

### **Plurality: additional analysis**

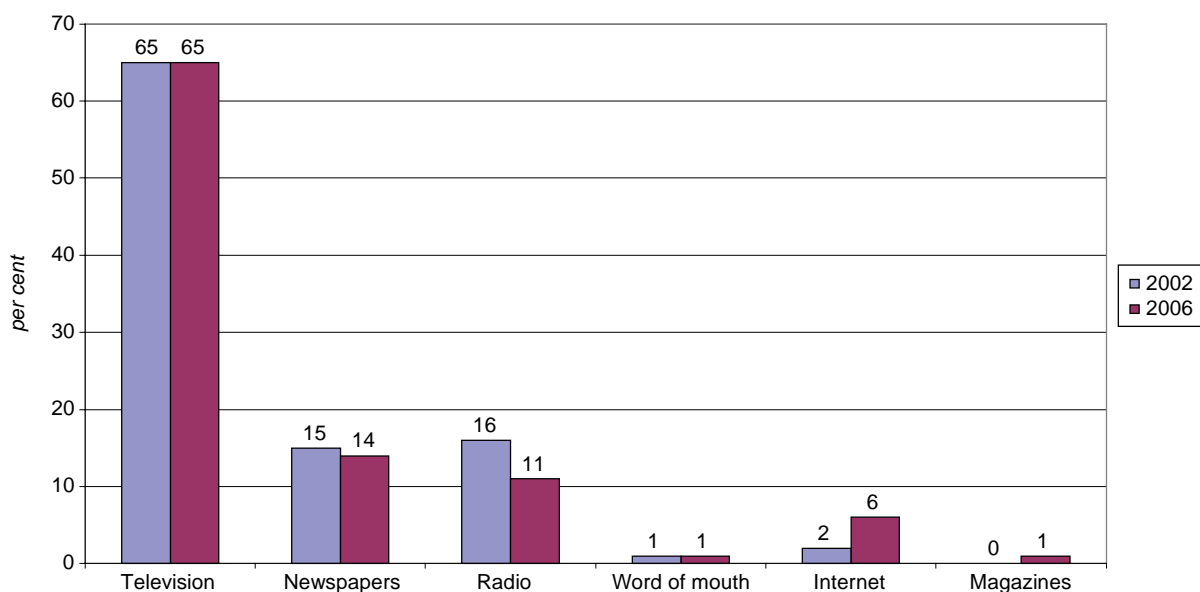
1. In this appendix we present evidence relating to the plurality assessment from three sources:
  - (a) analysis conducted by Ofcom of individuals' news consumption by media;
  - (b) analysis of data from two surveys (TGI and Touchpoints), relating to individuals' active consumption of news from different sources; and
  - (c) responses from newspaper groups to a questionnaire that we sent to them.

#### **Ofcom analysis of news consumption by media/platform**

2. On 26 June 2007, Ofcom published a report, entitled *New News, Future news: the challenges for television news after Digital Switch-over*. Here we reproduce some of the evidence presented by Ofcom in that report.
3. Figure 1 shows the most important platforms used for news in 2002 and 2006. Individuals were asked to identify their main source of news.

FIGURE 1

**Main platform used for news, 2002 to 2006**

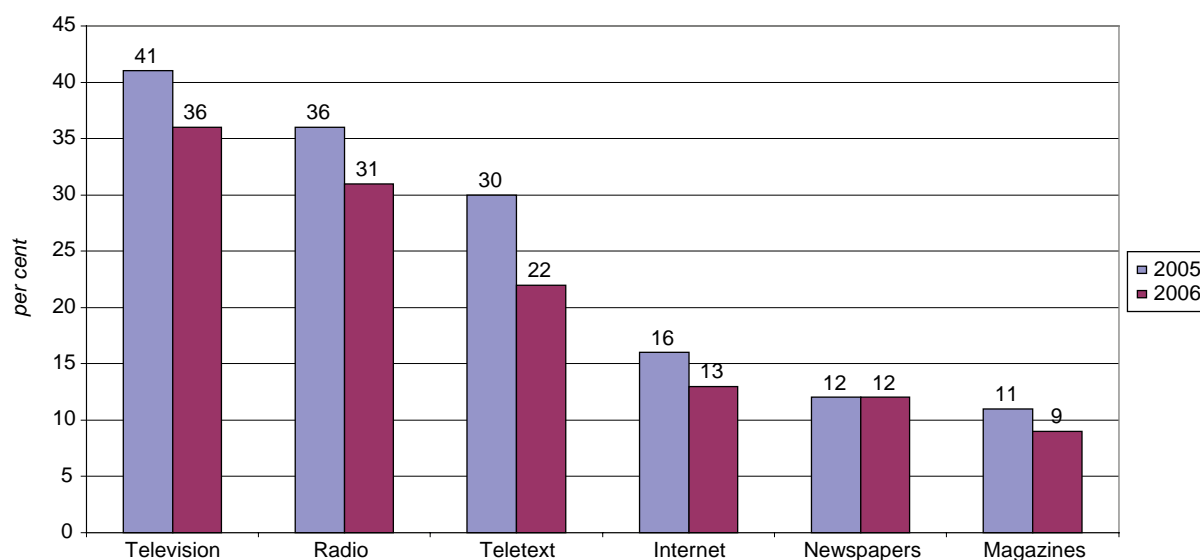


Ofcom survey of adults (16+): asked to identify their main source of news. N=2,216.  
 Source: 'Annexes to New News, Future News', Ofcom, 26 June 2007, Figure A1.9.

4. Figure 2 shows the extent to which people perceive different news platforms as being impartial.

FIGURE 2

**Perceived impartiality of news platforms, 2005/06**

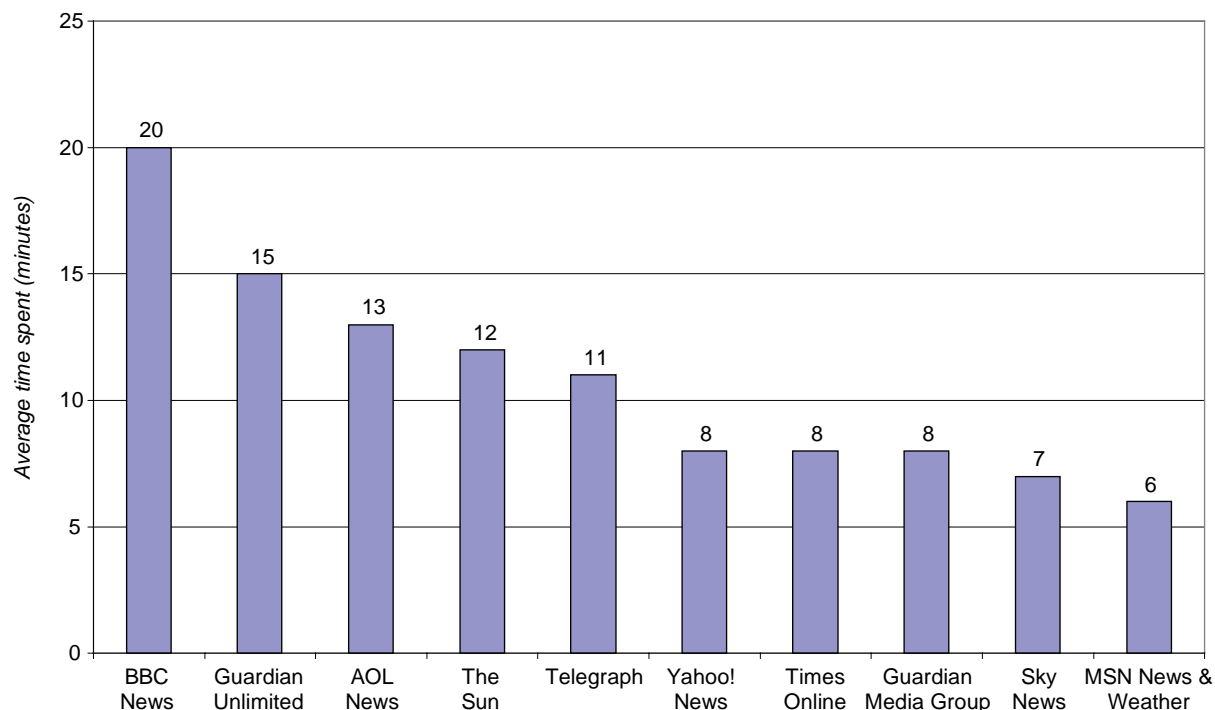


All adults - % saying impartial, N=1,400.  
 Source: Ofcom Residential Tracker. 'Annexes to New News, Future News', Ofcom, 26 June 2007, Figure A1.22.

5. Figure 3 shows the top ten news websites, ranked by the average time spent by a visitor. Seven of these sites are connected to established media outlets.<sup>1</sup>

FIGURE 3

**Top news websites by average time spent by a visitor, September 2006**



Nielsen/NetRatings.

Source: Annexes to *New News, Future News*, Ofcom, 26 June 2007, Figure A2.28.

**Results of analysis of TGI and Touchpoints data**

6. We examined data from TGI and Touchpoints to help us investigate the pattern of news consumption across media; similarities and differences in news consumption across demographic groups and nations (England, Wales and Scotland); and the extent to which customers combine a range of news sources and in particular the extent of overlap between consumption of ITV news and of Sky News and/or News International newspapers.

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<sup>1</sup>Of the ten sites shown in Figure 3, AOL News, Yahoo! News and MSN News and Weather are not connected to an established media outlet.

7. TGI is a quarterly survey run by BMRB with a total sample size of around 25,000.<sup>2</sup> The TGI data that we examined relates to fieldwork conducted between January 2006 and December 2006. Touchpoints was a survey conducted by the IPA in 2005 to investigate customers' cross-media behaviour. It had a total sample size of 5,010. Neither survey was conducted with the objective of informing the CC's analysis. Of the two surveys, the TGI survey is larger and more recent, and is the basis for the data presented here. We used the Touchpoints survey as a secondary source on some points.
8. We used the questions asked by TGI to identify those customers who actively used particular news sources. The definitions that we used to define active news consumption are shown in Table 1.

TABLE 1 **Definitions of active use of particular news sources**

<b>Active use of media platforms</b>	
Television	'I usually or sometimes watch news/current affairs on TV'
Radio	'I specially choose to listen to news/current affairs on the radio'
Newspapers	'I am very or fairly interested in reading newspapers for' local news OR National news OR European news OR other foreign news OR business/company news [ <i>Note: 88 per cent of active newspaper users are very or fairly interested in national news</i> ]
Magazines	'I am very or fairly interested in reading magazines for' national news OR European news OR other foreign news OR business/company news'
Internet	'I visit sites on news'
<b>Active use of specific media outlets</b>	
BBC	'I specially choose to watch' BBC Six O'Clock News OR Ten O'Clock News OR The One O'clock News
ITV	'I specially choose to watch' ITV Evening News OR ITV Late Evening News [ <i>ITV lunchtime news not included. TGI estimates that this understates ITV1 news viewing by 3-4%.</i> ]
Channel 4	'I specially choose to watch' Channel 4 News
Sky News, CNBC, CNN International, EuroNews	'I watched [ <i>channel</i> ] today / yesterday'
Specific newspaper titles	'I read [ <i>Newspaper</i> ] almost always/quite often'

Source: TGI.

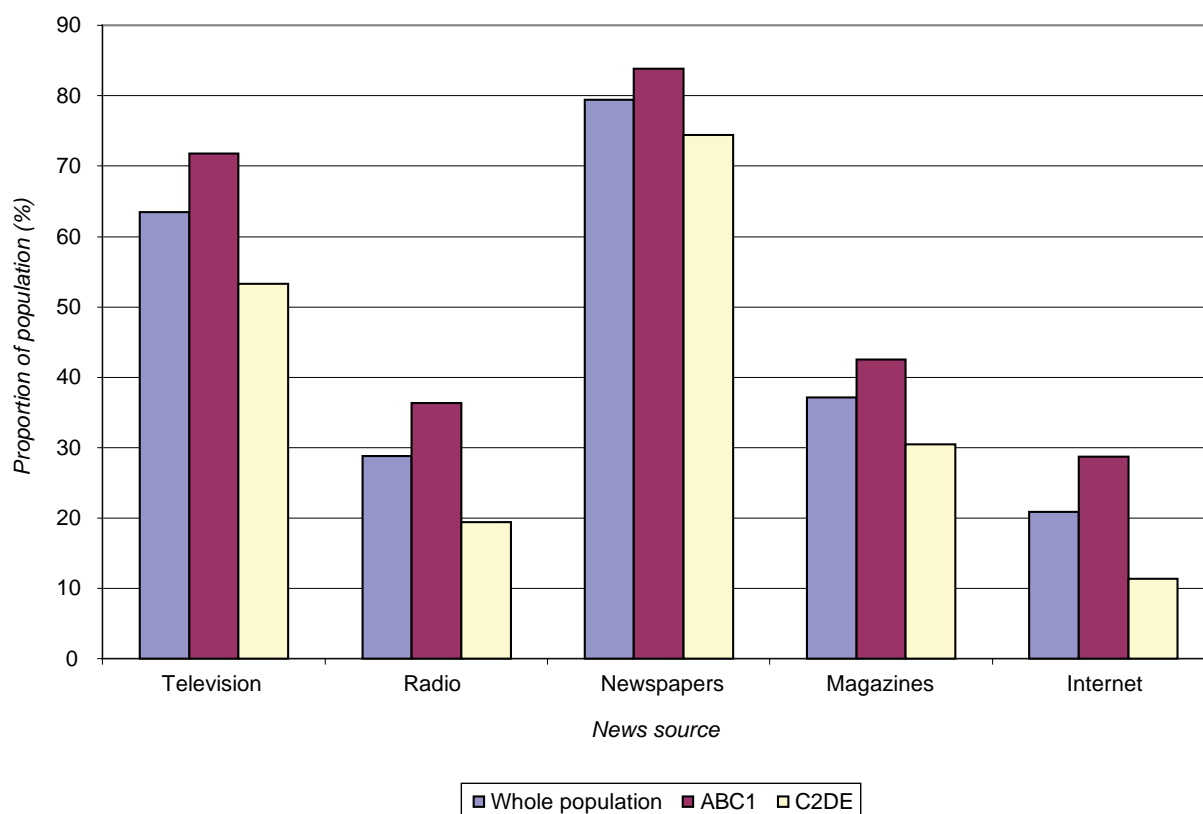
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<sup>2</sup>We used sub-samples to analyse active news consumption by social group and nation. The relevant sample sizes were as follows: ABC1 11,415; C2DE 13,081; England 21,148; Scotland 2,352; Wales 1,000. We also analysed news consumption of sub-groups, based on their active use of Sky News, News International and ITV News. The sample sizes used for this analysis are shown next to the relevant charts.

9. There are some gaps in the coverage of television news in the TGI survey. In particular, the TGI survey does not ask about Five News, BBC News 24 or the ITV1 lunchtime news. Analysis based on this survey will therefore tend to overstate the importance of those channels that are included (including Sky News) and understate the importance of the BBC and, to a lesser extent, ITV. We note, more generally, that there is a risk in any customer survey of this nature that respondents may feel that they ought to be consuming news, and may therefore overstate their actual levels of consumption.
10. Figure 4 shows the proportion of customers who actively take news from different media platforms.

FIGURE 4

**Proportion of the population who actively use news by media**



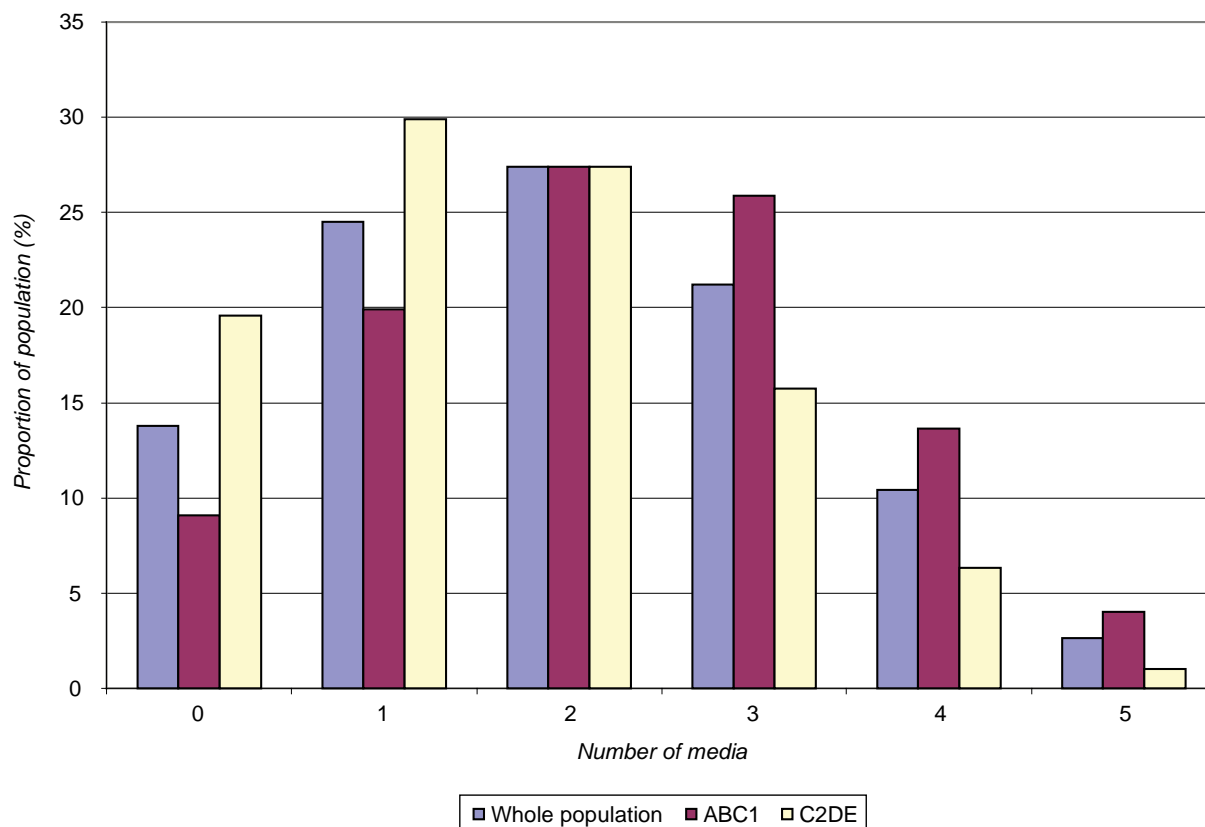
Source: TGI.

11. Figure 5 shows the number of different media platforms through which customers actively take news. A significant minority of the population (between 10 and 15 per

cent) have no active interest in news. More than half of the population actively consumes news through more than one medium.<sup>3</sup>

FIGURE 5

**Number of different media platforms through which customers actively take news**



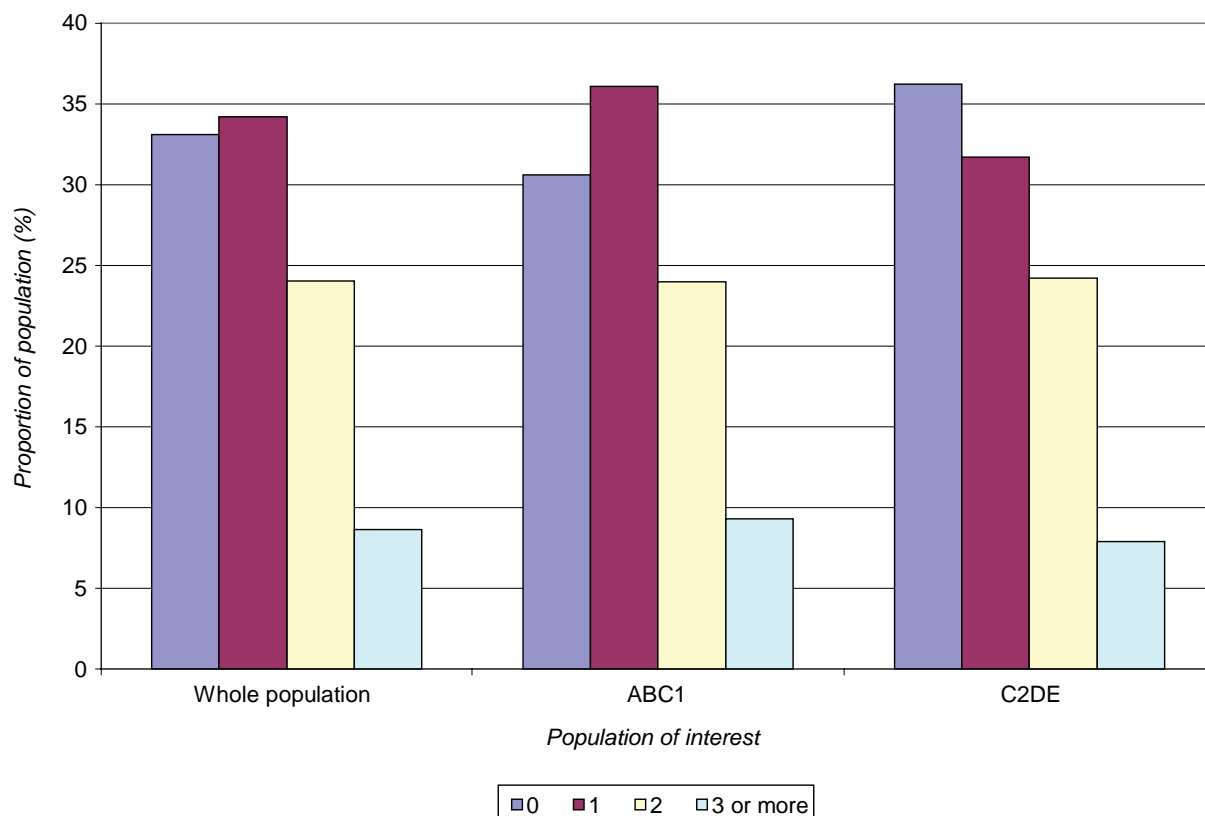
Source: TGI.

12. Figure 6 summarizes the number of different channels on which customers actively watch television news. About a third of the population do not actively watch television news; around a third actively watch television news from one source; and around a third actively watch from more than one source.

<sup>3</sup>Other data sources (eg Touchpoints, Ofcom) show a similar pattern of multi-sourcing. For example, Ofcom found that individuals use an average of 3.8 news platforms. Source: Ofcom, 'Annexes to New News, Future News', 26 June 2007, paragraph A1.88.

FIGURE 6

**Number of different channels on which customers actively watch television news**



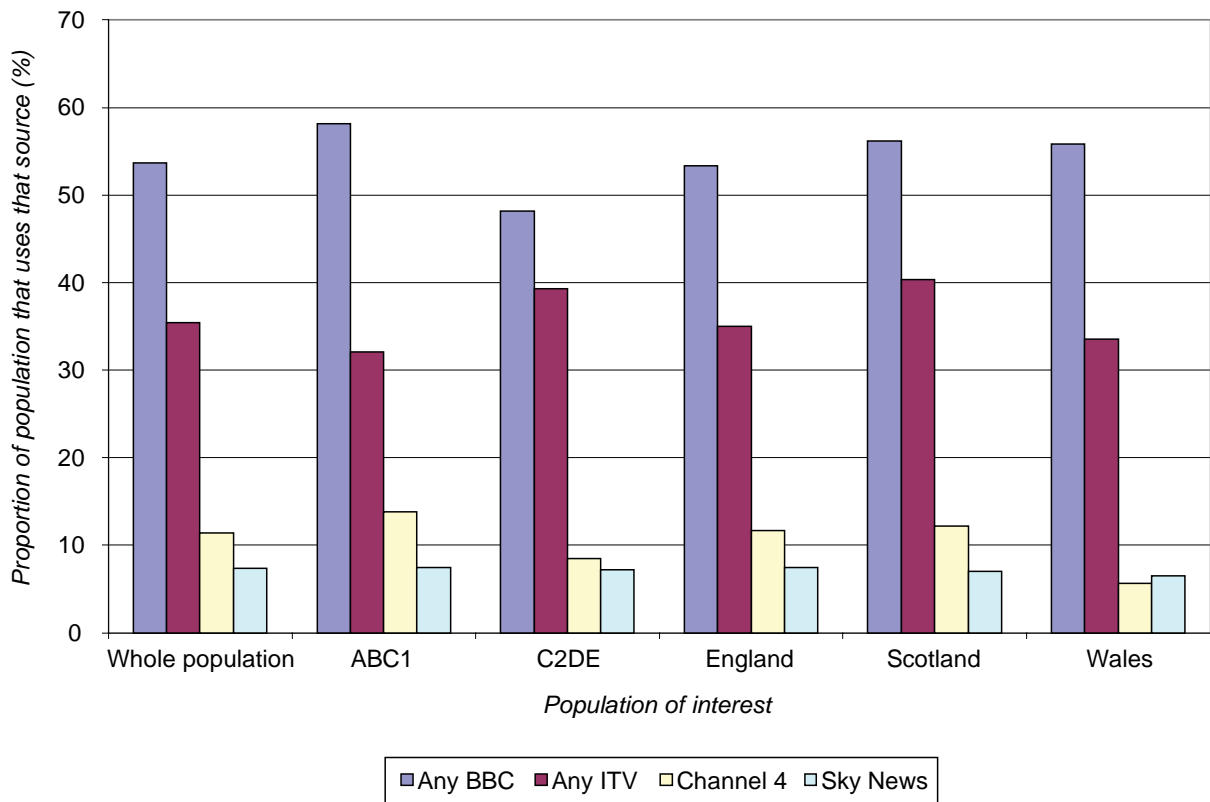
Source: TGI.

- Figure 7 shows the main active television news sources by demographic group and nation. BBC is the most widely watched news provider followed by ITV1 for all groups. ITV is relatively stronger with C2DEs and in Scotland. BBC is relatively stronger with ABC1s. Channel 4 is relatively strong with ABC1s and has low numbers of viewers in Wales compared with the rest of the UK.<sup>4</sup>

<sup>4</sup>Touchpoints data shows a similar pattern. BSkyB submitted an analysis of weekly reach using BARB data (the weekly reach of a channel in this analysis was defined as the proportion of the population who watch that channel for 15 minutes consecutively at least once during the week). This produced similar figures to TGI in general, though BSkyB's weekly reach using BARB data was estimated at 3 per cent, whereas 7 per cent of the population actively watch Sky News using TGI data.

FIGURE 7

**Active television news sources by demographic group and nation**



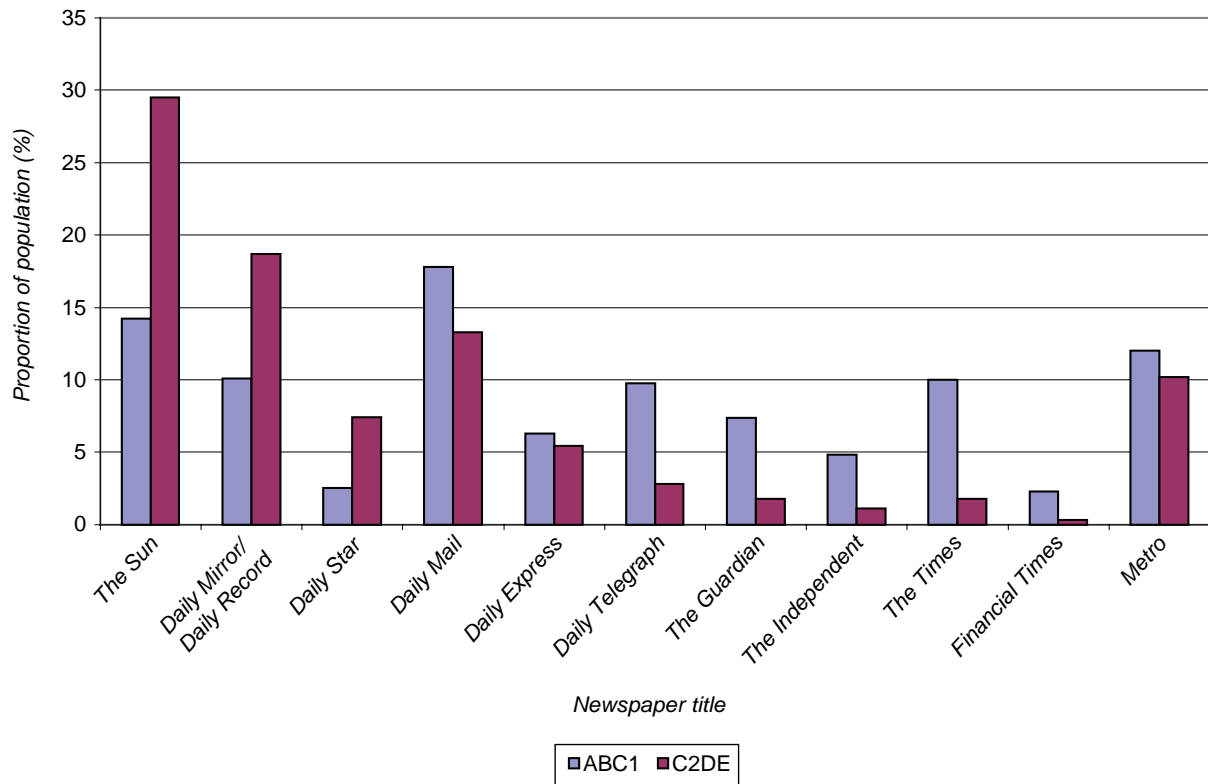
Source: TGI.

14. Figures 8 and 9 show active readership of daily newspapers by social class and nation.<sup>5</sup>

<sup>5</sup>Of the daily newspapers presented here, *The Sun* and *The Times* are published by News International. Touchpoints data shows a similar pattern.

FIGURE 8

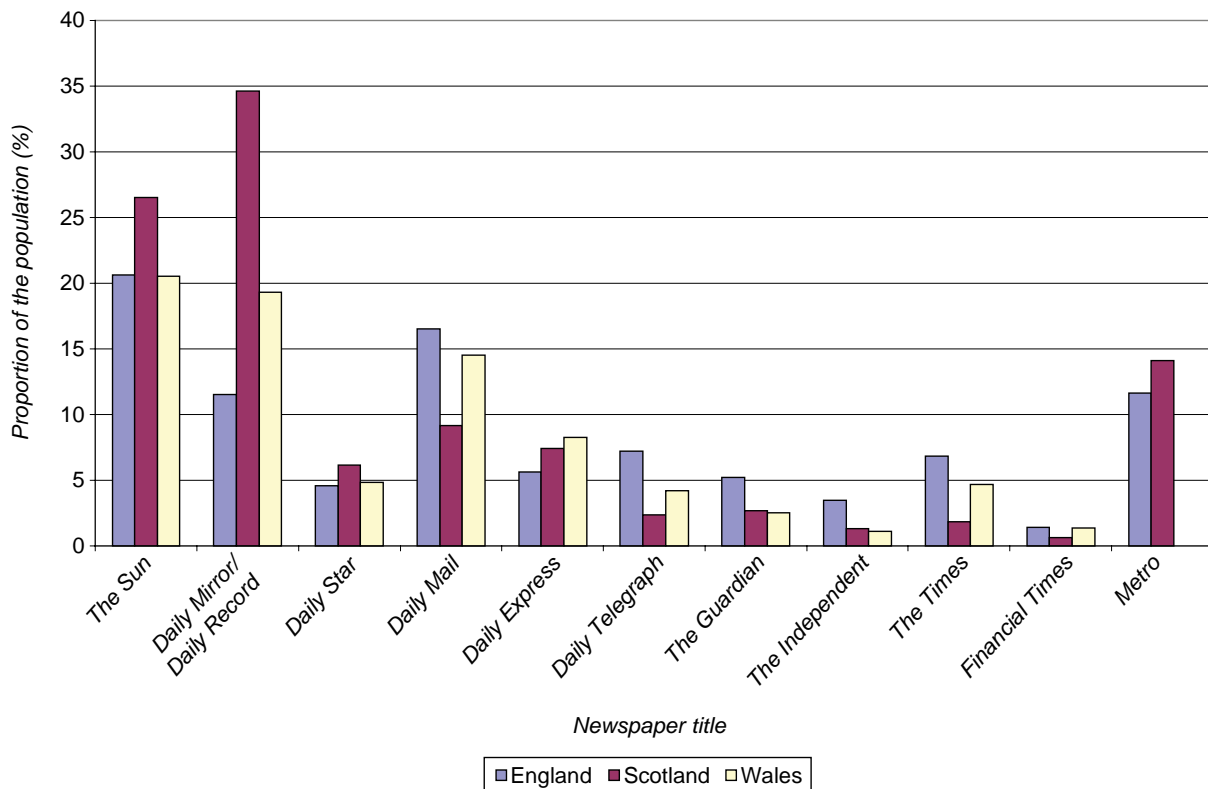
**Active readership of daily newspapers (Monday to Friday) by social class**



Source: TGI.

FIGURE 9

**Active readership of daily newspapers (Monday to Friday) by nation**

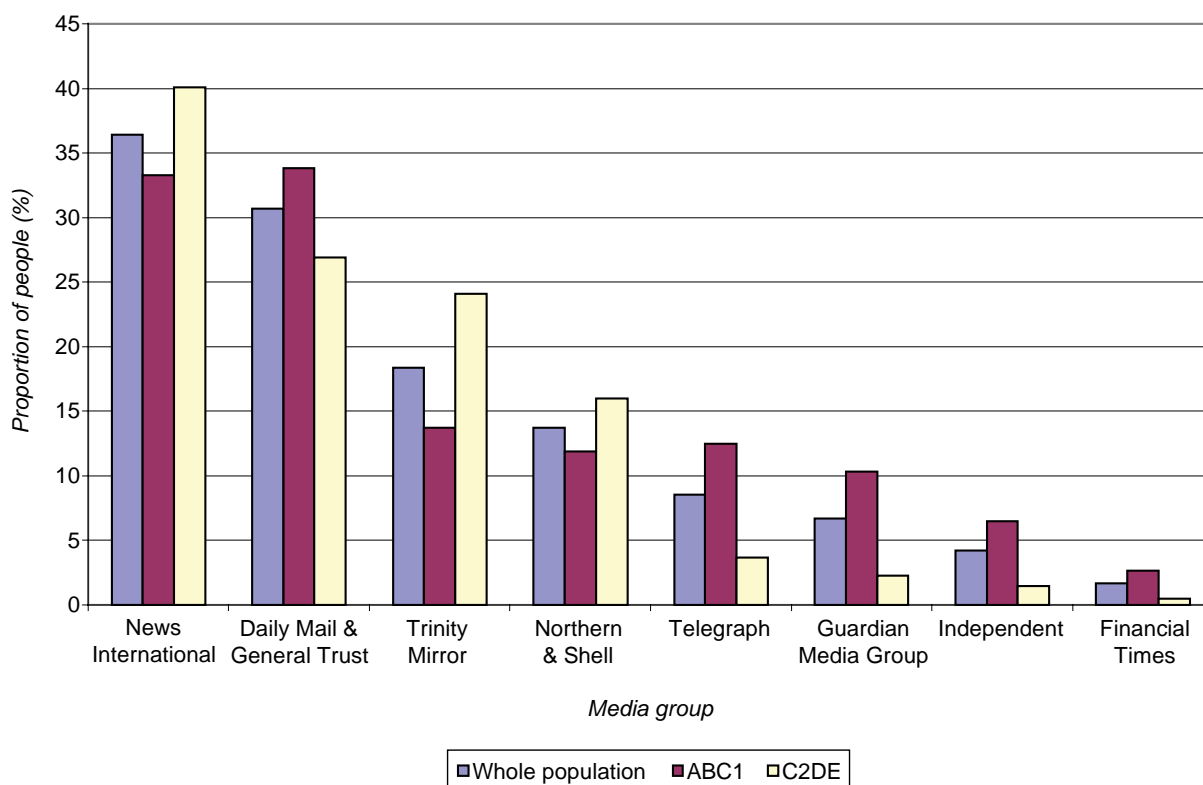


Source: TGI.

15. Figure 10 shows the proportion of the population who actively read at least one newspaper from each of the main media groups.<sup>6</sup>

FIGURE 10

**Proportion of the population who actively read at least one newspaper from each of the main media groups**



Source: TGI.

16. TGI estimates that around 4 per cent of the population actively watch both Sky News and news on ITV1.<sup>7</sup> We call this group the ‘Sky News/ITV1 overlap group’.

17. Figure 11 shows the extent to which members of the Sky News/ITV1 overlap group also watch TV news on other channels.<sup>8</sup> More than three-quarters of the Sky News/ITV1 overlap group also actively watch news from the BBC and about a fifth also

<sup>6</sup>The main national newspapers published by News International are *The Sun*, *The Times*, *The Sunday Times* and the *News of the World*. The main newspapers published by Daily Mail and General Trust are the *Daily Mail* and *The Mail on Sunday*. The main national newspapers published by Trinity Mirror are the *Daily Mirror*, the *Sunday Mirror* and the *Daily Record*. Northern and Shell publish the *Daily Express* and *Sunday Express* and the *Daily Star*. The Guardian Media Group publishes *The Guardian* and *The Observer*.

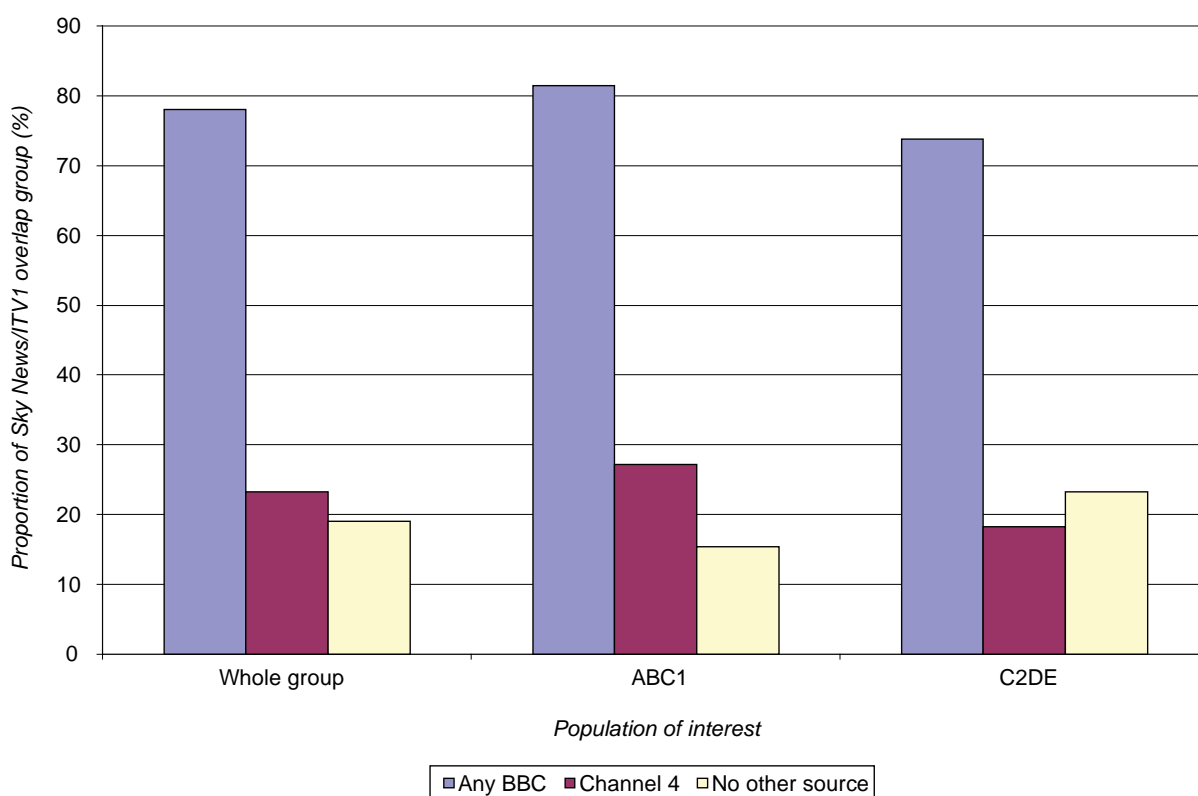
<sup>7</sup>BSkyB submitted an analysis, based on BARB data, which estimated this proportion to be smaller (1.65 per cent). This is consistent with its lower estimate of the reach of Sky News (see footnote to paragraph 13).

<sup>8</sup>The sample sizes used for this analysis were 886 for the whole Sky News/ITV1 overlap group; 408 for ABC1s and 478 for C2DEs.

actively watch Channel 4 news. The Sky News/ITV1 overlap group has a generally higher propensity than the population as a whole to actively watch television news from multiple sources. Around a fifth of the Sky News/ITV1 overlap group (less than 1 per cent of the population) do not actively watch television news from any other source.

FIGURE 11

**Proportion of the people who actively watch news on ITV1 and Sky News who also actively watch news on BBC and/or Channel 4**

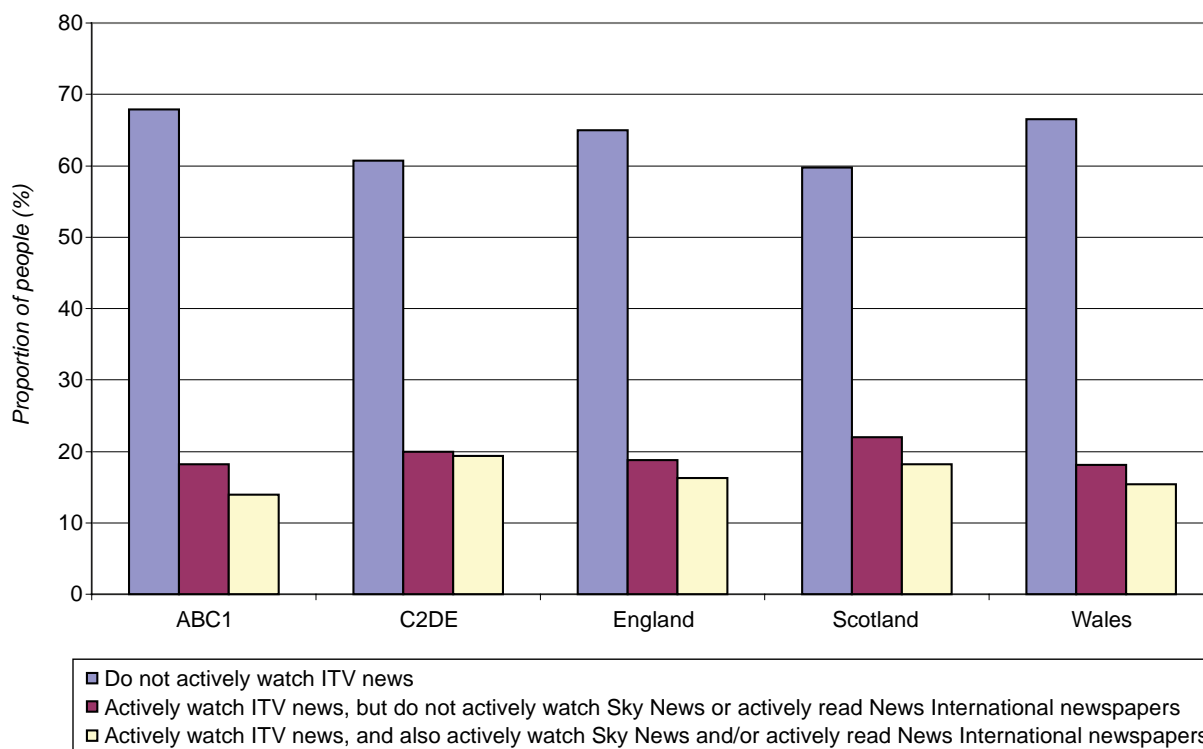


Source: TGI.

18. TGI estimates that around 16 per cent of the population actively watch news on ITV and either actively read News International newspapers or actively watch Sky News. We call this group the 'ITV/Sky News–NI overlap group'.
19. Figure 12 shows that a slightly higher proportion of C2DEs and people in Scotland fall into the ITV/Sky News–NI overlap group, but this group does not account for more than 20 per cent of any demographic or nation.

FIGURE 12

**Overlap between active use of ITV1 News and of Sky News/News International newspapers, by social class and nation**



Source: TGI.

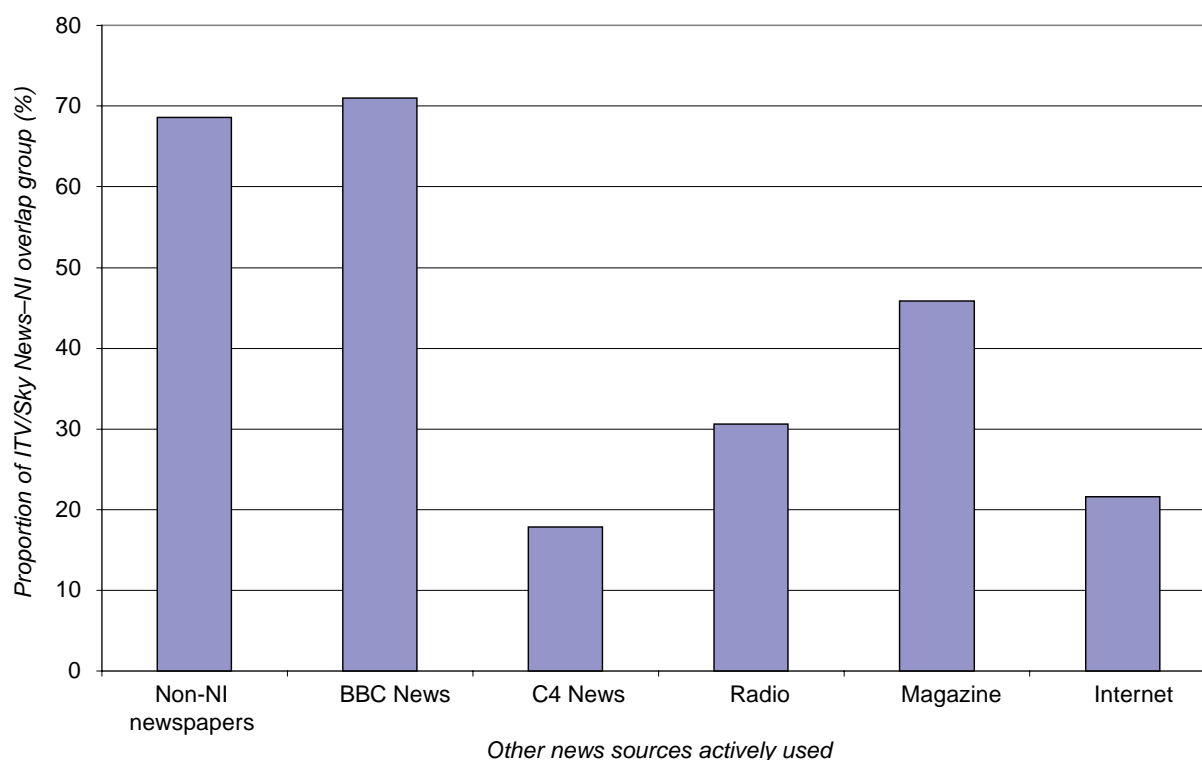
20. Figure 13 shows the active consumption of news from other sources by the ITV/Sky News–NI overlap group.<sup>9</sup>
21. Over two-thirds of this group read a newspaper from another media group. Over 70 per cent watch news on the BBC. Just under a fifth watch Channel 4 news and just over a fifth visit news websites.<sup>10</sup> Around 95 per cent of the ITV/Sky News–NI overlap group also actively consume news from at least one other source. Less than 1 per cent of the total population actively take news from ITV and Sky/NI but no other source.

<sup>9</sup>The sample size used for this analysis was 4,166.

<sup>10</sup>Touchpoints data shows a similar pattern.

FIGURE 13

**Other news sources actively used by ITV/Sky News–NI overlap group**



Source: TGI.

**Summary of responses from newspaper groups to CC plurality questionnaire**

22. We asked the major UK newspaper groups for information about the impact of ownership on their editorial and business strategy. We received responses from Guardian Media Group, Daily Mail and General Trust plc, Trinity Mirror plc and News International Limited. We have summarized their responses below.

***Guardian Media Group—Guardian News and Media division***

23. The Guardian News and Media division’s principal assets are *The Guardian* and *The Observer* newspapers and Guardian Unlimited website. The Guardian Media Group is wholly owned by the Scott Trust, created in 1936 to ‘safeguard the journalistic independence and liberal values of the Guardian’ in perpetuity: as a quality national newspaper without party affiliation. The Scott Trust and the board of Guardian Media Group plc have no ability to influence national news content or editorial stance. The

Scott Trust does, however, have the power to hire or dismiss the Editor of the Guardian. The board of Guardian Media Group plc has the responsibility for all other commercial decisions in tandem with the Editor, who is a member of the Scott Trust and who is on the board of both the Guardian Media Group and the Guardian News and Media division.

### ***Daily Mail and General Trust plc***

24. Daily Mail and General Trust plc (DMGT)'s newspaper titles include the *Daily Mail*, *The Mail on Sunday*, the *Evening Standard*, *Metro* and *London Lite*. Through its Northcliffe Media division, DMGT publishes a range of local and regional newspaper titles. It also owns Teletext and has a 20 per cent shareholding in ITN.
  
25. [✂] The DMGT board and shareholders have no day-to-day influence or control over news content. DMGT's Editor-in-Chief, in consultation with DMGT's Chairman, appoints the editors of individual newspaper titles. These editors control the editorial content (including the selection of stories and prominence of stories) and appointment of journalists in their respective newspapers. The editorial independence of DMGT's newspapers is illustrated by the differing stances taken on major issues, eg the *Daily Mail* and the *Evening Standard* made opposing party political endorsements before the 1997 and 2001 general elections.
  
26. The DMGT board could change the editorial stance of all DMGT's newspaper titles by dismissing DMGT's Editor-in-Chief and using the board's approval rights to ensure the appointment of a successor whose editorial stance was likely to be more in line with the board's wishes. However, this is an unlikely set of circumstances: the DMGT board relies on the journalistic skill and judgement of the Editor-in-Chief to ensure that the stance and content of the group's newspaper titles have broad appeal, and therefore lead to commercial success.

27. DMGT's policy on Teletext is that news and current affairs editorial content is politically neutral. As a 20 per cent shareholder in ITN, DMGT has the right to appoint one (non-executive) director to ITN's seven-person board (three of whom are executive directors). DMGT has no day-to-day influence or control over ITN's television news content. Each of ITN's news services (ITV News, Channel 4 News, Independent Radio News, etc) has a separate editor, who works in conjunction with ITN management and the Commissioning Editor at the relevant channel. Commercial and strategic decisions relating to ITN are taken by ITN's senior management and board. DMGT cannot (and has not sought to) control these decisions due to its limited, non-executive, representation on the ITN board.

### ***Trinity Mirror plc***

28. Trinity Mirror's assets include the *Daily Mirror*, *Sunday Mirror*, *The People*, *Daily Record*, *The Mail on Sunday*, websites directly linked to individual newspaper titles, and a range of regional newspapers. Trinity Mirror and its subsidiaries also hold nearly 22 per cent of the shares in the PA Group (the Press Association).
29. Trinity Mirror's board and shareholders play no part in the day-to-day control of news content in the group's newspapers or websites—the only people who have a role in these decisions are the editors and journalists involved in the production of each newspaper (websites that carry news are directly linked to individual newspaper titles and are under the ultimate editorial control of the relevant newspaper editor). Editors must ensure that they and their journalists work within the parameters of the newspaper industry's Editors' Code of Practice. This is required by Trinity Mirror's own statement of Editorial Policy which also states, inter alia, that:
- Editors carry ultimate responsibility for providing appropriate content in their newspapers and websites, and they must be free to edit without interference from general management ... while managing directors and senior executives are entitled to express an opinion, they should not seek

to influence the editors' decisions on the selection or projection of specific items of content.

30. There are limited occasions in which two executive directors have an involvement in the content of newspapers prior to publication. The first is where an editor of one of the titles informs the Chief Executive of a story that is likely to have a significant impact on the reputation of the Trinity Mirror group. The decision to publish, however, remains with the editor concerned. The other example is where the Group's Legal Director—as head of the Legal Department, rather than as a director—may be consulted in advance if a story may cause material commercial damage to Trinity Mirror if incorrect. Although the Legal Director may advise against publication, the ultimate decision lies with the editor alone.
31. The board's role, through executive management, is to set the commercial strategy for each newspaper and, in the broadest terms, set the parameters for the style of content. For example, the board has determined that Trinity Mirror's national newspapers take a 'left of centre' position, aiming at a particular segment of the market. Shareholders have no say in the appointment of editors and journalists, and no direct role in either competitive strategy or funding. If shareholders were concerned about Trinity Mirror's strategy they can either sell their shares or join forces with other dissatisfied shareholders in order to seek to change the make-up of the board.
32. As stated above, Trinity Mirror is a shareholder in PA. Consequently its Chief Executive is a director of PA Group Limited (alongside the Chief Executives of News International, DMGT and Johnston Press). PA's board sets overall commercial strategy and its annual operating budget. It also plays a role in the appointment of the Chief Executive and the Editor-in-Chief. It plays no role, however, in day-to-day editorial decisions.

### ***News International Limited***

33. News International and its subsidiaries own *The Sun*, *The Times*, *The Sunday Times* and *News of the World*. Each daily newspaper title also has its own website (*The Sunday Times* shares the ‘timesonline’ website). Among other interests, News International has a 39.1 per cent shareholding interest in BSkyB. News International is wholly owned by News Corporation.
34. It is the role of News International editors to produce newspapers which reflect the views and opinions of their readers, increase the sales of the newspaper and guide staff as to the editorial stance of the newspaper. All News International journalists agree to abide by the Press Complaints Commission’s Editorial Code of Practice and News Corporation’s Standards of Business Conduct (employment contracts include an obligation to comply with both).
35. News International and its parent company, News Corporation (board members and senior executives), did not intervene or influence the presentation of news content, choice of stories or editorial stance taken by Sky News during the two time periods set out by the CC.<sup>11</sup> In relation to *The Sun*, whilst the editor’s decisions on news content and stance are generally independently taken, the editor also has regular discussions with other parties, including with Mr Murdoch and News International Executive Chairman, Les Hinton, on a range of editorial matters.
36. In relation to *The Times* and *The Sunday Times*, the position in relation to news coverage, editorial stance and the appointment of editors is governed by the terms of the DTI consent of 27 January 1981 relating to the transfer of these titles to their current ownership. These arrangements provided for the creation of ‘independent national directors’ (INDs) in the holding company of Times Newspapers Holdings

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<sup>11</sup>The CC asked for information on editorial decisions for two specified time periods—1 October to 31 December 2005 and 1 June to 31 August 2006—in order to limit the burden on the parties concerned.

Limited. The articles of association of that holding company include provisions aimed at maintaining the editorial independence of the titles, such as the requirement that the majority of the INDs must consent to the appointment or dismissal of the editor of either newspaper title. In addition, the INDs are the final arbiter in any dispute between an editor and the directors of Times Newspapers Limited. News International and News Corporation adhere to the terms of the DTI consent.

37. News International and News Corporation are heavily involved in decisions affecting the circulation and profitability of their newspaper titles.