph</i>	372,346	-7.23%	6.0%
<i>Sunday People</i>	311,437	-17.93%	5.1%
<i>Daily Star Sunday</i>	262,372	-11.15%	4.3%
<i>Observer</i>	188,312	-6.49%	3.1%
<i>Independent on Sunday</i>	97,834	-4.15%	1.6%
<b>Total</b>	<b>6,160,114</b>	<b>Average: -8.88%</b>	<b>100.0%</b>

However, this lack of structural change between 2014 and 2015 means that there is still a very high degree of concentration in the national newspaper market. Table 3 shows that Britain’s national newspapers, covering a domestic audience of approximately 63 million people, are owned by eight companies, and – by circulation alone – four of those companies account for over 80% of all copies sold (Table 3).

**Table 3: Weekly (Daily plus Sunday) market share of national newspaper circulation, by publishing company**

Publisher	Circulation	Market Share	Cumulative Share
News Corp UK and Ireland Ltd	15,818,965	33.6%	33.6%
Associated Newspapers Ltd	11,372,076	24.1%	57.7%
Mirror Group Newspapers (MGN Ltd)	6,395,622	13.6%	71.3%
Express Newspapers	5,691,767	12.1%	83.3%
Telegraph Media Group Ltd	3,309,100	7.0%	90.4%
Independent Print Ltd	2,102,236	4.5%	94.8%
The Financial Times Ltd	1,243,074	2.6%	97.5%
Guardian News & Media Ltd	1,198,526	2.5%	100.0%
<b>Total</b>	<b>47,131,366</b>	<b>100.0%</b>	

## Market Share by Print & Online (NRS-PADD)

Traditional circulation figures, though still accounting for the largest proportion of UK newspaper revenue, is becoming a less authoritative measure as online readership grows. In 2014 the National Readership Survey introduced a new method of measuring combined print and online readership data, NRS PADD (Print and Digital Data). This data combines NRS print data and comScore digital data to provide estimates of the combined readership of newsbrands and their websites. Table 4 shows that, when print, online and mobile readerships are combined, three publishers – Associated Newspapers, Mirror Group Newspapers and Guardian News and Media – account for over half of all readers.

**Table 4: Combined Print, Online and Mobile Readership, UK National Newspapers (June 2015) - NRS PADD**

Publisher	Print, PC & Mobile	Market Share	Cumulative Share
Associated Newspapers Ltd	31,531,000	20.1%	20.1%
Mirror Group Newspapers (MGN Ltd)	25,489,000	16.3%	36.4%
Guardian News & Media Ltd	23,473,000	15.0%	51.4%
Telegraph Media Group Ltd	22,002,000	14.1%	65.5%
News Corp UK and Ireland Ltd <sup>3</sup>	21,501,000	13.7%	79.2%
Express Newspapers	17,671,000	11.3%	90.5%
Independent Print Ltd	14,889,000	9.5%	100.0%
<b>Total</b>	<b>156,556,000</b>	<b>100.0%</b>	

## Market Share by Revenue

Combining the revenue of all companies publishing national newspapers (Table 5) shows similar levels of concentration. Combined, the publishing arms of News Corp UK & Ireland and Associated Newspapers account for over 50% of turnover.

<sup>4</sup> No data available for *Sunday Times* mobile readership

**Table 5: Market share of national newspapers publishers, by turnover (most recent accounts)**

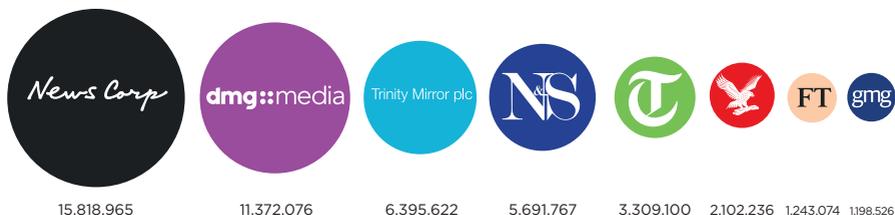
Company	Turnover (National Papers) <sup>5</sup>	Market Share <sup>6</sup>	Cumulative Share
News Corp UK & Ireland Ltd <sup>7</sup>	£836.5m	29.3%	30.1%
Associated Newspapers Ltd	£679.3m	23.8%	51.7%
Telegraph Media Group Ltd	£318.1m	11.2%	63.1%
The Financial Times Ltd	£296.4m	10.4%	73.8%
MGN Ltd (Mirror Group)	£256.7m	9.0%	83.0%
Guardian News & Media Ltd	£210.8m	7.4%	90.6%
Express Newspapers	£197.0m	7.2%	98.0%
Independent Print Ltd	£55.3	1.9%	100.0%
<b>Total</b>	<b>£2,850m</b>	<b>100.0%</b>	

# NEWS IS A CONCENTRATED BUSINESS

Just two companies, Rupert Murdoch's News Corp UK and Lord Rothermere's Daily Mail Group, control nearly 60% of national newspaper circulation

If you include online and mobile readers, the situation isn't that much better with five companies accounting for 80% of all consumption, online and offline..

CIRCULATION



TOTAL REVENUE



COMBINED PRINT & DIGITAL AUDIENCE SHARE



<sup>5</sup> From most recent accounts registered at Companies House (as of September 2015)

<sup>6</sup> Market share figures subject to rounding

<sup>7</sup> Combined Turnover for News Group Newspapers Ltd and Times Newspapers Ltd

# LOCAL NEWSPAPERS

Fully comprehensive data on the UK's local press is difficult to come by. The Appendix to this report (available at [www.mediareform.org.uk](http://www.mediareform.org.uk)) explains how, although information on the vast majority of local newspapers is available via public or subscription datasets, the rate of closures and consolidation within the industry combined with a long tail of smaller independent publishers means that precise numbers are difficult to ascertain. The lists of newsbrands presented by the publishers themselves are in some cases out of date. The numbers in this section are presented with this in mind.

The research undertaken here to establish reliable figures for individual local papers found 1,122 distinct local newspapers published at least once per week. Of these, 80 were daily local papers, consisting of 70 core titles and a further ten sub-editions. 'National' regional papers, such as those serving Scotland or Wales in their entirety, were not included, neither was the *Evening Standard*, which serves a catchment area of approximately 7 million people.

**Table 6: Breakdown of local newspaper titles by publisher (Figures from July 2015)**

Publisher	Titles	Share of Total	Cumulative Share
Johnston Press PLC	246	21.9%	21.9%
Gannett UK Ltd (Newsquest)	212	18.9%	40.8%
Tindle Newspapers Limited	126	11.2%	52.0%
Local World	126	11.2%	63.2%
Trinity Mirror Regionals Limited	123	11.1%	74.3%
Archant	74	6.6%	80.9%
- Remaining 56 Publishers	216	19.1%	100.0%

By share of titles (Table 6), the concentration in the local news market is comparable with the national press.<sup>8</sup> Six companies account for over 80% of local newspaper titles, more than four times the combined number of titles published by the remaining 56 publishers.

Of the 62 publishers identified by the study, most qualify for audit exemptions under the Companies Act 2006; just 20 are large enough to be obliged to publish full annual accounts.<sup>9</sup> These 20 publishers account for over 90% of all local

<sup>8</sup> Circulation figures are not available for local publishers not audited by ABC, and many of the figures available on Local Media Works/JICREG are over a year old.

<sup>9</sup> The Companies Act 2006 sets the criteria for audit exemption as a company having at least 2 of the following:

- An annual turnover of no more than £6.5 million
- Assets worth no more than £3.26 million
- 50 or fewer employees on average

newspapers (1,013 titles). Data for four smaller publishers was not available.<sup>10</sup> The combined revenue (most recent figures) for those publishers with declared accounts is approximately £1,537 million. Table 7 shows how this breaks down.

Again, concentration is very strong as six publishers account for over 85% of the available revenue.<sup>11</sup>

**Table 7: Turnover of local newspaper publisher groups (most recent accounts as of August 2015)**

Publisher	No. of Titles	Turnover	Share of Total	Cumulative Share
Gannett UK Ltd (Newsquest)	212	£288.6m	18.77%	18.77%
Johnston Press PLC	246	£265.9m	17.30%	36.07%
DC Thomson & Company Limited <sup>12</sup>	5	£239.6m	15.59%	51.66%
Local World	125	£221.1m	14.39%	66.05%
Trinity Mirror Regionals Limited <sup>13</sup>	123	£184.6m	12.01%	78.06%
Archant	74	£126.6m	8.24%	86.30%
Midland News Association	14	£38.1m	2.48%	88.78%
Independent News and Media Ltd	3	£37.9m	2.46%	91.24%
Tindle Newspapers Limited	126	£32.8m	2.13%	93.37%
CN Group Ltd	10	£24.9m	1.62%	94.99%
KM Media Group Ltd	28	£17.9m	1.16%	96.15%
NWN Media Ltd	14	£15.4m	1.00%	97.15%
Scottish Provincial Press Limited	16	£13.0m	0.84%	97.99%
Newbury News Ltd	2	£6.8m	0.44%	98.43%
The Barnsley Chronicle Ltd	2	£6.3m	0.41%	98.84%
Isle of Wight County Press Group	1	£5.0m	0.33%	99.17%
North-West News Group	3	£4.6m	0.30%	99.47%
Garnett Dickinson Publishing Ltd	3	£3.9m	0.25%	99.72%
Baylis Media Ltd	5	£3.9m	0.25%	99.97%
Quest Media Network Ltd	1	£0.3m	0.02%	100.00%
<b>Total (Accounts Available)</b>	<b>1,013</b>	<b>£1,537m</b>	<b>100.00%</b>	<b>(Totals Rounded)</b>

<sup>10</sup> Midlands Newspapers Ltd and Megagroup Newspapers Ltd had not yet published accounts at the time of writing (October 2015). One title is owned and published by an estate, and therefore not subject to company audits. The company details of the Spectator Media Group, a Northern Irish publisher, could not be located.

<sup>11</sup> Although turnover data is not available for the remaining 42 publishers, given that they publish on average 2-3 titles each (109 titles in total) it is unlikely that their combined revenues would account for more than 5-10% of the total. Even assuming that each fell just short of the £6.5m turnover threshold for accounts to be made public (highly unlikely given the number of titles they each publish, this would account for no more than 15% of total turnover.

<sup>12</sup> DC Thomson revenue includes the Sunday Post and magazine revenues

<sup>13</sup> Trinity Mirror Regionals revenue calculated from combined revenue of all subsidiary companies involved in local newspaper publishing

## Local Daily Newspaper Coverage

The large number of local newspapers in the UK does not translate into extensive coverage of local news on a daily basis. Of the 406 local government areas in the UK, 131 are directly served by a local daily newspaper (see Appendix for a full description of how LGAs were selected). This was calculated as those LGAs in which:

- a) A local daily paper is physically located, or where the name of the LGA (usually a city) is included in the title, AND
- b) The local daily paper has 5% or greater household penetration within the LGA, and circulates 10% or more of its average circulation figures there.

So 275 local government areas (over two-thirds) are not directly served by a local daily newspaper. As a proportion of the population, based on the 2011 census data, these 275 LGAs contain over 36 million people, or 57% of the total UK population (2011 figures).

## Concentration of Coverage at a Local Level

The supply of local newspapers at the level of Local Government Areas is also highly concentrated. In order to measure coverage of an LGA by local newspapers, the same criteria for daily papers described above (5% or greater household penetration and 10% or greater circulation within the LGA) was combined with the following criteria for weekly newspapers:

- a) Household penetration of 5% or higher, OR
- b) 50% or more circulation in that LGA<sup>14</sup>

As Table 8 shows, in 165 (43.4%) of 380 LGAs in England, Scotland and Wales, local newspapers with significant reach and circulation were provided by a single publisher. In a further 160 LGAs, the local paper market was dominated by two publishers – a cumulative total of over 85% LGAs with monopoly or duopoly supply of local newspapers.

**Table 8: Number of LGAs (England, Scotland and Wales) with Monopoly or Duopoly Local Newspaper Supply**

No. of Publishers Supplying Local Newspapers with Significant Local Penetration	No. of LGAs	Share of Total	Cumulative Share
One	165	43.4%	43.4%
Two	160	42.1%	85.5%
Three or more	52	13.7%	99.2%
None <sup>15</sup>	3	0.8%	100%
<b>Total</b>	<b>380</b>	<b>100.00%</b>	

14. Data supplied by JICREG/Local Media Works, available from <http://www.nsdatabase.co.uk/>. Northern Ireland data not available. Again, 'national' local newspapers not eligible. The criteria allows for all newspapers that either reach a significant proportion of households, or where a very large proportion of circulation is within an LGA, signifying that the title is focused on that locality. Data is subject to the coverage limitations of the JICREG/Local Media Works database.

15. Neath Port Talbot; City of London (highest recorded circulation: 54 – Islington & Hackney Gazette); North Dorset (highest recorded circulation: 764 – Western Gazette)

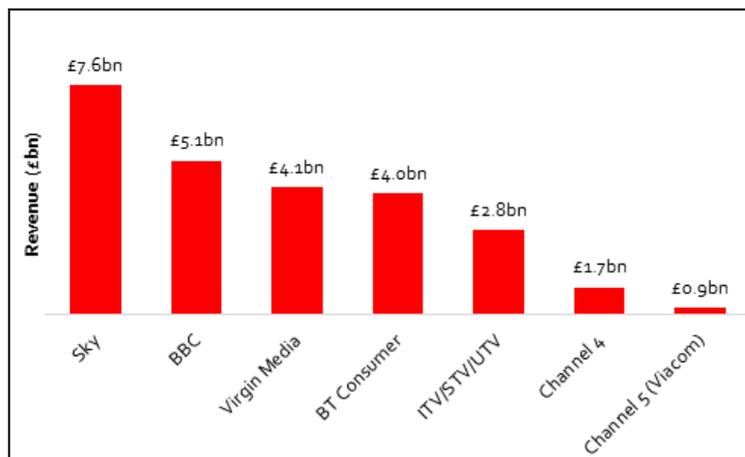
# TELEVISION

## Ownership and Revenue

The biggest broadcaster in terms of revenue, by some distance, is Sky (Figure 1). The BBC is the largest of the PSB broadcasters with £5.1bn, of which around £3.7bn is provided by the licence fee.

Table 9 shows that, while the majority of these broadcasters are owned either by UK-based companies, or are publicly owned in the case of the BBC and Channel Four, there is growing encroachment of large US-based corporations into UK Television ownership. Rupert Murdoch's 21<sup>st</sup> Century Fox (2014 revenue: \$31.8bn) owns 39.1% of Sky plc (previously BskyB), and, having previously sought to buy the remaining share, is reported to be preparing a second bid for full ownership.<sup>16</sup> Virgin Media has been purchased by Liberty Global (2014 revenue: \$18.2bn), while Channel 5 is now owned by Viacom International, a subsidiary of Viacom (2013 revenue: \$13.8bn).

**Figure 1: Revenues of Television Broadcasters and Carriers, Digital and Satellite (2014 figures)<sup>17</sup>**



<sup>16</sup> Alex Spence, 'Murdoch may reach again for Sky', *Politico* (1<sup>st</sup> July 2015) <http://www.politico.eu/article/signs-mount-that-murdoch-may-reach-again-for-sky-uk-21st-century-fox/> (Accessed 7<sup>th</sup> Oct 2015)

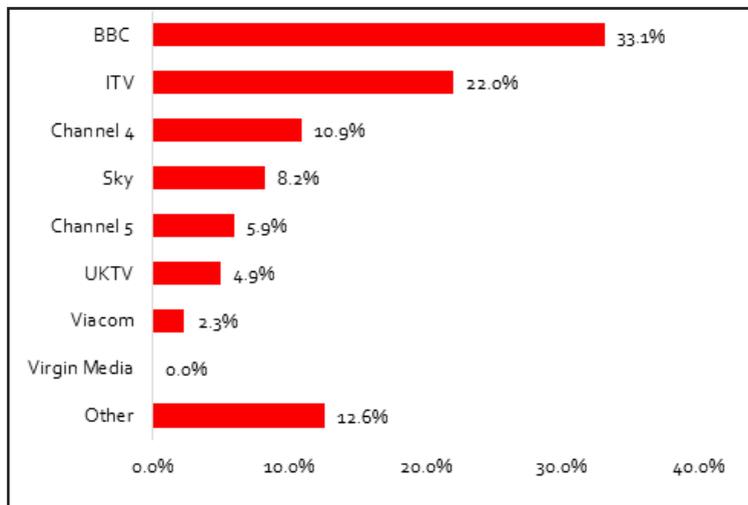
<sup>17</sup> Not including TalkTalk UK (2014 Revenue - £1.7bn)

**Table 9: Ownership of UK TV Broadcasters and Carriers**

Company	Parent Company (Largest shareholder)	Location of Owner
Sky	Sky plc (21 <sup>st</sup> Century Fox – 39.1% share)	UK/USA
BBC	Publicly owned	UK
Virgin Media	Liberty Global	USA
BT Consumer	BT Group	UK
ITV	ITV plc, STV Group and UTV Media	UK
Channel Four	Channel Four Television Corporation (publicly owned)	UK
Channel 5	Viacom International	USA

Figure 2 shows that the BBC dominates viewing shares, with a 33.1% share of viewing going to BBC Channels. ITV is the largest commercial PSB broadcaster, with a 22% share of viewing, while Sky channels account for 8.2% of all viewing.

**Figure 2: Broadcast family shares in multichannel homes (Ofcom, 2014)<sup>18</sup>**

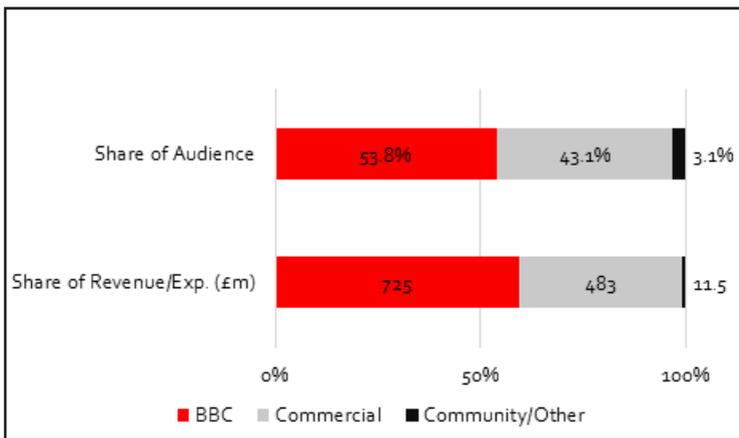


<sup>18</sup> Ofcom (2015) *The Communications Market 2015 (August)*, available at <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cm15/> (Figure 2.56)

## BBC and Commercial Radio – Audience and Expenditure Shares

The BBC plays a prominent role in UK radio broadcasting, with the Corporation's estimated £725m expenditure in 2014 accounting for around 59% of the £1,220m combined revenue for the industry. This translates into 53.8% of audience share, as recent years have seen a slight relative growth in commercial radio audiences.

**Figure 4: BBC vs Commercial Radio – Audience and Revenue Shares (Ofcom 2015)<sup>19</sup>**



## UK Radio Stations - Analogue

There are eight national and 332 local stations operating on analogue licences. The BBC accounts for five of the national analogue stations. The remaining three commercial national stations are Absolute Radio (owned by Bauer Radio), Classic FM (Global Radio) and Talksport (UTV Radio). In local radio, the BBC operates 43 the local stations. Table 8 shows the breakdown of commercial ownership of analogue radio licences. Two companies, Global Radio and Bauer Radio, account for just under 40% of licences, while five groups (Global and Bauer, plus Celador, UKRD Group and UTV Radio) together account for 168 stations – 58% of the total.

<sup>19</sup> Ofcom (2015) *Communications Market Report, August 2015*, available at: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cm15/> (Accessed 21<sup>st</sup> September 2015).

Data combined from Figure 3.36 (p236) and Figure 3.1 (p211)

**Table 10: Commercial Analogue Local Radio Licences in the UK, 2015<sup>20</sup>**

Commercial Analogue Local Licence Ownership, by Group	No. of Licences	Share
Global Radio	70	24.2%
Bauer Radio	42	14.5%
Celador	20	6.9%
UKRD Group	20	6.9%
UTV Radio	16	5.5%
6-10 stations per group	53	18.3%
2-5 stations per group	27	9.3%
Independent stations	41	14.2%
<b>Total</b>	<b>289</b>	<b>100.0%</b>

<sup>20</sup> Results gathered from Ofcom's List of Analogue Radio Stations (<http://www.ofcom.org.uk/static/radiolicensing/html/radio-stations/analogue/analogue-main.htm>), accessed August 2015. These figures differ very slightly from Ofcom's Communications Market Report chart (Figure 3.17, p224). It is unclear why Ofcom's own figures differ; the most recently-accessible figures have been used here.

## UK Radio Stations – DAB Digital Radio

There are 25 UK-wide digital radio stations - 11 provided by the BBC, and 14 broadcast on DAB via the Digital One multiplex.<sup>21</sup> Of the 14 commercial stations, ten are owned by Global Radio or Bauer Radio.<sup>22</sup>

Local Digital DAB stations show a considerably higher amount of commercial concentration. Table 11 shows that around two-thirds of all Commercial DAB channels broadcast by local multiplexes are owned by Bauer Radio and Global Radio.

**Table 11: Concentration of UK Commercial DAB Ownership, by Region**

Region <sup>23</sup>	No. of DAB Multiplexes <sup>24</sup>	No. of DAB Stations (Excl. BBC) <sup>25</sup>	% of Commercial Stations Owned by Bauer and Global
Northern Ireland	1	8	87.5%
North England	10	95	85.3%
Scotland	7	50	76.0%
Eastern Counties	4	24	75.0%
South West	7	37	70.3%
South East	7	48	62.5%
Midlands	11	70	51.4%
London	3	37	48.6%
Wales	5	24	33.3%
<b>Total</b>	<b>55</b>	<b>393</b>	<b>66.7%</b>

21 A second national multiplex has been announced by Ofcom: Sound Digital Limited, a consortium of Arqiva, Bauer and UTV Media GB, will launch in 2016 and carry a mix of new stations and existing stations currently broadcasting on Digital One: <http://media.ofcom.org.uk/news/2015/dab-award/> (Accessed 21<sup>st</sup> September 2015)

22 These are: (Global Radio) Smooth Extra, Capital Xtra, LBC, Radio X, Classic FM; (Bauer Radio) Absolute Radio, Absolute 80s, Magic, Planet Rock, Kiss.

23 Groupings adopted from <http://www.ukdigitalradio.com/stations/localandregional/>

24 Obtained from Ofcom (<http://www.ofcom.org.uk/static/radiolicensing/html/radio-stations/digital/digital-multiplexes-main.htm>), excluding National DAB Multiplex 1 (Accessed 27th September 2015)

25 DAB stations obtained via [ukdigitalradio.com](http://www.ukdigitalradio.com) (Accessed September 2015) and websites of local multiplex holders

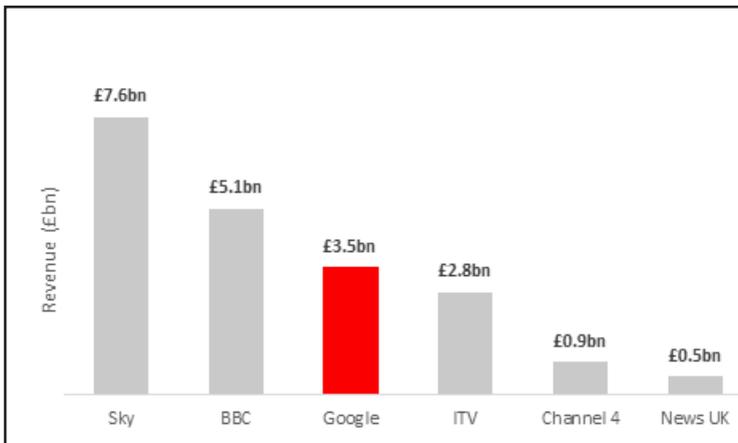
# DIGITAL INTERMEDIARIES

Increasingly, traditional media industries are being supplanted by large, usually US-based, digital intermediaries – companies such as Google, Facebook, Apple and Amazon. Though not traditionally content creators (although increasing moves are being made in that direction) these companies have leveraged their access to personal data or control over digital platforms to become dominant in key areas (Google in search, Facebook in social media, etc). They are now often the means by which people access news and other media content, and will increasingly form part of the debate about media ownership and plurality.

## UK Media Ownership in Context

In 2014, Google took in revenues of £3.5bn in the UK, only marginally less than the BBC's income from the licence fee (approximately £3.7bn, 2014 figures)<sup>26</sup> (Figure 5).

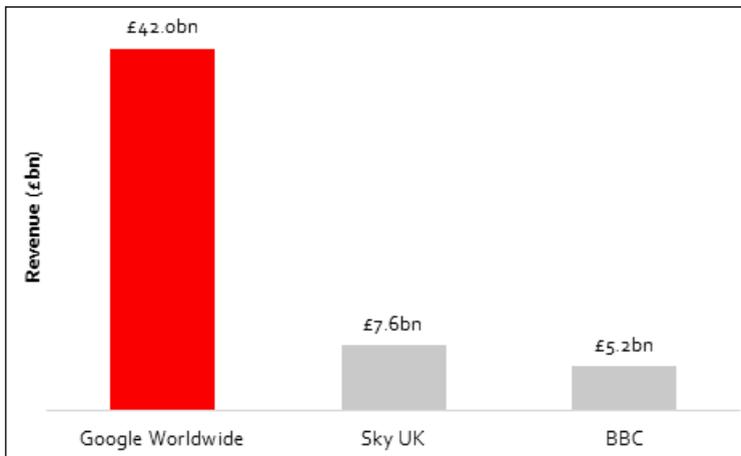
*Figure 5: Google's UK Revenue in Context - Selected Media Organizations, 2014 revenue*



Yet Google's size within the UK media market does not reflect the sheer scale of Google. Worldwide, Google's 2014 revenue was around £42bn (\$66bn), dwarfing the UK's largest media companies (Figure 6).

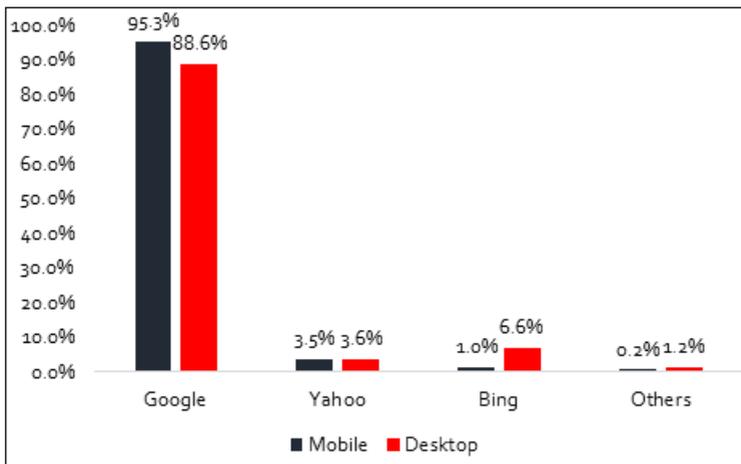
<sup>26</sup> BBC Annual Report and Accounts 2014-15, p133. Available at <https://data.gov.uk/dataset/local-authority-districts-2012-to-westminster-parliamentary-constituencies-2012-uk-lookup> (Accessed 22nd Sept 2015)

Figure 6: Google's 2014 Worldwide Revenue in UK perspective



Google's dominance of search in the UK is almost total, as Figure 7 shows. Over 95% of search on mobile devices is via Google. This share is marginally smaller on desktop, at 88.6%.

Figure 7: Share of UK Search, Mobile and Desktop (Statcounter, Aug 2015)



The mobile app market also shows signs of very strong concentration. Table 12 shows that the lists of most popular apps in the UK are dominated by Facebook, Google, and other US technology companies.

**Table 12: UK Mobile App Market Concentration<sup>27</sup>**

Top 10 app downloads (UK, 2014)	App use by Android device (UK, Q1 2015)
1. Facebook Messenger (Facebook)	1. Google (Google)
2. WhatsApp Messenger (Facebook)	2. Maps (Google)
3. Facebook (Facebook)	3. YouTube (Google)
4. Skype (Microsoft)	4. Facebook (Facebook)
5. Snapchat (Snapchat)	5. Chrome (Google)
6. Instagram (Facebook)	6. WhatsApp Messenger (Facebook)
7. eBay (eBay)	7. Gmail (Google)
8. Spotify (Spotify)	8. Messenger (Facebook)
9. YouTube (Google)	9. Google+ (Google)
10. BBC iPlayer (BBC)	10. eBay (eBay)

<sup>27</sup> Source: App Annie Index: 2014 Retrospective (Accessed August 2015)

# CONCLUSION

The levels of concentration revealed in this report demonstrate that we need action that will challenge media power and the influence that flows from it.

There is a long-established policy principle in the UK that public responsibilities should be attached to significant media power. Up to now, this principle has been invoked in respect of broadcasting but as media markets and services converge, it is increasingly applicable to other platforms. There is a need to ensure that dominant media groups that are not currently subject to public service regulation are nevertheless held accountable to the public interest

It is time for an open and honest debate about the impact of media concentration on our democracy and our wider culture. The Media Reform Coalition believes that media plurality is not a luxury in the digital age but an essential part of a media system in which vested interests are not allowed to dominate. We want to see independent media that are able to hold power to account and to serve their audiences and the public in general as opposed to shareholders, proprietors or politicians.

In order to achieve this, we may well need a system of clear ownerships thresholds so that no individual or entity has a controlling share in an organisation that has a dominant share of any news market. Remedies should also ensure journalist and editorial autonomy particularly in the largest organisations so that owners and shareholders cannot exert undue influence over news output.

If we want to see elections and referenda, as well as economic debates and military interventions, covered in a way that does not favour the most powerful voices or the status quo, then we need to change media ownership rules. If we want to lay the foundations for a media that represents the full diversity of the UK population – in relation to its opinions, its make-up, its communities and indeed its constituent nations – then we need to take action to curb media power.

# APPENDIX

## Counting Local Newspapers

The process of gathering accurate and up-to-date data on UK local newspapers for this study proved considerably more difficult than anticipated. The traditionally-used sources of information often proved to be either out of date or lacking coverage of certain parts of the UK. In addition, the rate of consolidation in the UK local newspaper industry is such that one merger took place during the course of the research (Newsquest's purchase of Romanes Newspapers in May 2015), while another – far more serious, from a plurality perspective – involving the potential purchase of the remaining share of Local World by Trinity Mirror may currently be underway at the time of writing (September 2015).

A significant amount of research was necessary to arrive at the figures produced in this report, and consequently the numbers arrived at are not directly comparable with other recent analyses such as those published by the Press Gazette or the Media Reform Coalition, both of which rely on the Joint Industry Committee for Regional Media Research (JICREG) data visible via the Local Media Works database (part of the News Media Association, formerly of the Newspaper Society).

While this database provides a very rich amount of information on the local press, it is in some ways incomplete and insufficient for measuring the number of local newspapers in the UK and their coverage. For instance, certain newspapers that publish multiple distinct editions across a diverse geographical area (such as the Champion in Sefton and West Lancashire) are grouped together as a single entry. From the perspective of people living in (e.g.) Bootle, near Liverpool, or Southport, around 15 miles north, the local editions of the Champion are as separate as any two local newspapers. For the purposes of this study, each geographically distinct edition of a local paper are counted separately. This resulted in a number of 1,122 local newspapers, slightly higher than recent estimates, most likely due to the addition here of the distinct sub-editions. Where detected, slip editions of newspapers (i.e. duplicate editions of, usually daily, local papers marketed as covering a specific area but with just one or two pages devoted to it) were removed. Given the difficulty in ascertaining the difference between a slip edition and a full sub-edition, it is likely that some slip editions have been included in the final total of 1,122.

The three main sources of local newspapers used for this study were:

- The Local Media Works/JICREG database
- MediaTel's database of regional newspapers

- British Newspapers Online ([britishpapers.co.uk](http://britishpapers.co.uk))

Each of these was fairly comprehensive, but lacking in certain information. By triangulating between the three sources it was possible to establish which titles appeared in two or one of the datasets only, which then prompted further research. Finally, where information from the three databases was inconclusive, online searches – including social media and web-based press readers – were used to establish whether the title in question was still in publication and had been published within the past week.

British Newspapers Online – apparently a publicly-created website – contained useful information missing from LMW/JICREG and MediaTel, most notably on Northern Irish local papers, which are not covered by LMW/JICREG.

Finally, the newsbrand lists of the larger local newspaper publishers were used – most of which are publicly available – but were in some cases out of date. For example, the Johnston Press site lists the Berwick Gazette, which has been folded into the Berwick Advertiser, and the Trinity Mirror site continues to list the Fulham and Hammersmith Chronicle, which ceased publication in 2014. Newspapers that have gone online only in the past few years, such as the Streatham Guardian, have tended not to be included unless they publish large amounts of news daily (such as [getreading.co.uk](http://getreading.co.uk)).

The websites Hold The Front Page and Press Gazette were also used to clarify which titles had closed in recent years.

Newspapers were only included if they published editions one or more editions per week. Fortnightly and monthly newspapers, were not included.

## Measuring Coverage of Daily Local Papers

When measuring the geographical coverage of daily local news, a number of decisions were made about:

- What qualifies as a local daily newspaper serving a distinct community
- What the unit of geographical measurement should be
- What qualifies as serving a community

For the first, the MediaTel designation of 'national' newspapers disqualified a number of titles:

- Scottish national newspapers serving a population of over 5 million people, were not counted. In the MediaTel database, Scottish 'national'

daily newspapers included: The Herald, Daily Record, and Scotsman. For the wider analysis of local newspapers, national Sunday papers – the Scotland on Sunday, Sunday Herald, Sunday Post and Sunday Mail were not included.

- The Welsh paper the Western Mail is designated 'national', as, for the wider study, was Wales on Sunday.
- The Evening Standard, though nominally a London newspaper, serves a population of over 7 million people, and is classified as 'national' by both MediaTel and ABC
- The Metro series was not included

The total number of daily titles not including these is 68, with the following ten distinct sub-editions making the total 78:

- The East Anglian Daily Times consists of two additional editions, West and Essex
- The Eastern Daily Press includes a separate edition for Fenland
- The Hull and East Riding Daily Mail consists of two separate editions
- The Basildon Echo includes a separate edition for Castlepoint and Southend
- The Leader consists of a Wrexham edition plus two editions for Chester and Flintshire
- The News (Portsmouth) has a Havant & Waterlooville edition

The unit of analysis for geographical coverage of local daily newspapers is the 406 local government areas (LGAs) in the UK, encompassing 32 council area in Scotland, 26 local government districts in Northern Ireland, 22 unitary authorities in Wales, and 326 Local Authority Districts in England, consisting of:

- 201 non-metropolitan district councils
- 55 unitary authority councils
- 36 metropolitan councils
- 32 London borough councils
- City of London Corporation
- Council of the Isles of Scilly

The Channel Islands and the Isle of Man were not included.

This decision was taken partly because there is an element of comparability between these different administrative areas across the four nations of the UK.

Finally, the measurement of whether or not LGAs were served by a local paper was decided by two criteria, both of which need to be met for a

newspaper to qualify as serving that LGA:

1. The newspaper must have a household penetration of 5% or higher, that is, enough copies of the newspaper must be sold within the LGA to reach 5% of all households, AND
2. 10% or more of the total circulation of the newspaper must be sold within the LGA

In the absence of more granular data on access to online versions of the titles, these measures provide a reliable benchmark on how much the population of an LGA is exposed to a newspaper, and whether a significant proportion of the newspaper's sales are accounted for within that LGA.

**OVER 50%**  
**OF NATIONAL UK PAPERS SOLD**  
**ARE CONTROLLED BY**



**JONATHAN  
HARMSWORTH**  
4TH VISCOUNT  
OF ROTHERMERE

**RUPERT  
MURDOCH**

**2 BILLIONAIRES**



**MEDIA REFORM**  
COALITION

For more information and to see the full methodology  
used in this report, please go to

[www.mediareform.org.uk](http://www.mediareform.org.uk)

or email [info@mediareform.org.uk](mailto:info@mediareform.org.uk)

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