

Submission to the Future of Media Commission from Journal Media January 2020

Journal Media is a digital publisher of news. It publishes *TheJournal.ie*, one of the main digital sources of news in Ireland, as well as community-led investigative journalism platform *Noteworthy*, misinformation unit *TheJournal FactCheck*, and sports publication *The42*. It was set up in 2010 and today employs over 65 people, the majority of whom are journalists.

TheJournal.ie engages over one-third of the Irish online audience each week¹. This makes it one of the three top Irish news sources accessed by the Irish public online and a key player in the digital news landscape. Our core business is digital advertising and we operate solely in the Irish market.

For this submission, guided by the suggested template, we have focused on three issues: a) how the shift in advertising revenues towards big tech firms hinders the future of print, online and broadcast media and the Public Service Content they produce; b) what should Public Service Media role be in relation to the wider media ecosystem; c) what system could support high quality, independent journalism produced by Public Service Content Providers.

What does the shift in advertising revenues towards big tech firms mean for the future of print, online and broadcast media?

Big tech firms capture the largest share of advertising revenue and they continue to grow their share, outpacing the overall market growth.

Advertising plays a significant role in making *Public Service Content* available for free or at a lower cost to the public. The shift in advertising revenue towards big tech firms threatens *Public Service Content Providers* across media channels and affects the financial sustainability of *Public Service Media*.

The latest IAB / PwC Online Adspend Study claims that total digital ad spend in 2019 in Ireland was €673m². IAB is not explicit on their estimate captured by big tech firms, but

¹ Reuters Institute [Digital News Report 2020](#)

² Digital advertising spend in the Irish market for 2019 reached €673m according to the latest results of the IAB PwC Online Adspend report, reflecting a growth rate of 17% year on year.

Display advertising grew by 30% to €326m in 2019, which was driven by the growth of Social with a 39% year on year (YoY) increase and Video with a 42% YoY growth rate.

it is evident from this - and similar UK or European studies - that the lion's share of digital advertising was captured by these firms (ie. over 75% in 2019 in Ireland³) and more importantly that their growth has been outpacing the market growth.

Based on their scale and capabilities - as well as the trajectory of the last decade - it is clear that the dominance and advertising market share of these firms will continue to increase, shrinking broadcasters', print and digital publishers' opportunity. **This impairs the viability of publishers and broadcasters that rely on advertising as a source of revenue**, many of whom provide necessary *Public Service Content*.

So far - clearly linked to the revenue challenges outlined - there has been consolidation of ownership, a reduction in resources resulting in shrinking newsrooms' capacity and closure of titles with the subsequent job losses. **It is evident that as advertising revenue continues to shift there will be further closures and fewer resources available affecting the volume and quality of *Public Service Content*.**

Broadcasters and publishers have looked at alternative sources of revenue to compensate for shrinking advertising revenues. These have included leveraging assets and diversifying revenue through events, awards, education, merchandise, etc, as well as increasing the revenue generated directly from the public accessing content.

We have seen increased prices for newspapers as well as the proliferation of paywalls marking a clear shift towards paid for content. This may not be problematic in itself, but only as long as diverse free options of *Public Service Content* remain available to the public.

Keeping *Public Service Content* from diverse sources free and available to the public is therefore critical and should be a primary objective to alleviate the challenges presented by shifting advertising revenue.

It is essential to make the value of *Public Service Content* clear to the public if we want to have a sustainable future where publishers and broadcasters produce it

Search advertising grew by 7% in 2019 with an ad spend of €306m and a share of 45% of the total Irish digital advertising market.

(source IAB Ireland:
<https://iabireland.ie/irish-digital-advertising-spend-grew-by-17-in-2019-according-to-the-latest-iab-pwc-online-adspend-study/>)

³ Page 20 - IAB Pwc Online Adspend Report for 2019 - Graph

and make it available. This could become attainable by helping fund *Public Service Content Providers'* efforts.

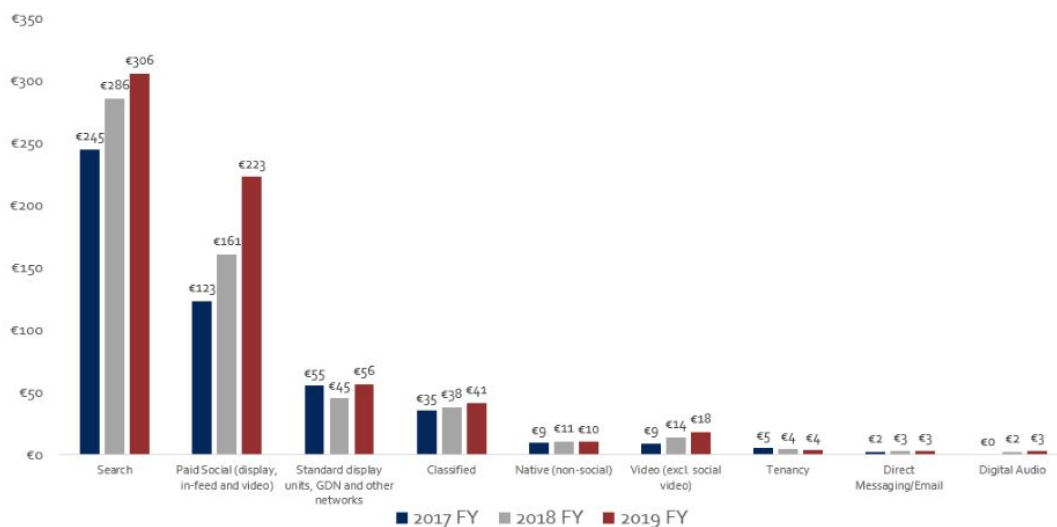
Educating the public on misinformation techniques; engaging the public in events or topics that might be difficult to access or cover; investing in making valuable information clearer and more accessible; fighting disinformation through fact-finding and fact-checking programmes; identifying societal issues underrepresented in news coverage are some examples of how we demonstrate the value of *Public Service Content* and build trust with the public.

These are costly but important efforts that need to be supported until a sustainable business model suitable for the way people consume information today becomes clear and is not under threat from the dominance of a few firms in the market.

Detailed digital media mix



Historic detailed digital media mix (€m), FY 2017 – FY 2019



Figures and percentages are rounded
 *Email includes Publisher email advertising, Twitter Messaging and LinkedIn Messaging/In-Mail
 Source: IAB / PwC Online Adspend FY 2019

How should Government develop and support the concept and role of public service media and what should its role in relation to public service content in the wider media be?

A fundamental objective of State support for *Public Service Media* is to enable the *Public Service Content* it funds to be distributed to as wide and diverse an audience as possible.

The current use of *Public Service Content* produced by State-funded *Public Service Media* is largely restricted to distribution solely on those media outlets' own platforms. This limits the potential of this content to reach audiences who do not use these platforms as a primary source of news and other *Public Service Content*.

An obvious solution to this ceiling on reach would be to **make that content which is funded by the public purse available to the wider media for repurposing and redistribution to their audiences**. It creates an efficiency for *Public Service Media* to access a more diverse audience for its content through platforms and publications that have already established loyalty and trust with audiences who find it otherwise difficult to see themselves and their interests reflected, for example, in matters of religion, gender, race, disability, sexual orientation, age and so on.

Making this content available more widely is a starting point; supports should also be created to encourage *Public Service Content Providers* to find innovative ways of repurposing and redistributing that will best suit the consumption habits and interests of their users. This could include the creation of products and services that tackle accessibility issues such as literacy, language and infrastructural barriers.

This content partnership between *Public Service Media* and independent media outlets represents advantages to both. It extends the value, relevance and reach of content which has already been funded by the taxpayer, building on the current audience for such content rather than detracting from it.

According to the most recent Reuters Institute Digital News Report for Ireland, the number of news consumers relying primarily on traditional sources such as TV, radio and print has moved from 31% in 2017 to 23% in 2020⁴. A vital step in engaging diverse audiences that exist outside the notion of a centralised *Public Service Media* - which largely comprises traditional broadcast media - is to ensure key *Public Service Content* makes the journey to those demographics on the platforms where they are more likely to seek out their information.

This sharing of publicly-funded *Public Service Content* should apply also to the significant archives of *Public Service Media* which otherwise remains a largely

⁴ See graph, page 19 of Reuters Institute [Digital News Report \(Ireland\) 2020](#)

It is also noted that older audiences are most likely to be "traditionalists" while younger audiences are much less likely to use broadcast and print media as a primary news source.

untapped resource for the public. It currently exists as a national archive that is funded and maintained by public money but there are understandable constraints on *Public Service Media's* ability to fully exploit its potential to educate and inform.

It would be a useful exercise to allow independent *Public Service Content Providers* to access this resource without constraints and ensure a more extensive and creative distribution of this trove of context and information. Support should be provided to projects which allow such producers to find new ways to present this material to their audiences in order to deepen the public's understanding of the social, cultural, economic and political progression in Irish society.

What systems may be required to support and sustain public service content, e.g. high quality, independent journalism, in an increasingly competitive and consolidated market?

To create an environment where citizens across all demographics have an opportunity to access good quality information, there has to be a plurality of *Public Service Content Providers* in order to reflect the plurality of *Public Service Content* consumers.

Implementing systems that, a. develop *Public Service Content Providers'* capabilities and, b. provide specific stimuli for these providers to focus on content that is of the highest value to the public would foster the growth and sustainability of such an environment.

A. *Building Public Service Content Provider capabilities*

One way to support *Public Service Content Providers'* efforts towards sustainability would be to **create a mechanism through which organisations could carry out projects and pilots to test new ways of supporting their Public Service Content output.**

These providers must be given breathing space to develop new business models whose objective is to sustainably fund this content into the future.

An international example of such a scheme is the Google Digital News Innovation Fund, whose aim was not to fund content directly but to support projects which allowed publishers to explore new business models, among other efforts on the road to sustainability⁵.

⁵ The development of Journal Media's community-led and crowdfunded investigative journalism platform, [Noteworthy](#), was co-funded through a grant from the [Google DNI Fund](#).

These efforts could also include, but may not be limited to, explorations of new technologies that improve news consumers' experience, increase engagement and trust; projects that protect and futureproof misinformation-fighting products and cultivate improved news literacy among the public; and projects that amplify local, community and less mainstream issues of concern to the public.

A funding programme for projects such as these, aimed at building capability, would be a key way to support and sustain high quality independent journalism.

B. Stimulating and supporting specific *Public Service Content* creation

The State should **make financial supports available for that content which exemplifies high-quality Public Service Content**. This content - investigative journalism, fact-checking, reporting of issues affecting minority audiences, social justice concerns - is, as previously stated, the most costly to produce. The dual challenge for media of producing resource-intensive content in a challenging commercial environment is one that requires State support of specific content initiatives.

We note and welcome the recent announcement of the Global Ireland Media Challenge Fund⁶ by the Department of Foreign Affairs, an open competition intended to support media coverage of global developments impacting in Ireland. It is an encouraging start and we are hopeful that the expansion of both the scale and scope of these types of funding initiatives will be ramped up.

With disinformation flooding our social networks and impacting on public perception and decision-making, and distrust in a contracting and under pressure media growing, an emergency approach is needed to allow good quality information to rise to the surface. **Open competitions, not limited to publication on Public Service Media or broadcast media, should be established to commission content which actively challenges the pandemic of misinformation and creates good quality information packages as a corrective measure.**

Journal Media is available and willing to contribute further to the Commission's enquiries regarding the Future of Media in Ireland.

⁶ [Global Media Fund launch release](#) from Department of Foreign Affairs