Quantification of audiences as a decision-making factor in Slovene web journalism

Sašo Slaček Brlek
Jernej Amon Prodnik

5th ICTs&Society conference @ ISIS Summit
Vienna, 6th of June 2015
Transformations of business models in media industries

- Financial difficulties of traditional news-media industries, especially printed press
  - Global crisis of capitalism
  - Shifting patterns of consumption and declining number of readers (also listeners and viewers)
  - Problems with “monetisation” of audiences when moving into digital environments (changing models of measuring audiences)
  - Vast drop in advertising revenue coupled with a drop in sales

- Restructuring of media-market in Slovenia and shifts in ownership
  - Unstable ownerships, unstable management, frequent changes of editors - problems for journalists
  - Often direct political influence in these shifts
  - Overall drop of public trust in relation to traditional media
Combined sold circulation (stand sales and subscription sales) for five major national daily newspapers* in Slovenia - drop of more than 40% between 2004 and 2014.

* Dnevnik, Delo, Slovenske novice, Večer and Finance
Traditional media and business models

Percentage of all advertising money going to press in USA (1950-2009)


5th ICTs&Society conference @ ISIS Summit
### Media advertising and business models

#### Forms of advertising and global advertising revenue share

<table>
<thead>
<tr>
<th>Forms of advertising</th>
<th>Global advertising revenue share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital</td>
<td>38,0%</td>
</tr>
<tr>
<td>Television</td>
<td>35,1%</td>
</tr>
<tr>
<td>Newspapers</td>
<td>10,5%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>6,5%</td>
</tr>
<tr>
<td>Audio</td>
<td>5,2%</td>
</tr>
<tr>
<td>Magazines</td>
<td>3,2%</td>
</tr>
<tr>
<td>Comp. games</td>
<td>1,0%</td>
</tr>
<tr>
<td>Cinema</td>
<td>0,5%</td>
</tr>
</tbody>
</table>

#### Forms of advertising and advertising revenue share in Slovenia

<table>
<thead>
<tr>
<th>Forms of advertising</th>
<th>Advertising revenue share in Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital*</td>
<td>4%</td>
</tr>
<tr>
<td>Television</td>
<td>71%</td>
</tr>
<tr>
<td>Newspapers and magazines</td>
<td>16%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>5%</td>
</tr>
<tr>
<td>Radio</td>
<td>2-3%</td>
</tr>
<tr>
<td>Cinema</td>
<td>1-2%</td>
</tr>
</tbody>
</table>

* Without Google and Facebook (currently digital advertising represents approx. 15% on ALL platforms in Slovenia)

Revenue from advertising represents approx. ⅓ of total revenue of global media


5th ICTs&Society conference @ ISIS Summit
Vast drop in advertising money going to press in Slovenia since the start of the Great recession (2008-2013)

Source: Mediana IBO 2013
Advertising revenue represents 90% of all revenue for Google corporation.
Surveillance society and ubiquitous surveillance

- Digital media offer unprecedented levels of ubiquitous surveillance of citizens and audiences
  - Mass surveillance and class: Asymmetries because of unequal control over data, technological capacities and means surveillance
    - Mass surveillance as a form of domination
- Lyon and Bauman (2013): *Liquid surveillance* spreading in hitherto unimaginable ways, seeping and spreading into all life areas - tracking everything that moves

Two key forms of surveillance:
- Political surveillance → the surveillance state
- Economic surveillance → capitalist surveillance
“Capitalist surveillance”

- Economic surveillance as “capitalist surveillance (Vincent Mosco)
  - Monitoring and tracking citizens-as-consumers leading to categorization, segmentation, profiling etc.
  - Key aim: predicting patterns + selling audiences to prospective buyers
  - Attempt of marketing of identifying behavior of consumers and persuading them - categorical seduction (David Lyon)

- Measuring audiences: essential for media industries in 20th century

- Digitalisation and new ICTs produce a qualitative change
  - Unprecedented level of rationalization and control
    (Philip Napoli: audiences can now be “too” measurable)
  - “A revolution in the ways marketers and media intrude in – and shape – our lives” - subtle forms of social discrimination (Joseph Turow)
  - These processes are leading to: a) exploitation; (b) subsumption into hyper-consumption capitalist culture; and (c) user discrimination

5th ICTs&Society conference @ ISIS Summit
Surveillance, digital media and media industries

- Fact: digital technologies enable increased mass surveillance of internet users and audiences

- Offering novel ways for an even more detailed metrics for audiences within specific media-environments: quantification, rating, segmentation, profiling = instrumental rationalisation

- But what about empirical day-to-day practice?
  - To what a degree do media industries (beyond biggest Internet corporations) in fact track and monitor users in their daily business and in what ways does this influence their decision-making

5th ICTs&Society conference @ ISIS Summit
Research questions

1) How are the three most visited Slovenian news-site organisations adapting to these changing circumstances (particularly to the decreasing advertising revenues)?

2) How is the relationship between media organisations and advertisers being transformed?

3) How is the availability of online audience metrics influencing:
   a) the labour process in newsrooms
   b) relationships between different parts of news organisations (particularly the editorial and marketing of advertising space)
   c) relationships between news organisations and advertisers?
Research overview

- Methods: document analysis and interviews
- Interview methodology:
  - In-depth semi-structured interviews
  - Triangulation of data: different actors in a large part of the commodity-chain connected to the news-media industries
  - News-site editors (editors-in-chief, daily editors) of the three most visited news sites* in Slovenia (N=9)
  - Interviews with representatives of the marketing departments of the three most visited news sites (e.g. ad-space managers) (N=2, ongoing)
  - Interviews with representatives of the largest media agencies** in Slovenia (e.g. media planners for digital environments) (N=2, ongoing)

* MMC Rtvslo.si (RTV Slovenija), 24ur.com (Proplus), Siol.net (TS Media)
** Pristop media, Media publikum, Omnicom media group
Reach (share of active internet users)

Reach (absolute)

Source:
http://www.moss-soz.si/si/rezultati_moss/obdobje/default.html

5th ICTs&Society conference @ ISIS Summit
Newsrooms

- Daily editorial work: one (wo)man bands
- Intuitive routine decisions, hardly-data driven
  - Clicks have become integrated into the daily routine, because they are available in real time, unambiguous, do not require further analysis
  - “If we were waiting for those data, everything would be over by then. The web page is constantly changing /.../ so you don’t have time to analyse. You are in this workflow and you work intuitively, and you just look at some of those first metrics.” (daily editor, 24ur.com)
- No explicit targets set for journalists and daily editors, no (admitted) knowledge of how audiences are monetised
- Largely positive orientation towards measuring “clicks”
Shifting boundaries between journalism and advertising

- Segmenting audiences through content (e.g. specialised web portals)
- Planning content with advertisers in mind and regular communication with advertisers
- Native advertising: “The second model [of monetising audiences], which is in my opinion becoming predominant, is the project package: ‘I have a project. I would like to produce some content about holes in the ozone layer, because I have discovered a cure for them. Can we collaborate on a project for such and such a price?’” (editor-in-chief, Planet Siol)
“Don’t believe the hype” (Public Enemy, 1988)

- Slovenia is a fraction of a local media market in US - advertisers have limited interest to target narrowly defined audience/user groups
- Limits to data gathering
  - Regulatory constraints (cookie consent)
  - Willingness of users to share data (TS Media aiming for 20% of users registering)
  - Measurement error (multi-screen individuals, multi-individual screens)
- Limits to analysing data
  - What is relevant and for whom?
- Limits to translating metric targets into editorial routine
- Limits to tracking effects (offline sales)
Digital is not a separate world

- Starting position is crucial
  - Most visited websites connected to powerful media organisations
  - 24ur.com: dominant television channels (over 70% TV advertising share), marketing websites to new advertisers to avoid danger of cannibalisation
  - TSMedia: subsidising by advertising
  - Cross-promotion between platforms
  - Recycling of content
  - Financing of online losses with offline profits
The strange case of dr. Google and mr. Facebook

- Outsourcing content production while integrating media planning (adwords/adsense)
  - Is it a threat to media agencies?
- Structural power
  - RTB: secret and ever-changing algorithm ranks quality of advertisements
  - Analyse, but are not analysed
  - Determine their own “currency”
  - Data or sheer size?
Conclusions

- Technological possibility does not equal feasibility
- Blurring the line between advertising and content
- Crisis of “objective” news media
  - Waning material basis for ideology and practice of objectivity
  - “The true cause of structural unemployment in journalism is not the automation of journalistic activities but rather the fundamental transformation of the essence of journalism and its degradation to information work.” (Splichal, 2014)
- Restructuring of news media organisations: advertorial newsrooms, information analytics
- Serious news?