

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

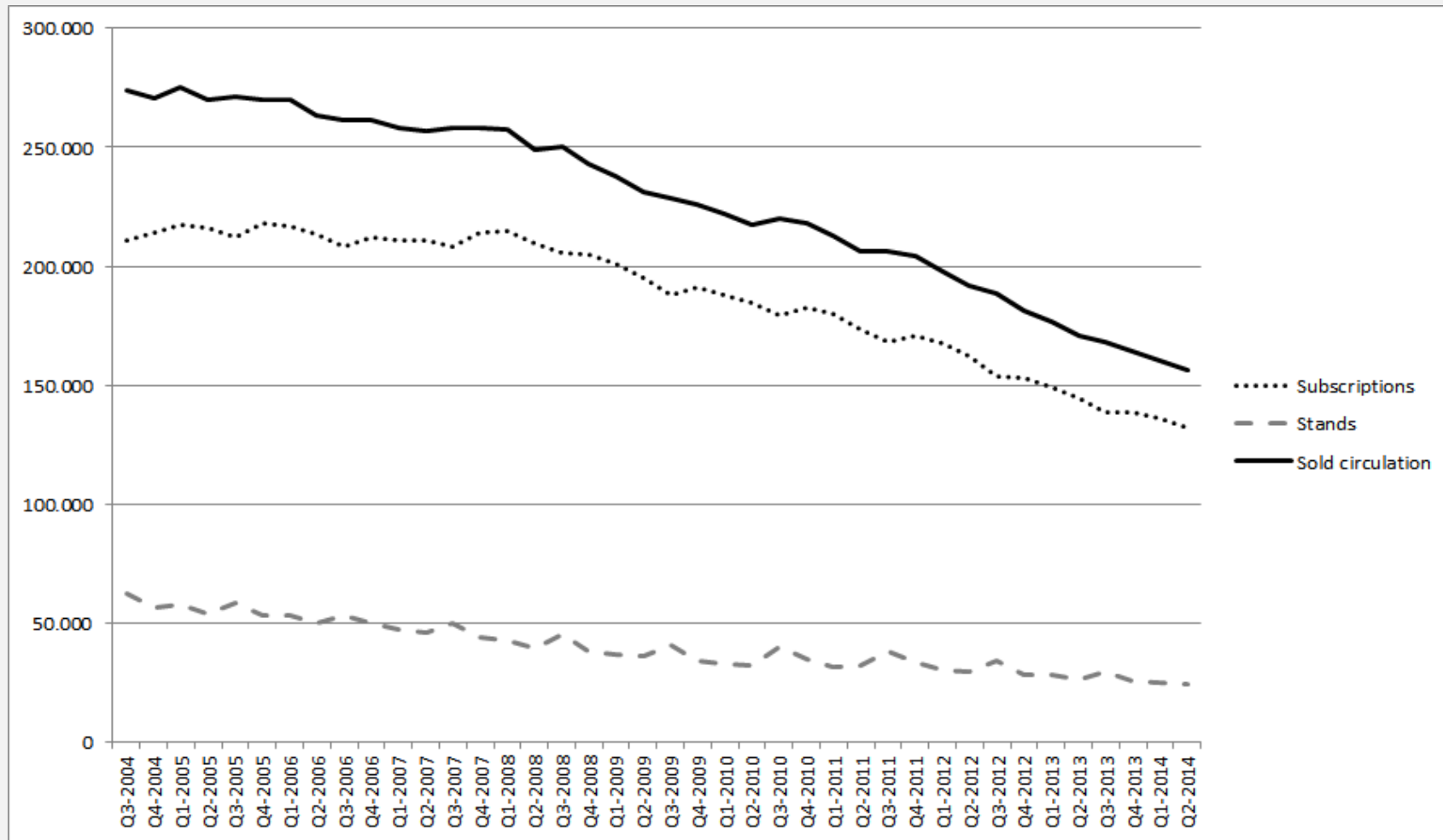
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5th ICTs&Society conference @ ISIS Summit
Vienna, 6th of June 2015

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

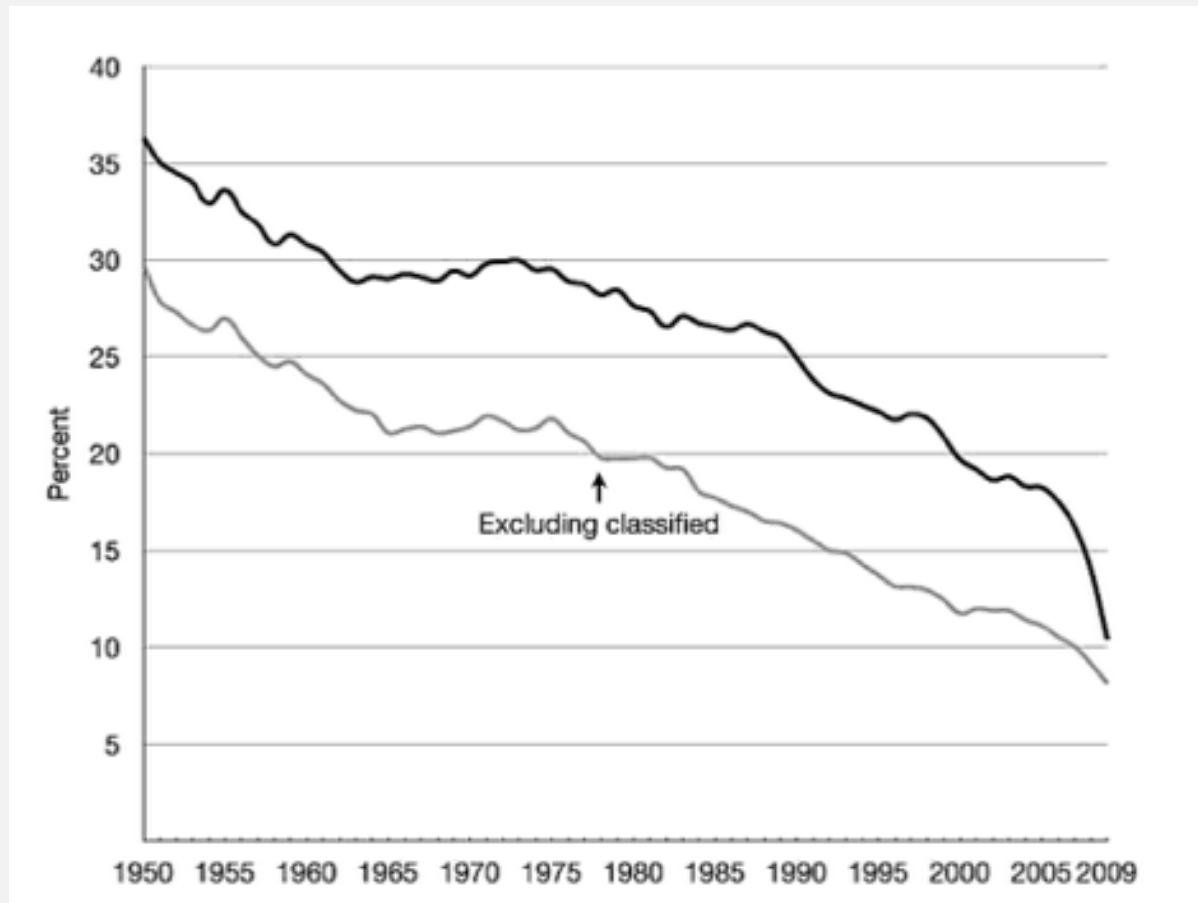
Traditional media and business models



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)

Source: McChesney, Robert W. & John Nichols (2010): The Death and Life of American Journalism

Media advertising and business models

Forms of advertising	Global advertising revenue share
Digital	38,0%
Television	35,1%
Newspapers	10,5%
Outdoor	6,5%
Audio	5,2%
Magazines	3,2%
Comp. games	1,0%
Cinema	0,5%

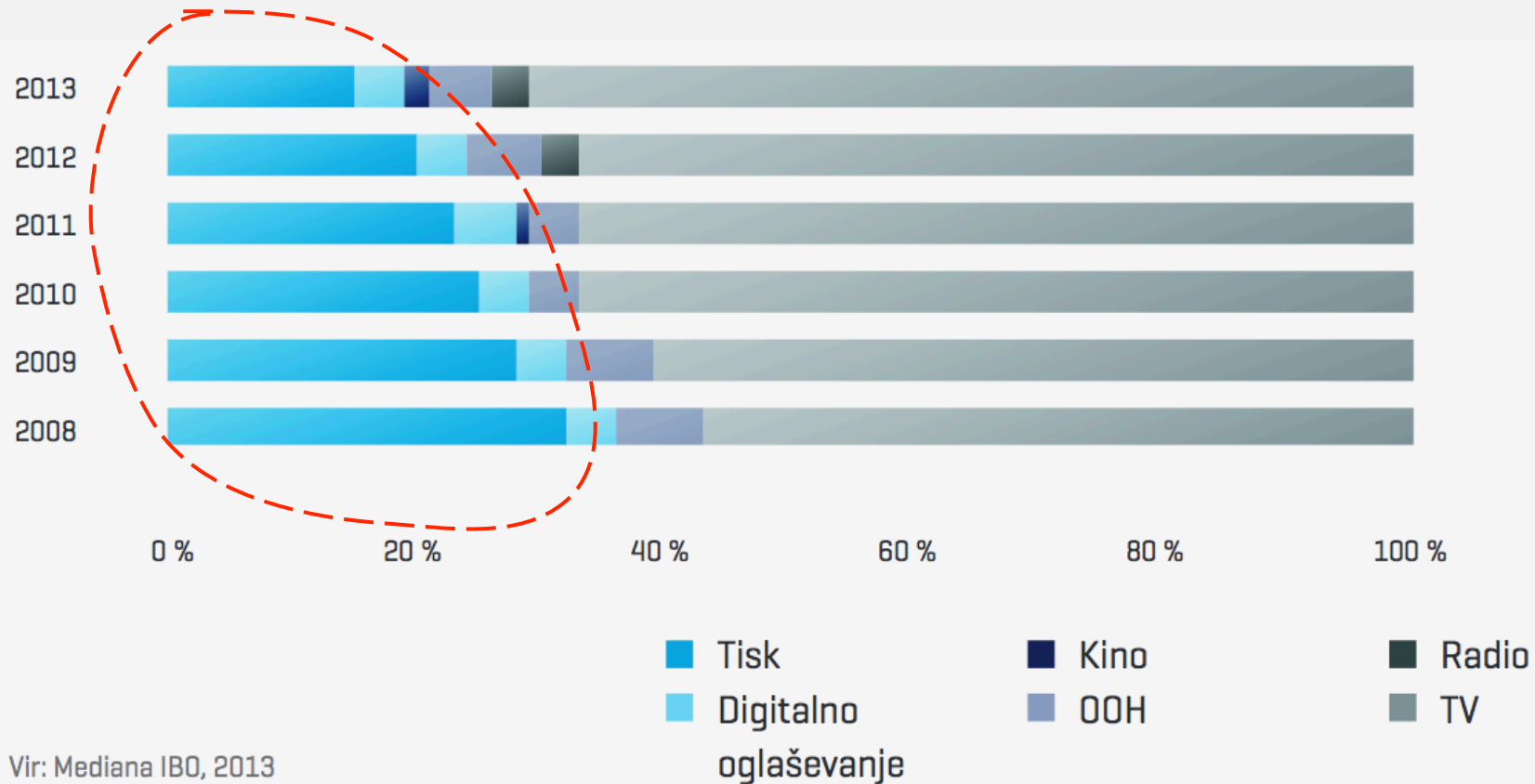
Forms of advertising	Advertising revenue share in Slovenia
Digital*	4%
Television	71%
Newspapers and magazines	16%
Outdoor	5%
Radio	2-3%
Cinema	1-2%

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

Revenue from advertising represents approx. $\frac{1}{3}$ of total revenue of global media

Sources: McKinsey Global Media Report 2014 (in Christian Fuchs, 2015), Mediana IBO 2013

Media advertising and business models

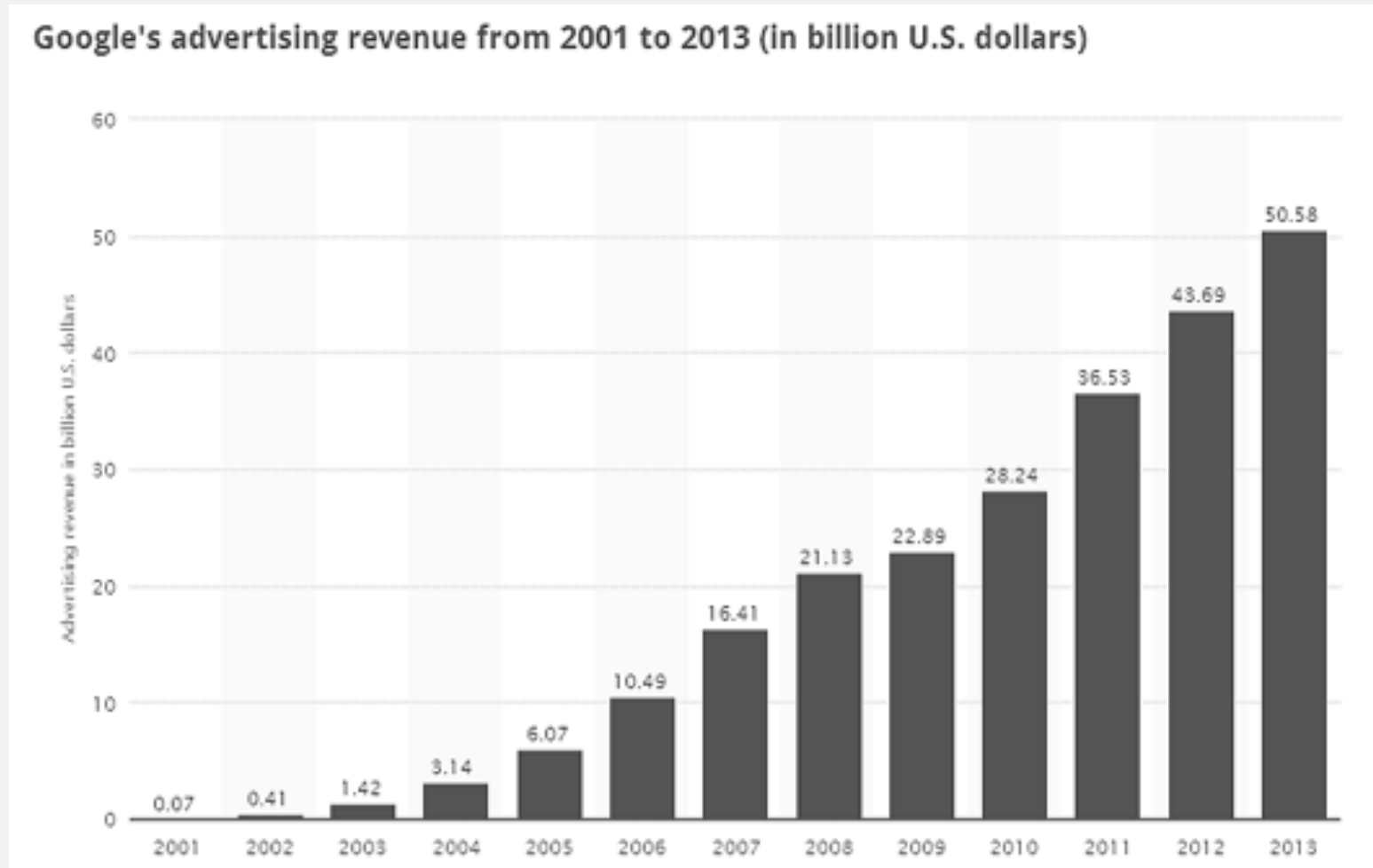


Vir: Mediana IBO, 2013

Vast drop in advertising money going to press in Slovenia since the start of the Great recession (2008-2013)

Source: Mediana IBO 2013

Media advertising and business models



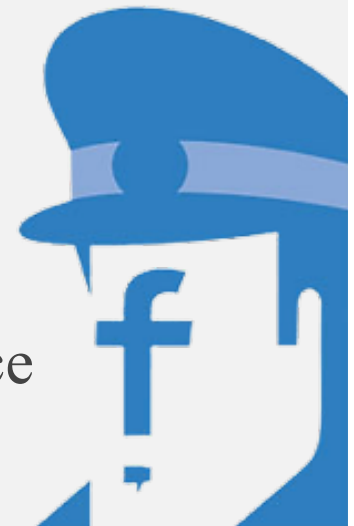
Advertising revenue represents 90% of all revenue for Google corporation

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

Surveillance, digital media and media industries

- Fact: digital technologies enable increased mass surveillance of internet users and audiences
 - e.g. Lyon (2002, 2003), Ball and Webster (2003), Andrejevic (2007, 2009), Fuchs (2011), Fuchs et al (2012), Allmer (2012, 2014), Mosco (2014)
- Offering novel ways for an even more detailed metrics for audiences within specific media-environments: quantification, rating, segmentation, profiling = instrumental rationalisation
 - e.g. Anderson (2011), Napoli (2003, 2011), Balnaves, O'Reagan and Goldsmith (2011), Turow (2012)
- 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



Research questions

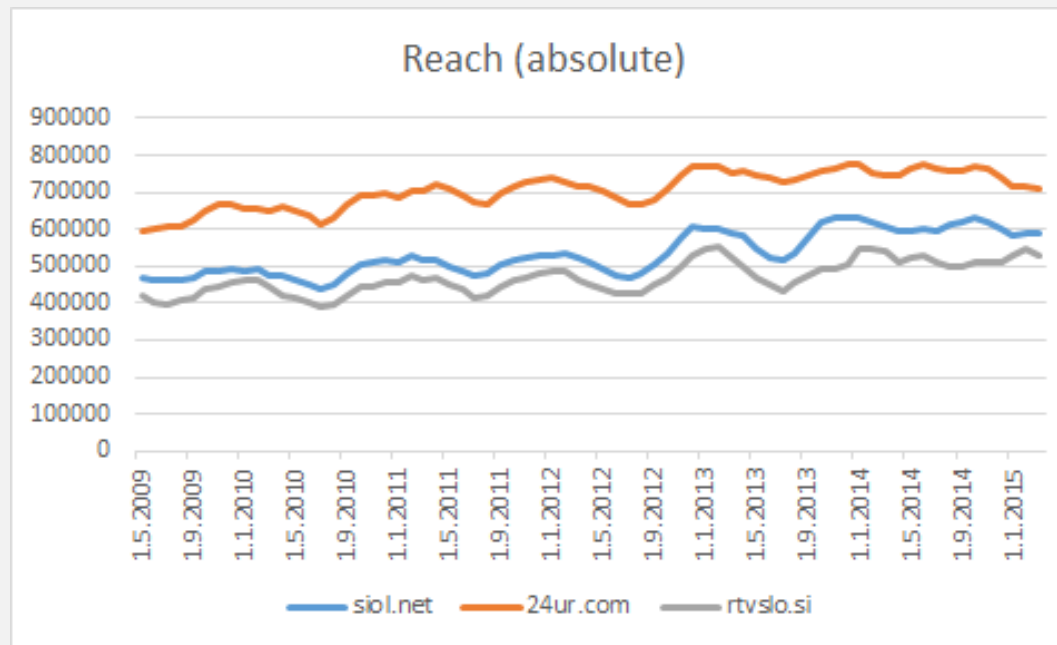
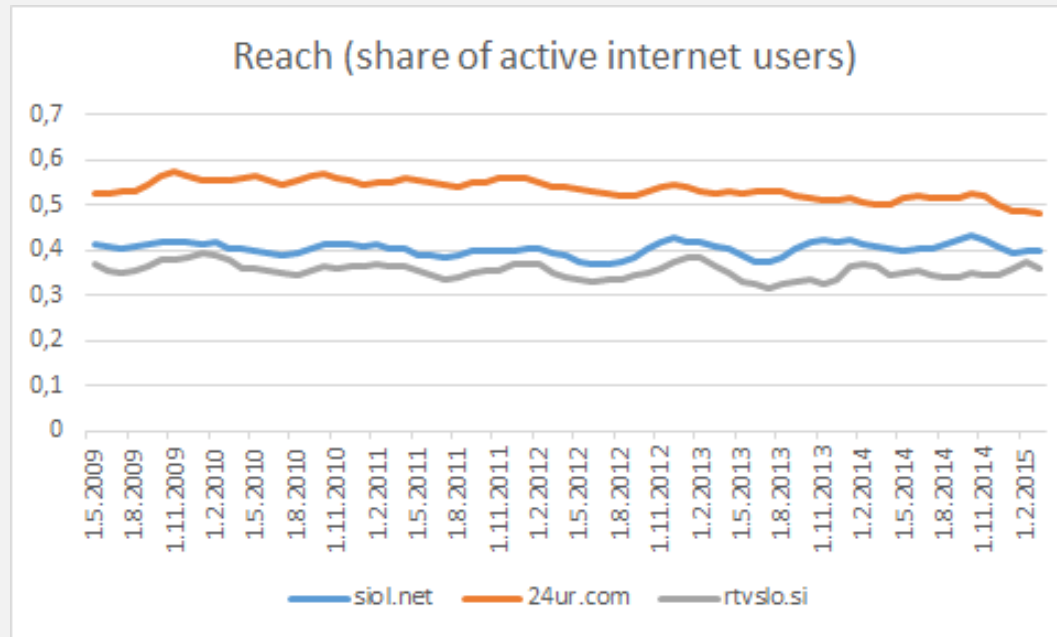
- 1) How are the three most visited Slovenian news-site organisations adapting to these changing circumstances (particularly to the decreasing advertising revenues)?
- 2) How is the relationship between media organisations and advertisers being transformed?
- 3) How is the availability of online audience 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 Rtv slo.si (RTV Slovenija), 24ur.com (Proplus), Siol.net (TS Media)

** Pristop media, Media publikum, Omnicom media group



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

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?