

**Reuters Institute for the Study of Journalism
- Money and News Project -**

**Harriet Cullinan; Kirsten Westlake
Thursday, 08 May 2008**

Client: Reuters Institute for the Study of Journalism
Supervised by: Patrick Barwise

Executive Summary

The 'Money and News' project, commissioned by Reuters Institute for Journalism, had the remit to explore:

- The main forces that have changed news production in the UK in the last 5-10 years
- How these changes impact spend in news production
- The consequences of these changes for society

The nine-month study continued beyond the date of the academic submission that was the recipient of this award, and culminated in a published report and media launch January 2009. The report was an independent exercise, carried out under the auspices of the Reuters Institute for the Study of Journalism, based at the University of Oxford. The funding for the report was made available by the Joseph Rowntree Reform Trust and David Ure, a former executive director of Reuters. The academic submission set out the process undertaken, provisional findings and recommendations at that date, as well as lessons learnt for the phase ahead.

The report began with a thorough assessment of the current climate in UK news production, reviewing relevant academic theory and secondary research to understand the industry's dynamics. Throughout this phase, three models from their MBA studies were used to frame our thinking: the microeconomic theory of two-sided markets, Porter's Five Forces and a value chain analysis.

This assessment showed that media organisations have experienced downward pressure on advertising revenue and increased rivalry from the Internet. This has led to a steady decline in profitability for traditional news outlets, who have therefore reorganised to focus on increasing efficiencies and to capture value from new media business models. The impact of these changes is viewed by many commentators as negative, leading to an increase in 'churnalism' (recycling of cheap news) as opposed to original journalism. Information about the extent and impact of these changes had been mainly opinion-based. Qualifying this picture therefore became the focus for primary research. Four questions were explored:

- **Polarisation of News:** news organisations are under increased pressure to re-capture fragmenting audiences and ad-spend. Is this causing one end of the market to invest in the creation of a premium product in order to gain revenue from higher prices, while the other end 'dumbs down' to attract the mass market and therefore advertisers?

- **News Production: Content Generation or Content Processing:** news organisations have reorganised news production teams to maximise efficiency. But by investing in processing, are they sacrificing original news generation and journalistic skill, leading to a decline in standards?
- **The Hidden Costs of Integrating:** news organisations need to provide more news to fill 24/7 multimedia news channels. Is this placing journalists under undue pressure, meaning they have less time to research original news stories? Is this leading to a decline in accuracy and journalistic standards?
- **New Suppliers: The Role of Citizen Journalism and PR:** are news organisations further reducing costs by relying on cheap sources of content (newswires, PR, citizen journalism) and cutting back on more expensive forms of journalism, such as international or investigative news? Could this have a detrimental effect on society and democracy by weakening informed citizenship?

Over 12 weeks, the students collected primary qualitative data through 32 face-to-face interviews with senior representatives from news organisations, PR agencies, NGOs and the worlds of politics and academia. Interviews were supplemented with a formal request sent to organisations to gain primary quantitative data on changes in resource allocation (budget and staff).

The full report articulated the findings from this research and was officially launched at the Oxford Media Summit on the 22nd January 2009.