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## BULLET POINTS:

### The Reuters Institute journalism, media and tech trends report

*(with a 13-page excerpt of the report)*

In January, 2018, the Reuters Institute at Oxford's Digital News Project, released a 50-page report, *Journalism, Media, and Technology Trends and Predictions 2018* by Nick Newman -- the result of interviews with more than 75 publishers, editors, CEOs and heads of digital. During September, ITEGA executive director Bill Densmore re-read it with ITEGA, LMC, ISOC and the our Chicago convenings in mind. What follows are Densmore's assertion of key points, with *italics comments added by Densmore*, followed by a 13-page excerpt of the report. The full document may be accessed here:

<https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2018-01/RISJ%20Trends%20and%20Predictions%202018%20NN.pdf>

#### KEY BULLET POINTS FOR CHICAGO:

- Focus on data. Publishers are focused on moving users from "anonymous to known" to develop loyalty and personalization services. *This requires a trustworthy privacy policy.* Data is termed "the next battleground for media."
- Advertisers want more transparency over measurement (*no ad bots or fraudulent traffic*) and more protection for brands. *The requires knowing users are real.*
- Publishers abandon deals with FB, Apple, Snapchat for their onesideness.

- Focus is now on WHO to believe not WHAT to believe. *Hence a service like ITEGA which implies trustworthiness among its members around privacy and other matters has value.* New focus on brand and a trust indicator.
- Business model shift from advertising to reader payment. *This requires knowing/registering the user, which means having a trustworthy first-party privacy policy.*
- Expect to see media companies setting up more student and library offers and sponsoring subscriptions for people who can't afford them -- as ways to close the digital divide for people who can't afford to pay for news. *This requires being able to know, and differentiate users to control offers.*
- Another key weapon in the battle for paying eyeballs will be bundling, maybe with utility, phone, and pay TV companies. *Verizon, AT&T, Sprint and T-Mobile have [announced](#) a common login protocol, [Project Verify](#).*
- More publishers are likely to pull away from automated ad exchanges to focus on higher-quality premium experiences and to offer ad placements that are NOT next to poor-quality content because of the use of third-party cookies and anonymous tracking.
- Prediction of more browsers which block "overly intrusive advertising."

-- Chrome blocks some ads

-- Safari "reader view" strips out ads

-- Mozilla-Firefox (at Sept. 2018) is blocking all tracking in trial version

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## EXCERPTS FROM:

### Journalism, Media, and Technology Trends and Predictions 2018

Published: January 10, 2018

Published by the Reuters Institute for the Study of Journalism at Oxford University “with the support of Google’s Digital News Initiative.”

<http://www.digitalnewsreport.org/publications/2018/journalism-media-technology-trends-predictions-2018/>

(this is a sub-report of the larger annual Digital News Report:

<http://media.digitalnewsreport.org/wp-content/uploads/2018/06/digital-news-report-2018.pdf?x89475>

related reports from RISJ:

- i. [FACTSHEET: Changes in Third-Party Content on European News Websites after GDPR](#)  
Published: August 16, 2018
- ii. [The Digital Transition of Local News](#)  
Published: April 25, 2018

Excerpting by Bill Densmore.

**Boldface** and **underlining** and larger type added for emphasis.

## Executive Summary

This will be a critical year for technology companies as they fight a rising tide of criticism about their impact on society – and on the journalism industry. Platforms will be increasingly wary of the reputational damage that often comes with news, while many publishers will be trying to break their dependence on platforms. **2018 will also see a renewed focus on data – as the ability to collect, process, and use it effectively proves a key differentiator. Media companies will be actively moving customers from the ‘anonymous to the known’ so they can develop more loyal relationships and prepare for an era of more personalised services.**

In our Survey of 194 Leading Editors, CEOs, and Digital Leaders

- Almost half of publishers (44%) say they are more worried about the power and influence of platforms than this time last year. Only 7% are less worried. Publishers feel more negatively towards Facebook and Snapchat than they do about Twitter and Google.
- Despite this, publishers also blame themselves for their ongoing difficulties. The biggest barriers to success, they say, are not tech platforms but internal factors (36%) such as resistance to change and inability to innovate.
- Almost half of publishers (44%) see subscriptions as a very important source of digital revenue in 2018 – more than digital display advertising (38%) and branded and sponsored content (39%).

### More Specific Predictions

- **Fact-checking, news literacy, and transparency initiatives fail to stem the tide of misinformation and low trust.**
- **Publishers force users to sign-in/register for websites and apps – as well as investing heavily in data – to help deliver more personalised content and messaging.**

**Amid all this, the pressure to regulate or even break up platforms is building in some countries.** The US

senate is proposing a bill

to regulate political advertising on the internet. The UK

parliament is investigating whether ‘fake news’ shared on Facebook and Twitter

influenced the Brexit referendum, while the Australian competition watchdog is looking at the market power of Facebook and Google

with a specific focus on media.

Only in Germany, though, did talk

turn to action in 2017. A new law was passed in October that promises to fine tech platforms up to €50m if they fail to remove hate speech or other ‘obviously illegal’ material within 24 hours. This is controversial because US tech

companies are effectively being put in a position where they become the arbiters of the limits or otherwise of free speech. The complexities of having private companies handling this role are likely to be exposed in 2018.

*the lack of alternatives from media companies. Sergio Rodríguez, Head of Innovation and Digital Transformation, El Mundo, Spain*

**Facebook, Apple, and Snapchat that they consider are not delivering sufficient financial return, focusing instead on building more direct readership.** This won't be universal but a better balance will emerge in 2018.

### **Armies of Internet Moderators Employed by Tech Platforms**

--- SNIP ---

## **I. Key Trends and Predictions for 2018**

In this section we explore **seven key themes** for the year ahead, integrating data and comments from our publishers' survey. For each theme we lay out a few suggestions about what *might* happen next.

### **1.1 Breaking Publishers' Dependence on Platforms**

This year's survey reveals high levels of concern about the power and role of platforms amongst around half (44%) of our news executives. This rises to 55% of those from newspaper groups where profits have been squeezed

by the increasing share of digital advertising revenues that goes to platforms.

*I am especially worried about the share of the advertising market the big platforms have and*

Not all tech companies are viewed with equal concern. On a scale from 1 to 5, there is a more positive view on average of Google (3.44) and Twitter (3.23) than there is of Snapchat (2.82) and Facebook (2.57). Sentiment From our survey it is clear that many publishers still feel that platform companies need to do much more to face up to their wider responsibilities. **Advertisers are demanding greater transparency over measurement and for more protection for their brands.** Politicians, regulators, and ordinary users will be adding to that pressure too. Something significant is likely to give in 2018.

### **More Publishers Pull Back from Platforms**

A key theme from many of the comments in our survey

was the desire to take back control. 'We've been playing their game for a long time with much risk and not much reward,' says one respondent from Germany. **Expect more news organisations to pull out of deals with**

### **Platforms Accused of Suppressing Free Speech**

### **More Talk of Regulation and Platform Break up, But Little Action**

Beyond new rules on political advertising, there is likely to be little concrete action against platforms in 2018. Scaled-up moderation and a continued charm offensive by platforms (more money for news literacy, innovation) is likely to head off extreme regulation, not least because there is little agreement on what *should* be done. With only a year to run, the European Commission may find it is easier to focus on headline-grabbing initiatives – such as making platforms pay a bigger share of taxes on European sales.

## **12 Restoring Trust in the Era of Fake News**

'Fake news' was the Collins dictionary phrase of the year in 2017, just as experts (Wardle) warned that the term has become misleading and unhelpful. As our own research (Nielsen and Graves, 2017) has shown, from an audience perspective, the term covers a multitude of sins – crystallising

audience concerns about biased and shoddy journalism, political spin, misleading online advertising, as well as deliberately fabricated

stories distributed via social media. There will be no quick solution to this complex mix of different but related problems.

## Likely Developments in 2018

### Platforms Deploy MAXIMUM Technology – But Can't Fix the Problem

The damage that has been created by misinformation, propaganda, and abuse represents an enormous challenge for platform companies as they try to balance their commitment to maximum freedom of expression with a need to rid their services of

damaging content. For the first time engineers have

begun to realise the consequences of what they have created, but also that technology on its own cannot solve the problem. Expect the deployment of a range of targeted new processes and algorithms to spot different kinds of abuse, and flag these to human moderators. Much will be made of the way in which these algorithms can learn from these human interventions (AI) and become smarter and more self-sufficient.

**Fact-Checking Matures; the Rise of 'Alternative Fact-Checking'**

**Better Labelling and Prominence for Authoritative Brands**

In the fragmented world of the internet, the focus is shifting from figuring out

what to believe to

who to believe. The ability to identify trusted brands or people quickly will be at the heart of healthy information ecosystems but we are still some way from that. Reuters Institute research showed that less than half (47%) typically recognised the news brand that had created the content when accessing news in Facebook, Twitter, or Google (Kalogeropoulos and Newman, 2017).<sup>20</sup>

By the end of 2018 expect significant progress in this area. Google says it will do more to surface more high-quality, credible content on the web, which in turn requires better tagging and description of content at source. The Trust Project is already providing indicators about ethical standards and journalistic expertise, which will start to be integrated into algorithms this year.<sup>21</sup> At the same time, platforms will increase the space given to news logos to enable familiar brands to be more easily picked out and new tags to describe content such as breaking news or analysis.

Google AMP News Box

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Most of these examples of more prominent branding are currently experimental, mobile only, or just applied in a few countries, but expect to see them to be rolled out in a more consistent way in 2018 across platforms and territories including Facebook’s news feed itself.

**More News Literacy on the Way ...**

Education around how to avoid fake news will be part of the story this year. There will be well-funded initiatives, campaigns, and programmes to help, in Dan Gilmor's words, 'upgrade ourselves to be active users of media and not just passive consumers'. The BBC has set up a new website for teenagers and from March will be taking top news presenters like Huw Edwards and Amol Rajan into schools, providing video tutorials and launching a 'Reality Check Roadshow'.<sup>22</sup>

**Developments to Watch****Facebook Becomes a Media Company**

Facebook has pledged to spend billions of dollars advancing its TV ambitions. It's looking to commission bigger budget shows in 2018 that make more impact. Facebook is talking about investing in 'hero shows', perhaps even owning programme rights for the first time, which would severely weaken its claim not to be a media company. In this respect, it may be looking to compete

**Online Publishers Lose Out, Pivot Away from Video**

With Facebook's attention shifting towards television and towards entertainment and sport, existing online publishers could be left in the lurch. Partners like BuzzFeed, Mashable, Attn and Vox Media have benefited from direct payments from Facebook to create original online content, but Facebook is on record as wanting to reduce those payments over time and is already restructuring deals.<sup>26</sup> Ad revenue is still limited though new formats are due to be tested within the Facebook Watch destination in 2018.

**14 Shifting Business Models: From Advertising to Reader Payment**

**Our digital leaders survey shows a clear but not universal view that advertising will become less important over time (62%), with than one in ten (10%) saying they are actively planning for a future with little or no display advertising. This is a significant turnaround. Adjacent display worked well in print, was largely ignored on the desktop, and has become irrelevant on a mobile screen.**

**The economics of supply and demand has driven down prices, ad fraud is rife, and ad-blocking is widespread. And, as we've already noted, the big tech platforms are taking most of the new digital advertising money because of their ability to target any audience efficiently and at scale.**

**Developments to Watch in 2018****Two-Tier Information System Emerges**

**The move to reader payment is a challenge to the idea that the web can open up information to all – and in the process drive democracy and progress. If more high-quality content disappears behind a paywall, there is a danger of widening the current disconnect between the elites and the rest**

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<sup>29</sup> <http://money.cnn.com/2017/09/26/media/washington-post-digital-subscriptions/index.html>

<sup>30</sup> <https://www.politico.com/story/2017/10/21/millennials-trump-paying-for-news-244001>



**of the population. We could potentially see a situation where those who can't afford to subscribe are subject to the lowest quality journalism and the highest amount of misinformation – in turn leading to more polarisation and division. In 2018 we'll see far greater awareness of this problem and some attempts to tackle it.**

**Expect to see media companies setting up more student and library offers – and to extend schemes that allow others to sponsor subscriptions for those that can't afford them. But we'll also see more examples of publications trying to engage communities to pay something to keep content free for all, such as the *Guardian* and *Texas Tribune*.**

### **Battle for Global Subscribers, Bundling Drives Numbers**

Up until now, most attention has been focused on getting domestic customers to pay, but as that gets harder the focus will switch to an international audience with differential (cheaper) pricing to drive numbers.

Paywalls are being tightened. The *New York Times* has recently moved from ten free articles a month to five and new trial offers, sampling, and pricing options are being prepared. The Times has set a stretch goal of 10m subscribers by sometime in the 2020s and that will require a much more international and multilingual product with more local journalists for customisation.

**Another key weapon in the battle for paying eyeballs will be bundling.** Here, the *Washington Post's* partnership with Amazon Prime gives it an enormous advantage at home as well as abroad. Local newspaper partnership will also play a role. Hundreds of local newspapers offer a *Post* digital subscription as part of a bundled national/local package.

**Expect to see more bundling deals in 2018 and especially with utility, phone, and pay TV companies looking to provide more lock-in value for customers.**

### **Public Service Media Under Pressure**

#### **Advertising Improves (a Bit), Tech Giants Block Ads**

Just when we thought digital advertising was finished, 2018 could see a partial revival of its fortunes.

**The advent of browsers that automatically block overly intrusive advertising is the culmination of several years of work from the Coalition for Better Ads, an alliance of platforms, industry bodies, advertisers, and publishers.**

On the way out are ads that flash, autoplay sound and video, and those that take over the page. Retargeting of ads across websites will also become much harder in Europe after GDPR regulations come into place in May.

**Worries about ads being placed next to poor-quality content could also help publishers sell premium advertising either on their own or in alliance with others. More publishers are likely to pull away from automated ad exchanges to focus on higher quality premium experiences.**

**The Chrome web-browser incorporates ad-blocking by default from mid-February. By addressing the worst abuses, Google hopes it can stop users from downloading stronger third-party tools (e.g. Brave and Cligz) that block its own ads and tracking systems. Apple, which doesn't have a business model based on ads, is going even further – offering users the opportunity to turn on 'reader view' by default. This strips out advertising, branding, and contextual related links, which may have a more detrimental effect on publishers.**

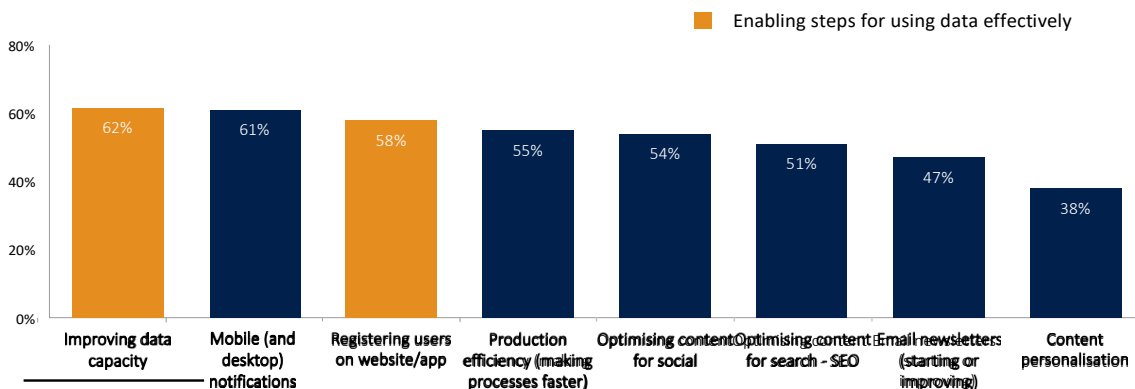
### **Consolidation, Partnership, and Media Takeovers**

We'll see more mergers and acquisitions in 2018 as publishers try to build scale and make their businesses more efficient.

Data, Registration, and New Permissions (GDPR)

**This could be the year when media companies recognise how critical data will be to their future success. In our survey, almost two-thirds of publishers (62%) said that improving data capacity was their most important initiative for the year ahead. Closely related, over half of publishers (58%) said registering users was considered very important, with another quarter (26%) saying this was quite important. Moving audiences from the 'anonymous to the known' is critical for publishers looking to create a deeper relationship with audiences and to provide more personalized and relevant services. This is the next battleground for media – and having the right data infrastructure and skills will be the key to making it work.**

**Figure 20: Most Important Initiatives for 2018**



## Developments to Watch

### **If Not Subscription, Then Registration**

As one example, UK publisher the *Daily Telegraph* wants to grow registered readers to 10m as it moves away from a mass reach strategy to one based on maximising revenue from a smaller number of logged in users. 'A registered reader – as opposed to an anonymous one – is far more valuable to the business than the vast majority of our audience', according to the *Telegraph's* CEO, Nick Hugh.<sup>33</sup>

The BBC has started to force all users of its TV iPlayer service to register before viewing programmes. This has already delivered 23m registered users, creating the conditions for BBC News and Sport to also deliver more personalised recommendations on the website, in the app, or via mobile notifications. 'News apps need to find better ways to use contextual signals from a device to take into account not only relevance but also time of day and location/activity, and to balance that with the urgency and or importance of the push alert', says Natalie Malinarich, BBC Mobile and New Formats Editor, in a piece for the Nieman Media Lab.<sup>34</sup> Elsewhere (e.g. Norway) publishers are looking at collective national registration schemes to provide better scaled data that can compete with Facebook.

## The Impact of GDPR

The biggest impact of GDPR could be on consumer experience, with irritating messages asking for permission and new opportunities to forget passwords. In terms of the economic effects, GDPR could favour premium publishers that have enough trust to obtain consumer consent, leaving other sites struggling with less valuable advertising (lower CPMs ) and a loss of and economic competitiveness.

## Key Developments

### **Mobile Payment Opens Way to Cashless Society**

It is becoming harder to pay for goods and services by cash in China, with mobile payment doubling in the last year to around \$5trillion, according to analysis by Hillhouse Capital. Much of the growth has come from payment via smartphones within the popular WeChat messaging app. Consumers pay in seconds by scanning bar codes, with roadside stalls accepting mobile payment. WeChat has over 500m users for mobile payment, splitting the market with AliPay, the other big player. Korea is another market where the two big mobile portals (Naver and Kakao) dominate. Kakao Pay is used by around 10m users and comes as part of a package with the country's most popular messaging app (Kakao Talk). It competes with a growing number of other electronic systems such as T-Pay and Samsung Pay.

Mobile payment linked to powerful e-commerce sites has enabled China's tech giants Tencent and Alibaba to race up the table of the world's most valuable companies, becoming genuine long-term rivals to Google, Facebook, and Amazon.

### **Micropayments Enable New Services**

For merchants, the transaction fees with mobile payment cost much less than with a traditional credit card and this is unlocking new business models –including sharing services ranging from bikes to news.

The streets of China's main cities have become clogged with colourful bikes for rent. For just 15 cents, users can hire bicycles and leave them wherever they want. Mobike and Ofo are two of the largest private bike-sharing operators and both have plans to expand internationally. The upfront fees may be small, but the companies see the data being collected about users as providing a path to future profitability.

Some Chinese mobile news sites have introduced small per article payments for journalists/ authors and the same process applies to livestreaming of content.

## 2. CONCLUSION: An Uncertain Future

There is no sense that the technology revolution is slowing down. If anything it seems as if we are the beginning of a new phase of disruption. The era of artificial intelligence will bring new opportunities for creativity and for efficiency – but also for greater misinformation and manipulation.

In the years to come we'll no longer be just asking what is true, but whether information is even being generated by a human. Bots and intelligent agents will play an increasing role in our lives. News stories will be written by machines, television schedules will be assembled and selected based on our personal tastes, cars will drive themselves. We'll enjoy the convenience and the choice but we'll also worry about whether we can stay in control. We'll increasingly worry about who programmes the algorithms.

Advanced augmented reality devices like the Magic Leap have started to combine real and physical objects in a way that is designed to trick the brain. In a way this is a metaphor for all kinds of other convergence between the real world and the digital world – from this year on it is becoming hard to tell them apart. Services are increasingly being designed across digital and physical spaces. Journalists are coming face to face with readers, Amazon is opening shops.

Identity and banking are being integrated into smartphones and other devices. Even warfare is becoming virtual, with North Korea, Russia, and possibly Iran ramping up capacity to target the infrastructure on which we depend.

All this is happening with a speed and complexity which makes it hard for politicians, regulators, and academics to keep up. There seems to be an increasing disconnect between the iterative, fail-fast approach of Silicon Valley and the need of governments and traditional organisations to control and plan events. With technology and its impact now global, who can speak on behalf of citizens and make the trade-offs required between convenience and privacy, between free speech and hate speech?

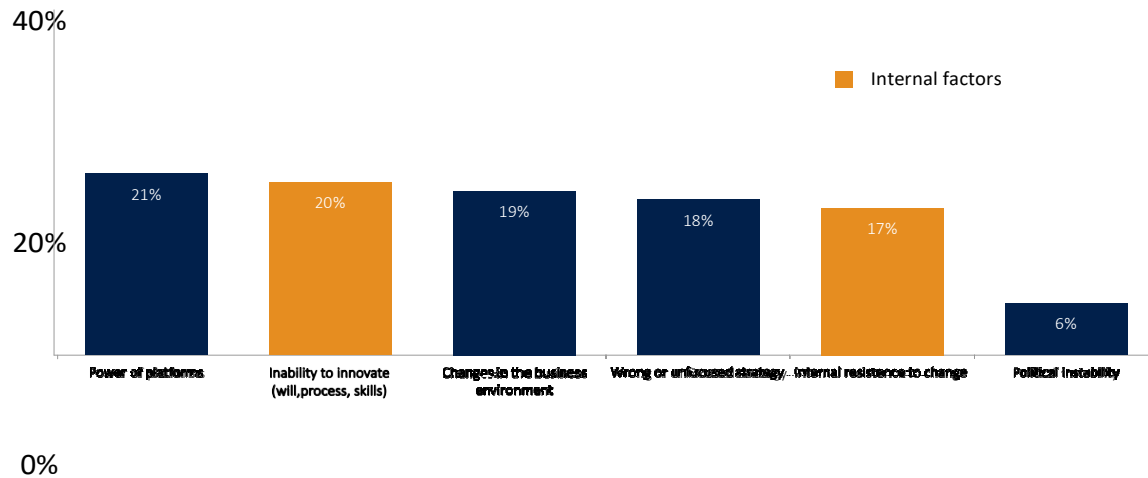
The next year will see these pressures and disconnects build further as powerful (mainly American) commercial technology companies play a bigger and bigger role in our lives and **governments look to exercise some measure of control.** Whether the platforms can stave off regulation will depend to some extent on events and whether the public continues to be happy with the services they provide.

**Our survey of media leaders shows that the power of platforms is considered to be the single biggest threat to success in the year ahead, with around a fifth of publishers (21%) selecting that option. But two internal factors, resistance to change and an inability to innovate, come out ahead overall (36%).**

News organisations need to rethink their role in a world where people increasingly do not seek out media but are instead immersed in it (Beckett and Deuze, 2017). Changing journalistic culture will be critical part of that along with selecting the right strategies.

While AI, voice, AR/VR, messaging, and the shift to subscription are amongst the key trends ahead, the timing and precise form of these opportunities remain uncertain. Choices will still need to be made about what is most important for any particular organisation at a particular time.

**Figure 45: Biggest Risk to Success for Publishers in the Year Ahead**



Q11: What do you see as the single greatest risk to success in the year ahead? RISJ Digital Leaders Survey 2018, n=184

Ironically publishers know that in many ways they need to behave more like Silicon Valley tech companies, even as they try to wrest back a measure of control around distribution and strategy. **That means taking risks, breaking down hierarchies, and delivering higher quality products and services that audiences love.** In doing this, the smartest companies will be combining data and algorithms with great content as they seek to rebuild both trust and their businesses.