



C/O Goldsmiths College  
New Cross  
London SE14 6NW

**BY EMAIL ONLY**

Sabrina Basran  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London WC1B 4AD

30 November 2017

Dear Ms Basran

**21<sup>st</sup> Century Fox, Inc. (“21CF”) / Sky Plc merger inquiry - 21CF critique of Media Reform Coalition (MRC)/Avaaz research**

I refer to the submission made by Allen & Overy LLP on behalf of 21CF on 8 November, containing a detailed critique of the evidence and arguments on plurality made in a joint response to your issues statement by MRC and Avaaz. I refer in particular to two appended reports produced by Robert Kenny for Communications Chambers, and Professor Gregory Crawford et al. for Charles River Associates.

I am grateful for the points raised in these reports and the opportunity to respond in detail. I believe they collectively speak to issues that go to the heart of the plurality question, especially as it relates to the proposed transaction.

Many of the critiques stem from a lack of understanding as regards the specific research questions and methodological approach adopted in our research. That is understandable to the extent that this level of detail was not included within our joint response to the Issues Statement. But there are several serious misstatements of what our original submission contained, notwithstanding Mr Kenny’s acknowledgement that “It may be that the details of that methodology would mitigate some of the concerns above.”<sup>1</sup>

Our joint response to the Issues Statement was prefaced with a declaration stating that “We are in the process of preparing materials for submission to peer-review publication but include here interim findings in view of their relevance to the merger inquiry”. By definition, interim findings are based on research-in-progress and maybe subject to minor changes as a result of further tests for rigour (including, for instance, replication, an inter-coder reliability test, statistical significance tests, etc). Interim findings were included in our initial submission due to the immediate relevance for the phase two review, and because the initial findings appear to lend weight to some of the arguments and concerns raised by a wide range of respondents to the phase one consultation.

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<sup>1</sup> Kenny, R. (2017). A critique of MRC/Avaaz’s submission to the CMA. P.15. Retrieved from <https://assets.publishing.service.gov.uk/media/5a0ae27e40f0b60b04839a98/fox-reply-to-mra-and-avaaz-response-to-issues-statement.pdf>

As well as making this declaration at the outset, all of our claims based on the reported findings were duly qualified, contrary to what is suggested throughout Mr Kenny and Professor Crawford et al.'s critique. Even a cursory read of their critique against our joint response to the Issues Statement reveals how often they overlook or ignore qualifications and caveats (implied or explicit) and infer claims that are simply not made.

For instance, Mr Kenny asserts that our reported data on agenda leading is hard to reconcile 'with MRC's claim that News UK is "the dominant agenda leader"'. In fact, we make no such claim. In relation to the agenda leading study our joint response to the Issues Statement states

[O]ur research suggests that News UK and Sky News combined will [...] have the most significant agenda leading influence across platforms.<sup>2</sup>

This is clearly a far more nuanced and qualified claim compared to that which Mr Kenny attributes to our joint response to the Issues Statement. Further examples are detailed throughout this submission.

It is also important to emphasise at the outset that the supplementary evidence presented in both Mr Kenny and Professor Crawford et al.'s reports is highly problematic and the authors repeatedly draw invalid inferences from their data. For a start, several attempts are made to replicate some aspects of our research using much smaller samples. Notwithstanding the fact that some of this data appears to *reinforce* our findings, it is self-evident that nothing meaningful can be extrapolated from partial replication using smaller samples and a divergent methodological approach.

Both Mr Kenny and Professor Crawford et al.'s reports also present new evidence in the form of what appears to have been identical secondary analysis of Ofcom's respondent level data on multi-sourcing. The fact that the authors of both reports present this as independent analysis raises potentially serious questions in regard to the transparency of corporate-funded policy research, an issue discussed further in the following section. But in any case, both reports draw inferences with regard to the proposed transaction that simply do not follow from the data presented. The fact that relatively few news consumers use Sky News in conjunction with News Corp titles tells us only that the merger potentially extends the influence of the MFT (to consumers who currently use Sky News but not News Corp sources). Furthermore, consumers of both Sky News and News Corp brands use, on average, comparatively fewer wholesale news sources compared to those of most other providers. Above all, the available evidence (even as presented by Professor Crawford et al.) conclusively demonstrates that both retail and wholesale multi-sourcing has not increased in recent years.

Finally, Professor Crawford et al. attempt to demonstrate the plurality of news consumption via intermediaries by reallocating Ofcom's 'share of references' according to secondary data on Facebook 'likes'. This analysis is deeply flawed. First, Facebook 'likes' are a static and extremely limited measure that tells us very little about news consumption on Facebook and nothing about news consumption on other intermediaries (including Twitter and Google). By comparison, our joint response to the Issues Statement presented data on rates of posting and engagement for leading news brands within and across social media channels over a recent six-month period.

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<sup>2</sup> Schlosberg, J. (2017). 21<sup>st</sup> Century Fox/Sky merger inquiry: Submission to the Competition and Markets Authority on plurality. P. 17

More seriously, Professor Crawford et al. appear to include data on Facebook ‘likes’ for non-news media brands which is at odds with the approach taken by Ofcom in its phase one analysis, as well as the meaning of the data underlying the share of references (based on the question *which of these sources do you use for news nowadays*). If we exclude non-news brands then the data would suggest the inverse of what both Mr Kenny and Professor Crawford et al. attempt to show and argue throughout their reports: far from being ‘inherently plural’ news platforms, news consumption via intermediaries exhibits similar patterns of concentration compared with direct news consumption. It also suggests that the effects of the merger in terms of the share of references attributed to Sky and News Corp were likely understated in the phase one review.

I have now provided a full consolidated dataset related to our research on agenda leading and presence of wholesale news brands on leading aggregators. I also append here a detailed summary of the methodology used, as well as further underlying evidence of Sky’s wholesale contribution to news on Global and Bauer radio stations. In particular, I include details of identical clips used by stations from both groups which show conclusively that they share, and make use of, a common wholesale source (Sky). I also append a statement on some of the key issues raised by 21CF’s 8 November submission by Professor Phillip Napoli, an internationally-recognised authority on media pluralism whose record of relevant research and expert testimony to US regulators is extensive.

In summary, this submission highlights the following key points for the phase two inquiry:

1. There is no basis for Allen & Overy’s assertion that the public interest framework rests on a definitive benchmark of plurality, either in the plain words of the statute or the relevant guidance.
2. Contrary to what is implied by Allen & Overy, the presumption of control principle in the context of this merger is based on ample evidence of *actual* control exercised and *exercisable* by the Murdoch Family Trust (MFT) in both 21CF and News Corp. It is equally based on substantive evidence of a material *increase* in MFT’s control over Sky that would accrue as a result of this merger.
3. The secondary analysis on multi-sourcing and news consumption via intermediaries presented by both Rob Kenny and Professor Crawford et al. does not in any way mitigate the plurality risks posed by the merger and both authors draw invalid inferences from their data.
4. The available evidence strongly suggests that a) the impact of News Corp titles on the wider news agenda is profound and not commensurate with declining newspaper circulations and b) Sky News has a presence on intermediaries that is not commensurate with its relatively low online news ranking (based on page views). Consideration of both the reach and impact of News Corp titles must also take into account the rapid growth of The Sun online as well as that of Storyful (a monopoly social media news wire service owned by News Corp).
5. The available evidence strongly suggests that the wholesale contribution of Sky News to Global and Bauer radio stations is not immaterial and that, consequently, Ofcom’s phase one review understates the significance of Sky as a wholesale news provider both within radio and in the cross-platform share of references measure.

6. Academic research on the influence of media ownership over media output presents a mixed picture, as Professor Crawford et al. acknowledge. This is not, however, the same as research investigating the effects of ownership *consolidation* on editorial independence, which is what our joint response to the Issues Statement points to and what is central to any assessment of plurality, especially in the context of the proposed transaction. That sub-strand of the cross-disciplinary literature does indeed tend to confirm that consolidation of ownership results in a contraction of ‘internal plurality’ or editorial independence. The evidence in respect of influence over newsrooms that fall under MFT control is even more compelling.
7. Both Mr Kenny and Professor Crawford et al. exhibit a tendency to interpret plurality in a manner that departs radically from both a broad theoretical and policymaking consensus. Mr Kenny questions whether the cross-platform breadth of control that would accrue as a result of the transaction is relevant to plurality considerations. It is unambiguously so (as is well established by Ofcom, among others). Professor Crawford et al., on the other hand, fixate on an issue which is *not* of much relevance to plurality assessment and especially the proposed transaction, namely the partisan or campaign endorsements of newspapers. This tells us very little about coverage of public policy issues outside of electoral contests. Even if a given media owner were to make no attempt at editorial influence on anything except a single issue at a single point in time, the potential risk to the public interest on plurality grounds is substantial if that owner, by virtue of their accumulated reach, audience share and impact, is able to materially influence either the public *or* policy agenda on that particular issue. That is precisely why both the theoretical literature and policy framework on plurality pays negligible attention to questions of media bias or slant (especially as regards partisan endorsements) and is much more concerned with the increased *potential* for influence that may result from a given merger or organic concentration.

The remainder of this submission consists of the following:

- a. A detailed report offering a comprehensive response to critiques and further evidence raised in 21CF’s 8 November submission, and elaboration of key points above.
- b. A statement on some of the prescient issues raised in 21CF’s 8th November submission by Professor Phillip Napoli.
- c. A detailed summary of the methodology used for the agenda leading study (for which interim findings were reported in our joint response to the Issues Statement)
- d. Notes on edited clips used by Global and Bauer radio stations on 7 June 2017

# 21st Century Fox / Sky merger Inquiry

Response to 8th November submission to the Competition and Markets Authority by 21st Century Fox, Inc.

29<sup>th</sup> November 2017

By Dr Justin Schlosberg

*For and on behalf of*



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- III. Notes on edited clips used by Global and Bauer radio stations

## 1. INTRODUCTION

### 1.1 Problems associated with commercially funded research on policy

The reports authored by Mr Kenny and Professor Crawford et al. and appended to the 8<sup>th</sup> November submission by 21CF raise concerns in regard to the transparency and ethics of corporate-sponsored public policy research. The problems associated with corporate sponsorship of academic research in general are well documented.<sup>3</sup> As the American Association of University Professors stated in 2001:

The relationship [between Industry and Academia] has never been free of concerns that the financial ties of researchers or their institutions to industry may exert improper pressure on the design and outcome of research.<sup>4</sup>

This is especially true of research that is focused on issues of public policy deliberation with a considerable bearing on commercial interests. This has led to calls for greater disclosure in regard to both the source and levels of funding received for work that is otherwise presented as independent academic research or analysis.

In regard to the reports appended to 21CF's 8<sup>th</sup> November submission, there are two particular problems that arise in this respect. First, the authors of both reports claim to have carried out what appears to be identical – or very similar – secondary analysis of Ofcom's respondent level data on multi-sourcing. It would seem unlikely that this analysis was carried out in the absence of any conferral or collaboration between the respective authors and/or between the authors and representatives of 21CF. If there was any such conferral or collaboration this would not, in and of itself, say anything about the rigour of the analysis conducted. But it would tell us something about the degree to which the research could be considered *independent*.

In regard to financial interests, Mr Kenny discloses in the preface to his report that it was “funded by 21<sup>st</sup> Century Fox”.<sup>5</sup> However, no such disclosure is offered by Professor Crawford et al., beyond a brief mention that “We have been asked by Allen and Overy, counsel for 21st Century Fox (21CF)” to consider the issues.<sup>6</sup> This is particularly important because these authors are academics and their report is presented as an academic paper.

It may well be the case that there were no relevant financial interests to disclose and that there was no conferral or collaboration in the production of their report either with Mr Kenny or representatives of 21CF. But under the circumstances, it would be appropriate for the authors to confirm whether or not this is the case and to disclose any relevant financial interests or remuneration received.

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<sup>3</sup> See, for instance, Edwards, M. A., & Roy, S. (2017). Academic research in the 21st century: Maintaining scientific integrity in a climate of perverse incentives and hypercompetition. *Environmental engineering science*, 34(1), 51-61; Macfarlane, B., Zhang, J., & Pun, A. (2014). Academic integrity: a review of the literature. *Studies in Higher Education*, 39(2), 339-358; Hottenrott, H., & Lawson, C. (2014). Research grants, sources of ideas and the effects on academic research. *Economics of Innovation and New Technology*, 23(2), 109-133; Czarnitzki, D., Grimpe, C., & Toole, A. A. (2014). Delay and secrecy: does industry sponsorship jeopardize disclosure of academic research?. *Industrial and Corporate Change*, 24(1), 251-279.

<sup>4</sup> American Association of University Professors (2001). Statement on corporate funding of academic research. *Academe*, 87(3), 68-70.

<sup>5</sup> Kenny, R. (2017). A critique of MRC/Avaaz's submission to the CMA. p. 2. Retrieved from <https://assets.publishing.service.gov.uk/media/5a0ae27e40f0b60b04839a98/fox-reply-to-mra-and-avaaz-response-to-issues-statement.pdf>

<sup>6</sup> Crawford, G., Latham, O., Weeds, H. (2017). Plurality implications of the Fox/Sky merger: An economic assessment of Dr Schlosberg's study on behalf of the Media Reform Coalition and Avaaz. p. 1. Retrieved from <https://assets.publishing.service.gov.uk/media/5a0ae27e40f0b60b04839a98/fox-reply-to-mra-and-avaaz-response-to-issues-statement.pdf>

We prefaced our joint response to the Issues Statement with a declaration that it was partly based on “research commissioned by Avaaz”. To clarify further, this research was partly funded by Avaaz with a total of £2810 received to cover the direct costs of data collection and research assistance outside of existing contracted hours. My own time spent on this research and in preparing submissions to the inquiry has been partly voluntary and partly supported by my existing contract of employment with Birkbeck College, University of London. The contribution to this submission by Professor Napoli and the input of colleagues has been entirely voluntary.

**For the sake of full disclosure, I would strongly urge Professor Crawford et al. to similarly declare both the source and level of any funding received in respect of their contributions to 21CF’s submission.**

## 1.2 My background

I have authored both this and previous submissions to the inquiry on behalf of the Media Reform Coalition both in my capacity as the current Chair of that organisation, and in light of my research on media ownership and plurality regulation. These issues have defined my research and publishing record for the last seven years, including my most recent book.<sup>7</sup>

My concerns in relation to the proposed transaction do not stem from any personal antipathy towards the Murdoch family or either of the merging parties, nor are they driven by a political agenda. I would certainly raise similar concerns in the context of any proposed cross-media merger between, say, Sky News and the Guardian Media Group.

My concerns are also not the product of any wilful blindness as to the potentially profound influence of intermediary monopolies on the flow of news consumption, or indeed news agendas. Many of my published works attest to this but also seek to challenge what I believe is a common misconception about the agenda power wielded by these platforms. In particular, I do not believe that the growth of this power has come *at the expense* of traditional media, including newspapers. On balance, I think there is more evidence to suggest that the respective influence over news agendas and consumption wielded by traditional media and intermediaries is more inter-dependent than conflicting, and increasingly so.

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<sup>7</sup> Schlosberg, J. (2016). *Media ownership and agenda control: the hidden limits of the information age*. Routledge: London.



## 2. PLURALITY SUFFICIENCY AND PRESUMPTION OF CONTROL

### **2.1 There is no basis for Allen & Overy’s assertion that the public interest framework rests on a definitive benchmark of plurality, either in the plain words of the statute or the relevant guidance.**

In their submission of 8 November, Allen & Overy reiterate their view that the merger inquiry must be carried out against a definitive benchmark of plurality. This is misguided and reflects the limitations of an overly reductionist approach to interpreting sufficiency. They argue that this is in keeping with “the plain words of the statute” as referenced in their initial submission on plurality:

the need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience.<sup>8</sup>

On the contrary, it does not follow from this (or any other implied or explicit statutory reference to *levels* of plurality) that the public interest consideration must be made against a definitive benchmark of sufficiency. Ofcom’s 2012 advice to the Secretary of State on this issue makes plain that it is intrinsically difficult to set benchmarks for plurality sufficiency beyond ‘indicative thresholds’, and that determining whether even such ‘indicative thresholds’ should be factored into any review is a matter for Parliament to consider (which, to date, it has not).<sup>9</sup>

The Media Reform Coalition has, in the past, advocated for precisely such thresholds to be enshrined within statute, so as to limit discretionary judgement and risk of political capture that we believe is endemic to the current framework. But indicative thresholds do not, in and of themselves, amount to a definition of sufficiency. In any event, it is abundantly clear that such a definition was intentionally left out of the statute. This is likely due to the very reasoning underpinning Ofcom’s advice: that plurality assessment is far too complex and contextual to be reduced to any sort of static definition or single measure.

### **2.2 Contrary to what is implied by Allen & Overy, the presumption of control principle in the context of this merger is based on ample evidence of *actual* control exercised and *exercisable* by the Murdoch Family Trust (MFT) in both 21CF and News Corp.**

In their submission of 8 November, Allen & Overy misinterpret the notion of ‘presumption of control’ used in our joint response to the Issues Statement, as regards the MFT’s influence over the corporate affairs of both 21CF and News Corp. Citing the Court of Appeal’s judgement in *Sky/ITV*, Allen & Overy imply that reference to “presumption of control” does not take account of “the actual extent of control exercised and exercisable over a relevant enterprise by another.”<sup>10</sup>

In fact the evidence and arguments that have been put forward on this issue (both in our submissions and others) *do* take account of the actual extent of control and demonstrate

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<sup>8</sup> Communications Act 2003 (C.21)

<sup>9</sup> Ofcom (2012). Measuring media plurality: supplementary advice to the Secretary of State for Culture, Media and Sport and the Leveson Inquiry. Retrieved from [https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0023/55463/advice.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0023/55463/advice.pdf)

<sup>10</sup> British Sky Broadcasting Group plc v Competition Commission & Anor. [2010] EWCA Civ 2, para. 121.

conclusively both the MFT's existing common control of News Corp/21CF *and* the material increase in control over Sky that would accrue as a result of the merger. Indeed, it is inconceivable that any further evidence would be needed to underscore the actual extent of control "exercised and exercisable" by the MFT in both companies. Some of the evidence presented includes (but is not limited to):

- a. The fact that the Murdoch family occupy the most senior positions within 21CF, including James Murdoch as CEO, Rupert and Lachlan Murdoch as joint executive chairmen, and Rupert Murdoch as Chairman and acting CEO of Fox News.
- b. The fact that at a 21CF investor was quoted in 2015 as saying that "once you own the controlling block that [the MFT] does, the vote is not worth a terrible lot".<sup>11</sup>
- c. The fact that two shareholder lawsuits (the Iron Worker and Stricklin shareholder complaints) rested on allegations that Rupert Murdoch had de facto control of the News Corp board.<sup>12</sup>
- d. The fact that, through the cooperation of two other voting blocks controlled by close friends of the Murdochs, the MFT effectively holds 51 percent of voting shares in News Corp.
- e. The fact that the MFT exercises "crossholdings" of voting shares in both Fox and News Corp, and is able to appoint sympathetic board directors with a common political outlook and longstanding business or career ties to the family.

It is equally clear from this evidence that the MFT does *not* exercise the same degree of control over Sky as it does over both 21CF and News Corp. The present composition of Sky's board includes only one member of the MFT compared to three on each of the 21CF and News Corp boards. The shift to full control will clearly remove any checks on the MFT's influence, both formal and informal. Reductionist approaches to assessing plurality fail in particular to take due account of the latter, and the significant intangible influence that can result from a shift to full control. As one former employee of Rupert Murdoch put it:

The thing about Murdoch is that he very rarely issued directives or instructions to his senior executives or editors. Instead, by way of discussion he would make known his personal viewpoint on a certain matter. What was expected in return, at least from those seeking tenure of any length in the Murdoch Empire, was a sort of 'anticipatory compliance'. One didn't need to be instructed about what to do, one simply knew what was in one's long term interests.<sup>13</sup>

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<sup>11</sup> See <https://uk.reuters.com/article/us-fox-votingshares-exclusive/exclusive-top-fox-investors-seek-to-convert-voting-shares-murdoch-may-benefit-idUKKBN0LA2HP20150207>

<sup>12</sup> Avaaz submission to Ofcom as referenced in Ofcom (2017). Public interest test for the proposed acquisition of Sky Plc by 21<sup>st</sup> Century Fox, Inc. p. 118. Retrieved from [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0012/103620/public-interest-test-report.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0012/103620/public-interest-test-report.pdf)

<sup>13</sup> Dover, B. (2008). *Rupert's adventures in China*. Penguin UK. p. 149.

### 3. MISUNDERSTANDING PLURALITY

#### 3.1 Consideration of cross-platform breadth of operations is fundamental to plurality assessment and especially as regards the proposed transaction

Both Mr Kenny and Professor Crawford et al. exhibit a tendency to interpret and contextualise plurality in a manner that departs radically from both a broad theoretical and policymaking consensus. For instance, Mr Kenny at one points appears to cast doubt on the significance of cross-platform reach, arguing that our joint response to the Issues Statement “offers no rationale as why breadth of platforms is significant to assessment of plurality – and nor (to my knowledge) has anyone else”.<sup>14</sup> In fact, we offer no such rationale only because its significance is so well-established in both the academic and policy literature. As Ofcom made clear in their 2010 public interest report on the proposed merger between News Corp and BSkyB:

We believe that there is a public interest concern in relation to external plurality as the effect of the proposed transaction would bring together one of the three main providers of TV news and the largest provider of newspapers significantly increasing News Corp’s ability to influence opinion and control the agenda.<sup>15</sup>

#### 3.2 Patterns of media bias or slant – especially as regards partisan or campaign endorsements of newspapers – is *not* fundamental to plurality assessment, particularly in the context of the proposed transaction

In contrast, Professor Crawford et al. fixate on an issue that clearly does *not* have material significance for plurality assessment. In arguing that the (political) slant of newspapers is driven by demand-side rather than supply-side factors, they draw inferences in regard to plurality that involve a series of conceptual leaps and reveal a fundamental misunderstanding of the difference between media bias and plurality concerns. The single study they rely on in making this argument is based on a rather circuitous approach to identifying the partisan endorsements (Democrat versus Republican) of a sample of local newspapers in the US nearly a decade ago.<sup>16</sup> The study found that such endorsements within the sample were more strongly correlated with the prior voting records of particular localities served by the newspapers, as compared to the identity of their owners. Even if we were to accept a highly dubious generalisation that this pattern applies to all types of newspaper (local and national) across divergent media systems (UK and US), it would still tell us very little about *plurality* concerns.

This is because plurality concerns are simply not reducible to questions of media bias, particularly as reflected in partisan or campaign endorsements by newspapers. For one thing, the Gentzkow and Shapiro study would have manifestly failed to capture the editorial positions adopted by different national newspapers in the UK on highly salient issues like immigration, austerity or press regulation. Second, no one would sensibly argue that demand-side factors have no bearing on the political outlook of newspapers. But even if they are a *primary* influence (and Gentzkow and Shapiro study certainly does not suggest that owners

<sup>14</sup> Kenny, R. (2017). P. 24

<sup>15</sup> Ofcom (2010). Report on the public interest test of the proposed acquisition of British Sky Broadcasting Plc by News Corporation. p. 77. Retrieved from [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0017/81413/public-interest-test-report.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0017/81413/public-interest-test-report.pdf)

<sup>16</sup> Gentzkow, M., & Shapiro, J. M. (2010). What drives media slant? Evidence from US daily newspapers. *Econometrica*, 78(1), 35-71.

have *no* material influence over the political endorsements of their newspapers), this does very little to mitigate the potential risk to the public interest posed by a contraction of plurality (i.e. a decrease in the number of media owners).

There is perhaps no more compelling evidence of this than the very endorsement record of Murdoch-controlled newspapers. Professor Crawford et al. highlight this as exemplary of their argument that endorsements are driven more by readers than owners citing, for example, the fact that *The Times* adopted an opposing editorial position to *the Sun* during the build up to the EU referendum. They neglect to mention that during the build up to the Iraq War in 2003, all of the Murdochs' 175 newspapers around the world gave full backing to the US-led invasion, in spite of overwhelming public opposition in the vast majority of those markets. They neglect to mention that in 1997, when *the Sun* newspaper switched allegiance to Labour for the first time in 20 years (and after five successive elections endorsing the Conservatives), the party had undergone the most radical ideological transformation under the leadership of Tony Blair in its 97 year history. On economic policy in particular, Labour was at that point wholly and openly committed to a platform of continued privatisation, de-regulation and welfare reform – key policy platforms that all Murdoch titles have consistently supported, regardless of variable partisan or campaign endorsements.

Even if a given media owner were to make no attempt at editorial influence on anything except a single issue at a single point in time, the potential risk to the public interest on plurality grounds is substantial if that owner, by virtue of their accumulated reach, audience share and impact, is able to materially influence either the public *or* policy agenda on that particular issue. That is precisely why both the theoretical literature and policy framework on plurality pays negligible attention to questions of media bias or slant (especially as regards partisan endorsements) and is much more concerned with the increased *potential* for influence that may result from a given merger or organic concentration.<sup>17</sup>

Mr Kenny insists that “the relevant control test for a plurality assessment” in the context of this transaction is “whether the change in ownership would lead to a material homogenisation of Sky and News output”.<sup>18</sup> But clearly this is inadequate since a given owner could, in theory, use different outlets to push different preferred issues which would result in a heterogeneous agenda but one that is nevertheless controlled.

That is why, in terms of media output, the most salient evidence in any plurality assessment (and especially in the context of the proposed transaction) is evidence of agenda influence *per se*, rather than systematic patterns of bias represented by partisan or campaign endorsements. It is for this reason that our own research focuses on evidence of agenda leading in a way that goes beyond questions of yes/no or right/left leaning slant which are, in any case, often devoid of meaning when applied to key public policy debates.

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<sup>17</sup> See, for instance, Bagdikian, B. H. (1997). *The media monopoly*. (5th ed.). Beacon Press: Boston; Doyle, G. (2002). *Media ownership: The economics and politics of convergence and concentration in the UK and European media*. Sage: London; Baker, C. E. (2006). *Media concentration and democracy: Why ownership matters*. Cambridge University Press; Karppinen, K. (2012). *Rethinking media pluralism*. Oxford University Press.

<sup>18</sup> Kenny, R. (2017) p. 36.

#### 4. ON APPROPRIATE CONSIDERATION OF THE RELEVANT ACADEMIC LITERATURE

##### 4.1 References to independent academic research in support of 21CF's arguments are sparse and often inappropriately contextualised

Mr Kenny takes issue with a particular comment in our joint response to the Issues Statement which noted that 21CF's initial submission on plurality "consists of over 200 pages, much of which repeats arguments and evidence both within the document itself and in submissions to the phase one review, with virtually no reference to scholarly research".<sup>19</sup> In response, Mr Kenny highlights 24 academic sources used in his contribution. Out of those 24 sources, at least seven amount to opinion pieces or articles that do not report on new empirical research.<sup>20</sup> A further reference is to a controversial study wholly funded by Facebook and carried out by Facebook employees.<sup>21</sup>

Moreover, much of the evidence highlighted from the remaining cited literature is highly selective and, in many cases, misrepresents the key findings from that research. Examples of this are as follows:

- a. In his contribution to 21CF's initial submission on plurality, Mr Kenny references a recent study by the Reuters Institute to highlight that the Huffington Post employs 40 journalists in the UK. But he omits to mention one of the key findings reported in that study which compared the market dominance of 'legacy' media, including newspapers and broadcasters, with 'digital-born' news media across Europe:

digital-born news media are generally more prominent in Spain and France, with relatively weak legacy news media, than in Germany and the UK where legacy media remain strong. In every market, they are significantly smaller in terms of reach, revenue, and editorial resources than major legacy news media.<sup>22</sup>

- b. Mr Kenny quotes another study by the Reuters Institute in the initial submission as follows:

Internet users have access to more and more information from more and more different sources, increasing the opportunities people have to use diverse sources and encounter different perspectives.<sup>23</sup>

But a fuller and more accurate version of this quote reveals that the point being made is in fact the inverse from what Mr Kenny intimates:

[I]nternet users have access to more and more information from more and more sources, increasing the opportunities most people have to use diverse sources and encounter different perspectives. *At the same time the*

<sup>19</sup> Schlosberg, J. (2017). 21<sup>st</sup> Century Fox/Sky merger inquiry: Submission to the Competition and Markets Authority on plurality. p. 4.

<sup>20</sup> Bell, E. (2016). Facebook is eating the world. *Columbia Journalism Review*. Bell, E. & Owen, T. The platform press: How Silicon Valley reengineered journalism. *Columbia School of Journalism*; Buchanan, M. (2014). From the Scottish Referendum 2014 to the General Election 2015. In *UK Election Analysis 2015: Media, Voters and the Campaign*; Sagan, P. & Leighton, T. (2010). The Internet & the future of news. *Daedalus*; Tambini, D. & Labo, S. (2015). Monitoring Media Plurality after Convergence. *LSE Media Policy Project*;

<sup>21</sup> Bakshy, E., Messing, S., & Adamic, L. A. (2015). Exposure to ideologically diverse news and opinion on Facebook. *Science*, 348(6239), 1130-1132.

<sup>22</sup> Reuters Institute for the Study of Journalism (2016). Digital-born news media in Europe.

<sup>23</sup> Reuters Institute for the Study of Journalism (2016). Challenges and opportunities for news media and journalism in an increasingly digital, mobile and social media environment.

*environment is increasingly dominated by a limited number of very large players and accompanied by consolidation and cost-cutting elsewhere in the media landscape. This can over time reduce media pluralism by undermining the diversity of news production [emphasis added]*

- c. Mr Kenny references a study on coverage of the EU referendum by Loughborough University<sup>24</sup> to highlight the fact that, even amongst polarised leave and remain-supporting newspapers, there was broad homogeneity in the stories and issues that achieved salience. This is exactly the problem and highlights the limitations of focusing on partisan endorsements as benchmarks of plurality. It was the lack of plurality in the coverage overall which arguably left the electorate poorly equipped to make informed decisions at the ballot box, regardless of which way they voted.

#### **4.2 Professor Crawford et al. conflate the academic literature on the relationship between media ownership and bias/slant with research on the effects of ownership consolidation**

In regard to the editorial influence of newspaper owners, Professor Crawford et al. charge that the summary of the literature offered in our joint response to the Issues Statement overstates the extent of owner influence and omits “a substantial literature in economics and political science that analyses the impact of owner preferences on how media outlets present the news”.<sup>25</sup> First, we do not provide anything like a detailed summary of the relevant literature in our joint response to the Issues Statement and nor do we claim to. But if we were to provide such a summary, it would not focus on the editorial influence of owners *per se*. This is partly because, as Professor Crawford et al. acknowledge, research in this area is by any measure inconclusive. More importantly, this strand of the literature is not nearly as relevant to the present review as research which looks specifically at the effects of ownership *consolidation* (in the hands of individuals or families) on editorial independence. The Hanretty study which our joint response to the Issues Statement cites is particularly useful because it a) focuses precisely on this issue, b) is relatively recent and c) examines a large sample of outlets, both broadcasting and print, across Europe.<sup>26</sup> It also makes an important contribution to the literature which has indeed tended to confirm that consolidation *within* media companies tends to impact negatively on editorial independence.<sup>27</sup>

The most useful research for the purposes of this review is that which a) focuses on the effects of a change in ownership *within* a given news organisation and b) addresses evidence of bias beyond particular campaign or partisan endorsements (see section 3.2). One recent study meets these criteria and focuses on the post-merger context of News Corp’s purchase of the *Wall Street Journal*.<sup>28</sup> The researchers compared the editorial page of the *Journal* pre- and post-transaction on a range of public policy issues, as well as attention and tone in coverage of major political parties. Their content analyses provide convincing evidence that, post-transaction, the paper was far less supportive of government intervention in the

<sup>24</sup> Loughborough University Centre for Research in Communication and Culture (2016). Media coverage of the EU Referendum (report 5).

<sup>25</sup> Crawford et al. (2017). p. 5.

<sup>26</sup> Hanretty, C. (2014). Media outlets and their moguls: Why concentrated individual or family ownership is bad for editorial independence. *European Journal of Communication*, 29(3). [https://ueaeprints.uea.ac.uk/48248/1/ejc\\_eastminster\\_preprint.pdf](https://ueaeprints.uea.ac.uk/48248/1/ejc_eastminster_preprint.pdf)

<sup>27</sup> See, for instance, Stetka, V. (2012). From multinationals to business tycoons: Media ownership and journalistic autonomy in Central and Eastern Europe. *The International Journal of Press/Politics*, 17(4), 433-456; Palmer, M., & Tunstall, J. (2006). *Media moguls*. Routledge; Wagner, M. W., & Collins, T. P. (2014). Does Ownership Matter? The case of Rupert Murdoch’s purchase of the Wall Street Journal. *Journalism Practice*, 8(6), 758-771.

<sup>28</sup> Wagner, M. W., & Collins, T. P. (2014).

economy, much more negative to Democrats, and much more positive to Republicans than the paper's editorial page was under Bancroft family ownership. The researchers also show that the *Wall Street Journal's* changes were unique as the *New York Times* and *Washington Times* generally did not exhibit similar changes to their own editorial pages.

#### 4.3 Professor Crawford et al. make a number of omissions and erroneous claims in regard to academic literature cited in our joint response to the Issues Statement

Professor Crawford et al. critique the Hanretty study on the basis that it draws on a survey of media experts across 32 European markets in order to gauge levels of editorial independence. This is a valid critique and reflects the long-standing difficulties in empirically establishing patterns of influence. But in making this critique, they omit the limitations of their own preferred approach, based on econometrics. Though econometric approaches can add some value to plurality assessment, a number of scholars have highlighted their limitations,<sup>29</sup> as has Ofcom in its phase one report:

Quantitative metrics are important, but cannot alone provide a full assessment of plurality, given the complexity of news provision. We therefore consider relevant qualitative factors as an integral part of measuring plurality. These factors will vary depending on the transaction. Based on our measurement framework and responses to our invitation to comment, we judge that relevant factors in this transaction include: the ability news providers have to set the wider news agenda; the influence news providers have over the political process; and internal plurality within news organisations.<sup>30</sup>

Professor Crawford et al. also wrongly state that our own research “is based on a methodology developed in a paper by Harder, Sevenans and Van Aelst (2017).”<sup>31</sup> In fact, we clearly reference this study only in relation to one aspect of our research design: “We identified and categorised headlines according to discreet news stories covering UK political, economic and social issues following Harder et al. (2017).”<sup>32</sup>

Finally, Professor Crawford et al. assert that our joint response to the Issues Statement “discusses an existing study by Cushion, Kilby, Thomas, Morani and Sambrook” and that “important caveats to the Cushion et al. study are lost in Dr Schlosberg’s summary of the literature”.<sup>33</sup> In fact, our joint response to the Issues Statement makes only one brief and indirect reference to this study noting that “a number of phase one submissions and the Ofcom report itself drew attention to a study by Cardiff University on the 2015 election which showed that national newspapers – including News UK titles – played a significant agenda leading role over television news”.<sup>34</sup> If anything, this underplays the strength of the findings as reported by the researchers who found disproportionate attention on television news to stories “emanating from right-wing newspapers and moments when front-page

<sup>29</sup> See, for example, Freedman, D. (2014). *The Contradictions of Media Power*. London: Bloomsbury; Crawford Smith, R. & Tambini, D. (2012). Measuring media plurality in the United Kingdom: Policy choices and regulatory challenges. *Journal of Media Law*, 4(1), 35-63; Just, N. (2009). Measuring media concentration and diversity: new approaches and instruments in Europe and the US. *Media Culture and Society*, 31, 97-117; Iosifidis, P. (2010). Pluralism and concentration of media ownership: Measurement issues. *Javnost-the public*, 17(3), 5-21. See also statement by Philip Napoli appended to this report.

<sup>30</sup> Ofcom (2017). p. 27.

<sup>31</sup> Crawford, G. et al. (2017). p. 33.

<sup>32</sup> Harder, R.A., Sevenans, J. and Van Aelst, P., 2017. Intermedia Agenda Setting in the Social Media Age: How Traditional Players Dominate the News Agenda in Election Times. *The International Journal of Press/Politics*, p.1940161217704969. As referenced in Schlosberg, J. (2017), p. 15.

<sup>33</sup> Crawford, G. et al. (2017). p. 35.

<sup>34</sup> Schlosberg, J. (2017), p. 15.



splashes dominated television news coverage.”<sup>35</sup> Of course, that is not to say that this research – like any study – does not have acknowledged limitations. But Professor Crawford et al. wrongly imply that the evidence and arguments put forward in our joint response to the Issues Statement rely substantially on this research. They clearly do not, though the broad findings from that study are nevertheless resonant.

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<sup>35</sup> Cushion, S., Kilby, A., Thomas, R., Morani, M. and Sambrook, R., 2016. Newspapers, impartiality and television news: Intermedia agenda-setting during the 2015 UK general election campaign. *Journalism Studies*, pp.1-20. <http://www.tandfonline.com/doi/abs/10.1080/1461670X.2016.1171163>



## 5. MULTI-SOURCING

### **5.1 The transaction will effectively extend the reach and potential influence of the MFT to those consumers who currently rely on Sky but not News Corp brands.**

Between them, Mr Kenny and Professor Crawford et al. point to three broad tendencies in regard to multi-sourcing, extrapolated from a secondary analysis of Ofcom's respondent level data. First, it is argued that the plurality risks of the present merger are mitigated because relatively few consumers rely on *both* Sky and News Corp brands as news sources. But this argument misses a crucial piece of the puzzle: that the merger will effectively extend the reach and potential influence of the MFT to those consumers who currently rely on Sky but not News Corp brands. That potentially represents a profound accumulation of agenda power that is excluded from both Mr Kenny and Professor Crawford et al.'s analysis. Once again, embedded in their analyses is a rather reductionist conception of plurality that fails to account for the varied ways in which the merger may extend and enhance the potential influence of the MFT over the public and policy agenda.

### **5.2 Consumers of both Sky News and News Corp use, on average, fewer news sources at both the retail and wholesale levels compared to those of most other providers**

Second, it is argued that plurality risks of the transaction are mitigated because, according to the secondary data produced, "News Corp and Sky News consumers generally consume news from a variety of news sources"<sup>36</sup> and that "Sky News and News Corp consumers consume a larger number of sources than do consumers in general."<sup>37</sup> This is based on the fact that the average number of sources used by Sky and News Corp consumers is slightly higher than the average across all providers of the number of sources used by their consumers, weighted by the share of reference for each provider. In fact, at the retail level, Sky News consumers on average have the third *lowest* levels of multi-sourcing out of 22 providers, and the 4<sup>th</sup> lowest at the wholesale level. News Corp ranks 7<sup>th</sup> on both measures. Using a *weighted* average as a point of comparison for these figures simply distorts the data in a way that is not meaningful or useful (unless you are trying to make the data fit your argument, rather than the other way around).

### **5.3 Contrary to what Mr Kenny and Professor Crawford et al. imply, Sky News ranks as the third most important source of news for consumers as a whole and among its own consumers, it is considered the second most important news source after the BBC.**

Third, Professor Crawford et al. argue that the plurality risks of the merger are mitigated by the fact that Sky News and News Corp titles are rarely cited by respondents as their most important source of news. In seeking to substantiate this argument, they present data comparing the relative importance attached to Sky News, News Corp titles, BBC and ITN.<sup>38</sup> This data shows that Sky News and News Corp titles are generally considered less important by their consumers compared to those of ITN and BBC. But this is a strikingly selective presentation of comparative data that ignores the fact that Sky News ranks as *the third most*

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<sup>36</sup> Crawford, G. et al. (2017). p. 15.

<sup>37</sup> Ibid. p. 17.

<sup>38</sup> Ibid. p. 23.

*important source out of all providers included in Ofcom's questionnaire.*<sup>39</sup> It ranks higher on this measure than all major newspapers, online-only sources and intermediaries, and all broadcasters other than ITV and BBC. And amongst its consumers, Sky News is second only to the BBC as the most important news source. Far from mitigating the plurality risks of the merger, the relative deemed importance of Sky News only heightens them, especially taking into account related measures of trust and perceptions of impartiality. As Ofcom point out in their phase one report:

The metrics we use to understand the relative impact of different news sources indicate that Sky News is a trusted news source. Levels of trust and perceptions of impartiality are broadly in line with that of the public service broadcasters. Therefore, we are more concerned about a transaction involving Sky News than we would be about a less well regarded news provider.<sup>40</sup>

#### **5.4 On average, news multi-sourcing in general has not increased since 2013 either at the retail or wholesale levels**

Professor Crawford et al. proceed to criticise the analysis of multi-sourcing in our joint response to the Issues Statement on three grounds. First, they argue that it is inappropriate to draw a comparison between the data produced in Ofcom's 2010 public interest test and that in its annual news consumption surveys conducted since 2013. This is because the 2010 figures are based on questions asking consumers which outlets they used for news "at least weekly" whereas from 2013 onwards the figures come from questions which ask consumers which sources they used "nowadays". Notwithstanding the fact that the difference in wording is clearly negligible, excluding the 2010 figures from our analysis does not change the reality that, on average, news multi-sourcing has not increased over recent years, however much we play with the data (for reasons expanded upon below).

The second basis of Professor Crawford et al.'s critique is that our joint response to the Issues Statement does not include the most recent 2016 figures in relation to multi-sourcing at the wholesale level. As stated in our submission, these were not included either in Ofcom's most recent news consumption report or the public interest test. Nevertheless, the authors produce the equivalent figures for 2016 using Ofcom's raw survey data which, they suggest, undermines the force of argument on multi-sourcing presented in our joint response to the Issues Statement. But the key point highlighted by the authors themselves is that the majority (54%) of 2016 news consumers continued to rely on just one or two news sources at the wholesale level. Even if we restrict our analysis to the 2013-2016 survey data, the figures show conclusively that there has been no increase in wholesale multi-sourcing over the four year period.

Rather obscurely, Mr Kenny then draws attention to the fact that the 2016 figures for average multi-sourcing at the *retail* level represent an appreciable a year-on-year increase, from an average of 3.5 to 3.8.<sup>41</sup> Yet he neglects to mention the obvious: that this represents no material increase since 2013 (when the equivalent figure was 3.7). It is not clear why Mr Kenny would use a single year-on-year comparison as evidence of a generalised trend rather than figures across the four year period for which we have directly comparable data.

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<sup>39</sup> See Ofcom (2017). p. 38.

<sup>40</sup> Ibid. p. 11.

<sup>41</sup> Kenny, R. (2017). p. 25.

**5.5 Contrary to claims made by Mr Kenny and Professor Crawford et al., the inclusion of intermediaries as news sources in Ofcom’s cross-platform data is likely to overestimate the extent of multi-sourcing and underestimate the degree of concentration in the share of references.**

Finally, both Mr Kenny and Professor Crawford et al. argue that because Ofcom’s survey data includes intermediaries (eg Facebook and Google) as single sources, the figures are likely to underestimate the extent of actual multi-sourcing in practice. They base this argument on the assumption that these intermediaries are ‘inherently plural’ with multi-sourcing ‘effectively embedded’.

As the authors are no doubt aware, multi-sourcing is based on a measure of consumption (not availability) but throughout their respective analyses, both Mr Kenny and Professor Crawford et al. mistakenly take availability in this sense as a proxy for consumption. It makes no sense to assume that simply because a wide range of news sources are *available* through intermediaries, that consumers are both exposed to *and consume* a wide range of news sources on these platforms. It’s equivalent to arguing that because a relatively wide range of news sources are available on the satellite television platform, the mere existence of this platform pluralises news consumption.

This is implicitly acknowledged at one point by Mr Kenny when he suggests that a critical question is “whether a given traditional news brand is proportionately larger on Facebook et al” compared to direct news consumption.<sup>42</sup> But he immediately goes on to contradict this by suggesting that another critical question is whether “the inherently plural nature of social media and aggregators dilutes the influence even of those who do have reach on that platform.” Embedded in the first question is an acknowledgement that we just don’t know how ‘inherently plural’ intermediaries are, yet this is then used as a taken-for-granted assumption in the second question.

To understand this problem a little more fully, it helps to drill down into the granular level of Ofcom’s survey methodology. Let us assume, for the sake of argument, that Mr Kenny and Professor Crawford et al. are right to suggest that consumers who cite an intermediary as a news source will typically be getting news from more than one source via that intermediary. Let us also assume that a given consumer who cites an intermediary in response to Ofcom’s survey actually uses three different sources via that intermediary. This does not in and of itself mean that the individual in question is consuming *two more news sources* compared to that which is recorded from her survey response.

By way of illustration, it would make little sense to assume that because I get my news exclusively from the *Daily Mail* - both directly through its website *and* via Twitter – that I am relying on two wholesale news sources, as opposed to one (the *Daily Mail*). Thus it is entirely conceivable that the inclusion of intermediaries does indeed skew the data, but not in the direction that Mr Kenny and Professor Crawford et al. assume.

If, however, I was to get my news from the *Daily Mail* website and from Sky News via Facebook then, in this case, inclusion of intermediaries makes no difference to my reported level of multi-sourcing, at least at the wholesale level (i.e. two sources either way). The extent of multi-sourcing would only be understated in Ofcom’s survey data (in the way that

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<sup>42</sup> Ibid. p. 29.

Mr Kenny and Professor Crawford et al. suggest) if a given consumer a) uses an intermediary as a news source and b) consumes news via that intermediary from more than one source *which they do not consume directly*.

Now let us assume that Mr Kenny and Professor Crawford et al.'s instincts are right and in fact, such a reallocation of the data results in an appreciable increase in multi-sourcing overall. Even this, on its own, would not mean that the plurality risks of the merger are mitigated. Although plurality would increase on the measure of multi-sourcing, it will very likely *decrease* on the equally significant share of references measure. This is because shares attributed to intermediaries would have to be *reallocated* to the news brands that are actually consumed via those platforms, just as they would be for multi-sourcing. As Professor Crawford et al. point out, the combined share of references attributed to intermediaries is more than any other individual provider apart from the BBC. But even if news consumption through intermediaries is more 'plural' compared to direct consumption (i.e. spread more evenly among existing sources and/or spread across a wider range of sources), the reallocation of this consumption to the original news sources would still likely have a significant concentrating effect.

This illuminates a fatal flaw in the reasoning on plurality used by both Mr Kenny and Professor Crawford et al. Time and time again, the authors refer to a presumed 'reality' in which intermediaries are, by their very nature, an increasingly pluralising force, eg. "In reality, exposure to multiple underlying sources via such platforms is a key and growing driver of multi-sourcing."<sup>43</sup> This problem is explored further in section 6.5. In the following section I show that even the available data used by Professor Crawford et al., when properly considered, points to the opposite conclusion.

## 5.6 The available evidence suggests that traditional news brands are privileged by Google and Facebook's algorithms

Professor Crawford et al. criticise our joint response to the Issues Statement on the basis that it "presents no analysis of the importance of traditional news brands for news-related items in general search"<sup>44</sup>. Perhaps the most useful point of reference in this respect is to examine the patent update applications for Google's news algorithm.<sup>45</sup> This reveals just how much size is a determining factor in the way that its algorithm ranks news providers: the size of the audience, the size of the newsroom, and the volume of output produced. Far from pluralising news consumption, this is likely to have the opposite effect in driving consumers towards established major brands. Similarly, when Facebook hired a team of news 'curators' to manually override its trending stories algorithm, it handed down explicit instructions to privilege headline stories carried by a list of mainstream conventional news providers.<sup>46</sup> Facebook's purported concern was that its trending algorithm was not always sensitive to the 'big' news stories at any given time, as determined by established news brands. According to Facebook, this temporary curating 'experiment' provided the basis for subsequent tweaks of its algorithm coding.

<sup>43</sup> Ibid. p. 25.

<sup>44</sup> Crawford, G. et al. (2017). p. 33.

<sup>45</sup> See United States Patent Application Publication No. US 2014/0188859 A1. 3 July, 2014. Available at <https://docs.google.com/viewer?url=patentimages.storage.googleapis.com/pdfs/US20140188859.pdf> (last accessed 28 March, 2016).

<sup>46</sup> See *Gizmodo.com*. <http://gizmodo.com/want-to-know-what-facebook-really-thinks-of-journalists-1773916117>.

## 6. EVIDENCE ON INTERMEDIARIES

### **6.1 The proposed transaction would consolidate control over a news brand (Sky News) that has a presence on key news platforms where News Corp titles are absent or marginal**

Professor Crawford et al. criticise our analysis of the most prominent wholesale sources on leading news aggregators on the basis that a hypothetical ‘Sky plus News Corp’ assessment would not result in a material change:

[I]t appears that the incremental impact of the transaction would be to move from a situation in which Sky News has around 10% fewer such articles than the highestplaced non-Sky/News Corp player (Lebedev Holdings) to one in which Sky News in combination with News Corp has fractionally more articles than this player.<sup>47</sup>

But this misses the crucial point that the relative strength of Sky News on these platforms *compliments* the relative weakness of News Corp titles. The real effect of the merger from a plurality perspective is that it results in consolidated control over a news brand that has a presence on key news platforms where News Corp is marginal or non-existent, including television and wholesale radio. It is this cross-platform breadth that would be unmatched even by the BBC and which is continually missed in the evidence and arguments put forward by Mr Kenny and Professor Crawford et al.

### **6.2 Mr Kenny’s attempt to partially replicate our analysis of headlines carried by aggregators uses a divergent approach in regard to the Yahoo sample, and corroborates our key findings in regard to the MSN sample**

For our phase one submission to Ofcom, we analysed the top five headlines on Yahoo’s UK news home page and found that Sky News was a leading source of stories. For our joint response to the Issues Statement to the phase two inquiry, we corroborated this analysis looking at a more extensive sample (in terms of the number of units of analysis) for both Yahoo and MSN. Mr Kenny attempts to cast doubt on this research by examining a sample that is considerably more limited in scope than even our first analysis. More concerning, Mr Kenny purports to follow an approach that is “consistent with MRC’s review of the top five headlines”.<sup>48</sup> In fact, this is not the case and the divergence in approach likely explains the discrepancy in respective data produced. In particular, we intentionally omit the ‘banner headline plus five boxed items across the screen immediately below’. This is because what Mr Kenny analyses is akin to a slider feature where the headlines are rotated or subject to more frequent change compared to the main headlines featured directly below this feature, and which include actual snippets of articles below each headline. The slider feature is also more likely to push non-news content such as listicles or lifestyle tips. A cursory analysis suggests that this kind of content is disproportionately produced by Yahoo itself.

Moreover, Mr Kenny’s analysis of MSN headlines appears to corroborate our findings, with Sky News second only to the Press Association in terms of number of stories featured in the top five headlines. All of the sources listed here are also what would be considered ‘legacy’

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<sup>47</sup> Crawford, G. et al. (2017). p. 32.

<sup>48</sup> Kenny, R. (2017). p. 19

media, the majority are newspaper brands, and five of the top six are among the top ten news brands based on direct consumption (page views).<sup>49</sup> This is hardly reflective of what Mr Kenny calls “an inherently plural presence in the market”.

Our research on intermediaries also to some extent corroborates Ofcom’s own analysis (based on data supplied by News Corp and Sky themselves):

Our analysis suggests that Sky News and The Sun may receive a disproportionate amount of consumption through intermediaries, relative to their reach and share of reference. This analysis is supported by data from Sky and News Corp, which show high levels of consumption of their content through third-party platforms, for example Facebook Instant Articles or Snapchat.<sup>50</sup>

### 6.3 Mr Kenny’s critiques of the sampling used for this research are unconvincing

Mr Kenny further critiques our analysis on the basis that the outlets included are marginal. In fact, according to recent data from Comscore, Yahoo ranks within the top 10 web properties for news in the UK. In any case, we do not claim that this sample is representative of all intermediary platforms. It is representative of a particular *type* of intermediary (aggregators) and the data should be considered in conjunction with evidence of wholesale brand performance on other intermediaries (including the data we provide on cross-channel audience for leading news brands on social media platforms – see section 6.4 below).

Mr Kenny suggests that we ought to have included Google News within this sample which “is as large as Yahoo News and MSN combined”.<sup>51</sup> But it is not clear on what basis this claim rests. Presumably Mr Kenny is referring to Google’s share of references but clearly that does not distinguish between Google News (the aggregator) and news or general search. As Professor Crawford et al. highlight, the former is a fraction of the latter in terms of the scale of use.<sup>52</sup>

Professor Crawford et al. also question the basis on which Facebook Trending Topics *are* included in the sample, noting that many of the articles featured are “international in nature and they are often of limited news value”.<sup>53</sup> Following this logic, we ought also to exclude from plurality assessment the contribution of digital native news sources such as BuzzFeed. As our raw data demonstrate, most BuzzFeed headlines do not conform to what would conventionally be considered news (such as ‘listicles’, lifestyle tips and trivia). This would obviously have concentrating effects on the overall picture of plurality.

### 6.4 Our analysis of leading wholesale news brands on social media platforms is entirely consistent with the data collected, showing that Sky News outperforms its competitors based on direct consumption measures of reach and market share.

To further investigate the presence and performance of wholesale news brands on intermediaries, we gathered data (presented in our joint response to the Issues Statement) from a social media analytics firm comparing rates of posts and engagement for leading news

<sup>49</sup> See <http://www.pressgazette.co.uk/the-sun-overtakes-mirror-to-become-number-two-uk-national-newspaper-website-comscore-data/>

<sup>50</sup> Ofcom (2017). p. 11

<sup>51</sup> Kenny, R. (2017). p. 16.

<sup>52</sup> Crawford, G. et al. (2017). p. 33.

<sup>53</sup> Ibid. p. 32.



brands in the UK. Mr Kenny argues that this analysis is incomplete because “it omits multiple important sources such as Channel 4, ITV and the Metro.”<sup>54</sup> However, we make no claim that this analysis is ‘complete’ in the sense of providing a full picture of news consumption via intermediaries. The key finding – as clearly stated in our joint response to the Issues Statement – is that Sky News outperforms its competitors based on direct consumption measures of reach and market share. The sample included the top seven news brands in the UK based on direct consumption (page views) plus Huff Post (11<sup>th</sup>), Sky News (16<sup>th</sup>) and the Times Online (20<sup>th</sup>).<sup>55</sup>

### 6.5 The plurality case put forward by 21CF continues to rely on assumptions about the ‘inherently plural nature’ of intermediaries that are not borne out by the available evidence

These assumptions are routinely made without substantiation, beyond the rather obvious points that print circulations of newspapers are in decline, and that a wide range of sources are available and accessible via intermediary platforms. As the phase one review made clear, it is now widely recognised and accepted that neither of these facts alone demonstrate increasing levels of plurality.

Some studies do indeed suggest that intermediaries are a pluralising force.<sup>56</sup> But the prevailing current of research pushes in the opposite direction: that the net effect of algorithms on news distribution is to narrow rather broaden consumption.<sup>57</sup> One recent study suggests that the overall impact of intermediaries on patterns of news consumption may yet prove to be negligible given a combination of personalising and aggregating drivers and the fact that the vast majority of online news consumption by-passes intermediaries altogether.<sup>58</sup>

Part of the problem is that Mr Kenny and Professor Crawford et al. not only fail to engage substantively with this evidence, but they repeatedly use availability as a proxy for plurality in general. For example, Professor Crawford et al state that

By focusing merely on the relative presence of the top ten news brands, Dr Schlosberg’s analysis abstracts from the fact that news stories from a multitude of sources are carried by online intermediaries, giving an overall picture of news coverage which is unconcentrated.<sup>59</sup>

But it is clear that availability in this sense tells us very little about plurality or concentration on intermediary platforms. What matters above all, is the degree to which some brands are able to cut across information noise and reach critical mass audiences.<sup>60</sup>

Clearly then, plurality on intermediary platforms is much more sensibly assessed at the level of exposure (which sources are more or less prominent on intermediary news rankings or

<sup>54</sup> Kenny, R. (2017). p. 40.

<sup>55</sup> See <http://www.pressgazette.co.uk/the-sun-overtakes-mirror-to-become-number-two-uk-national-newspaper-website-comscore-data/>

<sup>56</sup> See, for instance, Gentzkow, M., & Shapiro, J. M. (2011). Ideological segregation online and offline. *The Quarterly Journal of Economics*, 126(4), 1799-1839; Webster, J. G., & Ksiazek, T. B. (2012). The dynamics of audience fragmentation: Public attention in an age of digital media. *Journal of communication*, 62(1), 39-56.

<sup>57</sup> See, for instance, Pariser, E. (2011). *The filter bubble: What the Internet is hiding from you*. Penguin UK; Napoli, P. M. (2011). Exposure diversity reconsidered. *Journal of information policy*, 1, 246-259; Sunstein, C. R. (2007). *Republic.com 2.0*. 2<sup>nd</sup> edition. Princeton University Press; Moore, M. (2016). Tech giants and civic power. *Centre for the Study of Media, Communication and Power, King's College London*;

<sup>58</sup> Flaxman, S., Goel, S., & Rao, J. M. (2016). Filter bubbles, echo chambers, and online news consumption. *Public Opinion Quarterly*, 80(S1), 298-320.

<sup>59</sup> Crawford, G. et al. (2017). p. 32.

<sup>60</sup> Karppinen, K. (2012).

feeds) and consumption (which sources are more or less consumed on intermediary platforms). In regard to the former, our research on the presence of wholesale news sources among leading headlines on news aggregators does indeed suggest that traditional news brands – and Sky News in particular – account for a dominant share of lead headlines on these platforms (see sections 6.2 and 6.3). In regard to the latter, the data we collected on the performance and reach of leading news brands via social media does indeed suggest that Sky News outperforms its competitors based on direct consumption.

### **6.6 Professor Crawford et al.’s analysis of Facebook Likes is deeply flawed and misrepresents the data used.**

Professor Crawford et al. analyse the effects of reallocating intermediary share of references to wholesale news brands based on their share of Facebook ‘likes’. But in doing so, they appear to include Facebook likes for non-news media brands, including radio stations with music-based formats. This bears no relation to the data underlying Ofcom’s share of references (which is based on reported sources used for *news* nowadays).

The picture that Professor Crawford et al. attempt to create is further skewed by the fact that it wholly excludes Sky’s wholesale contribution to news provision on these stations (see section 8). In this section, we show how if we exclude non-news brands (which Ofcom appears to do when it analyses Facebook likes in its phase one report), the data suggest the exact inverse of what Professor Crawford et al. suggests: i.e. that the reallocation of intermediary shares has a concentrating effect and results in a material increase in shares attributed to Sky, News Corp and Sky/Fox/News Corp combined. It also results in the latter having the second largest share of references (eclipsed only by the BBC).

The inclusion of Facebook likes for non-news media brands is manifestly inappropriate. There is a clear conceptual gap between someone ‘liking’, say, the Facebook page of Radio X and stating that this is where they get their news from (which is the basis of Ofcom’s respondent level data underpinning the share of references). It is notable that Ofcom appear to (rightly) exclude these stations in their analysis of Facebook likes for the phase one report.<sup>61</sup>

The reallocation of intermediary share of references based on Facebook likes is also profoundly limited for two reasons. First, Facebook likes are a static measure and, unlike Ofcom’s respondent level data, tell us very little about the frequency and contemporaneity of news consumption. It is entirely conceivable that I may ‘like’ a Facebook page on the basis of one article or post that I may have read several months or even years ago, without paying any attention to that page since. Second, it is even more problematic that this single measure is used by Professor Crawford et al. as a proxy for news consumption on *all* intermediaries. Clearly, the ways in which Google, Facebook and Twitter distribute news content are profoundly different from each other and the conflation is not just crude (which Professor Crawford et al. acknowledge) but entirely inappropriate.

Without prejudice to the above, we have conducted a similar analysis following Professor Crawford et al.’s approach but, in keeping with Ofcom’s approach, excluded all brands that are not news-focussed (see figure 1). The results suggest a clear concentrating effect with a

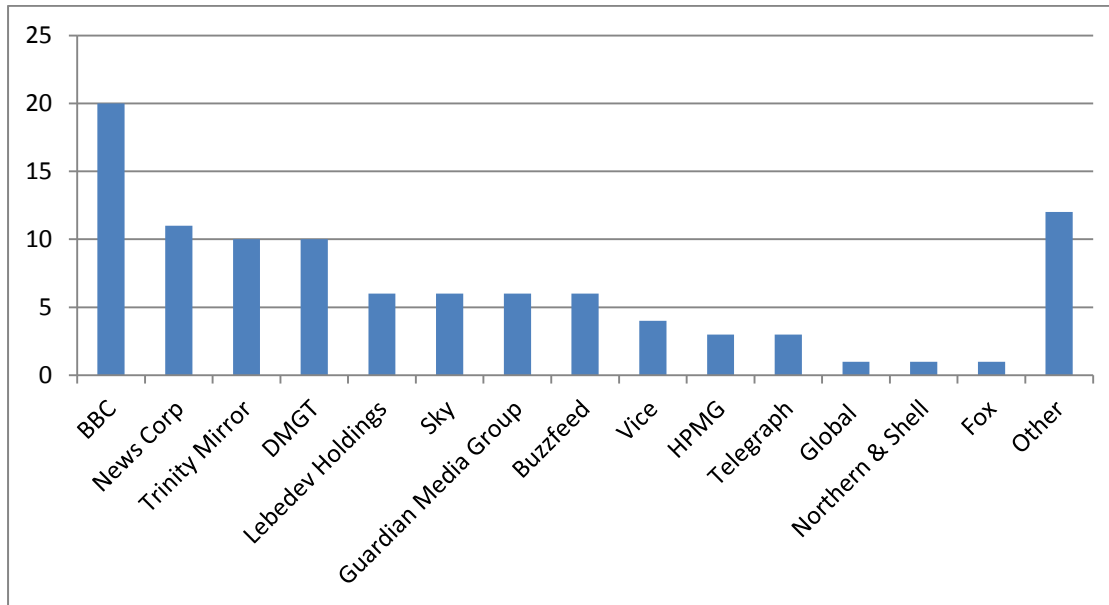
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<sup>61</sup> Ofcom (2017), p. 62.



material increase in the shares attributed to News Corp and Sky, as well as an increase in the ranking for both News Corp and Fox/Sky/News Corp combined, as shown in figure 2 below.

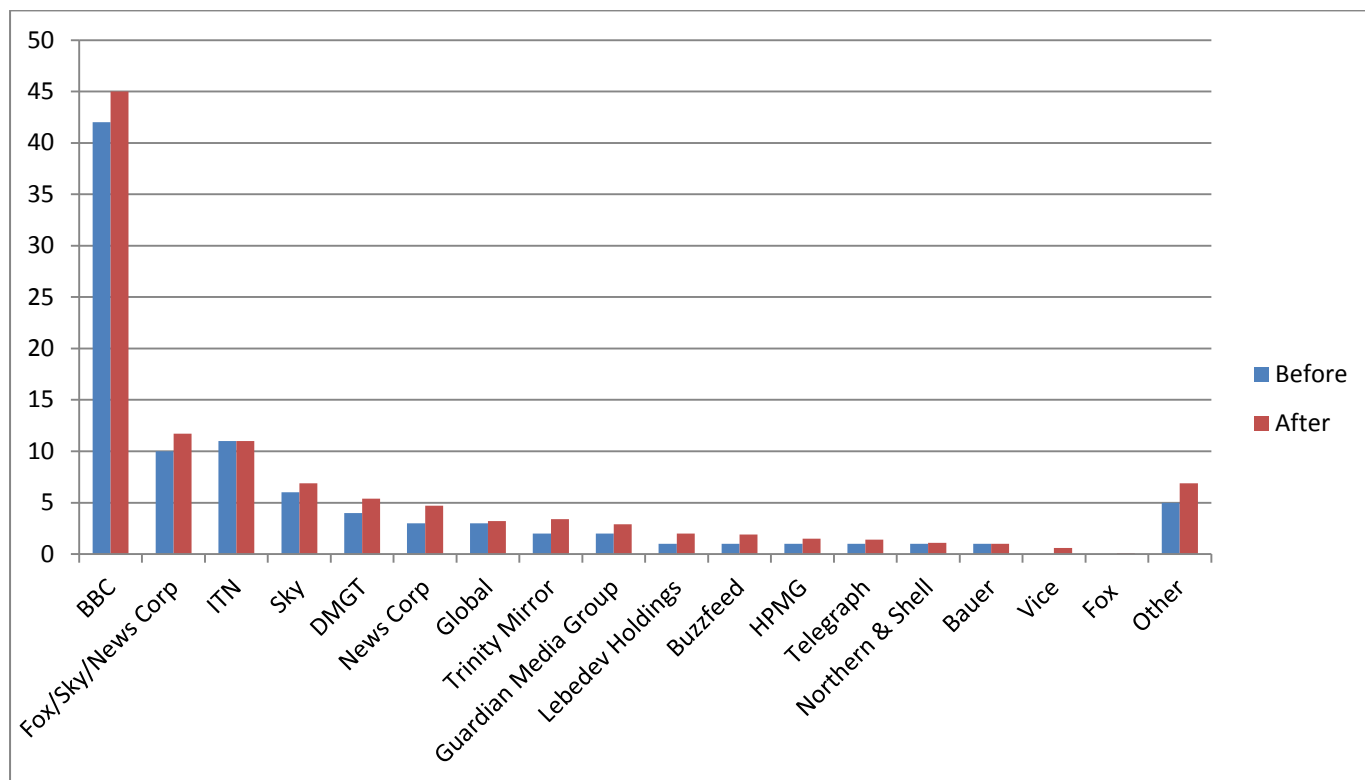
**Figure 1 Wholesale provider share of likes on Facebook, November 2017**



**Source:** Socialbakers, <https://www.socialbakers.com/statistics/facebook/pages/local/united-kingdom/media/> (accessed 28 November 2017). Based on top 200 media brands<sup>62</sup>

<sup>62</sup> Excluding those individual brands not included in Ofcom's survey questionnaire and also those that are not focused on news and/or sport

**Figure 2 Wholesale provider share of reference before and after the reallocation of intermediaries' shares**



**Source:** Ofcom 'share of reference'

[https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0017/103625/news-consumption-uk-2016.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0017/103625/news-consumption-uk-2016.pdf)

So if anything, the data (when properly treated) reinforces the findings in our joint response to the Issues Statement: far from being 'inherently plural' news platforms, examination of the wholesale news presence on intermediaries (aggregators and social media) strongly suggests that they may have concentrating effects on news consumption. It also suggests that the effects of the proposed transaction on the combined reach of Sky, News Corp and Fox were likely understated in the phase one review.

## 7. AGENDA LEADING STUDY

Mr Kenny and Professor Crawford et al. put forward a number of criticisms in relation to the new evidence presented in our joint response to the Issues Statement on both ‘agenda leading’ and the presence of wholesale news sources on leading news aggregators. I respond here to each of these points in turn. For further detail on methodology used for this research, see appendix II.

### 7.1. On the difference between ‘breaking news’ and ‘setting the agenda’

First, both Mr Kenny and Professor Crawford et al. repeatedly criticise this research on the basis that it does not distinguish between ‘breaking news’ and ‘setting the agenda’. This is for good reason. It would be wholly inappropriate to introduce such a subjective and interpretive dimension into the analysis. It amounts to making judgements on whether a given story is inherently newsworthy, as opposed to one whose salience might have been ‘cued’ by particular news providers.

More importantly, the boundary between ‘breaking news’ and ‘setting the agenda’ is not nearly as clear cut or straightforward as Mr Kenny and Professor et al. suggest. If a given news source is widely perceived as regularly ‘breaking the news’, chances are it will become an early point of reference for other news sources seeking to anticipate, as far as possible, the news agenda on any given day. In other words, it will be looked to by others as an agenda *leader*, affording it a structural advantage in influencing the news agenda on issues and stories that may be less *intrinsically* newsworthy as, for example, a terrorist attack.

That is precisely why we employ the concept of ‘agenda leading’ (as opposed to ‘agenda setting’) in order to capture the *potential* for agenda influence signalled by particular titles or brands who consistently and systematically carry headlines before others. Assessing this potential is fundamental to the proposed transaction.

Mr Kenny suggests that most major news stories would be major news stories regardless of who is “the first to publish the story”.<sup>63</sup> This reduces complex news selection decisions to a simplistic assessment of inherent news value. It overlooks decades of research in the sociology of media which has shown that the news agenda does not materialise anywhere near as naturally and orderly as both Mr Kenny and Professor Crawford et al. suggest: the determination of headlines adopted by any given outlet at any given time is subject to a confluence of diverse influences and factors and, outside of major events, is rarely a ‘given’.<sup>64</sup>

### 7.2 On the difference between originating news stories and cueing salience

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<sup>63</sup> Kenny, R. (2017). p. 12.

<sup>64</sup> See, for instance, Galtung, J., & Ruge, M. H. (1965). The structure of foreign news the presentation of the Congo, Cuba and Cyprus Crises in four Norwegian newspapers. *Journal of peace research*, 2(1), 64-90; Gans, H. J. (2004). *Democracy and the News*. Oxford: Oxford University Press; Shoemaker, P. J., & Reese, S. D. (1996). *Mediating the message: Theories of influences on mass media content*. White Plains, NY: Longman.

Our study does not purport to measure the degree to which some outlets decide to *cover* a story because it is carried by others. Nor is it concerned with *origination* of stories which both Mr Kenny and Professor Crawford et al. wrongly assume. They suggest that a key limitation or flaw in the research design is that some stories may have originated in outlets other than those identified as the agenda leaders. In fact, this is entirely consistent with our research questions which are concerned exclusively with the potential for certain outlets to *cue salience* of stories. This is important because virtually any conceivable news story at any given time is covered somewhere in the digital news sphere. Not only would it be self-evidently impossible to track all news outlets in even the most extensive sample imaginable, it would be of very little value for plurality assessment. Clearly what matters most are those news stories that cut across information noise and fragmented audiences and become, potentially, embedded in the public consciousness. In other words, a question of not simply who produced a story and who carried it, but who made it a national headline and talking point?

A related criticism offered by Professor Crawford et al. is that the time points used in our sample are too infrequent “given the rapidity with which news brands are able to replicate one another’s stories, especially online”<sup>65</sup> and also that, conversely, a more frequent sampling frame would “be susceptible to the issue [...] of wrongly identifying instances where a title is the first to report a story of clear public interest as a case of shaping the news agenda.” Again, both of these charges overlook the clear emphasis in our framework on measuring changes in headline salience (as opposed to just whether and when a particular outlet decides to carry a given story).

Our model also intentionally avoids drilling down to the level of how particular stories may be framed differently across different outlets. Professor Crawford et al. criticise this approach stating that it fails to interrogate “whether the tone or political slant of follow-on coverage differs from that of the earlier article so as to mitigate the influence of the agenda-setting stories.”<sup>66</sup> Again, this is symptomatic of a deep misconception of the central problem that foregrounds the study. As discussed earlier, plurality concerns bear at most a tenuous relationship to issues of framing or slant. We seek to interrogate a more fundamental and primary order of potential agenda influence that consists in the (potential) power to cue salience of particular stories. It is precisely this kind of power that has long been associated with concentrated forms of media ownership.<sup>67</sup> It is also precisely this kind of power that is not checked by the broadcasting code and is therefore especially germane to the current review.

#### 7.4 On the scope of our sample

Mr Kenny takes issue with the fact that our sample does not appear to account for the volume of news stories produced by an outlet like *The Times*. This is due to a misunderstanding of what our units of analysis represent: not ‘distinct political stories’ per se, but those featured in the top five headlines of the outlets sampled. This explains why his own analysis of *The Times* over a 10 day period “identified 122 distinct political stories in this one outlet”.<sup>68</sup>

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<sup>65</sup> Crawford, G. et al. (2017). p. 36.

<sup>66</sup> Ibid. p. 37.

<sup>67</sup> Eg Baker (2007); Bagdikian (1997).

<sup>68</sup> Kenny, R. (2017). p. 15.

Professor Crawford et al. assert that our sample “is concentrated on a selected and small set of outlets which excludes many online news sources, and so tends to overstate the agenda setting power of the outlets for which he collects data”<sup>69</sup>. In fact, by any measure, our sample of 29 outlets across all platforms is extensive. Indeed, our sampling criteria is based on an exhaustive approach to identifying all of the major wholesale and retail news sources for every platform and every type of outlet. For newspapers, we cover the full quality spectrum (broadsheet/midmarket/tabloid). Our sample is also both representative of the ideological spectrum of the press and includes the top six largest national titles by circulation. Our online sample includes all of the top 10 UK news websites (by page views) and is representative of both ‘legacy’ sites (belonging to broadcasters or newspapers), digital native sites and leading aggregator services. Our radio sample includes all of the major national talk-based radio stations, both commercial and BBC.

Indeed, the breadth of this sample is one of the obvious strengths of the study vis-à-vis previous research in this area. Yet both Mr Kenny and Professor Crawford et al. take particular issue with the omission of Twitter, citing the study by Harder et al. (2017) which includes it. We state in our joint response to the Issues Statement that one aspect of our research design draws on this study (notably the focus on stories as units of analysis). But at no point do we say, as Professor Crawford et al. repeatedly assert, that our study was ‘based’ on Harder et al.’s approach.

The research questions, for a start, are manifestly different. As already explained, we are interested in the potential for some news outlets to cue the salience of news stories through headline placement. Of course, Twitter can have an influence on news agendas, and it is clearly an important *source* of news. But it is primarily a disaggregated news platform and a gateway rather than end point of news consumption. Making day to day editorial judgements about the newsworthiness of particular stories on the *aggregate* level is just not what Twitter does. The only partial exception to this is trending topics. We include Facebook’s trending topics rather than Twitter’s because the latter tend to have much less in the way of actual news content.

In keeping with the broad thrust of recent research on inter-media agenda setting, Harder et al. find that Twitter’s agenda influence is very much eclipsed by traditional media at the story level and that even this modest influence is dominated by (traditional) media actors themselves on Twitter. This is another reason why including Twitter in our data sample would be of negligible value: because most of the major news stories that ‘break’ on Twitter are broken by the very brands and titles that *are* included in our sample. In any event, the majority of recent studies in this area have reported that Twitter’s inter-media agenda influence is limited – often to the framing or ‘attribute’ level of inter-media agenda setting, whereas news stories and issues of salience are still largely determined by a relatively small number of conventional news brands.<sup>70</sup>

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<sup>69</sup> Crawford, G. et al. (2017). p. 37.

<sup>70</sup> Ceron, Andrea. 2014. “Twitter and the Traditional Media: Who Is the Real Agenda Setter?” *APSA 2014 Annual Meeting*. [https://papers.ssrn.com/so13/papers.cfm?abstract\\_id=2454310](https://papers.ssrn.com/so13/papers.cfm?abstract_id=2454310).; Moore, Martin, and Gordon Ramsay. 2015. "UK Election 2015: Setting the Agenda." *Centre for the Study of Media, Communication and Power, Kings College London*. <https://www.kcl.ac.uk/sspp/policy-institute/publications/MST-Election-2015-FINAL>.

### 7.5 On the (in)consistency of results

Mr Kenny argues that the results of our agenda leading study are inconsistent with those of the study done by Cardiff University on coverage of the 2015 general election.<sup>71</sup> On the basis of this, he argues that “such analyses of agenda setting power are an unstable basis on which to reach judgements.”<sup>72</sup>

For a start, there are clear conceptual and contextual differences between the two studies. The Cardiff study focuses on pre-election coverage, ours addresses a routine news cycle. The Cardiff study is exclusively concerned with agenda influence between (print) newspapers and television, ours is concerned with agenda influence across all platforms. The Cardiff study, unlike ours, does not track individual agenda leaders and nor is it preoccupied with headline prominence.

Notwithstanding these differences in approach, what is remarkable is how *similar* the results are between the two studies. Mr Kenny notes that “Cardiff found the *Telegraph* to be most important, somewhat or appreciably ahead of the *Times*, depending on the metric”<sup>73</sup> whereas in our study *The Times* is identified as the most persistent agenda leader. But what is obviously striking is that in both studies, the *Telegraph* and *The Times* are the two most important agenda influencers, in spite of their relatively small (direct) audience share. What’s more, the Cardiff study (like ours) found that News UK titles combined had the most influence, followed by the *Telegraph*.

### 7.6 On the significance of story ‘spread’

Finally, Professor Crawford et al. take issue with the fact that our analysis “would exaggerate the importance of agenda setting power by failing to account for articles that failed to spread at all.”<sup>74</sup> But we are interested exclusively in stories that register on an aggregate agenda (i.e. achieve headline spread). The importance attached to the agenda power of a given provider that regularly achieves such spread is obviously tempered by another provider that *also* achieves spread. But it is not tempered by the existence of other news stories that do not spread at all. By this logic, agenda power is automatically erased from the equation because anyone publishing anything anywhere would be held to temper its importance. If BuzzFeed produces 100 stories a day that reach no other audience other than its own, that clearly *does not* detract from the importance of those titles whose stories routinely reach beyond their own audiences.

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<sup>71</sup> Cusion, S. et al. (2016).

<sup>72</sup> Kenny, R. (2017). p. 15.

<sup>73</sup> Ibid. p. 14.

<sup>74</sup> Crawford, G. et al. (2017) . p. 37.

## 8. WHOLESALE RADIO

Mr Kenny raises a number of issues as regards our analysis of wholesale radio provision on Global and Bauer stations. In this section I respond to each of these points and elaborate on key evidence suggesting Sky News has a material influence on the news agenda of Global and Bauer stations. Notes on edited clips used by Global and Bauer stations are included in appendix III.

### 8.1 Sky's wholesale news provision to commercial radio has important considerations for plurality assessment at the cross-platform level

Mr Kenny makes a number of erroneous claims in regard to our analysis of wholesale radio provision on Global and Bauer stations. First, he suggests that the logical consequence of our argument that Sky makes a material wholesale contribution to news on these stations “would be to significantly reduce the deemed importance of the *Sun* and *The Times*”.<sup>75</sup> But the reasoning here is opaque and not explained. Surely the most prescient consequence is that Sky's wholesale presence on radio would be (rightly) considered greater compared with that estimated in the phase one review. The impact on share of references would be a proportionate reduction of the shares attributed to Global and Bauer (not News Corp).

### 8.2 Consistent use of identical edited clips by Global and Bauer stations provides the most compelling evidence of material reliance on a common wholesale source

Mr Kenny goes on to assert that “identical clips across Bauer and Global signify little. The BBC and ITV might both use the same clip from a statement by the Prime Minister, but this would not indicate a plurality problem”.<sup>76</sup> But this overlooks the fact that these are *edited* clips from statements or interviews and in several cases from international locations very likely beyond the reach of Global and Bauer's own newsgathering operations. Take, for example, the 8am bulletin on 7<sup>th</sup> June which ran on Classic FM (Global) and Kiss FM (Bauer). Both stations included the story of Prince Harry paying tribute to victims of terror on his visit to Australia, and both included an identical edited clip from his speech:

Australians form an important and vibrant part of the fabric of life in London and we are reminded of that in good times and bad and our hearts go out to the victims, their friends and families

To further investigate this, I examined the 8am bulletins on the same day for BBC Radio 4 and 5 Live as well as LBC (Global). Neither of the BBC bulletins carried the story or the clip. LBC did run the story and included the exact same clip.

Another example: at 6pm on the same day Heart (Global), Magic (Bauer) and Kiss (Bauer) all ran a story on the London Bridge terror attack. This featured a clip from an interview with the mother of one of the alleged terrorists, Youssef Zaghba. The clip featured on both Heart and Magic was an identical edit:

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<sup>75</sup> Kenny, R. (2017). p.5

<sup>76</sup> Ibid. p. 6.



If there is anything that I can do then I will because the words do not come easily to me because it's such a horrible thing. It's something that should never happen, but there is one thing I can do, I can make a commitment to combat this, me personally.

On further investigation, this story and identical clip was also broadcast on the 6pm bulletins of LBC (Global) and Talksport (News Corp). Talksport is already considered by Ofcom to be supplied by Sky News at the wholesale level (along with the rest of the commercial radio sector excluding Global and Bauer). Looking at the BBC stations, Radio 5 Live also ran this story but did not feature any clip whilst the story was absent entirely from Radio 4's bulletin.

It is plainly inconceivable under these circumstances that both the Global and Bauer stations in question would have independently and separately sourced content for these clips. Not only would this suggest that both groups have their own international newsgathering operation, but it would be a giant leap of faith to imagine they would independently produce identical edits of the clips which were also, in at least one case, identical to that used by another commercial radio station not part of Global and Bauer. The fact that neither of the clips mentioned above were carried by BBC stations (at least Radio 4 and 5 Live), lends further weight to the evidence of a common wholesale source shared between Global, Bauer and other commercial radio stations.

### 8.3 Mr Kenny's analysis of radio bulletins, if anything, reinforce our modest findings in relation to particular patterns of homogeneity in news selection

Mr Kenny proceeds to present evidence of his own analysis of radio bulletins across Global, Bauer and BBC stations.<sup>77</sup> He uses this to highlight divergence in story selection between the stations and between the Global/Bauer and BBC sub-samples. He also provides a more in-depth qualitative analysis of the 'Grenfell' story on 30<sup>th</sup> October which illustrates differences in emphasis and tone of the reporting between respective stations.

Variation in the selection of stories across Global and Bauer stations was acknowledged in our phase one submission: "Looking at the bulletins on the commercial stations as a whole, there appeared to be a wide number of stories covered."<sup>78</sup> However, importantly, we also noted that there appeared to be *more* similarity between Global and Bauer stations than between the Global/Bauer and BBC sub-samples.

Mr Kenny's own analysis would appear to reinforce these findings. For instance, the 'Grenfell' story that he focuses on ran as a lead headline on all of the Global and Bauer stations within his sample except for Planet Rock, where it ran as a 2<sup>nd</sup> headline. But the same story was not covered by *any* of the BBC stations within the sample.

In our phase one submission, we further acknowledged that "such patterns do not necessarily reflect a reliance by commercial stations on a common wholesale news source"<sup>79</sup> but are nevertheless a relevant consideration *in conjunction* with other evidence that does point more conclusively to reliance on a common wholesale news source.

In regard to qualitative distinctions in the coverage, it is true that stories are often scripted differently and there is some variation in attention to particular sources. But Kenny completely overlooks the evidence of shared *edited* clips as outlined above. Taken in

<sup>77</sup> Kenny, R. (2017). p. 8.

<sup>78</sup> Media Reform Coalition (2017). p. 6

<sup>79</sup> Ibid.



conjunction with evidence of *relative* homogeneity in news selection, as well as the fact that Bauer stations do not operate their own newsroom outside of day time listening hours, this would suggest at the very least that Sky News makes a material wholesale contribution to news on these stations. And it is a contribution that was not captured in the phase one report.

Mr Kenny draws attention to a statement by the RadioCentre which acknowledges that “Sky News (through its contract with IRN) does supply news content to the majority of commercial radio stations in the UK”<sup>80</sup> but emphasises the degree to which “news scripts received from IRN [provided by Sky] are rewritten by local editorial teams and that “In the vast majority of stations, IRN is not used for the broadcast [of] ready-made scripts and audio services it offers, but for facts and figures to support independent editorial.” This is broadly consistent with our analysis (and contrary to what Mr Kenny suggests). Throughout the process of this bid, we have not sought to argue that Global and Bauer *do not* engage in their own newsgathering. Rather, we have argued that discounting Sky’s wholesale provision altogether misses an important piece of the puzzle. The RadioCentre represents (in part) both Global and Bauer radio groups and it is understandable why they would seek to emphasise those aspects of their reporting that may be considered independent newsgathering. But to extrapolate from this that Sky News plays *no* material influence on the agenda or content adopted by these stations is, on the basis of the evidence discussed, simply not credible.

#### 8.4 Mr Kenny’s charge of an ‘inconsistency in approach’ reveals significant conceptual blind spots

Finally, Mr Kenny accuses the MRC of an inconsistency of approach, citing a statement from five years ago which noted that, according to research carried out by Cardiff University “49% of press stories were either entirely or mainly dependent on news wire agency copy, much of which itself has come from press releases”.<sup>81</sup> Mr Kenny suggests that the implication of this statement is that newspapers rely *predominantly* on wire services and that, in order to be consistent with our approach to analysing radio, the wholesale supply of news to the press should be attributed to wire services.

This is deeply flawed logic for a number of reasons. First, 49% clearly does not represent ‘predominance’ in any sense. Second, there is a clear difference between newspapers that make use of wire services (which in most cases are collectively owned by the press themselves) compared to the majority of radio stations whose main output is not news, but who are obligated to provide regular bulletins in fulfilment of their license obligations. There is manifestly little commercial incentive and very restricted scope for these stations to invest significantly in wholesale newsgathering. There is, however, some commercial incentive in branding and tailoring stories to target audiences. This likely explains much of the variation which Mr Kenny relies on but his conclusion that Sky makes *no* material wholesale news contribution to Global and Bauer stations simply doesn’t follow from the evidence presented here, in our joint response to the Issues Statement, and in Mr Kenny’s own analysis.

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<sup>80</sup> As quoted in Kenny, R. (2017), p. 6

<sup>81</sup> Ibid. p. 11.

## 9. POLITICAL ACCESS AND INFLUENCE

### 9.1 Evidence of the relative frequency of meetings between News Corp executives and the most senior figures within government is a relevant consideration in this review

In regard to political access, Mr Kenny notes that “MRC assert that access is a good indicator for the ability to leverage editorial control into political influence. There is nothing to suggest this is the case”<sup>82</sup>. This is counter intuitive to say the least. Our joint response to the Issues Statement makes clear that we don’t take access as a proxy for influence. But if a particular private individual or organisation is able to hold disproportionately frequent meetings with the most senior figures within government, it is hard to imagine what else this could indicate other than the potential to influence policy.

Mr Kenny further argues that the

[MRC] figures for visitors to Downing Street showed no visits by the management of DMGT, compared to four by Evgeny Lebedev. If visit numbers are indeed a proxy for potential for political influence, this would seem to suggest the Independent and Evening Standard are far more politically influential than the Mail – which is, to say the least, counterintuitive.<sup>83</sup>

But the inference “that the Independent and Evening Standard are far more politically influential than the Mail” simply doesn’t follow from the premise. As we make clear in our joint response to the Issues Statement, such meetings are a useful indicator of the *potential* to exert influence, not a proxy for influence.<sup>84</sup> It is not clear why Mr Kenny appears to assume that this *potential* ought to be correlated with the size of a given media group’s audience.

### 9.2 Claims about disproportionate access to senior politicians are not based exclusively or even predominantly on testimony to the Leveson Inquiry

Mr Kenny goes on to argue that “historic testimony” of politicians given to the Leveson Inquiry in 2012 about the influence of media elites over policy “can tell us little about the influence of media today”.<sup>85</sup> This obscures the fact that the evidence cited in our joint response to the Issues Statement is based on the comparative frequency of meetings between News Corp executives and senior politicians up to September last year, and shortly before the proposed transaction was announced.

Again, this is not to suggest that such meetings are themselves evidence of any material influence over policy. But as Ofcom has made clear, the appropriate framework for this review is to assess “the risk of increased influence by members of the Murdoch Family Trust over the UK news agenda and the political process”<sup>86</sup> which may result from the proposed transaction. Influence over the political process is, by its very nature, intrinsically difficult to measure. But the appropriate threshold is in any case low and based on assessment of risk (or

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<sup>82</sup> Ibid. p. 39.

<sup>83</sup> Ibid.

<sup>84</sup> See <http://www.mediareform.org.uk/featured/murdochs-lobbying-efforts-increasing-new-analysis-finds>

<sup>85</sup> Kenny, R. (2017). p. 40.

<sup>86</sup> Ofcom (2017). p. 18.

potential). To suggest that disproportionate access to senior politicians is *not* relevant for an assessment of risk, in this context, clearly makes little sense.

## 10. OTHER POINTS

### 10.1 There is no basis for Mr Kenny’s assertion that our joint response to the Issues Statement conflates measures of reach with impact.

There are a number of points in Mr Kenny’s report where he offers a somewhat obscure take on the analysis in our joint response to the Issues Statement or infers claims that were simply not made. For instance, Mr Kenny charges that our joint response to the Issues Statement conflates measures of reach and impact stating that “MRC appears to believe the two are the same, but increasing reach of countervailing sources will dilute the impact of traditional sources, even if the reach of the latter remains the same”.<sup>87</sup> But this is in direct conflict with the quoted extract from a BuzzFeed article used to substantiate Mr Kenny’s argument:

Political stories published on the sites of traditional right-leaning newspapers such as The Daily Telegraph, The Daily Mail, and The Sun have also struggled to reach mass audiences online, and have often been dwarfed in terms of social media readership by alt-left sites such as The Canary and Evolve Politics.<sup>88</sup>

So, in regard to political stories at least, Mr Kenny *does* appear to be making an argument about reach. It is hard to imagine how ‘struggling to reach mass audiences online’ could be construed in any other way.

### 10.2 The General Election 2017 results do not in any sense provide evidence of the waning influence of newspapers

Mr Kenny points out that the study by Loughborough University referenced in our joint response to the Issues Statement highlights the fact that the Conservative press were, for most of the campaign, overwhelmingly hostile towards Labour.<sup>89</sup> This hardly requires empirical substantiation. What is most significant about the Loughborough findings (and highlighted in our joint response to the Issues Statement) is that these newspapers became comparatively *less* hostile towards Labour as the campaign wore on.

Mr Kenny then states that “the study MRC highlights concludes with exactly my point – a formidable advantage in press coverage did not lead to electoral victory.”<sup>90</sup> This is rather confusing, or confused. Clearly the party that most newspapers supported *did* win the election, albeit by a much narrower margin than widely predicted.

Indeed, we might just as reasonably interpret the results as reflective of the *enduring* influence of (Conservative-leaning) newspapers which, in spite of the widely acknowledged failures of the Tory campaign, still managed to secure victory for the party. *Or* we could attribute the loss of the Tory’s majority to the demonstrable shift in tone of coverage among Labour-supporting newspapers in favour of Jeremy Corbyn, or even Conservative-leaning newspapers who became evidently more hostile towards Theresa May over the course of the campaign.

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<sup>87</sup> Kenny, R. (2017). p. 30.

<sup>88</sup> See <https://www.buzzfeed.com/tomphillips/not-even-right-wingers-are-sharing-positive-stories-about>

<sup>89</sup> Kenny, R. (2017). p. 35.

<sup>90</sup> Ibid.

The key argument made in our joint response to the Issues Statement is that, on the basis of such equally legitimate interpretations, the General Election results provide no evidence of the waning influence of newspapers, in spite of the popular commentary of pundits in the immediate aftermath.

November 27, 2017

**Statement to the Competition and Market Authority re: 21<sup>st</sup> Century Fox—Sky Merger Inquiry**

Dear Members of the Competition and Market Authority:

I write as an interested observer of the proposed merger of 21<sup>st</sup> Century Fox and Sky in the UK. My interest in this issue stems from my extensive work on media ownership issues in the United States, where I have engaged with media ownership policy issues in a variety of contexts, including: providing expert testimony to the U.S. Congress and the Federal Communications Commission; conducting research for the Federal Communications Commission; serving as an invited peer review for media ownership research commissioned by the FCC; conducting media ownership-related research in collaboration with public interest organizations such as the Benton Foundation, the New America Foundation, and Free Press; and conducting media ownership-related research on behalf of industry associations such as the National Association of Broadcasters and the American Television Alliance. I am the author of the books *Foundations of Communications Policy: Principles and Process in the Regulation of Electronic Media* (2001), *Audience Economics: Media Institutions and the Audience Marketplace* (2003), and *Audience Evolution: New Technologies and the Transformation of Media Audiences* (2011), which have been widely read in both academic and policymaking circles. I have also published over 100 articles and book chapters on topics such as the measurement of diversity and pluralism in the U.S. and the European Union; the evolution of diversity as a communications policy principle; the impact of media ownership and market structures on the provision of local news and public affairs programming; and the role of research and data in the communications policymaking process.

I write to put forth some general principles that I believe should guide any media ownership inquiry, and to offer some more specific responses to some issues raised in the 21<sup>st</sup> Century Fox/Sky filings that strike me as potentially problematic. I hope that you find these contributions of some use in your deliberations.

Starting, then, with some general principles, I believe the U.S. experience (where media ownership regulations must be evaluated every four years; and in which there is a long history of media mergers that have proven problematic from a public interest standpoint), has convincingly illustrated the inadequacies associated with relying exclusively or primarily on economic analysis. Social and political questions are equally important to understanding the necessity and impact of media ownership decisions. And today, as the media environment becomes increasingly fragmented, and the underlying economics of media and journalism continue to evolve, the reality is that political motivations are likely to play an increasing role in decision-making regarding the acquisition and operation of media companies. The economics of contemporary media simultaneously compel more ideologically oriented approaches by media owners and diminish the economic incentives for media ownership relative to the political incentives. This recent trajectory further highlights the increasing importance of looking beyond economic considerations in the evaluation of media ownership issues. It also highlights the contemporary inadequacies of demand side-focused interpretations of media slant such as those produced by Gentzkow and Shapiro circa 2010

with news media data gathered in 2005. The incentive system associated with media ownership has changed in the intervening twelve years.

Second it is vital that any media ownership assessment maintain the appropriate focus and consistency in terms of the unit of analysis of greatest consequence – the distribution of resources for the production of journalism. Too often, assessments of the state of media ownership begin with detailed catalogs of the technologies, outlets, channels, and content options available to the contemporary

media consumer. This abundance of choice is then put forth as a key reason why further ownership concentration is of negligible consequence. Such catalogs, however, represent a far too superficial take on the nature of the contemporary media environment, and one that neglects fundamental characteristics of the economics of media content and the strategic dynamics within contemporary media industries. Specifically, when we scratch the surface of this portrait of abundance, we find that, in fact, it is a much more limited array of content that is circulating through this multi-channel/multi-platform environment over and over, and that is feeding into, and supporting, many of the new content delivery platforms, outlets, and sources that are becoming available. Today, a key issue is the increasing prevalence of what is best termed *parasitic journalism*, in which outlets repurpose and re-disseminate reporting produced elsewhere. This is a prominent practice amongst even the largest and most widely consumed digital news outlets. The analytic lens must stay focused on the distribution of resources for producing original journalism. Activities such as re-disseminating such journalism with added commentary should not be considered as equivalent.

Turning now to some more specific issues, I have read with great interest the filings of the Media Reform Coalition and those on behalf of 21<sup>st</sup> Century Fox and Sky. There were, however, some statements in the most recent 21<sup>st</sup> Century Fox/Sky filing that struck me as potentially problematic.

First, the authors of their most recent filing take issue with this statement in the Media Reform Coalition's submission: "21CF argue that the reach and impact of mainstream and Conservative-leaning press (typified by News UK titles) has been profoundly challenged in the online environment, not least by 'alt-left' sources such as The Canary or Evolve Politics." According to the author of the 21CF filing:

This misrepresents the argument made, and again demonstrates the confusion in MRC's thinking I discussed above. I have argued that *impact* of traditional outlets has been diluted by (for example) alt-left sources, but have not argued that their *reach* has been challenged by these sources. MRC appears to believe the two are the same, but increasing reach of countervailing sources will dilute the impact of traditional sources, even if the reach of the latter remains the same.

There seem to be two versions of the relationship between reach and impact at work in this statement. In the first, the enhanced reach of alternative news sources contributes to their ability to dilute the impact of traditional news sources – presumably via their enhanced impact that has come as a function of their enhanced reach. In the second, traditional news sources' reach and impact operate independently of one another, with traditional news sources' impact being diluted while their reach is unaffected. So there seems to be some inconsistency here in terms of the asserted relationship between reach and impact that raises concerns about the logic of this argument.

Another point of concern arises in response to this statement in the 21CF filing:

In addition, MRC (as throughout its paper) focus narrowly on news outlets as a source of influence. They make no allowance for the growing ability of politicians and others to use social media to go directly to citizens. So, while they include the *Times* (1.7m followers across Twitter and Facebook), they omit Jeremy Corbyn (2.9m).

It strikes me as both necessary and appropriate that the scope of the analysis be confined to the production, dissemination, and consumption of journalism, given that it is media organizations and the news and information that they produce (not individual speakers) that is the focal point of regulatory concern and authority. Journalism and individual tweets are very different types of content and should not be considered as substitutes within any analysis of the media marketplace.

Finally, I wish to raise a point in response to an argument put forth by 21CF in regards to the agenda-setting evidence put forth in the Media Reform Coalition filing. Specifically, I want to reference the following passage:

**It is necessary to distinguish between genuine agenda setting (newspaper coverage that results in broadcasters running stories they would not otherwise have run) and instances where newspapers report first on a story that would have been covered anyway.** While the Cushion et al. study makes efforts to distinguish between these effects by looking at articles that were published by newspapers the previous day, it appears that many of the “agenda setting” stories relate to issues of obvious public interest that would almost certainly have been covered by broadcasters in any event.

There are a number of other instances in their filing in which 21CF argues a similar point. What strikes me as problematic here is that this argument completely neglects the temporal differences between newspaper and broadcast reporting. Given the greater immediacy and relatively shorter time lag of broadcast versus newspaper reporting, it seems questionable to assume that newspaper stories that have yet to be reported on broadcast news should be considered stories that the broadcast media would have covered anyway. *Broadcasters are inherently capable of reporting on stories sooner than newspapers*, which fundamentally strengthens the logic of assuming that a newspaper-to-broadcast trajectory for a story represents an inter-media agenda-setting effect. In instances other than those in which newspapers are receiving privileged, early access to information, it seems reasonable to assume that the broadcast media should always be capable of reporting on a story sooner than newspapers, given the greater immediacy of broadcasting. And thus, if broadcasters lag a full day beyond newspapers in their reporting of a story, an inter-media agenda-setting effect would seem to be a perfectly logical explanation.

I hope these brief comments prove helpful in your deliberations. They admittedly only scratch the surface of the complex issues that you are grappling with.

Sincerely,



Philip M. Napoli  
James R. Shepley Professor of Public Policy  
Faculty Affiliate, DeWitt Wallace Center for Media & Democracy



## APPENDIX II

### Leading the News Agenda: summary of methodology

#### **Introduction and conceptual framework**

This study is concerned with the potential for, and ability of particular wholesale news providers – that reach critical mass audiences – to ‘cue’ the news agenda for others. We employ the term ‘agenda leading’ to denote a measure of agenda influence that is 1) not bound wholly to story *origination*, and 2) does not rely on an arbitrary distinction between ‘breaking news’ and agenda *setting*.

In relation to 1), story origination is not a useful proxy for salience cueing. Previous research suggests that powerful news brands may generate salience across the news agenda simply by giving more attention to some stories compared to others, and irrespective of origination. In relation 2), employing a distinction between breaking as opposed to influencing the news agenda would necessarily mean reliance on highly subjective and interpretive judgements of inherent newsworthiness. The distinction itself is also far from straightforward (it is highly likely that outlets who systematically ‘break’ the news also become provide powerful cues of salience).

#### **Sampling strategy**

We used a continuous 10-day sample period within a normal news cycle and collected data from 29 news outlets across platforms. The broadcasting sample was exhaustive based on assessment of critical mass audience derived from industry measures of reach and market share. For television, we use flagship bulletins and programmes on BBC One, BBC Two, ITV, Channel 4 and Sky News. These channels account for over 90% of national news viewership on television (Ofcom, 2016). For radio, we use flagship programmes and bulletins on all of the national news and talk radio stations (BBC Radio 4 and 5 Live, LBC, Talksport) plus bulletin produced by Sky News and made available as a wholesale newsfeed to the commercial radio sector at large.

For print news we use a representative sample of leading paid-for national titles (daily and Sunday versions) which account for over 78 percent of national newspaper circulation and cover a cross-section of titles across both the ‘quality’ spectrum (broadsheet, mid-market and tabloid) as well as the left-right political spectrum (based on editorial support for particular parties during the most recent general election).

For online news, we use a representative sample of leading retail outlets that cover a cross-section of newspapers (including the online editions of titles within the print news sample excluding *The Times/Sunday Times* in view of their pay-wall and marginal online readership); digital ‘native’ news sites (Buzzfeed, Huffington Post and the Independent); broadcasters (BBC and Sky News); and aggregators (MSN, Yahoo and Facebook Trending).

#### **Data collection**

Data was collected at regular daily time-points that reflect ‘peak’ news hours (breakfast/AM, lunch time, early evening ‘drive’ time, and late evening). The weekend sub-samples are restricted to print news editions and flagship television and radio programmes to reflect the more limited and static news cycle (by comparison to week-day schedules) but also the potential for particular editions to impact on news agendas in the following week.

For data sources we used the British Library newsroom for archived editions included within the broadcasting sample, and NLA Clipshare for archived print news. For online news, we collected cached copies of home pages for each of the titles and relevant time points within the sample.

In terms of data collected, this consisted of the top five headlines for each outlet/edition within each time point. The ranking of headlines was determined as follows:

For print newspapers, collected data was restricted to headlines of substantive articles (>100 words). Snippets and in brief pieces were discounted and headlines were ranked according to page number and position (assigning a top-down followed by left-right priority)

For online home pages, a similar approach was taken with the additional exclusion of headlines contained within a slider feature (where displayed headlines are subject to a system of automatic or relatively frequent rotation). We also excluded headlines where the story was labelled as sponsored or premium content, and headlines contained within a side bar.

For radio bulletins, the ranking of headlines was based on the actual order of stories presented (excluding pre-bulletin intros or previews).

For television bulletins or programmes, the ranking of headlines was based on the main anchor introduction (excluding any preview).

This yielded a total of 536 unique headline ‘batches’ for all outlets sampled, of which 5 contained missing data due to technical error. Within the broadcasting sub-sample, several batches contained fewer than 5 headlines based on the sampling strategy adopted. This produced an unfiltered dataset of 2,565 headlines across the sample.

### **Filtering and categorising**

The data were filtered and categorised in three stages. First, we restricted units of analysis to news content that has a direct or indirect connection to issues of salient policy or public debate. Headlines primarily focused on sport results, entertainment/celebrity, lifestyle, arts and culture, or trivia were excluded. Remaining headlines were categorised according to three meta-issue categories: social, political and economic.

Social news headlines included those focused on transport/infrastructure, energy/environment, housing, education, immigration, crime, health, disability and social divides including gender, race, religion, nationality, culture and ethnicity. Headlines referencing macro health statistics were included except where they were focused on new drugs or treatment for specified conditions, or lifestyle (including specified health risks, dieting, etc). Headlines related to individual or personalised suffering or tragedy (human interest) were only included where there was a clear implicit or explicit invocation of public outrage or injustice. Headlines related to individual instances of crime were only included where there was a clear implicit or explicit reference to systemic or widespread trends. By

extension, this category also includes all headlines focused on public inquiries or investigations.

Political news headlines included all those referencing Members of Parliament, party activists or affiliated groups, or Trade Union Leaders.

The economic news category captured all headlines that implicitly or explicitly invoked questions of macro-economic management. These included headlines focused on tax and spending/cuts, inflation, interest rates, high street/shop performance, jobs, growth or pay gap/inequality.

International stories in all three meta-issue categories were only included where the UK was central to the context.

In the next stage of filtering, headlines were grouped together in stories based on identification of a common primary source, event and/or context. Drawing on Harder et al. (2017) we adopt a story mapping approach rather than relying on either a broader categorisation based on issues or narrow categorisation based on framing. Thus ‘Tories at war’ may be considered an *issue* for the purposes of this analysis, but ‘May rebukes Johnson’ constitutes a *story*. And whilst ‘Government announces pay cap lift’ denotes story, ‘Government caves into pressure on pay caps’ would be categorised as distinct framing of the same story. A headline related to a given story would constitute a *new* story only if it sign posts both 1) original newsgathering and 2) revelatory content. For example, if reporting on a given story a news outlet carries a headline referencing ‘exclusive interview’, that headline would only signify a *new* story if it referenced revelatory content of the interview.

In the final stage of filtering, we identified stories trailed by an agenda leader – i.e., those that were carried by a single outlet at a time point within our sample *prior* to being picked up by other outlets. It is important to emphasise that agenda leading in this sense does not mean that the outlet in question *originated* the story as it may have been carried first by an outlet not included within our sample. It is also possible (though unlikely) that the outlet in question was not the first within our sample to carry the story since other outlets may have carried it at an earlier time not captured by our sample but then dropped it from their top five headlines. However, agenda leading in this sense does provide a useful and reliable indicator of salience cueing – i.e. systematic patterns of particular titles with established brands and critical mass audiences providing cues of agenda salience for particular stories for other outlets.

We further eliminated duplicate headlines carried by the same outlet at different time points; headlines carried exclusively by outlets grouped by a single owner/provider (eg BBC or News UK); and those relating to stories that were not picked up by more than one outlet or group of outlets (eg BBC or News UK).

This produced a final sample consisting of 307 units of analysis (headlines) corresponding to a total of 69 individual stories. This represented approximately one third of the total number of social, political and economic news headlines.

## Analysis

For the analysis, we assigned a score for each agenda lead story based on ‘spread’ (total number of individual outlets within the sample carrying a related headline), and total

‘salience’ (based on a ranking system for each story-related headline attributing a score of 5 for a lead headline, 4 for a 2<sup>nd</sup> headline, and so on).

Finally, agenda leading outlets were grouped by provider as follows:

<b>Provider label</b>	<b>Outlets covered within sample</b>
BBC News	All BBC radio and TV outlets within sample plus <a href="http://bbc.co.uk/news">bbc.co.uk/news</a>
Sky News	Sky News (TV channel), Sky News Radio plus <a href="http://news.sky.com">news.sky.com</a>
Daily Mail	<i>Daily Mail/Mail on Sunday</i> newspapers plus <a href="http://dailymail.co.uk">dailymail.co.uk</a>
Guardian	<i>The Guardian/Observer</i> newspapers plus <a href="http://theguardian.com">theguardian.com</a>
The Times	<i>The Times/Sunday Times</i> newspapers
Telegraph	<i>Daily Telegraph/Sunday Telegraph</i> newspapers plus <a href="http://telegraph.co.uk">telegraph.co.uk</a>
Mirror	<i>Daily Mirror/Sunday Mirror</i> newspapers plus <a href="http://mirror.co.uk">mirror.co.uk</a>
The Sun	<i>the Sun/Sun on Sunday</i> newspapers plus <a href="http://thesun.co.uk">thesun.co.uk</a>
LBC	LBC radio
Huff Post	<a href="http://huffpost.co.uk">huffpost.co.uk</a>
Independent	<a href="http://independent.co.uk">independent.co.uk</a>
Talksport	Talksport radio

## APPENDIX III

Notes and extracts from transcripts relating to edited clips used by Global and Bauer radio stations (7 June 2017)

[NB notes on comparative coverage by LBC, Talksport, Radio and 5 Live were added separately after reviewing archived recordings for these bulletins available at the British Library. A more extensive comparison with other stations (both BBC and commercial) was not possible due to the limited archives accessible]

STORY 1: PRINCE HARRY IN AUSTRALIA

Classic 8am bulletin

*Prince Harry's in Sydney to mark 500 days until the 2018 Invictus Games are held there. He's been speaking about all those affected.*

**Clip: Australians form an important and vibrant part of the fabric of life in London and we are reminded of that in good times and bad and our hearts go out to the victims, their friends and families**

KISS 8am bulletin

*We now know 2 Australians are among the 7 who died in the van and knife attack. Prince Harry is in the country at the moment and has focused on them while paying tribute to those affected.*

**Clip: Australians form an important and vibrant part of the fabric of life in London and we are reminded of that in good times and bad and our hearts go out to the victims, their friends and families.**

BBC Radio 4 8am bulletin STORY ABSENT

BBC Radio 5 8am bulletin STORY ABSENT

LBC 8am

[story covered and identical clip used]:

**Australians form an important and vibrant part of the fabric of life in London and we are reminded of that in good times and bad and our hearts go out to the victims, their friends and families.**

Magic 12pm bulletin

*Earlier officials in France confirmed at least two of their citizens died in Saturday's attack. Friends of Sara Zelenak have also announced she was the second Australian killed. On a visit to Brisbane Prince Harry paid tribute to her and nurse Kirsty Boden.*

**Clip: Australians form an important and vibrant part of the fabric of life in London and we are reminded of that in good times and bad and our hearts go out to the victims, their friends and families.**

## STORY 2: TIM FARRON ON BREXIT AND GE2017

Heart 8am bulletin

*Theresa May says she'll scrap some human rights laws if they stop her from tackling terrorism. The Prime Minister says if the Conservatives win tomorrow's election she'll restrict the freedom and movement of terror suspects. Labour insists that's not what's in the Tory manifesto and Lib Dem leader Tim Farron isn't convinced by the idea.*

**Clip: Over the last 20 years governments have been reacting in a kneejerk way have been the ones keeping us less safe. Those who have chosen to invest in our police and in our communities and our intelligences services across the board are the ones to actually put the British people first.**

Magic 8am bulletin

*Detectives say it was a pre-planned operation on the airport itself wasn't at risk. Security once again is expected to dominate General Election campaigning which enters its final day today. Last night Teresa May said she'd change human rights laws if she wins tomorrow's vote if they stopped her deporting or jailing alleged extremists but Labour insists that won't solve the problem. Lib Dem Leader Tim Farron agrees.*

**Clip: Over the last 20 years governments have been reacting in a kneejerk way have been the ones that have kept us less safe. Those who have chosen to invest in our police and in our communities and our intelligences services across the board are the ones to actually put the British people first.**

Smooth 8am bulletin

*Separately the Prime Minister has told Smooth she will change any legislation that stops her from deporting or [cough].UKIP agree with Teresa May's stance but Labour says ripping up human rights laws won't be a deterrent to terrorism. On the final day of campaigning ahead of tomorrow's General Election Lib Dem leader Tim Farron is warning against making up policy as you go.*

**Clip: Over the last 20 years governments that have reacted in a kneejerk way have been the ones keeping us less safe. Those who have chosen to invest in our police and in our communities and our intelligences services across the board are the ones to actually put the British people first.**

NB Two other Tim Farron clips were also used that day:

Classic 12pm bulletin

*Tim Farron's campaigning on the final day before voters go to the polls highlighting his promises which include investing £100 billion to help build more homes. The Liberal Democrat leader says he feels his party's in a good position.*

**Clip: Tomorrow is a chance for people to say we're not going to give Teresa May a blank cheque to deliver all those cuts to all that we hold dear and the Liberal Democrats I think are the one opposition party that can hope to go forward in this election and the most powerful way in many parts of the country to deliver that message**

Heart 12pm bulletin

*On the final day of election campaigning the Conservatives are denying they've made another U-turn after promising to scrap some human rights laws to tackle terrorism. Labour and UKIP say it's not in the Tories' manifesto. The Lib Dem leader Tim Farron has told Heart we must continue cooperating on security with other countries in the EU.*

**Clip: There is a shared database at the moment which gives the British intelligence services 16 notifications every second of every minute of every hour of every day and if we withdraw from that, and Theresa May is planning to do that, we are obviously much less secure.**

### STORY 3: NICOLE KIDMAN ON LONDONG BRIDGE TERROR ATTACK

Classic 8am bulletin

*Nicole Kidman says it feels important to be in London to show solidarity in light of the weekend's attack. She was awarded the Film Actress award at last night's Glamour Magazine of the Year awards.*

**Clip: I'm just so happy to be here in London tonight supporting this city. This city has been so good to me. To be here in person, I got on a plane last night and I was like it was very important to be here showing everyone and the world how strong this city is.**

Heart 8am bulletin

*And Nicole Kidman's told Heart it was important for her to attend the Glamour Women of the Year awards in London last night following the terror attack.*

**Clip: This city has been so good to me. I got on a plane last night and I was like it was very important to be here in person showing everyone and the world how strong this city is.**

Smooth 8am bulletin

*Nicole Kidman has told Smooth she wants to show the world how strong London is following last weekend's terror attacks*

**Clip: Supporting England, supporting this city. This city has been so good to me, it was very important to be here in person showing everyone and the world how strong this city is.**

(NB The clips have very similar basis but not identical edits which could be the result of individual stations opting for longer or shorter versions)

#### STORY 4: THE MOTHER OF YOUSSEF ZAGHBA

Heart 6pm bulletin

*8 people are now known to have died in the London Bridge terror attack after a body was found in the Thames. Police and coastguards have been searching for the French national Xavier Thomas. It's believed he was knocked into the river by the terrorists' van. The mother of the youngest terrorist, 22 year old Youssef Zaghba says she doesn't know what she can say to the victims' families.*

**Clip: If there is anything that I can do then I will because the words do not come easily to me because it's such a horrible thing. It's something that should never happen, but there is one thing I can do, I can make a commitment to combat this, me personally**

Magic 6pm bulletin



*The mother of the youngest attacker Youssef Zaghba said she feels the pain of her son's victims*

**Clip: If there is anything that I can do then I will because the words do not come easily to me because it's such a horrible thing. It's something that should never happen, but there is one thing I can do, I can make a commitment to combat this, me personally.**

[A slightly different clip was used for the KISS bulletin]

KISS 6pm bulletin

*Meanwhile the mother of one of the attackers has asked for forgiveness for what he did. Youssef Zaghba was one of three men who stabbed people to death. His mother says she tried to stop him going to Syria.*

**Clip: I have no words it is too big. I can understand their pain because as a mother I feel it too. I don't know if there is any sense in asking for forgiveness, but if there was then I'd ask for it.**

LBC 6pm

[story covered and identical clip used]:

**Clip: If there is anything that I can do then I will because the words do not come easily to me because it's such a horrible thing. It's something that should never happen, but there is one thing I can do, I can make a commitment to combat this, me personally**

TALKSPORT 6pm

[story covered and identical clip used]:

**Clip: If there is anything that I can do then I will because the words do not come easily to me because it's such a horrible thing. It's something that should never happen, but there is one thing I can do, I can make a commitment to combat this, me personally**

BBC Radio 4 6pm - STORY ABSENT

BBC Radio 5 Live 6pm – STORY COVERED BUT NO CLIP USED

STORY 5: AUNT OF SARA ZELENAK (TERRORISM VICTIM)

Heart 8am bulletin

*The Australian government says 2 people from the country were among the 7 who were killed on Saturday night. Zara Sellenack's aunt is in Brisbane and is desperate for news.*

**Clip: She's one of those people who doesn't drink, doesn't do drugs, doesn't do anything wrong. She's amazing and she's 21 years of age.**

Magic 10pm bulletin

*The discovery of a body in the River Thames has taken the number of dead from Saturday's London terror attack to 8. More of those victims have been identified today. One of them was a Spanish banker seen trying fight off attackers with a skateboard. Another was Australian Sara Zellenack whose aunt told reporters she was missing yesterday.*

**Clip: She's one of those people who doesn't drink, doesn't do drugs, doesn't do anything wrong. She's amazing and she's 21 years of age.**

Full list of clips used on the day:

Story	Station/Time	Clip used
Tories deny U-turn on human rights	Classic 8am	Theresa May
	Heart 8am/Magic 8am/Smooth 8am	Tim Farron
Prince Harry talks about attack	Classic 8am KISS 8am Magic 8am	Prince Harry
Nicole Kidman expresses solidarity with London	Classic 8am Heart 8am Smooth 8am	Nicole Kidman
Australian govt says 2 people among 7 who died in LBridge attack	Heart 8am	Aunt of Sara Zelenak
Police raids in Ilford in early hours of morning	Smooth 8am	Anonymous member of gym where attacker went

Story	Station/Time*	Clip used
Death toll now believed to have risen to eight	Classic 12pm	'Classic's Vincent Macavennie'
	Smooth 12pm	'Smooth's Richard Suchet'
Tories accused of U-turn on human rights	Classic 12pm	Tim Farron
	Heart 12pm	Tim Farron (different clip to Classic)

	Smooth 12pm	Paul Nuttall
Kezia Dugdale denies conversation with Nicola Sturgeon on Indyref2	Classic 12pm	Kezia Dugdale
Australian govt confirms 2 dead	Magic 12pm	Prince Harry

\*KISS's bulletin being purely entertainment was disregarded for this

Story	Station/Time	Clip used
Politicians making final push for votes before election day	Classic 6pm	Theresa May & Nicola Sturgeon clips
Death toll rises to 8 in London Bridge attack	Heart 6pm Magic 6pm	Mother of Youssef Zaghba (third attacker)
Jump in hate crime since attacks	Heart 6pm	Sadiq Khan
Mother of Youssef Zaghba asks forgiveness	KISS 6pm	Mother of Youssef Zaghba (different clip to Heart)
Story	Station/Time*	Clip used
General election polls open in a few hours	Magic 10pm	Magic's Barry Weir including clips from Theresa May, Jeremy Corbyn and Nicola Sturgeon
Death toll rises to 8 in London Bridge attack	Magic 10pm	Aunt of Sara Zelenak

\*Only three stations broadcast a 10pm bulletin and neither Heart nor Smooth included clips in this one