

# **Guardian Media Group response to Ofcom Consultation on proposed changes to the linear EPG Code and future of the prominence regime**

## **About the Guardian**

1. Guardian Media Group (GMG) is one of the UK's leading commercial media organisations and a British-owned, independent, news media business. GMG owns Guardian News & Media (GNM), the publisher of theguardian.com and the Guardian and Observer newspapers, and its globally acclaimed investigations, including investigating the Paradise Papers and Panama Papers, and Cambridge Analytica. As well as being the UK's largest quality news brand, the Guardian and Observer have pioneered a highly distinctive, open approach to publishing on the web and it has achieved significant global audience growth over the past 20 years. Our endowment fund and portfolio of other holdings exist to support the Guardian's journalism by providing financial returns.

## **Introduction**

2. GMG is pleased to respond to Ofcom's consultation on the prominence of public service content in an increasingly digital world. The consultation into how citizens discover public service content now and in the future, comes at an important point in the debate about the convergence of regulated and unregulated sources of content. GMG's particular focus in this submission is to focus on the intersection between the distribution of high-quality news and new modes of discovery through online search and social platforms. The rise of these new technology platforms presents new opportunities and challenges for commercial news media organisations such as The Guardian, as well as for traditional public service broadcasters that are the central subject of this review.
3. The need for policymakers to consider responses to these issues has escalated as platforms such as YouTube have become increasingly central to the lives of young people, and as it has become clear how the algorithms and business models of online search and social platforms can be exploited by third parties to the detriment of society and democracy<sup>1</sup>. While search and social platforms have brought many positives for society, the sheer abundance of information that is served to citizens via those platforms has increasingly flattened and assimilated the appearance of high-quality editorial content, alongside misinformation and low quality content. This makes it harder to discern high-quality journalism and other forms of content.
4. Research published by Ofcom<sup>2</sup> suggests that the UK public cares deeply about news and current affairs but face huge challenges in terms of being able to analyse and trust sources of news, finding that:

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<sup>1</sup> <https://publications.parliament.uk/pa/cm201719/cmselect/cmcmcomeds/363/363.pdf>

<sup>2</sup> <https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/news-media/navigating-news-online>

*“Continuous streams of news offer what felt to respondents like unlimited content to consume, and their design tended towards keeping respondents in-app, for example opening links to articles and videos within the app. This style of delivery often made judging or evaluating news content difficult, and news was increasingly indistinguishable from purely social media and entertainment. Respondents were often unsure of the sources of news articles, whether a particular article was news at all (rather than an advert or promoted content), or how it had reached them. Most are aware of the potential problems with online news – but don’t act on this knowledge, or rely on superficial cues... The majority of respondents were aware of the need to think critically, but did not put this into practice. Reasons included that it took too much effort, or that they believed they had an inherent ability to gauge the trustworthiness of the news they read ...*

*“Social media blurs the boundaries between news and other content, impacting people’s ability to critically understand what they see. For many respondents, social media was their primary route to news. On social media, news was aggregated alongside other content, providing a convenient ‘one-stop shop’ for content. Often, this meant that respondents didn’t realise certain stories were news, or did not treat them as such.”*

5. These findings build on evidence published by Ofcom which has suggested that levels of literacy about news and information served on search and social platforms are low<sup>3</sup>:
  - a. *“Although more than half of adults (54%) are aware of how search engines are mainly funded, almost one in five (18%) give an incorrect response, and almost three in 10 (28%) don’t know.*
  - b. *“Only half (48%) of search engine users are able correctly to identify advertising on Google, despite it being identified by a box with the word ‘Ad’ in it, and just under a fifth (18%) think that if something has been listed by a search engine it must contain accurate and unbiased information.*
  - c. *More than half (55%) of price comparison website users are not aware that the deals listed first might be paid-for content.”*

## Promoting news literacy

6. It is clear that a step change in literacy about news and information services online is crucial to ensure that citizens are empowered to make decisions based on sources of high-quality information. Through the Guardian Foundation – a charity in which GMG is a major investor – over the last 15 years our education centre has successfully run a programme to teach school-aged children how to

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<sup>3</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0011/113222/Adults-Media-Use-and-Attitudes-Report-2018.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0011/113222/Adults-Media-Use-and-Attitudes-Report-2018.pdf)

design a newspaper. Building on the success of that programme, the foundation has created a news literacy outreach programme, Newswise.

7. Newswise will help schoolchildren, aged 9-11 years old, to spot the difference between fake and high-quality news. From September 2018, Newswise's free teaching resources and lesson plans will be available online to all UK primary schools, with a number of schools selected for a personalised workshop. While this project is an optional part of the school curriculum, the pilot programme has been well-received by schools and pupils alike. GMG agrees with both the DDCMS select committee report on fake news<sup>4</sup>, and the European commission's high-level group on fake news<sup>5</sup> that an increase in news literacy has the potential to be good for decision making in society, and positive for commercial organisations that create high-quality journalism.
8. Such efforts to empower citizens with the skills necessary to distinguish between trusted sources of public service content and questionable sources of content are already essential in a world of digital text, pictures and video. However, such skills are likely to even more crucial as the distribution of news and information evolves to new technologies and formats.

#### The rise of streaming audio news

9. The rise of high-speed mobile data streaming has opened up new possibilities in the development of new forms of audio journalism. The parallel development of programmatic audio advertising - led by the Swedish company Acast, Gimlet and Panoply in the US - have created new opportunities to monetise news media podcasts. As Ofcom recently noted, nearly six million people in the UK now tune into in to a podcast each week<sup>6</sup>. Audio revenues represent a small but increasing revenue stream for GMG, with plans to invest more in this area. On 11th September, The Guardian announced that it will launch a new flagship daily podcast, hosted by Anushka Asthana, which will bring listeners closer to the Guardian's award-winning journalism and will be an essential part of the Guardian's daily offering across its digital platforms<sup>7</sup>.
10. In June 2018, Google announced the launch of a native podcast app, with its product manager saying that "*there's still tons of room for growth when it comes to podcast listening*", suggesting that "*creating a native first-party Android app for podcasts could as much as double worldwide listenership of podcasts overall*"<sup>8</sup>. Google is attempting to do for audio content what it has done for text and visual information. In doing so, it is trying to work out how Google AI can be used to index and serve audio content in new ways across

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<sup>4</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/digital-culture-media-and-sport-committee/news/fake-news-report-published/>

<sup>5</sup> <https://ec.europa.eu/digital-single-market/en/news/final-report-high-level-expert-group-fake-news-and-online-disinformation>

<sup>6</sup> <https://www.ofcom.org.uk/about-ofcom/latest/features-and-news/uk-podcast-listening-booms>

<sup>7</sup> <https://www.theguardian.com/gnm-press-office/2018/sep/11/anushka-asthana-to-host-the-guardians-new-flagship-daily-news-podcast>

<sup>8</sup> <https://www.theverge.com/2018/6/19/17475878/google-podcast-app-android-download-launch-date>

Google's suite of products and services. The industry may experience significant growth especially if Google develops the delivery of audio advertising programmatically.

11. Podcasting has historically been a fragmented market, due in part to the low cost of entry. Citizens have consumed podcasts through a variety of apps and content gateways such as Deezer and Spotify<sup>9</sup>. Google's ambition to "*double worldwide listenership of podcasts overall*" has the potential to consolidate the market within an app owned and designed by Google, which would in turn utilise Google AI to serve personalised recommendations to users. Podcasts are a highly personal form of media, providing a one-to-one connection between the podcast publisher, podcast host and the user. This intimacy is one of the reasons why users are drawn to the medium, and why advertisers recognise its value as a channel within the broader media ecosystem. The maturation of the podcast market raises a number of questions for a policy regime seeking to promote the discoverability of high-quality public interest content. These opportunities and challenges include:
  - a. Will these new gateways develop a monetisation programme that does not simply repeat the idea that traffic is sufficient return of value to podcast publishers?
  - b. How will brand attribution of publishers be preserved in a world of audio presentation?
  - c. On what basis will AI determine which podcasts are displayed within the app? How will the major players avoid mistakes made in relation to the algorithm behind recommendation engine on UGC platforms that has driven so much attention to viral, false and extreme content?
  - d. What standards will be put in place to prevent AI and recommendations leading users into a echo chamber of audio news content?
  - e. What safeguards will be put in place to prevent the use of this environment to spread misinformation, offensive and illegal audio content?

#### Using artificial intelligence to create "true answers"

12. The use of short snippets of high-quality information to underpin the products and services of tech platforms will grow in future in the context of machine learning. The use of data scraped from information available online, is used to power features such as Google's "one true answer" box. This box, in turn, powers other Google products such as Google Home and Google Assistant.
13. A recent example highlighted on Twitter found that a result at the top of search incorrectly suggested that the closing date for polling registrations in Texas was a month later than it actually was <sup>10</sup>. A mistake that was identified and highlighted by human beings, without a clear pathway to rectification other than by off-duty Googlers<sup>11</sup>, or friends of Googlers seeking to get problems fixed.

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<sup>9</sup> <https://www.theguardian.com/technology/2016/jan/23/five-of-the-best-apps-for-listening-to-podcasts>

<sup>10</sup> <https://twitter.com/dataKateR/status/1032689862015680512>

<sup>11</sup> <https://twitter.com/sbuss/status/1032691783556165632>

The danger is that this casual approach to the accuracy of news and information, or the reliability of a news source, becomes an acceptable casualty of a publish first, ask questions later form of publication. This approach contrasts sharply with that of responsible publishers of news and information – such as news media organisations – that have primary liability under law for the content that they publish, and well established processes through which readers can address requests for complaints and corrections.

14. Identifying and correcting errors and mistakes in relation to news and information published by search and social platforms is likely to become much harder as the search for news and information moves from text to audio. Conversational interfaces such as Alexa and Google Home require news and information to be structured with the insertion of metatags and markups so that algorithms can decipher the meaning. While multiple standards in this area continue to develop, the most popular standard - schema.org - was launched by Google, Yahoo and Microsoft. This means that, just as in the case of Google AMP and Facebook Instant Articles, it is tech companies that are determining how publishers need to structure their information, and making the insertion of metatags and markups, which can be a resource intensive process, a requirement of being discovered by these smart audio devices. There is a danger that only well-resourced publishers, motivated activists or state actors may have the incentive to invest in such structuring. These developments represent another indication of the degree to which it is tech companies, not news organisations, that are shaping the future of the online economy.

#### Political radicalisation on YouTube

16. In recent weeks, articles and studies by Danah Boyd<sup>12</sup>, Buzzfeed<sup>13</sup> and a report by Rebecca Lewis<sup>14</sup>, have sought to examine the rise of right-wing alternative influence networks on YouTube, but also to understand how YouTube’s user experience is designed to feed that content to its users via its algorithm. As Ezra Klein notes in a summary of the emerging debate about the role of YouTube as a home for reactionary right-wing alternative influence networks<sup>15</sup>, if the only outcome of recent research had been to find “*some commonalities between the sprawling network of right-leaning YouTube hosts, that would have been interesting, but it wouldn’t have attracted much notice. But the core of her paper is about how this new ideology is shaping, and being shaped, by the social media platforms it operates on.*”<sup>16</sup> What the research by Rebecca Lewis shows is that the effect of the YouTube algorithm is to create nodes that link

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<sup>12</sup> <https://points.datasociety.net/media-manipulation-strategic-amplification-and-responsible-journalism-95f4d611f462>

<sup>13</sup>

<https://newsletters.buzzfeed.com/campaigns/reports/viewCampaign.aspx?d=t&c=57F3E30BE9A0AE E6&ID=4BBFFC39418D21F2&temp=False&tx=0>

<sup>14</sup> <https://datasociety.net/output/alternative-influence/>

<sup>15</sup> <https://www.vox.com/policy-and-politics/2018/9/24/17883330/dave-rubin-ben-shapiro-youtube-reactionary-right-peterson?curator=MediaREDEF>

<sup>16</sup> <https://www.vox.com/policy-and-politics/2018/9/24/17883330/dave-rubin-ben-shapiro-youtube-reactionary-right-peterson?curator=MediaREDEF>

what might begin “in a relatively mainstream place can quickly get carried into deep depths of misogyny and racism.”<sup>17</sup>

17. This research builds on the findings of an investigation, published by The Guardian in February 2018, which detailed how the algorithm built by the YouTube is designed to engage users on the site. Former YouTube engineer Guillaume Chaslot told the Guardian, “YouTube is something that looks like reality, but it is distorted to make you spend more time online... The recommendation algorithm is not optimising for what is truthful, or balanced, or healthy for democracy.”<sup>18</sup> As Ezra Klein notes, “Extremism is interesting. That’s part of the YouTube right’s programming strategy and it’s part of YouTube’s algorithmic strategy. But whether anyone intends it to or not, this mixture of social, political, and algorithmic preferences for extremism means that a 17-year-old kid who begins watching videos on the YouTube right can get drawn into very dark places very fast.”
18. As Ofcom’s consultation document makes clear, “For young adults (16-34s), the consumption of non-broadcast sources (across all devices) is now greater than their broadcast-derived consumption. They watch subscription video-on-demand services (SVoD) for half an hour a day on average, but the largest chunk of their time is spent on YouTube, which they watch for an hour a day on average.” Indeed YouTube is increasingly central to the consumption of news and information in the UK and around the world. YouTube already represents a very significant source of news for teenage children in the UK. Ofcom’s latest survey on news consumption in the UK finds that amongst 12-15 year olds, the “most popular news source across platforms is BBC One/Two (45%), followed by Facebook (34%), then ITV (30%) and YouTube (27%).” A similar level of usage is also observed amongst teenage children in the US.<sup>19</sup>
19. But the absence of high-quality news and information on YouTube also speaks to a fundamental monetisation problem at the heart of the current structure of the digital economy. High quality news content is expensive to produce, yet the amount of revenue that news organisations can expect to generate through YouTube - and other distributed video platforms such as Facebook - is low. A September 2017 Digiday article suggested that publishers that have attempted to move into the creation of news video have struggled to monetise that content due to the fact that the vast majority of views of those videos have occurred on 3rd party platforms - so called distributed video - such as Facebook or YouTube. The article found that in terms of monetising “distributed video, it’s not as lucrative for several reasons. There are measurement gaps by companies that track social video, which limits publishers’ ability to sell their video audience to advertisers. There’s an issue of whether the video ad gets counted as being seen, which is dubious given how fast people scroll through their news feeds. Then, publishers have to take into account the share of revenue that the host platform keeps (45 percent in the case of Facebook’s mid-roll ads, the same as YouTube’s split). Bleacher Report said the CPM on its social video is roughly

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<sup>17</sup> *ibid*

<sup>18</sup> <https://www.theguardian.com/technology/2018/feb/02/how-youtubes-algorithm-distorts-truth>

<sup>19</sup> <http://www.pewinternet.org/2018/05/31/teens-social-media-technology-2018/>

*half what it gets on its own site. For USA Today, the ad rate on social video is one-third to one-half what it gets on its own site. One video exec at another premium publishing company said that while video on the publisher's own site can command a \$70 CPM, on Facebook and YouTube, the effective ad rate drops to around \$20.*"<sup>20</sup>

20. As in the case of commercial structure incentives within the wider digital advertising market, the monetisation of high-quality journalism via 3rd party platforms is exceptionally hard. If users are generally likely to favour videos that tend towards more extreme political views, and the algorithms that service those videos cater to and feed that instinct, that makes it less likely that news video that demonstrates balance, accuracy and impartiality are likely to be shared and watched widely. Given the low monetisation rates for distributed video on both Facebook and YouTube, it is difficult to see how these platforms could incentivise the commercial creation of high-quality content without some form of regulatory intervention. This business model problem risks creating a further vacuum of authority at the heart of the online news economy, incentivising the creation of online news video content either that attempts to cater to viral extremes, or the production of videos that resourced on the basis of an ideological mission.

21. Google YouTube appears to have recognised the potential impact of this business model problem on the quality of news and information that is surfaced on its platform, announcing a \$25 million fund in July 2018<sup>21</sup> that will focus on “*supporting the news ecosystem's long-term success in online video—with a special focus on YouTube.*” This funding is welcome, but must be set in the context of an online news video ecosystem that is likely to require significant and sustained financial and policy interventions by both the platforms, as well as third party regulators such as Ofcom, to incentivise the emergence of a sustainable model of monetisation, as well as a clear coherent approach to the discovery of high-quality news video by the end user.

## Funding and finding high-quality news content

22. GMG is one of a number of national and local publishers that are diversifying revenue streams in order to continue funding investment in high-quality public interest journalism. GNM has continued to grow its base of paying supporters, members and subscribers to print and digital products. Some supporters subscribe to products while others make voluntary contributions on a recurring or one-off basis, primarily because they believe in our journalistic mission and wish to support the Guardian. As of 30 June 2018, GNM had 570,000 regular supporters across these categories, and has received an additional 375,000 one-off contributions from around the world in the past 12 months.<sup>22</sup> The success of this approach relies on many factors, including the quality of our journalism, our editorial heritage, our open model, our independent ownership structure

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<sup>20</sup> <https://digiday.com/media/pivoting-video-publishers-face-big-monetization-gap/>

<sup>21</sup> <https://www.blog.google/outreach-initiatives/google-news-initiative/building-better-news-experience-youtube-gni/>

<sup>22</sup> *Ibid*

and our global scale. At a local level, a range of local news providers - such as the Ferret and Bristol Cable - are emerging locally using a similar model of funding. It is vital that as well as building new innovative models to fund high-quality public service content, that this content can be found within the environments of the technology platforms where citizens spend an increasing proportion of their time.

23. Research from both the Reuters Institute and the US-based Pew Research Centre has suggested that there are significant issues with the ability of users to recall the name of the source of the news that they consume within online search and social environments<sup>23</sup>. The rise of aggregated environments in which users consume news, combined with the creation of formats that flatten the appearance of news, and demote the prominence of news branding, make it increasingly difficult for citizens to identify the source of information. Therefore in combination with an increased focus on educating citizens, young and old, about the nature of the information they are seeing online, and how and why they're seeing that content in search or newsfeed, it is essential that platforms recognise that enhanced brand attribution of high-quality news sources is as important to the quality of the product, as technical excellence in areas such as the latency of article formats.
24. GMG has previously raised a number of concerns about the impact of search and social environments on the consumption of high-quality news in its 2015 response to Ofcom's third review of Public Service Broadcasting, saying,

*“that there are significant questions for policymakers about how consumers access news content with inherent public value via search and social platforms, the consequences of such a discussion are not confined to those organisations that have historically benefited from the established PSB regime. The increasing scale and power of digital intermediaries such as Facebook and Google means that these companies can – in addition to generating revenues from advertising - also generate revenues from publishers, in the form of payments from news media companies to prioritise content within the search page or news feed.*

*On the Facebook platform, these payments manifest themselves in tools such as the Boost button, which enables publishers to purchase prioritized display within users' news feeds, which could in turn drive greater traffic to those publishers. In the case of Google, publishers can purchase sponsored links that appear prominently on the first page of a search page with the aim of users accessing that sponsored content, again driving greater traffic. Not only do such paid links provide prominence, but GMG understands that publishers who use this service are provided with much more granular insight into how referrals were made to that content, as opposed to analytics provided to publishers whose content was found via organic, non-paid search.*

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<sup>23</sup> <http://www.journalism.org/2017/02/09/how-americans-encounter-recall-and-act-upon-digital-news/>

*It is in the interests of all news media publishers – not just the BBC and other established PSBs - to surface the case for potential legislative interventions that may be required to answer questions such as: how do search engine algorithms determine which website links appear in an organic search page? What is the level of data provided to publishers referred to as a result of organic search, as opposed to paid links within a search page? What level of detail should platforms provide to publishers about who is consuming their content and how it is being consumed? How do news articles enter social platform news feeds, and what are the rules around paid prioritisation of content within those feeds? Is there a case for must-carry type interventions in the digital world to ensure that users of dominant search and social services are exposed to a wide range of content that has public value?”*

25. Ofcom’s present consultation asks “*What types of [PSB] content should benefit from prominence?*”. GMG believes that this consultation provides the opportunity for Ofcom to consider what future role it might play in ensuring the prominence of a broader category of public service content. For example, in the midst of ongoing debates about the distribution of fake news and misinformation on search and social platforms, there have been multiple, ongoing attempts - through conferences and working groups - to define such an identifier. But this is too often a conversation that has been owned by the platforms themselves<sup>24</sup><sup>25</sup>, or by third party NGOs and voluntary groups<sup>26</sup> whose funding often comes from the platforms. This has the effect of privatising discussions and decisions about the facets and characteristics of high-quality news organisations, rather than this debate taking place in a transparent, evidence based way in the public sphere.
26. The development of such an input should not just include the output of public service broadcasters that it currently regulates, but also a much broader range of publishers of high-quality journalism. GMG is not advocating that Ofcom should become the regulator of the entire ecosystem of commercial news media, but rather makes the point that Ofcom is well placed to use its long experience as a media regulator with responsibility for media plurality, and of undertaking regular reviews into news consumption in the UK, to identify the relevant facets of a high-quality publisher of public service content. The creation of such an input could then be used as part of discussions with online search and social platforms in relation to issues such as the transparency of algorithms, and the purpose for which they are attuned. It could be used as an input to help understand the composition of news distribution through newsfeeds, chat networks, and video-sharing websites, as well as helping to answer broader questions about the quality of news and information that is being served to UK citizens.
27. Without such a definition - and action to potentially create a prominence regime that promotes the discovery of news media content that accords with

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<sup>24</sup> <https://thetrustproject.org/>

<sup>25</sup> <https://www.facebook.com/facebookmedia/blog/launching-new-trust-indicators-from-the-trust-project-for-news-on-facebook>

<sup>26</sup> <https://rsf.org/en/news/rsf-and-its-partners-unveil-journalism-trust-initiative-combat-disinformation>

that definition - there is a danger that the debate about fake news and misinformation will focus solely on the technological arms race to prevent the distribution of suspicious news and information on search and social platforms. With such a definition in place, policy makers could instead commence a more positive discussion about the extent to which there should be policy interventions to ensure the widespread availability and discoverability of high-quality public service news and information - produced by both existing PSBs and a broader category of high-quality news media organisations - within existing and developing search and social media environments.

**Guardian Media Group**  
**October 2018**